

THE OHIO BEEF MARKETING PROGRAM*

The Ohio Beef Marketing program (OBMP) is a self help program initiated by beef producers in a referendum held in December 1970. The goal of the program is to improve the net income of beef producers by increasing U.S. demand for beef.

By combining their efforts into one marketing promotion program all Ohio beef producers, both feeders and breeders, may strengthen price in the retail market place. These higher prices should mean higher prices to producers hence higher incomes. To further expand promotional effort, an amendment to the existing Ohio Beef Marketing Program is being submitted for a referendum to all eligible Ohio producers of bovine animals. The amendment proposes to change the assessment from 10 cents per head to 1/10 of one percent of the selling price per head on all bovine animals sold.

BE INFORMED

Study the Beef Marketing Plan details in this leaflet. Know what the Plan will and will not do. (For additional information see a copy of the Plan at your County Extension Office.)

Make your decision on how you wish to vote from an informed point of view.

VOTE YOUR CONVICTIONS

It is very important that every beef producer understand the beef marketing program. Do not vote "yes" or "no" from a basis of prejudice or lack of knowledge. If there is any part of the program you do not understand write or call your County or Area Extension Agent.

VOTING PROCEDURE

The County Extension Office has been designated as the polling place in each County. Ballots will be available and voting must be done during usual business hours in your County Extension Office Feb. 11-12-13, 1975. An impartial observer has been appointed by the Director of the Ohio Department of Agriculture to supervise voting.

HOW WILL THE OHIO BEEF MARKETING PLAN WORK?

- Q. What is the Beef Marketing Plan?
- A. The Beef Marketing Plan permits all beef producers to invest a modest amount of money toward beef promotion and advertising. It provides for the collection of 1/10 of one percent per head on all bovine animals, with the exception of dairy breeding stock, sold in the state.
- Q. What is the purpose or objective of the program?
- A. To promote the sale and use of beef and beef products and to support the beef promotion, research and education activities of the National Livestock & Meat Board and its Beef Industry Council with approximately 30 percent of the assessments collected and to direct the majority of the market development and promotion efforts and funds on a national scale.

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- . To develop new uses and markets for beef and beef products.
- . To develop and improve methods of distributing beef and beef products to the consumer.
- . To develop methods of improving the quality of beef and beef products.
- . To inform and educate the public of the value of beef and beef products.
- . To promote the production and sale of Ohio Feeder Calves.

Q. Who will control and administer the Ohio Beef Marketing Program?

A. An Operating Committee made up entirely of beef producers.

Q. What is the Operating Committee and how is it selected?

A. The Director of Agriculture appoints an Operating Committee consisting of fifteen members in accordance with Section 924.07 of the Ohio Revised Code and Regulation AG-57-01.06 of the Ohio Department of Agriculture.

Members of the Operating Committee shall be appointed from a list of candidates recommended by other beef producers. A member of the Operating Committee must be a producer of beef for the past three years and qualify under ODA Regulation AG-57-01.06. All members shall be appointed for three years unless the appointee is to fill a vacancy. No committee member shall serve more than two successive three-year terms.

Q. What are the duties of the operating committee?

A. To administer the provisions of the OBMP by conducting a program to advertise beef, develop new markets or conduct market development research.

Q. Who collects the deduction of 1/10 of one percent of total sale price?

A. All livestock markets, packer buyers, or any other type of dealers and buyers who purchase beef animals produced in Ohio. This could include farmers.

Q. What does the collector do with the money?

A. He sends it to the Ohio Director of Agriculture who keeps the records. The Director then sends it to the State Treasurer who credits it to the Rotary Fund for the Beef Marketing Program.

Q. What will it take to pass the referendum?

A. The Marketing Plan will go into effect only after it is approved by the beef producers of Ohio. In order to be approved, the Plan must receive "Yes" votes of 2/3 of the producers voting and they must have produced at least 51% of the beef marketed by all voters in the past year. Or, the proposal also can be approved by 51% of the producers voting if they marketed 2/3 of the production in 1969.

- Q. Can you get your money back?
- A. Yes. You have 30 days after the date of the sale to request full refund.
- Q. Is the contribution tax-deductable?
- A. Yes. Internal Revenue Service regulations permit a producer to deduct such contributions.
- Q. Is Ohio unique in conducting a beef marketing program?
- A. No, Ohio is one of 18 states in which producers contribute through a legislative program for the promotion of beef. Another 13 states conduct a voluntary program.
- Q. What is the voting procedure?
- A. Every qualified producer or his designee who is an Ohio resident and is subject to the deduction can vote on Feb. 11-12-13, 1975 at the County Extension Office in his county, if he sold at least one beef animal in 1974.
- Q. If producers become dissatisfied with the program, what can be done?
- A. The Director of Agriculture is required at least once each five years, or upon written petition by the lesser of 1000 of the affected producers, to hold a hearing on the termination of the program. If he recommends termination, he must conduct a referendum within 45 days among the affect producers. If 51% of the voting members, representing more than 51% of the volume of beef produced in the preceding market year, vote for termination, the program will be terminated.
- Q. If the referendum fails, will the Ohio Beef Marketing program terminate?
- A. No, the program will continue financed by the checkoff at the current rate of 10 cents per head.

WHAT CAN BE EXPECTED FROM PROMOTION AND ADVERTISING?

Promotional programs have come to be accepted by many agricultural leaders as a necessity for a progressive agricultural industry. Some producers feel that they must have such a program in order to "keep up" in the fight for the consumer dollar even though they can see limited opportunity of increasing total demand.

You may want to consider the following questions and answers regarding promotion and advertising:

- Q. Some people say the potential per capita consumption of beef in the U.S. has been reached. Is this true?
- A. No. Beef consumption per capita has increased from 85 pounds in 1960 to an estimated 120 pounds in 1975. Per capita consumption of beef and veal in Argentina in 1972 was 134 pounds compared to 118 pounds in the U.S.

- Q. Does Ohio beef differ from beef produced in other cornbelt states?
- A. There is no evidence that beef in one cornbelt state differs from beef of the same official grade in any other cornbelt state.
- Q. Should all beef producers contribute to a promotion program?
- A. Many people feel that since all producers benefit, all producers should contribute.
- Q. Would this program be only of a short-time benefit?
- A. No. Benefits such as improving quality are long-range in nature.
- Q. Is financing a promotional budget on a legislative rather than a voluntary basis more satisfactory?
- A. In most cases, a more consistent flow of funds is provided.

INCREASING DEMAND

The following partial list of factors may increase or stabilize demand:

- . Improving the desirability of the product as viewed by the consumer
- . Improving product quality
- . Introducing new products
- . Providing educational materials
- . Decreasing competition from other products
- . Increasing population
- . Increasing consumer income

The first five of these factors may be influenced through an advertising program.

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