

# Beef Checkoff

(Continued from Page A1)

amount, \$4 may go for trucking, \$3 for the auction's commission and an additional \$1 for the checkoff. This leaves the producer with \$10 for his \$18 calf.

Pat McCoy, a partner in McCoy Cattle Company at the Lancaster Stockyards, echoes DeGaetano's sentiments. "A buck a head on these cattle is getting to be a big profit," he says. And, at a dollar a head, there's no reason why cattle should be assessed more than twice. "In an average steer's life he's traded three to eight times," McCoy points out, venturing that a one-time assessment at slaughter might be a better approach.

In principle, though, the program is on solid ground, says McCoy. "It's something positive in an industry that needs some promotion."

Marietta-area farmer Dwight Hess also believes that checking off for promotion is a good strategy. But Hess, who finishes several hundred beef cattle a year, also thinks \$1 a head is too high. "Half that amount would be more in line," he says.

Another objection, voiced by DeGaetano, as well as others, is that assessing dairy cows places an unfair proportion of the promotion burden on the dairy industry. According to USDA, all dairy animals—not just those being sold for beef purposes—are included in the checkoff. "The dairyman himself is already paying dearly for advertising," says DeGaetano.

But Robert Coleman, executive director of the Pennsylvania Beef Council, points out that dairymen also stand to benefit from the checkoff. "The more money we collect from the veal industry, the more advertising and promotion we can give to that industry. If they contribute 25 or 30 percent to the program, then they'll get back that much in promotion," he says. "The beef program will also help the dairy farmer when he takes his cull cows to market."

Despite the problems involved in implementing the program, DeGaetano believes that promotion is a much needed shot in the arm. "I do think we need promotion with all the bad press that the meat industry is getting," he says, adding that the medical industry should be targeted for nutritional advertising.

Pat McCoy cautions that the beef industry must avoid wasting checkoff money by talking to itself in its own publications. "I don't want to see ads in the heart of feeder cattle country. I want to see them in downtown New York where they're needed."

According to Robert Coleman, this is just about what the Beef Promotion and Research Board has in mind. Coleman says that a national ad campaign will target professionals between the ages of 25 and 54. Ads placed on television and radio, as well as in eight to 10 major magazines, are expected to reach 97 percent of this group, he says.

In addition to advertising, DeGaetano thinks that some of the money should be used to find ways to produce beef at a cheaper price. "We can spend all the money in the

world (on promotion), but as long as beef is selling so much higher than chicken and turkey, it will be outsold by chicken and turkey."

Coleman reports that compliance with the program has been heartening. Vintage Sales Stables of Intercourse, Lancaster County, is one of only two auction houses nationwide that are refusing to collect checkoff funds, says Coleman.

Robert Frame, president of Vintage, has little faith in promotional programs. "They're

asking us to steal a dollar a head from every farmer," says Frame. "I've watched this business all my life. The only answer to it is supply and demand."

"The greatest way to boost demand is to lower the price," Frame continues. "How are you going to get people to pay \$5 for steak when they can buy chicken for 50 cents?"

Frame's son, Robert, Jr., is an attorney and vice president of Vintage. He is convinced that the checkoff should not even be considered legal. "You've got the federal government exacting an amount from private individuals to pay for the views of another group

of individuals (Beef Council). I think that's unconstitutional."

Frame is also concerned that advertising costs accrued between now and the referendum will be paid for with funds that should be set aside to honor refund requests.

But council's Robert Coleman points out that 15 percent of all funds collected will be held in an escrow account to cover refunds. If the total of the refund requests should exceed the 15 percent, however, producers will receive an amount that reflects their percentage of the total requests.

Since the checkoff is mandated by the farm bill's Beef Promotion and Research Act, Coleman

cautions that noncompliance is considered a federal offense. The penalty for refusing to cooperate with the program has been set at \$5,000 per violation, he says.

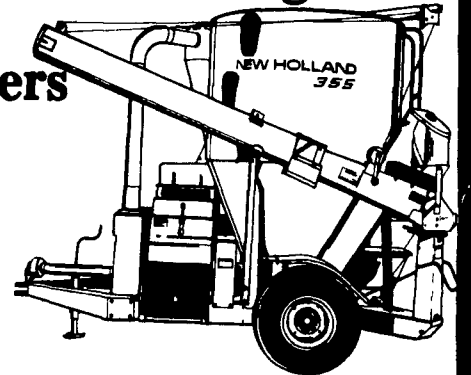
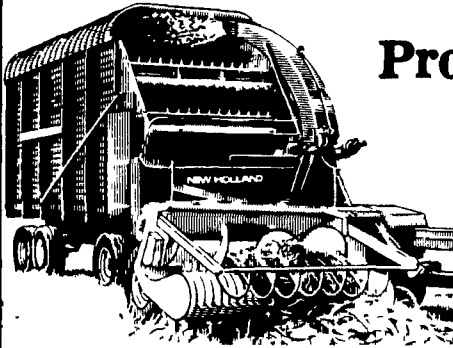
Coleman urges cattlemen and auctions to be patient with the system while the national board's executive committee works on ironing out the wrinkles. "The recordkeeping will be simplified," he says. "Help is on the way."

He also encourages those with comments concerning checkoff procedures to contact him. The address is Pennsylvania Beef Council, 4714 Orchard St., Harrisburg, PA 17109. Phone: 717-545-6000.

00000  
**0% Interest - 1 Year**      **5.9% Interest - 2 Years**  
**INTERESTED?**

**C.E. Wiley & Son**

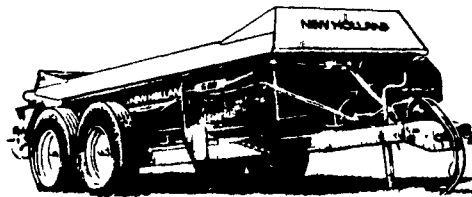
**Has This For You NOW! On All New N.H. Forage Products, Hay Products, Grinder-Mixers Manure Spreaders & Loaders**



**36-38 MONTHS  
 8.9% A.P.R.**

**DO YOU WANT MORE?**  
**FREE Upper Beater & Hydraulic Endgate (\$1313 SAVINGS)**

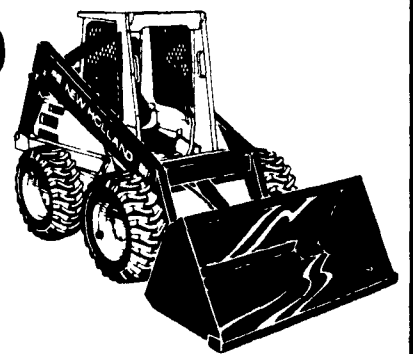
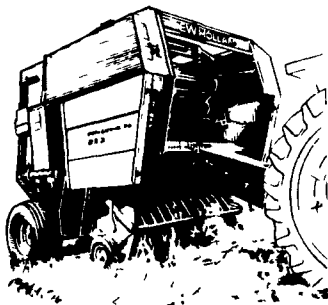
**With A Purchase of Models: 514, 520, 680 N.H. Box Spreaders**



**DO YOU WANT MORE?**

**SAVE AT LEAST \$1000**

**on a N.H. Round Baler  
 or  
 Any N.H. Skid-Steer Loader**



**IF YOU THINK THIS KNOCKS YOUR EYES OUT  
 CALL US! WE'LL ALWAYS GIVE YOU  
 A GOOD DEAL**

*It's Like Christmas In November.*



YOUR NEW HOLLAND DEALER

**C.E. WILEY & SON INC.**

101 S. LIME QUARRYVILLE, PA. PHONE (717) 786-2895

**Our 79th Year  
 Serving The  
 Community**

**SEARCHING  
 FOR A  
 GOOD  
 BUY?  
 YOU'LL  
 FIND IT  
 IN  
 CLASSIFIEDS**