The Honorable John Boozman Ranking Member Committee on Agriculture, Nutrition, and Forestry U.S. Senate

328A Russell Senate Office Building Washington, DC 20510

The Honorable David Scott Ranking Member Committee on Agriculture U.S. House of Representatives 1301 Longworth House Office Building Washington, DC 20515

Dear Chairwoman Stabenow, Ranking Member Boozman, Chairman Thompson, and Ranking Member Scott:

The undersigned organizations (collectively, "the Trade Associations") write today in strong opposition to S. 557 and H.R. 1249, the deceptively titled *Opportunities for Fairness in Farming (OFF) Act.* If enacted, this legislation would substantially undermine our members' ability to promote U.S. agriculture- and natural resource-based commodity products.

The Trade Associations represent American farmers, ranchers, foresters, and processors of raw materials. Each of these industries plays a critical and irreplaceable role in the U.S. economy through the production of food, fiber, and other essential goods—all while creating jobs, stewarding resources, and supporting local communities across the country.

The *OFF Act* targets commodity research and promotion boards, better known as "checkoff" programs. Checkoffs were established at the urging of the producers of their respective product. While each individual program operates in a manner uniquely crafted to suit the needs of that specific commodity, generally, a small portion of the sales receipts of that commodity is allocated to a research and promotion board overseen by the U.S. Department of Agriculture (USDA).

Research and promotion boards exist to develop new markets and strengthen existing channels for specific commodities while conducting important research and promotional activities. They also work to educate consumers on behalf of a particular commodity to expand total demand to the benefit of all producers. Using the pooled resources and stakeholder investments obtained through checkoff assessments, they promote the product as a whole to create an industry-wide benefit through increased sales, consumer awareness, and higher overall demand. For every dollar invested into a commodity checkoff, producers see several more in return.

Proponents of the bill argue this legislation would increase transparency and close perceived loopholes in the statutes enabling checkoff programs. This is an inaccurate assessment. In fact, the bill would not create

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Chairwoman

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any new checks and balances to ensure compliance and fairness. Checkoffs are already subjected to rigorous compliance protocols, both internally and by USDA.<sup>1</sup> Rather, the bill would stymie research collaboration, undermine producer direction of these programs, and unnecessarily restrict implementation of critical checkoff functions.

Importantly, you will note that none of the federally authorized research and promotion boards are signatories to this letter. This is not a coincidence. Contrary to claims made by supporters of the *OFF Act*, checkoffs are prohibited from using their resources to influence public policy. The Trade Associations are organizations which our members voluntarily elect to join. Each is one of the numerous individuals who pay checkoff assessments. We oppose this misguided legislation because these same members understand the value of checkoff programs and have seen firsthand the return on their investments over the years.

The Trade Associations maintain this bill would set producers back decades in the work which has been done to promote our commodities and improve the businesses and livelihoods of our members. Checkoff programs have made significant, measurable strides raising the level of demand for each of our respective products. Without these programs, demand and education outreach efforts would be adversely impacted to an immense degree.

We appreciate the opportunity to provide our perspective and urge your strong opposition to S. 557 and H.R.1249, the *Opportunities for Fairness in Farming Act*. Please do not hesitate to contact us with any questions or concerns.

Sincerely,

American Farm Bureau Federation American Honey Producers Association American Mushroom Institute American Sheep Industry Association American Soybean Association International Fresh Produce Association National Cattlemen's Beef Association National Christmas Tree Association National Cotton Council National Milk Producers Federation National Pecan Federation National Pork Producers Council National Potato Council National Sorghum Producers National Watermelon Association North American Blueberry Council United Egg Producers **U.S. Peanut Federation** 

<sup>&</sup>lt;sup>1</sup> Guidelines for AMS Oversight of Commodity Research and Promotion Programs. *U.S. Department of Agriculture*. Jan. 2020. Link