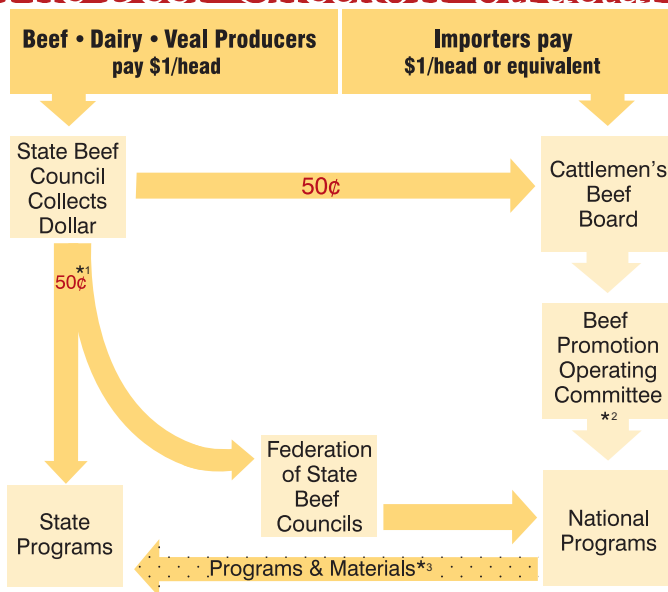




The Beef Checkoff Structure



By law, the Operating Committee reviews and recommends approval of checkoff programs and must contract with national industry-governed organizations to carry them out. Some of the primary contractors are the National Cattlemen's Beef Association (NCBA), American National CattleWomen (ANCW), the National Livestock Producers Association (NLPA), the United States Meat Export Federation (USMEF) and the Meat Importers Council of America (MICA). All programs and budgets must be approved by the United States Department of Agriculture (USDA).

*1 States may invest a portion of their 50 cents in national programs.

*2 The Beef Promotion Operating Committee has 10 members from Cattlemen's Beef Board and 10 members from NCBA's Federation of State Beef Councils.

*3 National programs and materials are used by states to extend national priorities.

The Beef Promotion and Research Act outlines the specific responsibilities of the organizations that comprise the checkoff structure.

Beef Board

Created by the Beef Promotion and Research Act to administer the Beef Checkoff Program, the Beef Board is made up of volunteers nominated by state producer organizations and importers, and appointed by the U.S. Secretary of Agriculture. Duties include certification of state beef councils, evaluation of programs, annual budget approval and overseeing collection of the \$1-per-head beef checkoff. Administrative costs for the Beef Board are capped at 5 percent of projected revenue, and the board has always remained well below this level.

State Beef Councils

State beef councils collect the \$1-per-head checkoff and retain control of 50 cents of every dollar to conduct and implement state-level

programs that are consistent with the Beef Promotion and Research Act. States may invest a portion of their 50 cents in national programs and then elect producers to serve on the Federation of State Beef Councils Division of the NCBA Board to oversee program development and implementation.

Operating Committee

The Beef Promotion Operating Committee reviews and approves national checkoff programs and contracts with national industry-governed organizations to implement programs. The Beef Board selects 10 of its members to serve on the Beef Promotion Operating Committee. Together as the Federation, state beef councils select the other 10 producers to serve on the 20-member committee.