



February 27, 2025

The Honorable Brooke Rollins
Secretary
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, D.C. 20250

Dear Secretary Rollins:

On behalf of Farm Action, a farmer-led advocacy organization, I write to share our recent findings of illegal activity and insufficient oversight over the U.S. Department of Agriculture's commodity checkoff programs, and to urge you to act on behalf of farmers, ranchers, and producers who are mandated to pay roughly \$1 billion into these programs each year.

Checkoff programs were initially voluntary, allowing farmers and ranchers to pool funds for commodity promotion and research. Now, these programs are mandatory, with farmers paying fees on each sale. While federal law dictates that funds should be used for advertising and research, much of the money goes to industry trade and lobbying organizations that represent corporate agribusinesses, multinational meatpackers, and large grain traders.

In 2024, we submitted a Freedom of Information Act request to the Department to evaluate the current oversight of checkoff programs. Our request was based on decades of concerns relating to waste, fraud, and abuse within the programs.

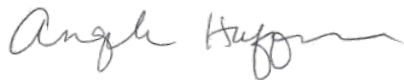
We found that USDA has failed to provide sufficient oversight or approval, failed to prevent funds from being used for lobbying activities, and has not met the oversight standards agreed upon in previous court cases. We provide the entirety of our findings in the enclosed report.

In light of these findings, and in your role as Secretary, we urge you to take much-needed action to reform checkoff programs, including halting checkoff spending until compliance audits are

complete and made public, terminating or suspending checkoff programs if reforms fail, or working with Congress to stop funding from going to trade and lobbying groups.

Thank you for your attention to this matter. We look forward to working with you to end checkoff program corruption.

Sincerely,

A handwritten signature in cursive script that reads "Angela Huffman". The signature is written in black ink and is positioned above the typed name.

Angela Huffman
President
Farm Action

Enclosure



INVESTIGATION REVEALS USDA'S FAILURE TO PREVENT CHECKOFF PROGRAM ABUSE

Farm Action sought to evaluate U.S. Department of Agriculture (USDA) oversight of checkoff programs by submitting a detailed request for documents under the Freedom of Information Act (FOIA).

Checkoff programs began as voluntary farmer-funded initiatives for research and marketing but evolved into mandatory fees amounting to \$1 billion annually. Products of these programs include ad campaigns such as "Got Milk?" and "Beef. It's What's For Dinner."

In federal lawsuits brought by farmers, USDA has claimed to provide oversight over every aspect and "every word" of checkoff programs. Yet, our findings reveal that USDA has permitted fraud and abuse within the programs, either authorizing unlawful use of funds or failing to meet legal oversight requirements.

BACKGROUND

Our investigation sought to evaluate the level of checkoff program oversight performed by USDA, and whether it is in compliance with federal law. We examined USDA's communications with Qualified State Beef Councils (QSBC) and Qualified State Soybean Boards (QSSB), which are designated by USDA to collect and manage federal checkoff funds. They retain half of the collected funds and spend them on local programs.

USDA has issued [regulations and guidelines](#) directing the operations of the various checkoff boards and councils, including the QSBCs and QSSBs.

In two court actions [brought](#) by farmers, USDA testified that checkoff programs are government speech and that USDA preapproves the budgets, plans, and projects of the checkoff programs. To win [one case](#), USDA went so far as to claim that they set the overall message to be communicated and approve "every word" that is disseminated. Had USDA not made these claims, farmers would have won the case and would not be mandated to pay the checkoff fees.

As a result of the more recent court case, one of the QSBCs—the Montana Beef Council—entered into a Memorandum of Understanding (MOU) with the USDA. In this [MOU](#), USDA agreed to oversee the checkoff expenditures and programs, including approving budgets and preapproving promotions, advertising, research, and consumer information plans and projects.

Farm Action’s investigation sought to verify whether USDA is maintaining the commitment made in USDA’s guidelines, court cases, and the MOU. From the evidence provided to Farm Action by USDA through their responses to the FOIA requests, we determined USDA has not upheld its court claims and has reneged on its responsibilities to Congress and American farmers.

OUR FOIA REQUESTS

NORTH DAKOTA SOYBEAN COUNCIL

The North Dakota Soybean Council is the QSSB responsible for collecting and spending federal checkoff dollars in North Dakota. In 2023, the North Dakota State Auditor [found](#) that the North Dakota Soybean Council illegally spent \$85,000 in federal checkoff funds for lobbying, on legislation that will exempt them from future state audits.

Checkoff programs are explicitly not allowed to lobby; federal law prohibits them from using funds to influence government policy or legislation, meaning they cannot engage in lobbying activities.

What We Requested

We requested relevant documentation going back to January 2021 regarding program payments, budgets, audits, financial reports, communications regarding payments of funds, and records relating to the North Dakota State Auditor's investigation.

We sought to reveal whether USDA approved the North Dakota Soybean Council’s budget for lobbying, whether USDA has been approving any expenditures for the North Dakota Soybean Council; and what sort of oversight USDA has over the North Dakota Soybean Council.

What We Found

No documentation was received that demonstrates USDA is approving North Dakota Soybean Council budgets or programs. We filed an administrative appeal requesting confirmation that no additional correspondence was missed and asking for some of the redacted information to be

unredacted. USDA has missed the deadline to respond to this administrative appeal. We have given USDA two opportunities to provide the documentation we would expect to see.

MISSOURI SOYBEAN MERCHANDISING COUNCIL AND IOWA SOYBEAN ASSOCIATION

The Missouri Soybean Merchandising Council and Iowa Soybean Association are QSSBs, or the designated administrators of the federal soybean checkoff program, for their respective states. Farm Action had documented that checkoff funds were paying for a Missouri program that conducts “hands-on work with policy, government and legislative processes” (the Cohort program).

Checkoff programs are prohibited from lobbying under federal law. They cannot use funds to influence government policy or legislation.

What We Requested

We requested relevant documentation since January 2021 regarding records related to the Cohort program including the approval or denial of funds sought by the groups or their affiliates for the Cohort program; the USDA’s monitoring, auditing, or oversight of funds approved for the Cohort program; and the approval or denial of funds sought for the marketing, promoting, or advertising of the Cohort program.

Our investigation sought to reveal whether USDA had approved these programs and communications, or if USDA had failed to execute oversight of these programs to the extent they claimed.

What We Found

The materials provided show no evidence of USDA approval for budgets or programming from the Missouri Soybean Merchandising Council or Iowa Soybean Associations. Further, the IA-MO Policy Leaders Fellowship program clearly describes illegal lobbying activities. The response documents a series of communications where the program’s description and name were altered, but there is no indication that the actual program activities (and its associated lobbying) changed.

MONTANA BEEF COUNCIL

The Montana Beef Council is the QSBC responsible for collecting and spending federal checkoff dollars in Montana, with USDA approval of all expenditures.

What We Requested

We requested relevant documentation since 2021 regarding records related to the 2016 MOU as well as the group's audits, which are based on the Montana Beef Council's prepared financial statements and not made publicly available.

We sought to reveal whether USDA was following the agreed-upon MOU, which requires the Montana Beef Council to have annual audits conducted and sent to USDA, the approval of budgets, and the preapproval of projects and materials.

What We Found

Records indicate that the Montana Beef Council has consistently submitted annual financial audit reports and marketing plans to USDA. In 2018 and 2019, the Montana Beef Council submitted promotional materials, including radio and television scripts, press releases, and other promotional materials. Since then, however, there is no evidence of USDA approving advertising and marketing materials, which we would expect to see if they were maintaining the established MOU. It appears that while USDA and the Montana Beef Council were compliant in 2018 and 2019, since then they have failed to comply with the MOU.

WHAT THESE FINDINGS MEAN

Despite USDA's claims of providing oversight for these expenditures, the records reviewed suggest that the USDA has not fulfilled its stated role in approving the budgets, programming, and marketing plans of qualified state checkoff boards.

- In the cases of the North Dakota Soybean Council and the Missouri-Iowa Soybean programs, USDA has failed to provide the level of scrutiny required to prevent checkoff funds from being misused for lobbying activities.
- In the case of Montana Beef Council, we see evidence from 2018 and 2019 of the level of oversight one would expect from the MOU, but then there is a notable lack of materials and evidence of approval of marketing content that starts in 2020.

The USDA's broader failure to oversee and approve key programs weakens the credibility of its claims of maintaining legal and procedural compliance in managing checkoff funds. These findings highlight a significant gap between USDA's public statements and its actual practices, undermining the integrity of the checkoff programs.

USDA HAS BEEN COMPLICIT IN CHECKOFF ABUSE FOR TOO LONG

The USDA's oversight of checkoffs has been notoriously lax, allowing for the full corporate capture of these programs—and they've been warned to correct course before.

- A [2010 audit](#) of the equivalent of just nine days of beef checkoff program spending found more than \$200,000 in improper spending by the primary contractor, the National Cattlemen's Beef Association. USDA then performed a full audit of the program but [did not release it to the public](#), claiming it would cause embarrassment for USDA and fracturing of the beef industry.
- A [2014 report](#) from the Office of the Inspector General found that USDA "needs to strengthen its procedures for providing oversight" of the beef checkoff program. The report also said weaker procedures had resulted in "reduced assurance that beef checkoff funds were collected, distributed, and expended" according to the law.
- In a [2017 report](#), the U.S. Government Accountability Office (GAO) found USDA's oversight of checkoff programs to be insufficient, and called on USDA to increase oversight of the programs. USDA claims to have implemented these changes.

Despite calls for increased transparency and accountability, farmers have yet to see any real, lasting improvements to checkoff programs.

WHAT ACTIONS ARE NEEDED

In response to these findings, Farm Action is calling on the USDA Secretary to take action to restore checkoffs to their original purpose and restore farmer trust in the programs. If the programs cannot be repaired, we urge the Secretary to terminate them under the authority granted by [federal law](#).

- The Secretary should immediately halt all approvals of checkoff expenditures until full compliance audits are completed, a determination is made that the checkoff program is fully compliant with the law, and the compliance audits are made publicly available. Non-compliant programs should be penalized and made to correct their actions.

- The Secretary should work with Congress to reform checkoff programs, mandating regular compliance audits that are made public and prohibiting agricultural trade and lobbying organizations from receiving checkoff funding (*See the Opportunities for Fairness in Farming Act*).
- If checkoffs cannot be reformed, the Secretary should declare all checkoffs ineffective and terminate or suspend them.

FOIA FILES

North Dakota Soybean Council

- [USDA Final Response Letter](#) (8/30/24)
- [USDA Final Response Records_Redacted](#) (8/30/24)
- [Farm Action Appeal Letter](#) (10/25/24)

Missouri Soybean Merchandising Council and Iowa Soybean Association

- [USDA First Interim Response Letter](#) (8/30/24)
- [USDA First Interim Response Records_Redacted](#) (8/30/24)
- [USDA Final Response Letter](#) (9/30/24)
- [USDA Final Response Records_Redacted \(Part 1\)](#) (9/30/24)
- [USDA Final Response Records_Redacted \(Part 2\)](#) (9/30/24)
- [Farm Action Appeal Letter](#) (10/29/24)

Montana Beef Council

- [USDA First Interim Response Letter](#) (12/11/24)
- [USDA First Interim Records_Redacted](#) (12/11/24)
- [USDA Second Interim Response Letter](#) (1/24/25)
- [USDA_Second Interim Records_Redacted \(Part 1\)](#) (1/24/25)
- [USDA_Second Interim Records_Redacted \(Part 2\)](#) (1/24/25)
- [USDA_Second Interim Records_Redacted \(Part 3\)](#) (1/24/25)

Any Beef or Soybean Checkoff Board

- [USDA First Interim Response Letter](#) (9/13/24)
- [USDA First Interim Response Records_Redacted](#) (9/13/24)