



**Corn Check-off  
Policy Development 2015**

**Issue:**

A growing number of farmers are highlighting the need for a state corn check-off. There is an active check-off program nationally for soybeans, cotton, pork, dairy, and beef. Beef is the only commodity with a state check-off to compliment the national check-off. These commodities have benefitted from the promotion, production research, and product research. Corn, wheat, and grain sorghum are major commodities in the state. However, farmer funded research and promotion does not exist for these commodities as it does for others.

**Questions:**

1. Do you believe other check-off programs have been positive for other commodities?
2. What have been some of the downsides to other commodity programs?
3. If state and federal funding continues to be reduced for research, how will Tennessee farmers fund needed research?

**Background:**

State and federal funds for agricultural research are on the decline. Farmers supporting a corn check-off are concerned research and breeding by large seed companies will concentrate on Corn Belt states and other areas where corn acreage is higher. This concern also applies to chemical, fertilizer, and irrigation research by agricultural suppliers. Many corn producers point to Tennessee specific research needs in plant population, drought genetics, fertility, irrigation, micro-nutrition, diseases, pests, harvesting, and storage.

There could also be an education component to a corn check-off. Supporters believe funds could be used in the same manner as other commodity check-offs to promote a better understanding of issues among the general public. This would include addressing the controversy surrounding genetically modified crops and energy production from corn. The funds could also be provided to youth groups such as 4-H and FFA.

Supporters suggest a check-off of one cent per bushel. Tennessee farmers produced 141 million bushels of corn in 2014 which would have provided \$1.41 million. All states surrounding Tennessee have a corn check-off. Alabama, Arkansas, Georgia, Mississippi, and Missouri have a one cent per bushel check-off. Kentucky's check-off is .0025% of the gross marketed price of corn and North Carolina is ¾ cent per bushel.

In order to have a corn check-off, Tennessee law must enable a referendum process, prescribe a check-off amount, and have a structure for a board. Soybeans, dairy, pork, eggs, and beef have this structure in law but corn does not have enabling law. If the same structure was in place for corn, there would first be a referendum whether to have a check-off. If the referendum passed then the commissioner of agriculture would activate and name a board to administer the check-off.

## **TFBF Policy**

### **Commodity Promotion Programs**

Research on farm product sales and consumption is a laudable use of check-off dollars. However, state and federal governments should not cease funding research and promotion with the intent of allowing the check-off funded programs to cover these costs. Policy-making boards directing the expenditure of funds should be composed entirely of producers.

All state and national legislation or administrative actions establishing a mandatory commodity check-off to finance research and promotion programs should contain the following provisions:

1. Individual producers should have the right to vote to begin a promotion program for a commodity they produce. The referendum should be conducted on the basis of one vote per producer without regard to volume of production. A simple majority vote must be attained for implementation.
2. In proposed state check-offs the Tennessee Department of Agriculture should conduct and finance referendums for state commodity promotion programs. Subsequent voting for recall, increasing assessments or other purposes should be conducted by the Department and financed by funds collected from the program.
3. Bloc voting by marketing cooperatives should not be allowed. Each producer should be responsible for his own vote.
4. A recall vote by petition should be provided. No more than 10% of producers who voted to start a program (meaning total of all votes, yes or no) shall be required for a recall vote.
5. A simple refund procedure on initial programs should be provided. Producers should not be required to submit refund applications more frequently than six-month intervals.
6. Funds collected by the program should only be used for research, promotion, and educational activities designed to increase consumption, improve consumer knowledge, awareness and understanding, and improve the efficient production of the commodity. Separate accounting should be used to identify the origin and expenditure of check-off and organizational funds in the event membership and promotional activities co-manage for efficiency. Governing board accounting should remain separate to protect the autonomy and overall purposes of check-off funds.
7. In proposed state check-offs the organization collecting and distributing these funds must file an annual financial statement with the Tennessee Department of Agriculture. These annual itemized financial statements should be available for public inspection and/or distribution to producers from whom these funds were collected.

We urge the agricultural media to report to the farm community information on the activities of the commodity-promotion programs.