

Understanding Beef Checkoff & State Beef Promotion Assessments



Requirements for Tennessee Beef Producers Who Sell Cattle & Direct Market Beef

Hal Pepper

Extension Specialist
Center for Profitable
Agriculture

Valerie Bass

Executive Director
Tennessee Beef Industry
Council

April 2015

Many beef and dairy cattle producers know about the Beef Checkoff and State Beef Promotion programs and are familiar with the assessments when their beef and dairy cattle are sold at public auction; however, many producers may not know how these assessments apply to the direct marketing of their cattle and beef products. There are actually two different assessments for cattle sold in Tennessee:

- Beef Checkoff Program – national program
- Tennessee Beef Promotion Program – state program

The amount of each of these assessments is different and how the assessments apply to direct marketing and value-added beef sales varies. This document provides information about the history, purpose and benefits of the assessments and explains how to calculate and remit them.

History, Purpose and Benefits



THE BEEF CHECKOFF PROGRAM is a marketing program initiated by the nation's cattle producers as part of the 1985 Farm Bill. The purpose of the Beef Checkoff Program is to assist beef producers in independently promoting beef and it is funded by the pooling of cattle producers' financial resources—specifically Beef Checkoff dollars of \$1 per head when cattle are sold. Beef Checkoff Program funds are used for beef research, education and promotion: 50 cents of the \$1 collected is used to fund national research on beef safety, consumer advertising, and human nutrition, as well as to develop recipes and educational materials used by all states to inform consumers and health professionals about the benefits of beef consumption. The other 50 cents remains within the state in which it was collected to extend the nationally developed materials to state consumer audiences and for state-specific beef promotion programs. Program oversight is provided by the Cattlemen's Beef Board, and the Beef Checkoff Program in Tennessee is overseen and managed by the Tennessee Beef Industry Council.

THE STATE BEEF PROMOTION

assessment of 50 cents per head is also collected when cattle are sold. The State Beef Promotion Program mirrors the Beef Checkoff Program with funds used to customize promotions and extend nationally developed materials to Tennessee consumer audiences. The State Beef Promotion Program is overseen by the Tennessee Department of Agriculture and the Tennessee Beef Promotion Board, and is managed by the Tennessee Beef Industry Council.

While most cattle producers are familiar with the Beef Checkoff and State Beef Promotion programs and understand that assessments are made for these programs when their beef and dairy cattle are sold at the livestock barn, some producers may not realize that both the Beef Checkoff and State Beef Promotion assessments also apply when animals are sold from the farm

or are direct-marketed. This means that Beef Checkoff and State Beef Promotion assessments also apply to producers' sales of live animals to customers who will have them processed at either a custom-exempt or USDA-inspected plant.

By federal law, all cattle producers must pay the Beef Checkoff assessment of \$1 per head when cattle or beef products are sold. Assessments collected are used to fund beef and veal promotion, research and education. The law authorizing the Beef Checkoff Program is defined in section 1260.172 of the Beef Promotion Act of 1985. Tennessee state law requires that all producers pay the State Beef Promotion assessment of 50 cents per head when cattle are sold. The State Beef Promotion Program is outlined in the Tennessee Code Annotated, Title 43 Agriculture and Horticulture, Chapter 29 Agriculture Commodities Promotion. When cattle are sold to consumers who will have them processed at either a custom-exempt or

USDA-inspected plant, the Beef Checkoff and State Beef Promotion assessments should be remitted. Both the buyer and seller of the animals are equally liable to ensure assessments have been paid; however, when cattle are direct-marketed to consumers for processing, it is much more convenient and practical for the producer to remit the assessments.

Tennessee producers who direct-market their cattle or beef to retail and wholesale customers are responsible for paying the \$1 per head for the Beef Checkoff assessment. The assessment is due by the 15th of the month following the sale date. For producers who market cattle in the form of beef products to consumers, it seems reasonable to remit the assessment by the 15th of the month following the date of processing.

The State Beef Promotion assessment of 50 cents per head applies to the sale of live cattle to customers who will have them processed at a custom-exempt or USDA-inspected facility, but does not apply to producers' sales of beef products.

Benefits producers receive from Beef Checkoff fund uses:

Research:

- product enhancement
- beef safety
- human nutrition
- sustainability
- marketing

Educate:

- consumers
- health and fitness professionals
- educators
- youth
- beef producers

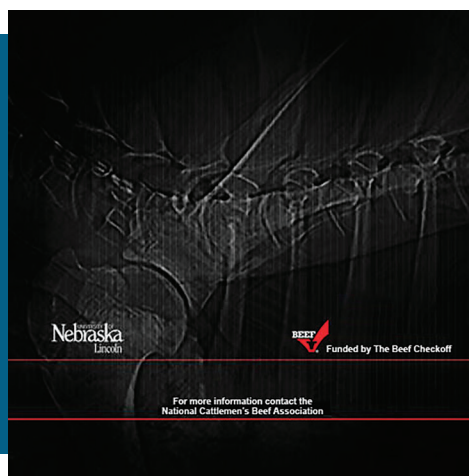
Promotions:

- social media
- websites

Recipe Testing

For more information about Beef Checkoff benefits, visit MyBeefCheckoff.org.

Benefits producers receive from the Beef Checkoff programs include industry-changing research in product enhancements, such as the Bovine Myology & Muscle Profiling Study (bovine.unl.edu). This study identified underutilized and undervalued tender beef cuts within the carcass, one of which is the Flat Iron Steak.



U.S. beef producers have invested more than \$27 million in beef safety since 1993. Beef safety studies have produced significant data and have served as a road map for dramatically reducing E. coli O157:H7 (bifsc.org). The State Beef Promotion efforts are modeled after the Beef Checkoff Program and are tailored for Tennessee audiences.

BEEF SUSTAINABILITY ASSESSMENT

The first step in demonstrating beef's path of continuous improvement.

After two years of data collection and research, the beef industry has proven it is on a sustainable path forward. So, what did the life cycle assessment determine?

BETWEEN 2005 AND 2011, THE BEEF INDUSTRY REDUCED:

- Greenhouse gas emissions: 7%
- Water use: 2%
- Antibiotic use: 3%
- Land use: 1%
- Feed use: 1%
- Beef quality: 1%
- Beef safety: 1%

The overall environmental beef industry has been

BEEF'S OVERALL SUSTAINABILITY

SO, HOW DID WE ACCOMPLISH THESE IMPROVEMENTS?

- Better crop yields as a result of precision farming and improvements in irrigation techniques
- More efficient machinery
- Improved animal health and performance
- Biogas capture and conversion
- Closed loop water cooling systems and waste water recycling in packing plants
- Right-size packaging

For more information and research

Beef Up Your Heart-Healthy Diet

The Beef in an Optimal Lean Diet (BOLD) study shows that eating lean beef daily as part of a heart-healthy diet can decrease risk factors for heart disease as effectively as traditional heart-healthy diets. You can follow the same diet as the BOLD study participants with this Sirloin with Sugar Snap Pea and Pasta Salad with Gremolata Dressing recipe.

Sirloin with Sugar Snap Pea and Pasta Salad with Gremolata Dressing

Water:
2 cups fresh sugar snap peas
2 cups cooked penne or farfalle pasta
1 cup grape or seedling tomatoes, cut in halves

Gremolata Dressing:
1/2 cup fresh lemon juice
2 Tbsp olive oil
2 Tbsp chopped fresh parsley
2 cloves garlic, minced
2 tsp freshly grated lemon peel
1/2 tsp salt
1/4 tsp pepper

3 cloves garlic, minced
1 tsp pepper
1 headless beef Top Sirloin steak, cut 1/2-inch thick (about 1 lb.)
Freshly grated lemon peel
Chopped fresh parsley (optional)

- Bring water to boil in large saucepan. Add peas; cook 2 to 3 minutes until crisp-tender. Drain; rinse under cold water. Combine peas, pasta and tomatoes in large bowl. Set aside.
- Whisk Gremolata Dressing ingredients in small bowl until well-blended. Toss 2 Tbsp. dressing with pasta mixture. Set aside.
- Combine garlic and pepper; press evenly onto beef steak. Place steak on rack in broiler pan so surface of beef is 2 to 3 inches from heat. Broil 9 to 12 minutes for medium-rare to medium doneness, turning once.
- Carve steak into thin slices. Add steak slices and remaining dressing to pasta mixture; toss to coat evenly. Garnish with lemon peel and parsley, if desired.

Makes 4 servings. Nutrition information per serving: 369 calories; 12 g fat (2 g saturated fat; 7 g monounsaturated fat); 50 mg cholesterol; 216 mg sodium; 31 g carbohydrate; 4.2 g fiber; 22 g protein; 602 mg niacin; 0.7 mg vitamin B₁₂; 1.4 mg vitamin B₆; 44 mg iron; 46.5 mg selenium; 5.3 mg zinc.

This recipe is an excellent source of protein, niacin, vitamin B₁₂, iron, selenium and zinc and a good source of fiber.

The Tennessee Beef Industry Council shared new information on value cuts with beef producers during the recent CO-OP Beef Bonanza. Beef producers sampled the new cuts and recipes from the chuck, including the Flat Iron Steak, Country-Style Beef Ribs and Breakfast Burrito.



Responsibility for Collecting & Remitting Payments

Producers must submit Beef Checkoff and State Beef Promotion assessments by the 15th of the month following the month in which the cattle were marketed. Late payments of Beef Checkoff assessments are subject to a 2-percent-per-month late payment charge. Persons in noncompliance are subject to a civil penalty of up to \$7,500 per transaction, plus unremitted Beef Checkoff dollars and interest. State Beef Promotion payments received after the 15th of the month will incur a penalty of 10 percent of the amount due. The Tennessee Beef Industry Council provides packets with remittance forms and postage

paid envelopes for both Beef Checkoff and State Beef Promotion assessments. Information about how to obtain a packet with remittance forms is provided in the next section.

Tennessee state law provides for producers to request a refund of the 50-cents-per-head State Beef Promotion assessment, provided the assessment has been paid and the request is made within 90 days from the date of sale. For detailed information about requesting a refund of the State Beef Promotion assessment, contact the Tennessee Beef Industry Council.

Calculating the Assessments

BEEF CHECKOFF: Producers should complete the Beef Checkoff form titled “Beef Promotion and Research Board” to report cattle marketed during the month and should include the state of origin for cattle marketed, total number of head marketed, number of head not assessed and number of head per state assessed. Buyers who resell cattle within 10 days from the date of purchase may complete a nonproducer status form and be exempt from paying the assessment on these animals. Cattle resold within 10 days should be included in the “number of head not assessed” on the Beef Checkoff remittance forms. The number of head assessed is multiplied by \$1 per head to arrive at the amount due for the Beef Checkoff assessment. For example, if there were 50 head marketed and all were state assessed, the total amount due for the Beef Checkoff would be \$50. Note that the Beef Checkoff assessment applies to both live animal and processed beef products sold to consumers.

[illegible]

STATE BEEF PROMOTION: The “Tennessee Beef Promotion Program State Check-off Remittance Form for Livestock Markets/Dealers/Processors and Private Treaty Sales” is used to report the total number of head marketed, number of head not assessed and total number of head that are state assessed. Buyers who resell cattle within 10 days from the date of purchase may complete a nonproducer status form and be exempt from paying the assessment on these animals. Cattle resold within 10 days should be included in the “number of head not assessed” on the State Remittance form. The number of head state assessed is multiplied by 50 cents per head to arrive

at the amount due for the State Beef Promotion assessment. If 50 head were marketed and all were state assessed, the total due for the State Beef Promotion assessment would be 50 times \$.50, for a total amount of \$25. Note that the State Beef Promotion assessment applies to live animal sales to consumers, but does not apply to processed beef products sold to consumers.

Packets containing both forms for remitting the Beef Checkoff and State Beef Promotion assessments are available upon request from the Tennessee Beef Industry Council at (615) 896-5811 or at beefup.org.

The Tennessee Beef Promotion Program State Check-off Remittance Form for Livestock Markets/Dealers/Processors and Private Treaty Sales is used to calculate and remit the State Beef Promotion assessment.

Tennessee Beef Promotion Program
State Check-off Remittance Form for
Livestock Markets/Dealers/Processors
and Private Treaty Sales

Name: _____
Livestock Market/Dealer/Processor or Private Treaty Seller's Name

Address: _____
City: _____ State: _____ Zip: _____

Phone: _____

Date of Sale: _____

Location Sold: _____

| Livestock Markets Only | | |
|--------------------------|------------------------|------------------------------------|
| Total # of Head marketed | # of Head Not Assessed | Total # of Head per State Assessed |
| | | |

Total Number of Cattle Sold _____ X \$0.50 per head = \$_____

The assessed rate of \$0.50 per head as approved by referendum shall be deducted by the seller at the first point of sale and submitted to the TN Beef Promotion Board by the 15th day of the month following the sale per TCA 45-29-405. Payments received after the 15th day will incur a penalty of 10% of the amount due.

Certification
I hereby certify that the above information is true and correct.

Seller/Market/Dealer Signature: _____ Date: _____

Please make a copy for your records and send original to the following address:
TN Department of Agriculture
TN Beef Promotion Board
P.O. Box 60487
Nashville, TN 37204

When and Where to Make a Payment

To pay the Beef Checkoff assessment, use the Beef Promotion and Research Board form to report the number of head assessed at \$1 per head and mail a check with the completed form to Tennessee Beef Industry Council, c/o First Tennessee Bank at P.O. Box 305172 Dept. 25, Nashville, TN 37230-9869.

To pay the State Beef Promotion assessment, use the Tennessee Beef

Promotion Program State Check-off Remittance Form for Livestock Markets/Dealers/Processors and Private Treaty Sales to report the number of head assessed at 50 cents per head and mail a check with the completed form to Tennessee Beef Promotion, P.O. Box 305133, Nashville, TN 37230-9947.

More Information

Complimentary marketing materials and recipe brochures are available for use with clients and customers of direct marketers. The materials include meat cut sheets, recipes and seasonal grilling posters. Additional copies of marketing materials and other promotional items

are available for a nominal fee. Producers may contact the Tennessee Beef Industry Council to order these materials and for more information about beef promotion programs. Additional information about the Beef Checkoff and State Beef Promotion programs may be found at beefup.org.

Summary

Beef producers are responsible for collecting and remitting Beef Checkoff and State Beef Promotion assessments of \$1 per head and 50 cents per head, respectively, on all beef and dairy animals sold, unless the animals are resold within 10 days from the date of purchase. These assessments also apply to producers' sales of live animals to customers who will have them processed at either a custom-exempt or USDA-inspected plant. Producers who direct-market beef products are subject to the \$1-per-head Beef Checkoff assessment. Assessment funds are used for beef research, education and promotion. Forms for remitting the assessments are available from the Tennessee Beef Industry Council or at beefup.org. For more information about the Beef Checkoff and the State Beef Promotion programs and assessments, contact the Tennessee Beef Industry Council at 615-896-5811.

Contact Information:
Tennessee Beef Industry Council
530A Brandies Circle
Murfreesboro, TN 37128
Phone: 615-896-5811

Valerie Bass, Executive Director
Lydia Hancock, Accountant & Compliance Manager

Acknowledgments

The authors would like to thank the following people for their valuable contributions to this publication:

Peer Reviewers

Jason E. Fewell, Assistant Professor
Department of Agricultural & Resource Economics
University of Tennessee

Alan Galloway, Extension Area Specialist
Department of Agricultural & Resource Economics

Rob Holland, Director, Center for Profitable Agriculture

James B. Neal, Professor
Department of Animal Science, University of Tennessee

Editing, Layout & Design

Tina M. Johnson
Communications Specialist
Department of Agricultural & Resource Economics
University of Tennessee

April Moore Massengill
Editor, Marketing & Communications
UT Institute of Agriculture

Visit the
Center for Profitable
Agriculture at:
ag.tennessee.edu/cpa



Real. Life. Solutions.

AG.TENNESSEE.EDU

15-0176 SP 773 04/15 IM