
Opportunities for Fairness In Farming Act

Under checkoff programs overseen by the U.S. Department of Agriculture (USDA), agricultural growers, handlers, producers, importers, and other stakeholders in the marketing chain join together to pool resources for generic marketing and research of their products. Because these commodities are homogenous, some argue that promoting the commodity as a whole can be more effective than promoting individual brand names. Together, these stakeholders have promoted such domestic slogans as “Got Milk?,” “Beef. It’s What’s for Dinner,” and “Pork. The Other White Meat” to consumers. These marketing promotions are directed by multiple boards and are funded by checkoff dollars paid by producers.

Unfortunately, some checkoff programs have developed a reputation for unscrupulous behavior. This was highlighted by a 2012 report from the USDA’s Office of Inspector General (OIG) which determined that the boards’ oversight body, the Agricultural Marketing Services (AMS), 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 (USB), 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. 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.

Clearly, checkoff programs are not operating as originally envisioned and may be unfairly supporting certain stakeholders over others. While Senator Lee has legislation which would make all agriculture checkoff programs voluntary rather than mandatory, at the very least, Congress should institute a series of oversight measures to ensure transparency and accountability for checkoff boards.

Bill Specifics

- Prohibits checkoff boards from entering into contracts to carry out checkoff activities with parties that also work to influence government policy
 - Exempts institutions of higher education
- Prohibits board members and employees of checkoff 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 checkoff boards to publicize a transparent budget
- Requires periodic audits of checkoff boards by the Inspector General of USDA
- Requires periodic audits of checkoff boards by the Comptroller General