
LR 213

Reference Manual to Nebraska Commodity Promotion Programs

Staff Report to the Agriculture Committee

December 31, 2015

LR 213

Interim Study to Develop a Reference Document Regarding State Commodity Development Programs

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LEGISLATIVE RESOLUTION 213 Introduced by Johnson

PURPOSE: The purpose of this resolution is to study development of a reference manual for the state commodity promotion programs, the federal beef, pork, and soybean programs, and any other federal commodity programs that are significant to Nebraska agriculture. It is the goal of this study to identify and describe key structural elements of such programs and to provide a graphic and narrative description and comparison of these program elements.

Introduction

Nebraska producers of agricultural commodities are organized under a number of state and federal laws that facilitate the economic cooperation of producers for purposes of funding programs for stimulating demand for the commodity. These producer programs invest in advertising and consumer outreach, discovery of new uses of a commodity, building and supporting marketing networks, provision of marketing services that add value and enhance marketability, and research to address production issues and to support market development goals. Even though today's promotional programs are generally organized as a government sponsored enterprise, they are still popularly viewed as producer initiated, governed and funded.

Although there are many similarities between the various checkoff programs, there is no universal template for how such programs are conceived and organized. There are material differences in the manner in which checkoff programs are governed and funded. Additionally, governing bodies administering checkoff programs operating in Nebraska vary from being executive agencies of state government to private and quasi-governmental entities and may derive their authority to collect and expend checkoff assessments from a diversity of state and federal statutory sources.

During the 2015 Legislative Session, the Legislature considered LB 242 making amendments to the Nebraska Dry Bean Resources Act. During discussion of LB 242, it was apparent that some confusion existed due to the lack of familiarity with the diversity of checkoff program structures. It was deemed to be helpful to future discussions of checkoff program legislation for the Legislature to have a reference manual to describe each program and to allow easy comparison of program elements. LR 213 was introduced by Senator Johnson as a forum to develop such a reference and this report is provided to fulfill the purpose of LR 213.

This initial report focuses on promotional program structure, overall checkoff resources available, identification of assessment authority, and some rudimentary measures of promotional effort in narrative, table and graphic form. It is intended that this document be expandable with additional tables and graphics and periodically updated to provide additional comparative information and measurements of program expenditures, promotional effort, information about the economic footprint of each commodity, comparison of these elements with comparable programs in other states and nationally, and additional narrative and data entries pertinent to the Legislature's consideration of promotional program issues as they arise.

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Glossary

Checkoff: An informal term popularly used to refer to commodity promotion programs. The term alludes to mechanisms for generating contributions to fund voluntary promotional efforts whereby producers could elect to “checkoff” a box on a sales settlement sheet indicating his or her agreement that a portion of sales proceeds be deducted and directed to a promotional program. Although government sponsored programs that collect an assessment as a mandatory excise tax have largely supplanted private, voluntary promotional programs, the term has remained in popular usage to refer to such assessments and the programs they fund.

Generic Promotion: Promotional activities that seek to increase the overall market for a standard commodity for the benefit of all producers. Generic promotion is distinguished from largely private advertising and other marketing activities by individual producers or producer cooperatives, as well as manufacturing and retail sectors that attempt to distinguish the production of a subset of producers or specific brands and products and to encourage consumers to choose these products over others.

Marketing Order: A term referring to a set of regulations issued by the U.S. Secretary of Agriculture under authority of the federal Agricultural Marketing Agreement Act to facilitate economic cooperation among a specified group of producers of a commodity who agree to be bound by the marketing rules set forth in the order. Market orders contain terms that establish commodity and/or product standards, allocate production, regulate prices, and other terms that promote the efficient marketing of agricultural commodities and promote economic stability. Marketing orders typically impose assessments utilized for the administration of the order, and may allow collection of assessments to fund promotion of the commodity or products derived from the production of producers bound by the order.

Market Development: A set of strategies and activities that seek to expand markets for an agricultural commodity. Market development strategies include: advertising and other forms of consumer outreach, research and development of new value added food products that increase appeal, utility, quality and safety to consumers, agronomic and genetic research to solve production challenges or to improve the quality and utility of crops, research and development of new uses of a commodity and efforts to stimulate private investment in industries that utilize the commodity, participation in marketing networks and forming direct relationships with foreign and domestic buyers, provision of certifications, marketing services and other activities to assist marketability and value, addressing barriers to trade, and other activities.

Promotional Order: A term designating the set of regulations issued by the U.S. Secretary of Agriculture to implement a commodity promotion program. A promotional order is distinguished from promotional activities funded by growers organized under a marketing order through the mechanisms of the Agricultural Marketing Agreement Act by the fact that promotional orders are issued under statutory authorities other than the AMAA that limit the association of producers only for the purpose of generic promotion and not other forms of economic cooperation allowed by the AMAA.

Refundable Assessment/Programs: A type of voluntary checkoff program whereby an assessment is automatically collected at the point of sale but refunded to the producer/payer upon request. Refundable assessments are distinguished from “point-of-sale” opt out mechanisms whereby a seller may elect not to have the assessment deducted at all.

Origin and History of Commodity Promotion

Generic promotion programs for agricultural commodities have grown in importance over the past few decades and have matured from primarily state level programs before the mid-1980's to a mixture of state and national programs. Currently a significant number of both federally legislated as well as state and regional commodity promotion programs are in effect nationwide. Generic market development describes activities to stimulate increased consumption for, and new uses of, a standard industry-wide commodity, such as corn or beef, undertaken cooperatively on behalf of all producers as opposed to particular brands or products by end users of commodities distinguished in the marketplace to promote consumption of only the production of some producers.

Farmers, cooperatives, and processors have long attempted to organize commodity promotion programs. While collective efforts to stimulate demand and cultivate new markets for raw farm products began as privately-initiated voluntary efforts and were often an outgrowth of other types of cooperative activity, agricultural commodity promotion has evolved to primarily occur under governmental mandate and to occur independently from other forms of economic cooperation. Additionally, promotional programs, particularly at the state level, invest in additional elements of market development beyond simply domestic generic advertising, such as research, development of new forms of utilization, export enhancement, quality and marketing certification programs, and various other activities to establish, expand and serve markets for a commodity.

The Agricultural Marketing Agreement Act (AMAA) of 1937 set the federal legislative foundation for producer funded promotion programs, and a number of national programs were organized under this legislation. In recent years, the growth in commodity promotion activities has come mostly from stand-alone legislation referring to programs that organize producers primarily for marketing purposes and not other elements of economic cooperation and regulation that are available under the AMAA and similar state laws.

The Evolution of Agricultural Commodity Promotion

The modern commodity development programs arise from a long history of public and private attempts to improve the welfare of producers by enabling them to gain greater control over the production and marketing of their commodities and thereby have greater leverage in negotiating prices. Even prior to the Great Depression era when farm prices and income declined precipitously, government policy encouraged producer marketing cooperatives to form. The Clayton Act of 1914 and the Capper Volstead Act of 1922 granted important anti-trust exemption to such farmer cooperatives to remove legal impediments to collective marketing of production from many farms. The cooperative organization also provides some ability to control overproduction and a structure to marshal resources to stimulate overall demand for a commodity, to stimulate investment in upstream processing to utilize the commodity, and to distinguish the cooperative's production in the marketplace.

Although many examples of cooperative formation occurred in the early part of the 20th Century, few were successful or durable.¹ Many weaknesses of voluntary cooperatives became apparent. Voluntary cooperatives suffer from both deviation and free-rider effects. If a cooperative is

¹ A handful of voluntary producer cooperatives formed in the early 20th Century remain today. Some products of these cooperatives are marketed under familiar brand names yet today. Blue Diamond almonds and Sun Maid raisins are two prominent examples.

successful in increasing prices or expanding markets, individual producer members are tempted to deviate, i.e. to disregard cooperative rules and sell production independently in the open market. Additionally, particularly for fungible commodities, there is often little incentive for producers to join if they can enjoy the benefits of collective promotion undertaken by other producers without incurring any additional costs themselves. Thus, a critical factor for a private agricultural cooperative to be successful is to gain control of the marketing of a monopoly, or at least a significant share, of production in any particular market, or, to represent a distinct, distinguishable premium product of a cohesive group of producers who would have difficulty in capturing premium markets independently.

With the Depression came renewed calls for addressing farm income through cooperative formation. Both at the state and the federal level, legislators responded to the limitations of voluntarily membership cooperatives by enacting legislation empowering the Secretary of Agriculture or an appropriate state authority to enter into marketing orders with groups of producers of a specific commodity or within a geographic region. The Agricultural Marketing Agreement Act (AMAA) of 1937, which continues today, provides authority to the Secretary of Agriculture to impose marketing orders that facilitate and compel the association of affected producers for purposes of economic cooperation. When first enacted, the AMAA allowed producers to impose upon themselves economic regulations that focused mainly on supply control and product quality. Such marketing orders provide for mandatory assessments paid by all producers to fund enforcement and other costs associated with administering the order.

Initially, Congress and USDA were skeptical of generic promotional activities paid for with mandatory assessments contributed by participating producers as a permitted element of producer associations formed under a marketing order. But, by the 1950's, the costs of government farm programs had risen dramatically due to extensive government purchases of surplus commodities to prop up prices. Producer funded promotional programs gradually gained acceptance as adding a demand instrument to compliment supply controls. In 1954, Congress began amending the AMAA to include research and promotion as additional cooperative activities that could be conducted under authority of the Act and authorized that a part of the assessments collected from each producer for administration of the order could include an amount for purposes of any collective research and promotion program conducted.

The revisions to the AMAA to allow for generic promotional programs were also driven in part by the proliferation of state legislation to facilitate cooperative funding of generic research and promotional activities apart from production and marketing regulations. These "stand alone" programs typically provided for some manner of government support for and supervision of collection and expenditure of assessments through governing bodies representing the industry. These programs, sometimes referred to as "promotional orders", were often authorized and administered by mechanisms similar to the AMAA marketing orders, with collections beginning only after approved by producer referendum. By 1986, 316 state promotion programs were being funded by producer checkoffs authorized by state legislation. The first stand-alone federal statute authorizing general commodity promotion was the National Wool Act of 1954, enacted the same year as the previously discussed revisions to the AMAA. The Wool Act, however, did not directly assess producers. The money set aside for wool promotion was taken out of price support funds that would have been paid to wool producers.

The stand alone programs typically began as voluntary or refundable assessments. As voluntary programs, however, they were subject to the same weaknesses as wholly privately-initiated producer cooperatives. Free-rider criticisms undercut support from willing contributors. Perceptions that collective promotion would be more effectively and equitably carried out if all producers were required to contribute led to legislation providing for mandatory assessments for some commodities.

The first such stand-alone legislation requiring mandatory assessments without refund provisions was enacted in Florida in 1935. The Dairy Research and Promotion Act of 1983 was the first federal research and promotion program authorized without refund provisions. The 1985 Farm Bill added research and promotion statutes funded by mandatory, nonrefundable assessments for honey, beef, pork, and watermelons. Pecans, mushrooms, limes, soybeans, and fluid milk promotion and research statutes were added in the 1990 Farm Bill. Following the lead of the dairy industry, the cotton, potato and egg programs had all terminated refund authority by the end of 1990. There are no current federal commodity research and promotion programs that offer refunds on demand although refundable assessments are not uncommon under state authorized programs.

Congress further signaled its support for commodity promotion with the Commodity Promotion, Research, and Information Act of 1996. Among its findings, Congress stated that the commodity promotion programs are in the national public interest and vital to the welfare of the agricultural economy. The act included general language allowing the Secretary of Agriculture to establish additional stand-alone programs for other commodities without the need for Congress to enact authorizing legislation specific to each commodity. Research and promotion programs for peanuts and blueberries and sorghum have been established under this authority. Oversight of these programs is provided by the Agricultural Marketing Service (AMS) of the United States Department of Agriculture (USDA).

Commodity Development Programs in Nebraska

There are currently mandatory “checkoff” programs authorized by state law for wheat, corn, grain sorghum, dry beans, potatoes and milk, and voluntary (refundable) checkoff programs for poultry and eggs. Nebraska producers also contribute to a number of mandatory checkoff programs authorized by federal law and administered by USDA, many of which share revenues collected between federal and designated state commodity boards. The most important of these federal programs in terms of relevance to Nebraska agriculture include programs for beef, pork, and soybeans.

For each of these programs, this section provides a 1-2 page overview for each program that includes a brief history of the program and assessment rates, a description of the governing board composition (including, where appropriate, a map of grower districts from which board members are selected) and a table of selected production statistics, checkoff collections, and promotional effort in terms of checkoff assessment per selected unit of production. The page summaries are divided into programs operating under state authority only, programs operating concurrently under state and federal authority, and those that operate under federal legislation only. Much of this information will be repeated in reference tables graphics to follow to assist visual comparison between programs in the elements of governance, assessment rate and authority, and promotional effort.

Notes to tables

For each program, a table similar to the following example is provided:

Selected Units of Production				Promotional Effort: Assessment Collected / Selected Units of Production				
Crop Year	Acres Harvested	Bushels	Value	Fiscal Year	Total Checkoff Collected	Per Harvested Acre (\$ / acre)	Per Unit of Production (Cents / Bu)	% of Total Crop Value
2014	8,950,000	1,602,050,000	\$6,007,688,000	2014-15	\$7,117,457	\$0.80	0.44	0.12%
2013	9,550,000	1,613,950,000	\$7,214,357,000	2013-14	\$6,715,591	\$0.70	0.42	0.09%
2012	9,100,000	1,292,200,000	\$8,851,570,000	2012-13	\$4,984,976	\$0.55	0.39	0.06%
2011	9,600,000	1,536,000,000	\$9,384,960,000	2011-12	\$3,551,976	\$0.37	0.23	0.04%
4-yr avg.	9,300,000	1,511,050,000	\$7,864,643,750	4 yr. avg.	\$5,592,500	\$0.60	0.37	0.08%

The purpose of these tables is to provide a general overview of commodity production and some measurements of the producers’ investment in terms of promotional investment per harvested acre and as a % of the total value of the harvested crop. Where available, data pertaining to production and crop/commodity value are USDA estimates from annual Agricultural Resource Management Surveys (ARMS) and other periodic or crop specific survey projects conducted by the USDA National Agricultural Statistics Service (NASS) is utilized. This data was accessed via the Nebraska Quick Stats [<http://quickstats.nass.usda.gov/>] searchable database linked to from the NASS Nebraska field office homepage [http://www.nass.usda.gov/Statistics_by_State/Nebraska/]. Where data for commodities is not available in annually updated estimates, information from the 2015 Census of Agriculture and other sources is utilized where appropriate. For state authorized checkoff programs, checkoff collection data for FY’s 2011-12 through 2013-14 is extracted from agency FY2015-17 budget request documents or annual reports published by these programs. FY2014-15 checkoff collection data shown for state authorized programs is from the December 2015 *State Government Cash and Revolving Funds* document produced every two years by the Legislature’s Fiscal Office.

It should be noted that production data derived from USDA-NASS information is for the crop year and checkoff collection data is for the fiscal year (July 1 through June 30). For field crops (corn, wheat, sorghum, dry beans, potatoes, soybeans) the fiscal year begins in the middle of the growing season for crops. It is very difficult to precisely correlate the year in which the crop was grown and harvested with the FY in which the crop is marketed and the assessment taken. The table assumes that a crop planted in a given year will be harvested and largely marketed (and checkoff assessment taken) within the corresponding fiscal budget year for the associated promotional program. In other words, a crop produced in the 2014 calendar year will be harvested in fall of 2014 and mostly marketed during the latter months of 2014 and the first 6 months of 2015 which, i.e. during FY2014-15.

For commodities that are continuously produced, e.g. milk and meat, checkoff assessments taken during January – June of any production year will fall in one fiscal year for the promotional program and assessments taken during July – December will fall in the subsequent fiscal year. Thus the checkoff collected column corresponding to the production year does not match the timing of production. However, the table assumes that the overlap in production and fiscal years would largely even out over time so that production occurring, and associated checkoff assessment and collection, during the fiscal year is for the same amount of production over the corresponding calendar year.

For further interpretation of the tables, the following glossary of terms and explanation and limitation of data choices utilized for the tables and graphs produced for this report is provided.

Acres Harvested: USDA supplies estimates for acres planted and acres harvested. Only actual production resulting in marketed grain or product is assessed. Since a portion of planted acres for a commodity are planted or harvested for purposes other than as a cash crop, e.g. as a forage or silage crop, or otherwise not harvested due to crop failure, the selection of harvested acres more closely reflects production that both contributes to and benefits from the promotional program.

Production: The column for production is total state production of the commodity given in assessed units (bushels – corn, soybeans; century weight (cwt) – sorghum, dry beans, potatoes, milk; lbs – grapes, head – cattle, milk cows, hogs) For sorghum, USDA provides an estimate for bushels, and the production column is translated to cwt. units (# of bushels X 56 lbs per bushel) / 100). Not all production is assessed, a portion of statewide production will not be marketed in commercial channels.

Value: The USDA calculates a value for the total production of the commodity by multiplying total production by an average marketing year price paid for the commodity and assigns this value to the total production, including any portion not marketed and thereby subject to assessment. Thus, the total value of the harvested crop will be more than the total value of the crop that is assessed.

Commodity Development Programs in Nebraska

Programs operating under state authority only

Nebraska Corn Resources Act

In 1978, the Corn Resources Act was passed by the Nebraska Legislature, establishing the corn checkoff in Nebraska. The Nebraska corn checkoff rate, originally set at 1/10 of a cent per bushel (\$0.001/bu.), was increased to 1/4 of a cent per bushel (\$0.0025) in 1988. LB1057 enacted in 2012 changed the checkoff rate to 1/2 of a cent per bushel (\$0.005/bu.).

Corn checkoff funds are administered and invested by the Nebraska Corn Board which is designated a state agency. The composition of the board as prescribed in statute consists of nine farmer directors who serve three-year terms. Eight members represent specific Nebraska districts shown in the map and are appointed by the Governor. The Board elects the ninth “at large” member. An executive director and staff serve at the pleasure of the board.

Nebraska Corn Development, Utilization and Marketing Board Member Districts



Corn Checkoff Collection and Measure of Promotional Effort

Selected Units of Production				Promotional Effort: Assessment Collected / Selected Units of Production				
Crop Year	Acres Harvested	Bushels	Value	Fiscal Year	Total Checkoff Collected	Per Harvested Acre (\$ / acre)	Per Unit of Production (Cents / Bu)	% of Total Crop Value
2014	8,950,000	1,602,050,000	\$6,007,688,000	2014-15	\$7,117,457	\$0.80	0.44	0.12%
2013	9,550,000	1,613,950,000	\$7,214,357,000	2013-14	\$6,715,591	\$0.70	0.42	0.09%
2012	9,100,000	1,292,200,000	\$8,851,570,000	2012-13	\$4,984,976	\$0.55	0.39	0.06%
2011	9,600,000	1,536,000,000	\$9,384,960,000	2011-12	\$3,551,976	\$0.37	0.23	0.04%
4-yr avg.	9,300,000	1,511,050,000	\$7,864,643,750	4 yr. avg.	\$5,592,500	\$0.60	0.37	0.08%

Commodity Development Programs in Nebraska

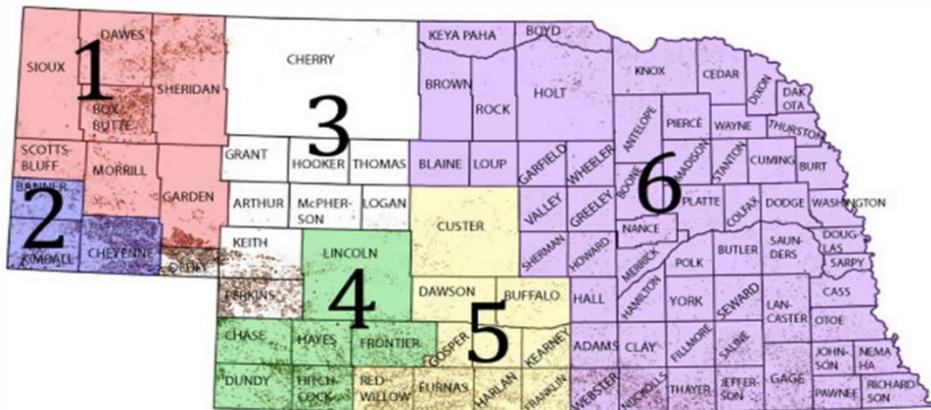
Programs operating under state authority only

Nebraska Wheat Resources Act

The Legislature enacted the Nebraska Wheat Resources Act in 1955. The Wheat Division within the Nebraska Department of Agriculture was separated into the Wheat Development, Utilization and Marketing Board in 1981. The Wheat Board is declared the state agency created and vested with responsibility for formulating the general policies and programs of the State concerning the discovery, promotion and development of markets and industries for utilization of wheat. Since October 12, 2012, the Act has levied 0.4% percent of the net market value of wheat when sold to a first purchasers with authority to increase the levy within a statutory maximum of 0.5% of net market value.

Wheat checkoff funds are administered and invested by the Nebraska Wheat Board whose membership is prescribed by statute to consists of seven growers appointed by the governor -- 1 member appointed from each of 6 grower districts and 1 grower appointed from the state at large.

Nebraska Wheat Development, Utilization and Marketing Board Member Districts



Wheat Checkoff Collection and Measure of Promotional Effort

Selected Units of Production				Promotional Effort: Assessment Collected / Selected Units of Production				
Crop Year	Acres Harvested	Bushels	Value	Fiscal Year	Total Checkoff Collected	Per Harvested Acre (\$ / acre)	Per Unit of Production (Cents / Bu)	% of Total Crop Value
2014	1,450,000	71,050,000	\$412,090,000	2014-15	\$1,519,185	\$1.05	2.14	0.37%
2013	1,140,000	39,900,000	\$277,305,000	2013-14	\$1,368,571	\$1.20	3.43	0.49%
2012	1,300,000	53,300,000	\$419,471,000	2012-13	\$872,868	\$0.67	1.64	0.21%
2011	1,480,000	66,600,000	\$446,220,000	2011-12	\$803,279	\$0.54	1.21	0.18%
4-yr avg.	1,342,500	57,712,500	\$388,771,500	4 yr avg.	\$1,140,976	\$0.87	2.10	0.31%

Commodity Development Programs in Nebraska

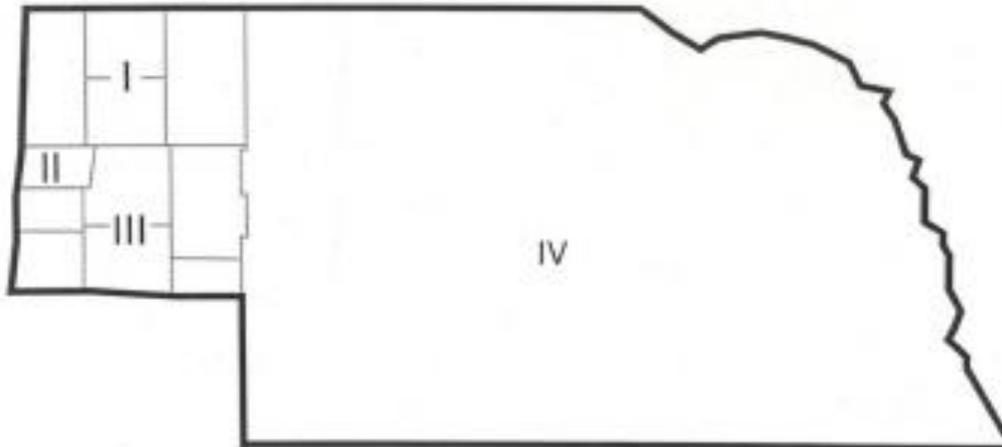
Programs operating under state authority only

Nebraska Dry Bean Resources Act

In 1987, the Legislature created the Nebraska Dry Bean Commission under the provisions of the Dry Bean Resources Act. The Commission's activities are funded by an assessment collected on dry edible beans grown in Nebraska and sold through commercial channels. Two-thirds of the tax is paid by the grower and one-third by the first purchaser of the crop. In 2005, the Legislature increased the assessment to 15 cents / cwt, with authority for the Commission to increase the rate within 24 cents / cwt.

The Dry Bean Commission as prescribed by statute is composed of nine members, six grower members and three members representing processors. The three processor members and four of the grower members are appointed by the Governor with one grower member appointed from each of four board membership districts. Two grower members are appointed by the Board itself -- one member each from combined districts 1 & 2 and combined districts 3 & 4.

Nebraska Dry Bean Commission Member Districts



Dry Bean Checkoff Collection and Measures of Promotional Effort

Selected Units of Production				Promotional Effort: Assessment Collected / Selected Units of Production				
Crop Year	Acres Harvested	Assessed Units (Cwt)	Value	Fiscal Year	Total Checkoff Collected	Per Harvested Acre (\$ / acre)	Per Unit of Assessment (Cents / cwt)	% of Total Crop Value
2014	152,000	3,800,000	\$120,080,000	2014-15	\$365,927	\$2.41	9.63	0.30%
2013	117,000	2,750,000	\$120,450,000	2013-14	\$289,607	\$2.48	10.53	0.24%
2012	133,000	3,193,000	\$123,569,000	2012-13	\$267,236	\$2.01	8.37	0.22%
2011	105,000	2,100,000	\$89,460,000	2011-12	\$246,456	\$2.35	11.74	0.28%
4 yr. avg.	126,750	2,960,750	113,389,750	4 yr. avg.	\$292,307	\$2.31	10.07	0.26%

Commodity Development Programs in Nebraska

Programs operating under state authority only

Nebraska Potato Development Act

The Nebraska Potato Development Act, first enacted in 1945, vests authority to administer potato development programs in the Director of Agriculture with the advice and supervision of the Potato Development Committee. The program is funded by an assessment against shippers which is set periodically by the Director. The Act declares the public policy of the State of Nebraska to protect and foster the health, prosperity, and general welfare of the state by protecting and stabilizing the potato industry and the economy of areas producing potatoes. The Department of Agriculture is declared the state agency vested with this responsibility and a Potato Development Division is created by statute within the Department of Agriculture. The Nebraska Potato Development Act is designated part I of a broader Act which also provides for the Director to set and enforce potato grading standards.

The Governor appoints a Potato Development Committee consisting of four producers and three shippers, the Vice Chancellor of IANR, and the Director of Agriculture who is designated by statute as chair of the Committee. The committee adopts and provide rules and regulations for the conduct of the affairs of the Division of Potato Development and advises the director regarding investment of checkoff funds and the appointment of the division head and any additional staffing of the division.

Potato Checkoff Collection and Measures of Promotional Effort

Selected Units of Production				Promotional Effort: Assessment Collected / Selected Units of Production				
Crop Year	Acres Harvested	Assessed Units (Cwt)	Value	Fiscal Year	Total Checkoff Collected	Per Harvested Acre (\$ / acre)	Per Unit of Assessment (Cents / cwt)	% of Total Crop Value
2014	16,900	7,943,000	\$84,196,000	2014-15	\$72,959	\$4.32	0.92	0.09%
2013	18,300	8,418,000	\$115,327,000	2013-14	\$79,798	\$4.36	0.95	0.07%
2012	23,300	10,369,000	\$113,022,000	2012-13	\$66,532	\$2.86	0.64	0.06%
2011	19,500	7,800,000	\$83,460,000	2011-12	\$59,753	\$3.06	0.77	0.07%
4 yr. avg.	19,500	8,632,500	99,001,250	4 ry. Avg.	\$69,761	\$3.65	0.82	0.07%

Commodity Development Programs in Nebraska
Programs operating under state authority only

Nebraska Poultry & Egg Resources Act

The Nebraska Poultry and Egg Resources Act, enacted in 1976, vests authority to conduct market development programs for poultry and eggs produced in Nebraska in the Director of Agriculture funded by a refundable assessment not to exceed 5 cents / case of eggs and 3 cents / turkey sold commercially. By statute, the Poultry and Egg Development Division is created within the Department to administer the program. The Poultry and Egg Development, Utilization and Marketing Committee consisting of the directors of Nebraska Poultry Industries, Inc. and other designated ex officio members selected by the committee advise the Director in his duties. The Director, with approval of the Committee, is authorized to “formulate the general policies and program of the State of Nebraska respecting the discovery, promotion and development of markets and industries for the utilization of poultry, eggs, and the products thereof” and to conduct programs of consumer education, research, advertising, promotion and market development.

Nebraska Poultry & Egg Development, Utilization & Marketing Fund

Data source: Nebraska Fiscal Office-2015 State Government Cash and Revolving Fund

Revenue			
Category	FY2012-13	FY2013-14	FY2014-15
Egg Fee	\$228,487	\$235,152	\$236,749
Imported Egg Fee	\$39,911	\$42,327	\$42,287
Turkey Fee	\$25,825	\$19,361	\$28,761
Refunds & Other Adjustments	- \$151,457	- \$149,521	- \$176,211
Net Revenue	\$142,766	\$147,319	\$131,586

Commodity Development Programs in Nebraska

Programs operating under state authority only

Nebraska Grape & Winery Board

In 2000, the Legislature created the Winery and Grape Producers Promotional Fund to finance programs to support and promote growth of Nebraska’s wine industry. The fund consists of revenues from 20 cent / ton excise tax levied on raw grapes sold in commercial channels, a fee of \$20 / 160 gallons of juice produced or received by a winery (crushed grape assessment), and the proceeds of an annual shipping license fee paid by out-of-state craft brewers and farm wineries who direct market to consumers in the state. The fund and promotional program is administratively housed within the Department of Agriculture.

A five member Nebraska Grape and Winery Board whose members are appointed by the Governor to represent winery owners and grape growers advise the Department in the carrying out the program. The Department, “at the direction of and in cooperation with the board,” is authorized to develop and maintain programs supporting research and advancement of the growing, selling, marketing, and promotion of grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry. Such expenditures may include, but are not limited to, funding for the employment of experts in the fields of viticulture and enology.

Nebraska Wine and Grape Producers Promotional Fund Revenues

Data source: Wine and Grape Board Annual Reports

Revenue			
Category	FY2011-12	FY2012-13	FY2013-14
Grape Checkoff	\$7,783	\$6,271	\$9,402
Crushed Grape Fee	\$12,406	\$11,109	\$16,616
Shippers License	\$155,000	\$170,000	\$163,000
Total	\$175,189	\$187,380	\$189,018

Commodity Development Programs in Nebraska

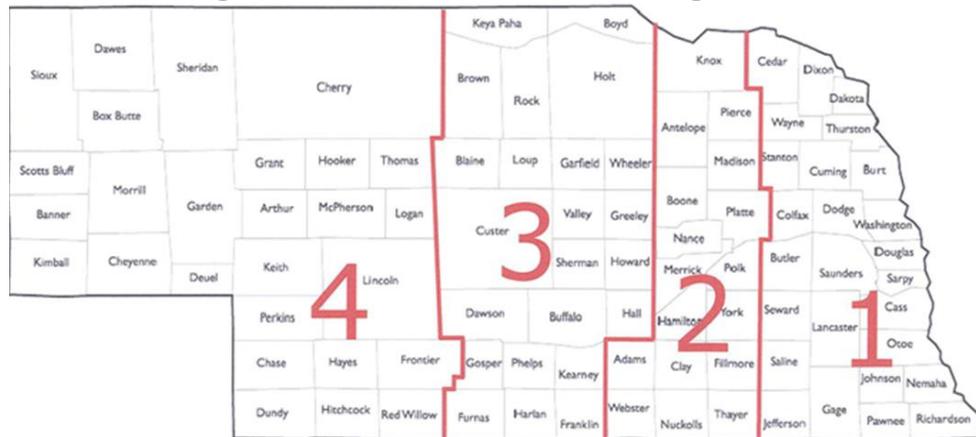
Programs operating concurrently under state and federal authority

Grain Sorghum Resources Act

The Grain Sorghum Program was created in 1981 to fund market development, promotion, education, and research programs related to grain sorghum. Effective July 1, 1992, the Nebraska Grain Sorghum Board became a separate agency status. Prior to that time, the Board was included as a subdivision of the Nebraska Department of Agriculture. Funding for the program is provided by a levy of 1 cent / cwt of grain sorghum sold in the state.

Sorghum checkoff funds are administered and invested by the 7-member Nebraska Sorghum Board which is prescribed by statute to consist of 4 Directors who are growers appointed by the governor from each of 4 grower districts (see map), 2 members who are growers appointed by the Governor from the state at-large, and 1 grower member from the state at-large who is selected by the remaining Board members.

Nebraska Grain Sorghum Utilization and Marketing Board Member Districts



State Sorghum Checkoff Collection and Measure of Promotional Effort

Selected Units of Production				Promotional Effort: Assessment Collected / Selected Units of Production				
Crop Year	Acres Harvested	Assessed Units (Cwt)	Value	Fiscal Year	Total Checkoff Collected	Per Harvested Acre (\$ / acre)	Per Unit of Assessment (Cents / cwt)	% of Total Crop Value
2014	160,000	7,347,200	\$50,328,000	2014-15	\$66,267	\$0.41	0.90	0.13%
2013	145,000	5,440,400	\$40,150,000	2013-14	\$41,620	\$0.29	0.77	0.10%
2012	60,000	1,982,400	\$23,987,000	2012-13	\$24,268	\$0.40	1.22	0.10%
2011	90,000	4,838,400	\$50,803,000	2011-12	\$43,552	\$0.48	0.90	0.09%
4 yr. avg.	113,750	4,902,100	41,317,000	4 yr. avg.	\$43,926.75	\$0.40	0.95	0.11%

Nebraska Sorghum Board Role in the Federal Sorghum Program

In 2008, under authority of the Commodity Promotion, Research and Information Act of 1996, the Secretary of Agriculture promulgated the Sorghum Promotion, Research and Information Order. Collection of assessments under the federal program began July 1, 2008. The federal program imposes an assessment of 0.6% of the net market value of grain sorghum and 0.35% of net market value on sorghum forage, silage, hay, haylage and billets.

The federal program is governed by the United Sorghum Research, Promotion and Information Board which is comprised of 13 sorghum producers appointed by the Secretary of Agriculture. Membership includes five seats for the largest production state, three seats for the second largest production state, and one seat for the third largest production State. The Board also includes four at-large/national positions.

The federal order provides for the sharing of revenue and governance of the federal program with qualified state programs. The Secretary of Agriculture certifies these qualified state programs. Between 15 and 25 percent of the total assessments collected annually are returned to qualified state programs for promotion and research activities. Qualified state programs are also eligible to nominate members for appointment to the National Sorghum Board. In 2009, the Sorghum Board was certified by the Secretary of Agriculture as the qualified state program for Nebraska.

Commodity Development Programs in Nebraska Programs operating concurrently under state and federal authority

Nebraska Dairy Industry Development Act

The Nebraska Dairy Industry Development Act was enacted in 1992 in anticipation of termination of the dairy promotion checkoff of the Nebraska-Western Iowa Federal Milk Order. The regional checkoff was rescinded by rule of the Secretary of Agriculture in December of 1998. The ending of the federal checkoff activated section §2-3958 which imposes a 10 cent / cwt assessment on all milk produced in the state for commercial use. The assessment is collected by the first purchaser of raw milk at the time of sale or delivery and remitted to the Nebraska Dairy Industry Development Board.

The Dairy Board is composed of seven dairy producer members appointed by the governor. The governor appoints members from nominations submitted by producer cooperatives, with each cooperative having 1 Board representative for each 40 affiliated producers or portion thereof. The governor further appoints 1 additional producer member for each 40 producers not affiliated with a cooperative from among nominations submitted by other 1st purchasers and producers who process their own milk production. If the nomination and appointment formula results in less than 7 members, the governor appoints additional producer members from the state at large from among nominations submitted by the Board.

State Milk Checkoff Collection and Measures of Promotional Effort

Selected Units of Production				Promotional Effort: Assessment Collected / Selected Units of Production				
Year	Cows	Assessed Units (Cwt)	Value	Fiscal Year	Total Checkoff Collected	Per Milk Cow	Per Unit of Assessment (Cents / cwt)	% of Total Milk Value
2014	53000	11,950,000	\$298,750,000	2014-15	\$1,224,296	\$23.10	10.25	0.41%
2013	55,000	11,650,000	\$244,650,000	2013-14	\$1,163,299	\$21.15	9.99	0.48%
2012	56,000	11,860,000	\$232,456,000	2012-13	\$1,166,946	\$20.84	9.84	0.50%
2011	58,000	11,730,000	\$249,849,000	2011-12	\$1,165,293	\$20.09	9.93	0.47%
4 yr. avg.	55,500	11,797,500	\$256,426,250	4 yr. avg.	\$1,179,959	\$21.30	10.00	0.46%

Nebraska Dairy Board Role in the Federal Dairy Program

The national Dairy Research and Promotion Program is a national producer and importer program for dairy product promotion, research, and nutrition education. To fund the program, U.S. dairy farmers pay a 15-cents- per hundred-weight assessment on their milk and importers pay 7.5 cents per hundred-weight on dairy products imported into the U.S.

In 1983, Congress enacted the Dairy and Tobacco Adjustment Act and in the same year, the Secretary of Agriculture issued the Dairy Promotion and Research Order establishing the provisions for operating the national dairy producer checkoff program. The federal dairy promotion program is overseen by the

National Dairy Promotion and Research Board which is composed of 38 members appointed by the Secretary of Agriculture. Thirty-six members are dairy producer members selected to represent 12 geographical regions of the U. S. and two members represent dairy importers. Members are selected by the Secretary from nominations submitted by dairy producer organizations, dairy importer organizations, general farm organizations, and qualified programs.

Qualified programs are state, regional, or importer organizations that conduct a dairy product promotion, research, and nutrition education programs authorized by Federal or State law or that were active programs prior to the Dairy Production Stabilization Act of 1983. The Nebraska Dairy Board is the qualified program for Nebraska, and may submit nominations for membership on the National Dairy Board. Additionally, the Dairy Promotion and Research Order provides that dairy farmers can receive a credit up to 10 cents, against the 15-cent per hundredweight national assessment, and importers can receive up to 2.5 cents per hundredweight, for contributions to qualified programs. The state assessment imposed under the Nebraska Dairy Industry Development Act qualifies for the credit against the federal assessment.

Commodity Development Programs in Nebraska

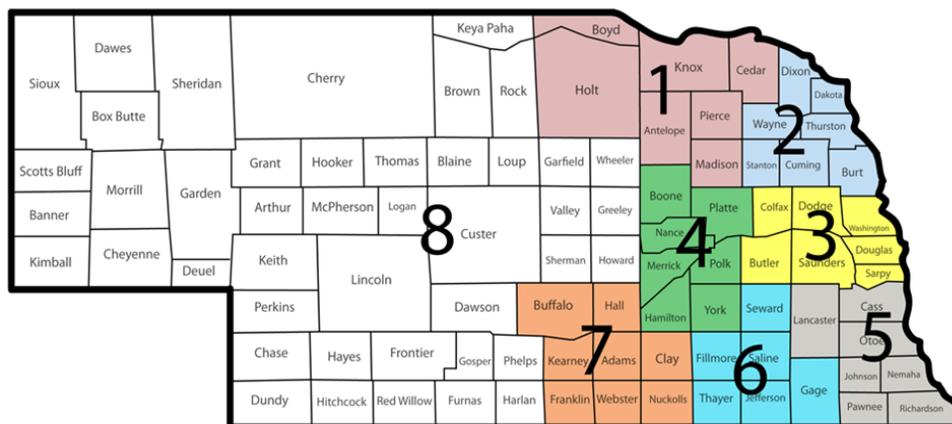
Programs operating under federal authority only

Soybean Promotion, Research, and Consumer Information Act

The federal Soybean Promotion, Research, and Consumer Information Act was enacted as part of the 1990 Farm Bill. The Act imposes an assessment of 0.5% of the net market price of soybeans assessed against marketings of soybeans by growers and collected by 1st purchasers. Annual assessments under the national program were \$104.8 million in 2013 and \$109.1 million in 2014. The Nebraska Soybean Board is the qualified state soybean board for the state of Nebraska within the federal soybean checkoff system since its designation as such by the Legislature with the enactment of LB 435 in 1995. The Board is the successor organization to the Nebraska Soybean Development, Utilization and Marketing Board which at one time was a state agency which administered a state authorized soybean promotion program funded by assessments imposed by the Nebraska Soybean Resources Act. Subsequent to implementation of the federal program, the Nebraska act was repealed.

The Legislature authorized the Board to reformulate as a private non-profit corporation and provided that the reformulated entity would be designated as the qualified state soybean board for Nebraska within the federal soybean promotion system if it met certain conditions, including that the governing board would consist of a board of directors elected directly by producers by district. Composition of the Board of Directors and method of selection is determined according to the bylaws of the corporation consistent with the Legislature's direction and to qualify as a qualified state beef council under the federal beef program. The Board of Directors of the Nebraska Soybean Board is currently composed of 9 producer members, one member residing in and directly elected by soybean producers in each of the 8 districts and 1 member representing the state at large.

Nebraska Soybean Board Member Districts



Nebraska Soybean Board Role in the Federal Soybean Program

Under authority of the federal Soybean Promotion, Research and Consumer Information Act of 1990, the U.S. Secretary of Agriculture issued the Soybean Promotion and Research Order in 1991. Collection of federal assessments began at that time.

The federal program is governed by the United Soybean Board which is comprised of soybean producers appointed by the Secretary of Agriculture. Membership on the Board is allocated to states based on soybean production. States where soybean production is below certain thresholds are combined into regions for purpose of representation on the Board. The Secretary of Agriculture appoints members of the Board from nominations submitted by qualified state soybean boards or solicit nominations from other soybean producer organizations if no qualified state board exists.

The Soybean Act and Order provide that the federal assessment is collected by qualified state soybean boards, and allows producers a credit of up to 0.25% of net market value of the assessment imposed by the federal Order for contributions to a qualified state soybean board. Qualified state soybean boards typically retain half of the federal assessment and forward the remainder to the United Soybean Board. In states without a qualified state soybean board, the United Soybean board collects and retains the entire assessment.

The Nebraska Soybean Board participates in the federal soybean promotion system as a qualified state soybean board. The Board may nominate and participate in selection of members of the United Soybean Board. The Nebraska Soybean Board also functions as a collecting entity for the federal assessment, and is authorized to retain a portion of the federal assessment. The Nebraska Soybean Board determines the investment of these retained assessments, funding programs of research and promotion of specific benefit to Nebraska producers as well as participating in funding of nationally organized programs.

Commodity Development Programs in Nebraska

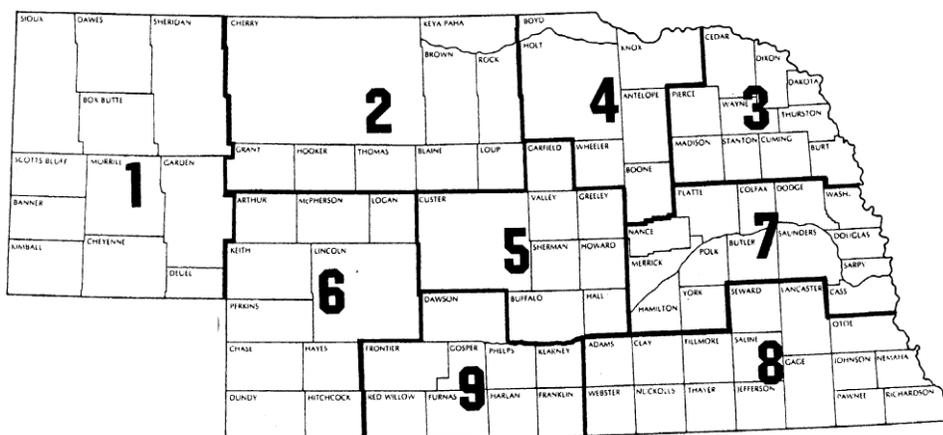
Programs operating under federal authority only

Beef Research and Information Act

The federal Beef Research and Information Act was enacted as part of the 1985 Farm Bill. The Act imposes a \$1-per-head assessment on all sales or importation of cattle and a comparable assessment on imported beef products. The assessment is to be used to fund beef-related research and market development projects. The Nebraska Beef Council has been the qualified state beef council within the federal beef checkoff system since its designation as such by the Legislature with the enactment of LB 583 in 1991. The Council is the successor organization to the Nebraska Beef Promotion and Development Board which at one time was a state agency which administered a state authorized beef promotion program funded by assessments imposed by state law. Subsequent to implementation of the federal program, the state promotion program was repealed.

The Legislature authorized the Board to reformulate as a private non-profit corporation and provided that the reformulated entity would be designated as the qualified state beef council for Nebraska within the federal beef promotion system if it met certain conditions, including that the governing board would consist of a board of directors elected directly by producers. Composition of the Board of Directors and method of select is determined according to the bylaws of the corporation consistent with the Legislature's direction and to qualify as a qualified state beef council under the federal beef program. The Board of Directors of the Nebraska Beef Council is currently composed of 9 producer members, one member residing in and directly elected by beef producers in each of the 9 respective districts.

Nebraska Beef Council Member Districts



Nebraska Beef Council Role in the Federal Beef Program

Under authority of the Beef Promotion and Research Act of 1985, the Secretary of Agriculture issued a corresponding Beef Promotion and Research Order in 1986, which was approved by beef producers by referendum in 1988. The Beef Order contains key terms specified by the Act.

- The Secretary appoints Cattlemen's Beef Promotion and Research Board (National Beef Board) which oversees the national checkoff program subject to USDA review. Members of the National Beef Board are to be a geographically representative group of beef producers and importers, and are appointed by the Secretary of Agriculture from nominations submitted by certified nominating organizations. The National Beef Board is responsible for approving the annual budget for the nationally-funded programs.
- The Beef Board convenes an Operating Committee which consists of 20 members, ten members are designated from among the membership of the National Beef Board and ten members are selected by qualified state beef councils. The Operating Committee is responsible for approving projects and funding to carry out programs.
- The order specifies the mechanisms for collection of the \$1-per-head assessment on all sales of cattle and a comparable assessment on imported beef products.

The Beef Order provides that the federal assessment is collected by qualified state beef councils, and allows producers a credit of up to 50 cents / hd against the \$1 / hd assessment imposed by the federal beef order for contributions to a qualified state beef council. Qualified state beef councils typically retain 50 cents on the federal assessment and forward the other 50 cents per head to the Cattlemen's Beef Promotion and Research Board. In states without a qualified state beef council, the National Beef Board collects and retains the entire \$1 assessment.

The Nebraska Beef Council participates in the federal beef promotion system as a qualified state beef council. The council may nominate and participate in selection of members of the Operating Committee and members of the Council are eligible to serve on the Committee and in other functions under the federal structure. The Nebraska Beef Council also functions as a collecting entity for the federal assessment, and is authorized to retain 50 cents of the \$1 / hd assessment. The Nebraska Beef Council determines the investment of these retained assessments, funding programs of research and promotion of specific benefit to Nebraska producers as well as participating in funding of nationally organized programs.

NEBRASKA BEEF COUNCIL

FY2014 Income and Expense Statement

October 1, 2013 - September 30, 2014

National Investments.....	\$1,633,862
Administration.....	\$168,862
Collections.....	\$81,438
Research.....	\$165,460
Producer Communications.....	\$117,301
Industry Information.....	\$43,366
Consumer Information.....	\$294,017
Promotion.....	\$270,527
Foreign Marketing.....	\$557,440
Nebraska Total 2014 Checkoff Collections.....	\$9,441,249
State of Origin*.....	\$2,398,856
Cattlemen's Beef Board \$.50.....	\$3,521,441
Nebraska Beef Council's \$.50.....	\$3,520,952

Commodity Development Programs in Nebraska

Programs operating under federal authority only

Pork Promotion, Research and Consumer Information Act

The federal Pork Promotion, Research and Consumer Information Act was enacted as part of the 1985 Farm Bill. Under the Act and implementing regulations, Pork producers and importers pay 0.40% (or 40 cents / \$100) of the market value of hogs assessed upon the marketing or import of hogs. Nationally, the federal checkoff generates about \$50 million per year.

The Nebraska Pork Producers Association (NPPA) is a private, non-profit corporation serving as a trade association and membership services organization for Nebraska pork producers and other pork industry participants. NPPA is currently designated by the Secretary of Agriculture as the “state association” for Nebraska within the federal promotional structure. The federal act defines a state association is a single organization of producers in a state either designated by the governor, or if no governor designation exists, is selected by the Secretary of Agriculture if the association meets certain thresholds of membership and representation of the state’s producers. The NPPA is governed by a Board of Directors whose composition, nomination and selection is determined by the constitution and bylaws of the corporation. The NPPA Board of Directors current consists of 13 members, at least 11 of whom are producer members who have paid pork assessments, and no more than 2 members who are individuals or representatives of organizations that serve the pork industry in Nebraska.

Federal Pork Checkoff Collection and Distribution for Nebraska

<u>Year</u>	<u>Receipts Collected in NE</u>	<u>Nebraska Distribution</u>	<u>National Pork Board Share</u>
2014	\$4,035,261	\$847,404	\$3,187,856
2013	\$3,439,670	\$722,330	\$2,717,339
2012	\$3,551,510	\$745,817	\$2,805,693
2011	\$3,494,869	\$733,922	\$2,760,946

Nebraska Pork Producers Association Role in the Federal Beef Program

Under authority of the Pork Promotion, Research and Consumer Information Act of 1995, the Secretary of Agriculture issued a corresponding Pork Order in 1986, which was approved by producers by referendum in 1988. The Pork Order contains key terms specified by the Act.

- **National Pork Producers Delegate Body:** The Secretary of Agriculture appoints Delegate Body members from pork producers who have been nominated through special elections or other USDA-approved selection processes in each State. Importers are selected from individuals

nominated by an eligible organization. The Delegate Body has approximately 160 members. States are allocated membership and voting shares based on pork checkoff collections originating in the state, with a minimum of 2 producers from each of the 43 active pig-producing States. Delegates meet annually to recommend the rate of assessment, determine the percentage of assessments that state associations will receive and nominate producers and importers to the 15 member National Pork Board.

- National Pork Board: The Secretary of Agriculture appoints the National Pork Producers Delegate Body composed of 15 pork producers and importers who are appointed from among nominations submitted by the National Pork Producers Delegate Body. The National Pork Board, subject to USDA review, oversees the national collection program, establishes the annual budget and administers expenditures for the purpose of the promotional program.
- Distribution of Assessments: Each “state association” receives a portion of the pork assessments collected within that state. The portion distributed back to the states is set annually by the Delegate Body but may not be less than 16.5%.

The Nebraska Pork Producers Association (NPPA) participates in the federal pork promotion system as the designated state pork producers association for Nebraska. NPPA nominates candidates for appointment to the Delegate Body and its members are eligible to serve on the Delegate Body and in other functions under the federal structure. NPPA also functions as a collecting agent for the federal assessment and remits collections to National Pork Board, and is eligible to receive distributions of the federal checkoff collected in the state. The NPPA determines the investment of these distributions, funding programs of research and promotion of specific benefit to Nebraska producers as well as participating in funding of nationally organized programs.

Although the NPPA is an organization formed for purposes other than administration of promotional activities funded by distributions of federal checkoff assessments it receives, the federal pork promotion act and order prohibit use of checkoff funds for lobbying or political activities, membership services or other activities not specifically permitted by the federal law.

Table 1: Commodity Board Composition
Boards Operating Under State Authority Only

Commodity Board	Citation	Type of Organization	Board Composition
Nebraska Dry Bean Commission	Dry Bean Resources Act §2-3735 to §2-3765	The Nebraska Dry Bean Commission is an administrative agency of state government Composition of Board is prescribed by state statute	<u>9 appointed members</u> <ul style="list-style-type: none"> • 4 grower members appointed by governor (1 member appointed from each of 4 grower districts) • 2 grower members appointed by the Commission (1 appointed from combined grower districts 1&2, and 1 appointed from combined grower districts 3 & 4) • 3 processor members appointed by governor <u>1 ex officio, non-voting member</u> <ul style="list-style-type: none"> • Director of UNL Panhandle Research & Extension Center
Nebraska Wheat Development, Utilization and Marketing Board	Nebraska Wheat Resources Act §2-2301 to §2-2321	The Nebraska Wheat Board is an administrative agency of state government Composition of Board is prescribed by state statute	<u>7 appointed members</u> <ul style="list-style-type: none"> • 6 grower members appointed by governor (1 member appointed from each of 6 grower districts) • 1 grower member appointed by governor from state at large <u>2 ex-officio, non-voting members</u> <ul style="list-style-type: none"> • Director of Agriculture • Vice Chancellor UNL/IANR
Nebraska Corn Development, Utilization and Marketing Board	Nebraska Corn Resources Act §2-3601 to §2-3635	Nebraska Corn Development, Utilization and Marketing Board is an administrative agency of state government Composition of Board is prescribed by state statute	<u>9 members</u> <ul style="list-style-type: none"> • 8 grower members appointed by governor (1 member appointed from each of 8 grower districts) • 1 grower member elected by the board from state at large <u>3 ex-officio, non-voting members</u> <ul style="list-style-type: none"> • Director of Agriculture • Vice Chancellor UNL/IANR • President Neb Corn Growers Association
Nebraska Grape and Winery Board	§2-5601 to §2-5604 §53-301 to §53-305 §53-123.15	Authority to carry out promotion program is vested in Director of Agriculture. The Nebraska Grape and Winery Board is appointed advisory board to the Director with limited concurrent authority	<u>5 appointed members</u> <ul style="list-style-type: none"> • 5 members appointed by governor who are currently or previously engaged in wine or grape production or research. At least 2 of these shall be members of the Nebraska Wine & Grape Association

Commodity Board	Citation	Type of Organization	Board Composition
Nebraska Potato Committee	Nebraska Potato Development Act §2-1801 to §2-1811	Authority to carry out promotion program vested in Division of Potato Development within Department of Agriculture Nebraska Potato Committee is appointed advisory board to the Department with limited concurrent authority	<u>7 appointed members</u> <ul style="list-style-type: none"> • 4 grower members appointed by the governor • 3 shipper members appointed by the governor Director of Agriculture designated chair of committee <u>1 ex-officio, non-voting member</u> <ul style="list-style-type: none"> • Vice Chancellor UNL/IANR
Nebraska Poultry and Egg Development, Utilization and Marketing Committee	Nebraska Poultry & Egg Resources Act §2-3401 to §2-3416	Authority to carry out promotion program vested in Division of Poultry Development within Department of Agriculture Nebraska Poultry and Egg Committee is exercises concurrent authority but serves largely in advisory role to the Department	Poultry & Egg Development Committee consists of directors of Nebraska Poultry Industries, Inc. Ex-officio members appointed by Nebraska Poultry Industries Inc and may include the Director of Agriculture, Vice Chancellor of UNL/IANR, UNL Dept. of Animal Sciences Chair, UNL Extension Poultry Specialist, Gen Manager of Nebraska Poultry Industries Inc., and a consumer representative
Boards Operating Under Concurrent State and Federal Authority			
Grain Sorghum Development, Utilization and Marketing Board	Grain Sorghum Resources Act §2-4001 to §2-4020	The Sorghum Board is an administrative agency of state government. The Sorghum Board is designated by the Secretary of Agriculture as the “qualified state entity” to participate in the federal sorghum promotional order	<u>7 appointed members</u> <ul style="list-style-type: none"> • 4 grower members appointed by governor (1 member appointed from each of 4 grower districts) • 2 grower members appointed by governor from state at large • 1 grower member appointed by the board from state at large <u>2 ex-officio, non voting members</u> <ul style="list-style-type: none"> • Director of Agriculture • Vice Chancellor UNL/IANR
Nebraska Dairy Industry Development Board	Dairy Industry Development Act §2-3948 to §2-3963	The Dairy Board is an administrative agency of state government. The Dairy Board is the designated “qualified state entity” to participate in federal dairy promotion order	<u>7 appointed members</u> <ul style="list-style-type: none"> • 1 producer member appointed by governor from among nominations submitted by first purchasers for each 40 producers who are members of a cooperative • 1 producer member appointed by governor for each 40 producers not affiliated with a cooperative • Additional producer members appointed by governor from state at large to maintain 7 member board. <u>1 ex-officio, non voting member</u> <ul style="list-style-type: none"> • Director of Agriculture

Boards Operating Under Federal Authority Only

Commodity Board	Citation	Governance	Board Composition
Nebraska Soybean Board	<p>Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6301-6311)</p> <p>Soybean Promotion, Research, and Consumer Information Order (7 CFR 1220.101 – 1220.630)</p>	<p>The Nebraska Soybean Board is a private non-profit corporation formed for the purpose of soybean promotion Eligibility and qualification to serve on the Board is according to the bylaws of the organization.</p> <p>The Nebraska Soybean Board is the designated “qualified state entity” to participate in federal soybean promotion order</p>	<p><u>9 elected members</u></p> <ul style="list-style-type: none"> • 1 producer member from each of 8 grower districts elected by soybean growers within the district. • 1 producer member from the state at-large elected by soybean growers statewide
Nebraska Beef Council	<p>Beef Research and Information Act (7 U.S.C. 2901 – 2911)</p> <p>Beef Promotion & Research Order (7 CFR 1260.101-1260.640)</p>	<p>The Nebraska Beef Council is a private non-profit corporation formed for the purpose of soybean promotion. Eligibility and qualification to serve on its Board is according to the bylaws of the organization.</p> <p>The Nebraska Beef Council is the designated “qualified state entity” to participate in the federal beef promotion order.</p>	<p><u>9 elected members</u></p> <ul style="list-style-type: none"> • 1 producer member from each of 9 grower districts elected by beef producers within the district.
Nebraska Pork Producers Assn.	<p>Pork Promotion, Research and Consumer Information Act (7 U.S.C. 4801 – 4819)</p> <p>Pork Promotion, Research and Consumer Information Order (7 CFR 1230.1 – 1230.91)</p>	<p>The Nebraska Pork Producers Assn. is a private non-profit corporation. It is a trade association and membership services organization for Nebraska pork producers.</p> <p>The Nebraska Pork Producers Association is the designated qualified state producer organization to participate in the federal pork promotion order</p>	<p><u>Board of Directors-</u></p> <ul style="list-style-type: none"> • 13 voting members who selected from membership of the Nebraska Pork Producers Association. • 2 Alternates <p>At least 11 voting directors shall be regular members – i.e. producers who pay checkoff assessments. No more than 2 directors can be allied members – individuals or representatives of businesses that support the pork industry.</p> <p>Procedures for nomination and selection of directors is determined by the bylaws of the corporation</p>

Table 2: Assessment Authority and Rate of Assessment

Boards Operating Under State Authority Only			
Commodity Board	Citation	Form of Assessment	Rate of Assessment
Nebraska Dry Bean Commission	Dry Bean Resources Act §2-3755 - §2-3759	Assessment is designated a “fee” collected and remitted quarterly by 1 st purchasers of dry beans sold in commercial channels. 2/3 of fee is deducted from payment to producer, 1/3 is paid by 1 st purchaser	<u>Statutory Maximum:</u> 24¢ / cwt <u>Current:</u> 15¢ / cwt <u>Last Rate Adjustment:</u> August 1, 2015 (Current rate prescribed by statute by LB 242 enacted during 2015 legislative session. Commission may adjust the rate within statutory maximum)
Nebraska Wheat Development, Utilization and Marketing Board	Wheat Resources Act §2-2311 - §2-2315	Assessment is designated an “excise tax” collected and remitted quarterly by 1 st purchasers of wheat sold in commercial channels. Assessment is deducted from payment to producer	<u>Statutory Maximum:</u> .5% of net market value <u>Current:</u> .4% of net market value <u>Last Rate Adjustment:</u> October 1, 2012 (Current rate prescribed by statute by LB905 enacted during 2012 legislative session. Board may adjust the rate within statutory maximum)
Nebraska Corn Development, Utilization and Marketing Board	Corn Resources Act §2-3623 - §2-3631	Assessment is designated a “fee” collected and remitted quarterly by 1 st purchasers of corn sold in commercial channels. Assessment is deducted from payment to producer	<u>Statutory Maximum:</u> ½ cent / bu. <u>Current:</u> ½ cent / bu <u>Last Rate Adjustment:</u> Oct. 1, 2012 (Current rate prescribed by statute by LB 1057 enacted during 2012 legislative session. There is no authority for administrative adjustment of rate)
Nebraska Grape and Winery Board	§2-5601 to §2-5604 §53-301 to §53-305 §53-123.15	Grape Assessment: Assessment against raw grapes collected and remitted biannually by 1 st purchasers. Assessment is deducted from payment to producer. Winery Assessment: Charge of \$20 / 160 gallons of juice produced by or received by a winery collected and remitted by the Nebraska Liquor Control Commission Shippers License Fee: Annual license fee paid out-of-state manufacturer shipping directly to consumers	Grape Assessment <u>Statutory Maximum:</u> 1¢ / lb <u>Current:</u> 1¢ / lb <u>Last Rate Adjustment:</u> 2007 (Rate is prescribed by statute. There is no authority for administrative adjustment of the rate) Winery Assessment: <u>Rate:</u> \$20 / 160 gallons <u>Last Rate Adjustment:</u> 2003 (Rate is prescribed by statute. There is no authority for administrative adjustment of rate) Shippers License Fee: \$500 / year (Rate prescribed by statute. No administrative adjustment)
Nebraska Potato Committee	Nebraska Potato Development Act §2-1807	Assessment designated an “excise tax” assessed against shippers and remitted annually by potato shippers. Assessment is charged against potatoes grown in Nebraska sold or shipped by the shipper.	<u>Statutory Maximum:</u> 2¢ / cwt. <u>Current:</u> 1¢ / cwt. <u>Last Rate Adjustment:</u> 2009 (Department has authority to adjust the rate within statutory maximum)

Commodity Board	Citation	Form of Assessment	Rate of Assessment
Nebraska Poultry and Egg Development, Utilization and Marketing Committee	Nebraska Poultry & Egg Resources Act §2-3401 to §2-3416	Egg Assessment: Assessment is designated a “fee” collected and remitted by 1 st purchaser and importer of eggs for consumption (hatching eggs are exempt). For eggs produced in Nebraska, the fee is assessed directly against producer. For eggs produced out-of-state, fee is assessed against importer. Turkey Assessment: Assessment is designated a “fee” assessed against turkeys sold in commercial channels. Fee is collected and remitted by 1 st purchasers.	Egg Assessment: <u>Statutory Maximum:</u> 5¢ / case (1 case = 30 doz. Eggs) <u>Current:</u> 3¢ / case <u>Last Rate Adjustment:</u> 1978 (Department, with concurrence of Committee, may adjust fees within the statutory maximum) Turkey Assessment: <u>Statutory Maximum:</u> 3¢ / turkey <u>Current:</u> 2¢ / tom; 1.5¢ / hen <u>Last Rate Adjustment:</u> 1978 (Department, with concurrence of Committee, may adjust the rate within the statutory maximum)

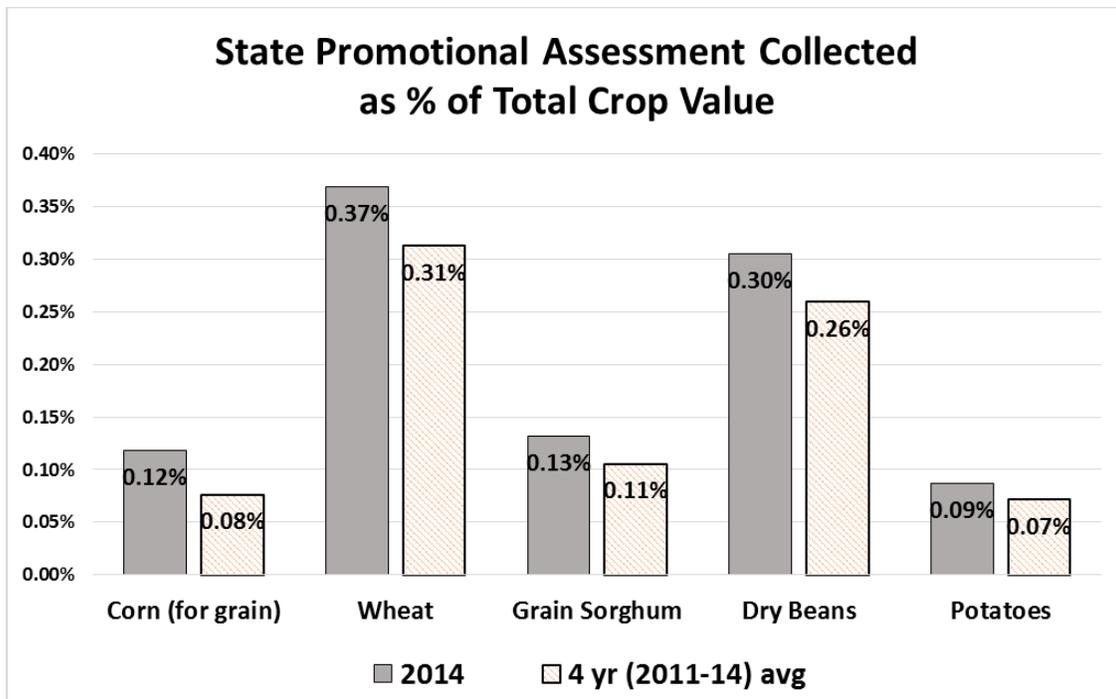
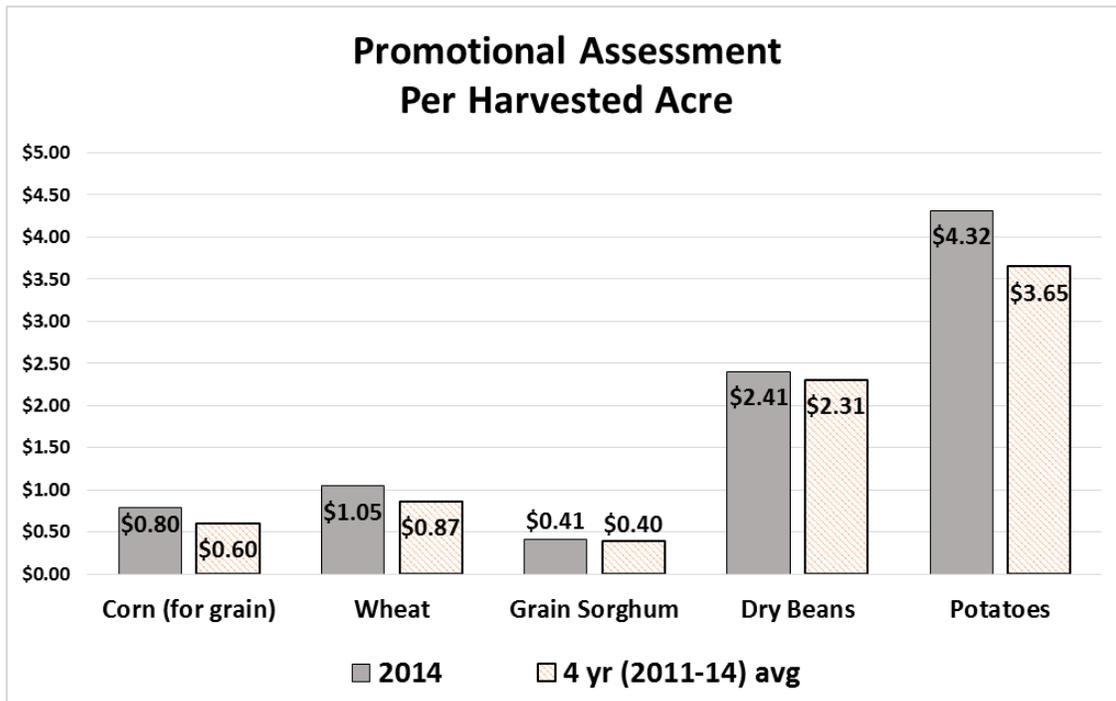
Boards Operating Under Concurrent State and Federal Authority

Grain Sorghum Development, Utilization and Marketing Board	Grain Sorghum Resources Act §2-4012 – 2-4016 Sorghum Promotion, Research, and Information Program (7 CFR 1221.1 – 1221.234)	State Assessment: Assessment is designated a “fee” collected and remitted quarterly by 1 st purchasers of sorghum sold as grain in commercial channels. Assessment is deducted from payment to producer Federal Assessment: Assessment collected and remitted by first handlers (domestically grown) and sorghum importers to Federal Sorghum, Promotion, Research, and Information Board. The Nebraska Sorghum Board is the qualified state sorghum producer organization for Nebraska eligible to apply for and receive pass back funding from the federal assessment. Pass back awards are between 15 to 25% of the amount of federal sorghum assessment collected in Nebraska	State Assessment: <u>Statutory Maximum:</u> 1¢ / cwt <u>Current:</u> 1¢ / cwt <u>Last Rate Adjustment:</u> ??? (Rate was set at 1¢ / cwt. By statute. Board has authority to adjust the rate within the statutory maximum) Federal Assessment: <u>Maximum:</u> 1% of net market value for all categories of sorghum <u>Current:</u> Grain Sorghum - 0.6% of net market value Forage sorghum - 0.35% of net market value <u>Last Rate Adjustment:</u> 2008 (Current rate is initial rate established upon establishment of federal sorghum order. Secretary of Agriculture may consider and make adjustment to the rate within the regulatory maximum upon the recommendation of Federal Sorghum Board.
Nebraska Dairy Industry Development Board	Milk Resources Act §2-3948 - §2-3963 Dairy Promotion & Research Order (7 CFR 1150.101 – 1150.278)	State Assessment: Assessment imposed on all milk produced in Nebraska. Assessment is collected and remitted monthly by 1 st purchasers of milk and self assessed by producers who self process milk. Federal Assessment: Assessment collected and remitted by purchasers of milk from a producer and self assessed by producers who process and market their own milk. The Nebraska Dairy Board is the designated “qualified state producer organization”	State Assessment: <u>Statutory Maximum:</u> 10¢ / cwt <u>Current:</u> 10¢ / cwt <u>Last Rate Adjustment:</u> 1992 (Assessment rate is prescribed by statute and has not changed since initial enactment. The rate corresponds with amount of exemption from federal assessment. There re is no authority to administratively adjust the rate) Federal Assessment: <u>Statutory Maximum:</u> 15¢ / cwt <u>Current:</u> 15¢ / cwt (Up to 10¢ / cwt is exempt if paid to qualified producer organization) <u>Last Rate Adjustment:</u>

Boards Operating Under Federal Authority Only

Commodity Board	Citation	Form of Assessment	Rate of Assessment
Nebraska Soybean Board	<p>Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6301-6311)</p> <p>Soybean Promotion, Research, and Consumer Information Order (7 CFR 1220.101 – 1220.630)</p>	<p>Assessment collected and remitted by 1st purchasers of soybeans to the qualified state soybean board in the state the beans were grown.</p> <p>The Nebraska Soybean Board is the designated “qualified state soybean board” for Nebraska. The board retains a portion of the federal assessment as contribution to state program</p>	<p><u>Statutory Maximum:</u> 0.5% of net market price</p> <p><u>Current:</u> 0.5% of net market price</p> <p><u>Last Rate Adjustment:</u> 1991 (Rate is prescribed in authorizing legislation with no authority to administratively adjust the assessment rate)</p> <p>A credit against the federal assessment up to 0.25% of market price is given for contributions made to a qualified state soybean board.</p>
Nebraska Beef Council	<p>Beef Research and Information Act (7 U.S.C. 2901 – 2911)</p> <p>Beef Promotion & Research Order (7 CFR 1260.101-1260.640)</p>	<p>Assessment collected and remitted by purchasers of cattle and by importers remitted to qualified state beef council.</p> <p>The Nebraska Beef Council is the designated qualified state beef council for Nebraska. The council retains a portion of the federal assessment as contribution to state program.</p>	<p><u>Statutory Maximum:</u> No Statutory Max</p> <p><u>Current:</u> \$1 / hd</p> <p><u>Last Rate Adjustment:</u> 1988 (Current rate has not changed since initial issuance of beef order)</p> <p>A credit against the federal assessment up to 50¢ / hd is given for contributions made to a qualified state beef council.</p>
Nebraska Pork Producers Assn.	<p>Pork Promotion, Research and Consumer Information Act (7 U.S.C. 4801 – 4819)</p> <p>Pork Promotion, Research and Consumer Information Order (7 CFR 1230.1 – 1230.91)</p>	<p>Assessment collected and remitted by producers, purchasers and importers of swine</p> <p>The Nebraska Pork Producers Association is the designated state association to participate in the federal pork promotion order. State associations receive a distribution of a portion of the federal assessments collected in the state. Percentage of assessment distributed to the state is set periodically by Pork Industry Delegate body but may not be less than 16.5%.</p>	<p><u>Statutory Maximum:</u> No Statutory Maximum. Current Pork Order sets maximum assessment at 0.50% of value</p> <p><u>Current:</u> 0.40% of value</p> <p><u>Last Rate Adjustment:</u> 2002 (rate decreased from 0.45% to 0.40%) Rate may be adjusted by Secretary of Agriculture upon recommendation of pork Industry delegate body. Incremental increase may not exceed 0.10 % of value</p>

Graphics: Measures of Promotional Effort



State Milk Promotional Assessment Collected Per Cow and as % of Total Milk Value

