

Hello again, Chairman Schmidt, and committee members. I'm Julie Ellingson of the North Dakota Stockmen's Association.

I appreciated Nancy Jo's presentation explaining the beef checkoff program and its role in beef promotion, education and research.

The Stockmen's Association has long been a strong supporter of the beef checkoff and was instrumental in helping get the first checkoff put into place decades ago.

As Nancy mentioned, the beef checkoff assessment rate is still \$1 per head, just as it was in 1986. Not only has inflation diminished the buying power of that dollar to only about 40 percent of what it was at the time of inception, but cattle numbers across the nation are at some of the lowest they have been at since the 1950s.

Consequently, there are fewer dollars in the pool, and less resources to address growing needs, whether they are attacks on beef and beef production practices from activist organizations or communicating to consumers who, on average, are three or four generations removed from the farm or ranch.

To address those needs, eleven states – the most recent being Texas and Ohio – have increased their respective state beef checkoffs to provide additional resources to leverage their demand-building capabilities. At least four others are in some phase of exploring such a change.

Our members passed policy a year ago to support a similar \$1 beef checkoff enhancement and will be working with you and your colleagues on a proposal that we'd like for you to consider during the 2015 session.

Our vision would be that the additional dollar be used for the sole purposes of beef research, education and promotion efforts, just like the current dollar is, and that investment decisions rest solely with the grassroots producers serving on the North Dakota Beef Commission, who are armed with the best information to make those decisions. In some cases, the best bang for the buck might be an investment in in-state efforts. In other cases, it might be to pool those resources with others for national or international programs, which aim to influence consumers in more densely populated regions or high-value markets.

Of course, we recognize that not everyone will love the idea of a checkoff increase. That's why our vision is to allow producers who do not want to contribute to additional beef promotion, research and educational efforts the ability to get a 100 percent refund on the additional checkoff, similar to the refund allowances of other state commodity programs.

You should know that there have been ongoing discussions about increasing the beef checkoff on the national level. Industry groups have been working together for several years to try and find consensus on how that should take place. While there is progress being made, consensus has not yet been attained and there is still a lot of

work ahead. Consequently, we think it is appropriate to move forward with a state checkoff increase like so many of our counterparts have done across the country, but to include a provision in our proposal for the additional state beef checkoff to sunset, if you will, if a national beef checkoff increase would be enacted.

The Stockmen's Association itself does not stand to benefit from a beef checkoff increase directly. The reason that we support an increase, however, is that our industry, our producers, stand to benefit by keeping their product, beef, top of mind and in a favorable light with consumers around the world. In fact, a recent study conducted by Cornell University indicates that for every \$1 invested in the checkoff returns an \$11.20 return on investment. And we can do better than that by bolstering our resources to a more adequate level.

Thank you for the opportunity to comment. I would stand for any questions that you might have.