
Opportunities for Fairness In Farming Act

Under check-off programs, agricultural growers, handlers, producers, importers, and other stakeholders in the marketing chain join together to pool resources, advancing demand for their commodities through generic marketing and research. Because these commodities are homogenous, promoting the commodity as a whole can be more effective than promoting individual brand names. Together, these stakeholders have successfully promoted such domestic slogans as “Got Milk?,” “Beef. It’s What’s for Dinner,” and “Pork. The Other White Meat” to domestic consumers. These marketing promotions are directed by multiple boards and are funded by checkoff dollars, which stakeholders pay through regular business activities. In 2009, stakeholders paid approximately \$528 million in assessment fees to the boards.

Unfortunately, some check-off programs have developed a reputation for unscrupulous behavior. Such a case was highlighted by a 2012 report from the USDA OIG’s office which determined that the boards’ oversight body, the Agricultural Marketing Services, needed to improve oversight controls to detect or prevent the misuse of board checkoff funds. As an example, the OIG investigative review reported that a subcontractor of the United Soybean Board, the United States Soybean Export Council, used subcontracts as a mechanism for paying employees unauthorized bonuses totaling approximately \$302,000. The Council’s executives did not obtain authorization from the USB to pay the bonuses. The Council requested the funds, but did not specify the purpose or use of the funds. The USB became aware of the bonuses when the Council made another request for funds at yearend, due to its poor financial situation. An independent review of checkoff funds at another board uncovered charges for unallowable travel expenses as well as unsupported charges. AMS officials stated these charges were misallocated and later refunded to the checkoff board. However, it is clear that AMS’ oversight controls were not adequate to prevent or detect the potential misuse of funds.

This bill would institute a series of oversight measures to ensure transparency and accountability for check-off boards.

Bill Specifics

- Prohibits check-off boards from entering into contracts to carry out check-off activities with parties that also work to influence government policy
 - Exempts institutions of higher education
- Prohibits board members and employees of check-off programs from engaging in any act that may involve a conflict of interest
- Prohibits engagement in anticompetitive activity, deceptive practices, or disparaging practices
- Requires that contracts entered into by the board be recorded to describe goods and services provided/costs incurred
- Requires check-off boards to publicize a transparent budget
- Requires periodic audits of check-off boards by the Inspector General of USDA
- Requires periodic audits of check-off boards by the Comptroller General