



South Dakota Beef Industry Council News Release

For Immediate Release

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Celebrating 25 Years of Beef Checkoff: *South Dakotans Reflect on Industry Effort*

PIERRE – (December 12, 2011)—As the \$1 Beef Checkoff turned 25 this past October, the anniversary elicited countless articles in beef industry publications. Most of the publicity has focused on what the Beef Checkoff Program has accomplished—and the list is impressive. Well-known advertising campaigns such as “Beef. It’s What’s for Dinner” and research identifying lean cuts of beef that fit well in a healthy lifestyle are just two of the many checkoff-funded programs that have made a positive difference in beef demand.

The untold story, however, is that the \$1 Beef Checkoff could not have been passed if not for the grassroots efforts on the state level. Nowhere was that more true than in South Dakota. When the Beef Research and Information Act was written as part of the 1985 Farm Bill, followed by the Beef Promotion and Research Order that specified how the Act would be implemented, South Dakotans were already having an impact. The state, which ranked ninth among all of the states in terms of cattle numbers in 1985, had a reputation for producing effective beef industry leaders on the state and national level.

In addition to being involved in some of the groundwork leading up to the initial Act and Order, the state’s beef industry leaders took the checkoff message to the road, talking to farmers, ranchers and auction market operators, so that in 1988, when beef producers across the country voted in a referendum to decide if the checkoff would go or stay, 64% of South Dakota’s cattle producers—and 79% in the U.S.—voted to keep the checkoff in place. It was a momentous occasion—especially since two earlier attempts to pass a legislated mandatory checkoff had failed.

There were many individuals in South Dakota who committed to getting a national checkoff program in place. Four of them recently shared their memories of the conditions that prompted the call for a mandatory checkoff and the efforts involved in

getting it passed and operating. We've also taken excerpts from speeches and articles given during that time period.

Pat Adrian, a White River, SD rancher, retired in 2007 after serving 33 years as executive director of the South Dakota Beef Industry Council (SDBIC). Throughout the years she held numerous state and national leadership positions. Rose Paulson, a Colome, SD rancher, was president of the South Dakota Cow Belles (today's South Dakota CattleWomen), and president of the SDBIC in the 1980s. Roger Husted, Harrold, SD rancher, is past president of the South Dakota Stockgrowers and a former director on the SDBIC. He served on the first Cattlemen's Beef Board (CBB), the governing body of the Beef Checkoff Program. Jim Woster was at the Sioux Falls Stockyards for 40 years and was a reporter of the daily livestock prices on radio and TV during the checkoff referendum. He was also co-owner of the commission firm Olsen-Frankman Livestock.

Several states, including South Dakota, had implemented voluntary checkoff programs to help fund beef promotion. Eleven western states had a legislative mandatory checkoff. The voluntary checkoff funds in South Dakota were directed to the SDBIC.

What was the beef marketing program in place prior to the \$1 Beef Checkoff?

Adrian: In South Dakota we had about 13 markets out of the 50 that were voluntarily checking off a nickel or dime. There was nothing that said you had to check off, but without that voluntary program no one would have had any idea of what could be done. It set the stage for a legislative checkoff.

Woster: We were doing a voluntary checkoff at the stockyards. We would take it off and if a producer didn't want it taken off we wouldn't. It was kind of cumbersome. Everybody did what they wanted to do.

"We have gone on for too many years trying to find a long-term solution to the beef industry's growing problems. While we recognize that the previous volunteer and state-by-state legislated checkoff programs had some degree of success, we also recognized that a national unified program providing enough money to do the job right was, and is, the answer...It's up to us in the industry to become the driving force behind marketing beef."

Rose Paulson in a speech given in 1986 in support of the \$1 Beef Checkoff

What prompted beef producers to seek a mandatory national checkoff back in the 1980s?

Adrian: You couldn't pick up a magazine or turn on a TV program without somebody saying how terrible beef was for your health. We had absolutely no way of answering back. It takes organization and research and that takes dollars. The industry had to do something to survive.

Woster: If you think there's negative press now, it was brutal then. We didn't have enough information to combat what was being said about beef.

"We have witnessed nearly five years of market and production conditions which have caused severe economic problems for cattlemen across the nation. The rate of production of beef has basically remained the same for the past five years. However, beef consumption during that same period has dropped off nearly 30%."

Pat Adrian in a 1986 speech to agri-businesses in Sioux Falls

What was at stake with the mandatory checkoff referendum in 1988?

Adrian: We had two checkoff referendums before this—in 1977 and 1980—and both failed. People gave their hearts and time and souls to try and get this one passed.

Paulson: We knew we had to get it done on the third try or it would die.

What were some of the concerns of cattle producers in terms of a mandatory legislated checkoff?

Adrian: Producers wanted the checkoff controlled at the state level, with state representatives telling national what to do. That is still a very strong component. We tried to pass a percentage-type checkoff in one of the earlier referendums and people didn't like the idea of not knowing how much they'd have to pay each time. They wanted it to be \$1 per head. And then there were some who just didn't want to pay the \$1.

Woster: Getting it passed was a pretty good battle because there were a lot of people who really believed in it, some that didn't care and some that were really opposed to it.

Responding to results from a national survey of producers in 1985, the checkoff implemented in 1986 and still in effect today differed from those that were voted down in two previous attempts. It is a \$1-per-head checkoff verses a percentage of the animal's

value and it ensures state control of 50 cents of every \$1 collected and strong representation from states on the national level.

What was the response of the livestock markets/stockyards to the idea of a mandatory checkoff?

Woster: Early on, the stockyards and some of the other auction markets fought the checkoff, but we soon realized that the producers wanted it regardless of what we thought. We were brought to the table because the producers were out there on the ground doing the work to get this passed and doing it for nothing and spending their own money to do it. It took us awhile to understand that the bookwork we had to do was just part of what our effort should be to help out those guys and gals who were really working hard to get this done.

What were the efforts of those working to get the checkoff passed?

Adrian: We were going to meetings in every little and big town in South Dakota. We talked to anyone who stopped to listen to us, telling them why it was important. We had a committee and chairman in every county and a state coordinator who made sure all of the county groups had information so they could answer questions. We had people all over the state that at one time or another got up and gave some kind of an explanation. We were listening to what the producer was thinking and wanting and telling people how the money would be used and set up so that they would have control.

Paulson: We went to every ag convention in the state and got up and spoke about the importance of passing the checkoff. We had to show them so much more had to be done than we had the money to do.

Woster: I was doing radio and TV for the stockyards and when you do that you're asked to speak to different ag groups. I would incorporate a little bit of a beef checkoff promotion message in those talks. We didn't have any numbers to show that it works like we have now. We just believed that it could. The basic message was that there's a reason that General Motors and General Electric advertise. The beef industry has a great product, too, and we need to advertise and get the message out and the checkoff would help us do that.

Producers wanted to make sure the new program would operate and succeed as promised. So the law, enacted in 1986, would not become final until a vote of producers nearly two years after it was introduced. In 1988, producers approved of continuing the program by a nearly 4-1 margin. In South Dakota, the checkoff referendum passed with

64% of the state's beef producers voting 'yes' compared with only 17% in an earlier referendum.

What was your reaction when the checkoff referendum passed?

Husted: I was surprised it passed by as much as it did in South Dakota. There were some people really opposed to it, but I think a lot of people realized that the only ones who would help the industry were the people in the industry. Earlier attempts to get a checkoff didn't pass, but I think people felt more confident this time that the people pushing for it were people that would protect the producer.

Woster: When you think back to how many obstacles these producers had in order to get the checkoff passed it's pretty amazing. There were some real heroes that truly believed in it and understood what it was going to do and absolutely wouldn't say 'no'.

Four South Dakotans were appointed by the U.S. Secretary of Agriculture to serve on the first CBB, the board that oversees the collection on the national level and administers the law. John Glaus, Chamberlain, Roger Husted, Harrold, Tom Olsen, Wessington Springs, and Jay Swisher, Groton, were part of the 113-member board representing all facets of the beef industry. Husted served on the CBB for eight years.

Talk about the focus of those early CBB members?

Husted: The people that were serving were very dedicated. We wanted the checkoff program to succeed and we wanted to protect the producer. Our meetings were organized to keep our expenses down. There were no frills. We had a limit of 5% of the budget that could be used for administration and we did a good job staying within that limit and funding good programs.

The dollar was well spent. Let's put it that way. We did a lot, but as far as cattle prices, the dollar checkoff can't work miracles. When cattle prices would drop some people would say, 'Well cattle went down so the checkoff isn't doing anything.' But how do you know that prices wouldn't have dropped more without the checkoff?

When you think back to those early efforts to pass the checkoff, what comes to mind?

Adrian: I'm most proud of the fact that we all got together and got it passed. I'm also proud of the programs, particularly a lot of the health research programs. Early on we funded research showing that beef was good for your heart and we ran it in a health magazine. It reached over 9 million consumers. How far could you go with your own

dollar in trying to reach 9 million consumers? You've got to work together and the checkoff has allowed us to do that.

Getting the beef checkoff in place was a very serious effort by the beef people who realized that if we want a voice in the marketplace we're going to have to go out and get one. We still need that voice just as strongly today as we ever did.

To find out more about the history of the \$1 Beef Checkoff Program, go to www.mybeefcheckoff.com and click the 'Silver Celebration' link on the home page.

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The SDBIC collects and administers the \$1 Beef Checkoff on cattle sold in South Dakota. Checkoff dollars are utilized strictly for promotion, education or research programs. Fifty cents of every dollar is directed to the Cattlemen's Beef Board for programs on the national level. The SDBIC retains 50 cents, which is invested in additional national programs or in-state programs.

The SDBIC is comprised of three representatives from eight agricultural organizations: SD Beef Breeds Council, SD Cattlemen's Association, SD Cattlemen's Auxiliary, SD CattleWomen, SD Farm Bureau, SD Farmers Union, SD Livestock Auction Market Association and SD Stockgrowers Association.