

BACKGROUND

H.R. 985, THE CONCRETE MASONRY PRODUCTS, RESEARCH, EDUCATION AND PROMOTION ACT

Check-off programs are officially known as commodity research and promotion programs. Designed to enable cooperation among generic commodity products – such as beef, milk, raisins, peanuts, and certain heating fuel products – they are established at the request of the affected industry. Existing check-off programs establish mandatory fees on industry that fund coordinated advertising campaigns, market research, product development, and consumer education. The government oversees the programs, which are managed by a board comprised of industry members. Unlike typical private-sector promotion programs, the goal of check-off programs is to promote a generic commodity to increase sales, consumer awareness, and demand.

The vast majority of the check-off programs in the United States are agricultural. Under the Commodity Promotion, Research, and Information Act of 1996,^[1] the U.S. Department of Agriculture (USDA) has been authorized to oversee all check-off programs for the agricultural industry and to support the creation of new check-off programs. Well-known check-off programs include advertising campaigns for milk and beef, and the USDA currently oversees at least 20 check-off programs across the agricultural industry, including products such as cotton, eggs, mangos, popcorn, pork, potatoes, processed raspberries, softwood lumber, sorghum, soybeans, and watermelons.^[2]

The existing agriculture commodity check-off programs are overseen by USDA's Agricultural Marketing Service (AMS). Each check-off is governed by a Board, with members appointed by the Secretary of Agriculture based on the industry's nominations. Despite federal administration of these programs, the check-off programs are fully funded and operated by the industries. According to USDA, every \$1 spent in a check-off program yields an investment return as high as \$18.^[3]

In addition to the USDA administered programs, there are also two check-off programs for heating fuel products. The first involves propane, and was authorized by the Propane Education and Research Act of 1996 (the Propane Act). The second covers heating oil, and was initially authorized by the National Oilheat Research Alliance Act of 2000 (the Oilheat Act), and recently reauthorized by the 2014 Farm Bill. Both programs are overseen by the Department of Energy (DOE).

The intent of H.R. 1563 is to establish a similar check-off program for the concrete masonry industry.

^[1] Pub. L. 104-127.

^[2] U.S. Department of Agriculture, *Federal Research and Promotion Programs* (Aug. 27, 2013) (online at www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateB&navID=ResearchandPromotion&leftNav=ResearchandPromotion&page=ResearchandPromotion&acct=AMSPW).

^[3] U.S. Department of Agriculture, *Industry Insight: Checkoff Programs Empower Business* (Sept. 21, 2011) (online at <http://blogs.usda.gov/2011/09/21/industry-insight-checkoff-programs-empower-business>).