

## Benefits of Research & Promotion Boards (Checkoffs)

Commodity research and promotion programs, also known as checkoff programs, are established under Federal law at the request of their industries. Checkoff programs derive funding through industry assessments (fees), and use these funds to increase the success of the businesses and farmers within their industry. These programs allow farmers, ranchers, and other stakeholders to pool their funds and develop a coordinated program of research, promotion, and consumer information to improve, maintain, and develop markets for their products. They also yield many additional benefits for public health and nutrition, local and global economies, and humanitarian efforts.

### Health & Nutrition

Research funded by checkoff programs has contributed significantly to the body of scientific evidence in areas of nutrition and health, spawning national campaigns to combat childhood obesity, diabetes and heart disease, and increasing awareness of food allergies and achieving a healthful diet.

- **Support for nutritional guidelines and quality**, including monetary support and educational materials for USDA's My Plate initiative, the Partnership of Healthier America Summit, Let's Move, and the National School Lunch Program.
  - Supporting examples:
    - Mushroom Council – \$50,000 for My Plate; \$75,000 for Partnership for a Healthier America
    - Blueberry Council – \$232,500 of its 2012 budget toward its school lunch program and materials that support My Plate
    - American Egg Board – worked with both the Let's Move and My Plate initiatives, with \$110,000 earmarked in 2012 for a program to fight obesity and \$5.3 million for their total nutrition budget
    - Dairy Board – \$250 million allocated for 5 year period to support Fuel Up to Play 60, a program that empowers youth to improve their nutrition and physical fitness to combat obesity; \$500,000 given to Action for Healthy Kids
- **Ongoing health and nutrition research** that benefits consumers, the scientific community, health professionals and the government.
  - Supporting examples:
    - American Egg Board – funded research showing that (1) a new nutritional analysis revealed that eggs are 14% lower in cholesterol and 64% higher in vitamin D than previously reported; (2) eggs eaten for breakfast aid satiety, reduce the number of calories consumed throughout the day and help with weight control; (3) choline in eggs promotes fetal development, and (4) eggs are beneficial in gluten-free recipes
    - Soybean Board – activity supports the development and introduction of new high oleic soybean oil to food service directors, health professionals, and food companies; high oleic soybean oil

can provide nutritional benefits to consumers when used in cooking, are lower in saturated fats than conventional soy oil and have a much lower saturated fat profile

- Blueberry Council – promotion of health information and research at health benefits media breakfast with 35 health, food and lifestyle journalists and bloggers; a supermarket dietician symposium where 40 dieticians from major supermarket chains will attend
  - Blueberry Council – allocated \$832,000 in 2011 for research into the role of antioxidants on metabolism, brain function, cancer, obesity and other health issues
  - Fluid Milk Board – funded research showing the benefits of chocolate milk on exercise muscle recovery and subsequent aerobic exercise performance
  - Fluid Milk Board – their *What America is Missing* report in 2011 explored the nation's nutrient gap and the discrepancies between what Americans need and what they are getting, identifying the specific nutrients lacking in most American diets
  - Dairy Board – funded research that explored (1) the selection and prevalence of natural and fortified calcium food sources in the diets of adolescent girls, (2) the role of dairy and dairy nutrients in the diet of African Americans, (3) the effects of substantial cheese and butter consumption on serum lipids and other measures of metabolic health, (4) how higher intakes of potassium are associated with significantly lower risk of stroke, and (5) how whey protein supplementation while maintaining a usual diet reduces fatty liver in obese women
- **Organizing and participating in events and demonstrations that promote healthy eating and living**, like school assemblies and cooking challenges that bring healthy recipes and cooking options to children and their parents.
    - Supporting examples:
      - Watermelon Board – multiple programs and materials offered to schools and events to promote healthy eating, including New Teacher Tool Kits, mascot and character appearances and classroom materials
      - Mango Board – Produce for Better Health Foundation and Half Your Plate promotion, several parent-focused nutrition communication projects
      - Dairy Board – in partnership with Domino's Pizza, developed a kid-approved Domino's Smart Slice school pizza program that brings healthier pizza with reduced sodium, light mozzarella and other reduced-fat/reduced-sodium ingredients to more than 2,000 schools
  - **Online and print resources**, including cooking demonstrations, nutrition facts, menu planners and recipes that promote healthy meals and support nutritional guidelines.

- Supporting examples:
  - Almost All Checkoffs – have interactive websites, blogs, and online resources providing a wealth of cooking tips, healthy recipes and nutrition facts
  - Mango Board – Virtual Test Kitchen for Parents, conversations on BlogFrog, etc, as part of their \$165,500 total commitment
  - Dairy Board – provides meal, beverage, and snack recipes that all offer at least 20 percent of the Daily Value for calcium and 10 percent of the Daily Value for protein per serving based on a 2,000 calorie diet
  - Fluid Milk Board – developed outreach materials to educate Hispanic consumers about the nutritional and economic benefits of milk (only 25 cents per serving); nutrition information on the benefits of lowfat milk was made available through WIC offices
- **Strengthening food safety & educating consumers on safe food practices,** including everything from increasing production safety to countering erroneous information and addressing consumer concerns.
  - Supporting examples:
    - Beef Board – cattlemen have invested \$30 million since 1993 in beef-safety efforts, with over \$550 million invested annually by the entire industry
    - Peanut Board – part of its 2011 \$395,000 nutrition and education budget went to food allergy awareness campaigns and partnerships with the School Nutrition Association, the National Association of School Nurses, the American Dietetic Association, the Food Allergy and Culinary Institute of America, and the Anaphylaxis Network
    - Peanut Board – works with numerous individual school systems and college campuses across the U.S. on nutrition and allergy education
    - American Egg Board – distributed a wealth of safe handling and cooking guidance to consumers, food service operators, and culinary schools to prevent foodborne illness (food poisoning)
    - Dairy Board – leading an industry-wide effort to address the disparities in pathogen control, quality assurance knowledge and practices across the dairy supply chain

### **Economic Benefits**

The fundamental goal of every checkoff program is to increase commodity demand, which increases the potential long-term economic growth of all sectors of the industry and the communities in which they operate. Most farms and ranches that are checkoff members are in small communities, with strong economic ties to local businesses and neighboring farms. Many checkoff programs specify *de minimis* exemptions, meaning

that the smallest farms and businesses do not pay assessments but still benefit directly from the research, promotion and consumer information produced by the program.

- **Strengthening all businesses—small and large.** By creating a pool of combined resources used for promotion and consumer education, commodity checkoff members see drastic increases in both the demand and value of their products.
  - Supporting examples:
    - Avocado Board – domestic consumption went from under 200 million pounds in 1960 to over 1 Billion pounds in 2006, with the real boost in consumption occurring after the board was formed in the 90s
    - Mango Board – domestic consumption went from one pound per person annually on average to six pounds per person annually; a 600% increase in consumption
    - Blueberry Council – without the checkoff program, the average growers' price of blueberries would have been 7.2 percent lower from 2001-2009
    - Honey Board - five percent of total revenues go into production research on issues like Colony Collapse Disorder (CCD), a disease that is killing honey bees and impacting all facets of agriculture that rely on bee pollination for the success of their crops; the direct value of honey bee pollination annually to U.S. farms and orchards is \$14.6 billion, with crops like almonds completely dependent upon pollinators
    - American Egg Board – recognizing the benefits of the checkoff program, about 50 smaller egg farmers who could be exempt from the program pay assessments voluntarily
    - Cotton Board – provided technical education workshops for approximately 100 companies and 12,000 technical CDs to support businesses throughout the cotton industry
    - Cotton Board – approximately \$187.4 million per year in additional revenue for cotton producers over the last 25 years
    - Dairy Board – Since January 2010, dairy checkoff efforts have contributed to more than 7 billion additional pounds of milk sold
- **Creation and retention of jobs** – through the boards themselves and through the businesses they help sustain
  - Supporting examples:
    - All Checkoffs – typically employ support staff for day-to-day operations, employ researchers or research consultants, contract with advertising and public relations agencies, work with Universities and other firms
    - All Checkoffs – reimburse USDA for personnel and other costs associated with the oversight of these programs
    - Beef Board – 97 percent of beef farms and ranches are family-owned, and the beef industry accounts for more than 1.4 million full time jobs

- Beef Board – on average, beef operations that depend on the checkoff program provide jobs for more than two family members as well as two non-family members and contribute to the income of other farmers (for feed and other supplies) within 100 mile radius of their farm or ranch
  - Cotton Board – supports over 21,245 businesses that provide 191,405 jobs
  - Cotton Board – program-funded research created an innovative hydro-mulch product made from cotton plant residue that will help control erosion; as a result two erosion-control businesses have created new full-time jobs in Alabama, Texas, and New York
- **Significant return on investment (ROI) for commodities with checkoffs.** Every dollar invested is yielding results for every business and farm relying on that commodity for their livelihood.
    - Supporting examples:
      - Cotton Board – over \$8 return on every dollar invested by producers; importers average over \$14 return on every dollar they invest
      - Pork Board – almost \$14 return on every dollar invested
      - Watermelon Board – over \$10 return for every dollar invested
      - Beef Board – over \$5 return on every dollar invested
      - American Egg Board – a \$6 return for every dollar invested
      - Potato Board – almost \$5 return for every dollar invested
      - Mushroom Council – short-term return of \$2.50 for each dollar invested, over \$8 return in the long run
      - Lamb Board – between \$37 and \$39 return for every dollar invested
      - Fluid Milk Board – over \$8 return for every dollar invested
- **Expanding markets and uses for commodities,** increasing long-term demand for growers and producers, and ensuring the long-term economic growth of all sectors of the commodity industry
    - Supporting examples:
      - Soybean Board – Over \$6 million from their 2012 budget is dedicated to research activities focused on more sustainable, eco-friendly alternatives to petroleum-based products like paints, adhesives, plastics, and coatings
      - Soybean Board – \$1.5 million dedicated to fibers and film products to look at potential uses in carpets, automotive, composites, foams, medical supplies, filtration, and packaging
      - Cotton Board – developed expanded uses like paintable wall coverings, superior sound insulation, erosion control material and eco-friendly packing materials
      - Cotton Board – developed innovative new cotton fabrics for athletic wear and storm-resistant outer-wear as well as shrink-resistant, wrinkle-resistant and water resistant cotton fabric

- Cotton Board – over 400 research initiatives supported through partnerships
- Dairy Board – over \$13 million in annual research funding is being paired with nearly \$45 million from non-checkoff sources to conduct research in areas of dairy products, nutrition and sustainability
- **Increasing trade and the value of imports and exports** for farms and businesses of all sizes
  - Supporting examples:
    - Mango Board – the value of mango imports increased 43% from \$259 million in 2005 to \$371 million in 2010
    - Potato Board – exports increased 56% from 2000 to 2010 to \$1.35 billion
    - Potato Board – implementing programs in S. Korea to expand export opportunities for potato products which has been enhanced by the recent trade agreement and the resulting reduction on tariffs
    - American Egg Board – funding a project in Korea to open markets for U.S. eggs and egg products due to free-trade agreement
    - Beef Board – only 7 percent of U.S. beef was exported in 2009, but it contributed more than \$2.8 billion to the U.S. export market
    - Dairy Board – U.S. cheese exports have grown at a record pace, with January-June 2011 shipments representing 5 percent of total cheese production, compared to just 3.7 percent for the full year of 2010
    - Dairy Board – converted cheese purchases in Pacific Rim outlets to U.S. sources, resulting in 60 million new pounds of cheese being sourced from the U.S.

### Humanitarian Aid

Deep ties to their local communities and a commitment to the success of all businesses within their commodity industry lead to natural partnerships with community service organizations and with humanitarian efforts worldwide.

- **Community service initiatives within the U.S.**
  - Supporting Examples:
    - Cotton Board – worked with corporate partners to develop recycled denim insulation programs that have provided grants of insulation for community buildings and have been used in construction projects by Habitat for Humanity and in Gulf coast states affected by Hurricanes Katrina and Rita
    - Potato Board – food aid programs developed new products for high-risk mothers and infants, trained food banks on how to create meals from dehydrated potatoes

- Beef Board – farmers and ranchers in Idaho, Washington, Colorado and Missouri have donated over 60,000 lbs of beef to food banks and pantries within their states
  - American Egg Board – hosted numerous community breakfasts across the country, including in Joplin, MO, following the destructive tornado (approximately \$58,000); as a result of this project, egg farmers have donated more than 12 million eggs to food pantries across the nation
  - Beef Board – on average, cattlemen volunteer 11 hours each month to non-profit organizations and charitable causes, including youth leadership organizations and clubs
- **Addressing global issues** like hunger, malnutrition, food security and economic sustainability
    - Supporting Examples:
      - Potato Board – seed export programs are working with impoverished farmers in Africa to increase food security
      - Dairy Board – funding a study to determine the role of whey in nutritional support of HIV infected patients on antiretroviral treatment in Ethiopia