



Fiscal Services Division

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Inside this Fiscal Research Brief

Summary

This **Fiscal Research Brief** provides an overview of Iowa checkoff programs including assessment rates, revenue collected, and interaction with national checkoff programs for the same commodity.

Affected Agencies

Department of Agriculture and Land Stewardship
Department of Administrative Services
Treasurer of State

Iowa Code Authority

Iowa Code chapter [179](#)
Iowa Code chapter [181](#)
Iowa Code chapter [182](#)
Iowa Code chapter [183A](#)
Iowa Code chapter [184](#)
Iowa Code chapter [184A](#)
Iowa Code chapter [185](#)
Iowa Code chapter [185C](#)

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Iowa Agricultural Checkoff Programs

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Introduction

Across the U.S., many national and state agricultural checkoff programs for various agricultural commodities are in place. The [United States Department of Agriculture \(USDA\) Agricultural Marketing Service \(AMS\) Research and Promotion Programs](#) website provides an overview of 22 national checkoff programs. This *Fiscal Research Brief* (FRB) is intended to provide an overview of Iowa checkoff programs authorized by the Iowa Code.

Overview

Agricultural checkoff programs are programs funded completely by producers and industry stakeholders of a certain commodity, commonly with an assessment (excise tax). The goal of each program is to increase market demand for a specific commodity, and by increasing demand, increase prices for producers of that commodity. Checkoff programs are not allowed to directly or indirectly use any moneys obtained from the checkoff assessment to influence legislation, support any candidate for public office, or support any political party. Common activities undertaken by checkoff programs to increase commodity demand include:

- Generic commodity advertising
- Market research
- Product development
- Consumer education

Eight checkoff programs in the Iowa Code are authorized to collect assessments. Some State programs are suspended in the presence of a national program for the same commodity; therefore, not all State programs are active. **Table 1** provides an outline of Iowa checkoff programs, including related Iowa Code chapters, related Iowa Administrative Code chapters, and related national checkoff programs.

Table 1 — Outline of Iowa Checkoff Programs

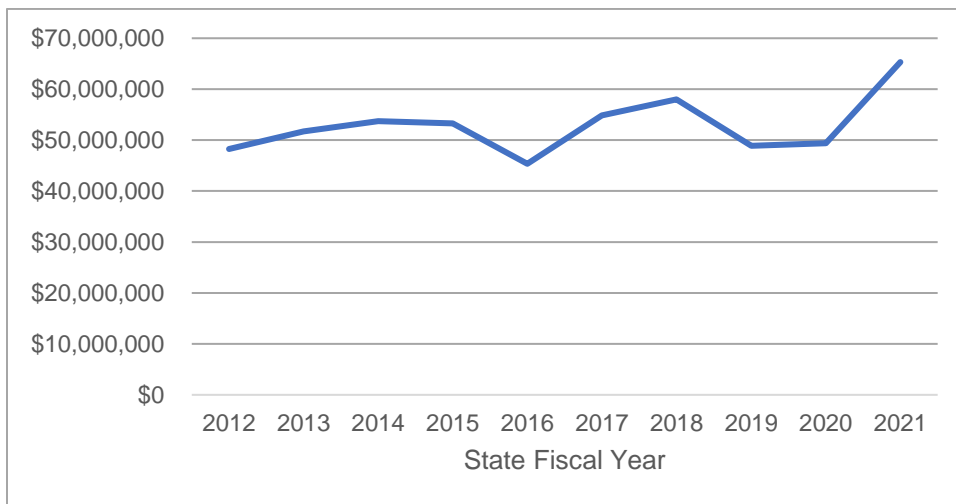
Iowa Code Chapter	Iowa Administrative Code Chapter	State Checkoff Board/Council	State Assessment in Place	National Program
179	N/A	Dairy Industry Commission	No, suspended during national program	National Dairy Promotion and Research Board
181	101	Iowa Beef Industry Council	Yes, in addition to national assessment	Cattlemen's Beef Board
182	741	Sheep and Wool Promotion Board	Yes, in addition to national assessment	American Lamb Board
183A	N/A	Iowa Pork Producers Council	No, part of national assessment supports State program	National Pork Board
184	301	Iowa Egg Council	Yes, in addition to national assessment	American Egg Board
184A	787	Turkey Marketing Council	Yes	N/A
185	N/A	Iowa Soybean Association	No, part of national assessment supports State program	United Soybean Board
185C	N/A	Iowa Corn Promotion Board	Yes	N/A

The Iowa Code allows for the creation of certain checkoff programs and implementation of assessments. However, programs must be approved by producers through a referendum. A majority of producers of the commodity must vote to implement the checkoff program and proposed assessment level. Producers of the commodity also vote for the members of the board that oversees the program and may call special referendums to increase, decrease, suspend, or terminate checkoff programs. The Iowa Department of Agriculture and Land Stewardship (DALS) administers referendums for Iowa checkoff programs. Producers who have a state assessment deducted from the sale price of their product may apply to receive a refund of the assessment amount; however, not all programs are eligible for a refund.

Checkoff assessments are typically collected by the “first purchaser” of the commodity. The first purchaser is the first entity in the supply chain to purchase a commodity from a producer. Examples of first purchasers include grain elevators, ethanol plants, and packing plants. Distributors and retailers purchasing commodities or commodity products from first purchasers typically do not collect or pay checkoff assessments. Some assessments are eligible for a refund from their respective board or council. To request a refund of their assessment, a producer may file an application with the board or council that collected their assessment.

The Iowa Code requires most checkoff programs to deposit receipts with the Treasurer of State. After funds are deposited with the Treasurer of State, the Department of Administrative Services (DAS) transfers funds to approved accounts with qualified financial institutions for checkoff programs to use at their discretion. Checkoff assessment deposit records with the Treasurer of State for the past 10 years are available in the State’s accounting system. **Figure 1** provides the total revenue deposited with the Treasurer of State for all checkoff programs from FY 2012 to FY 2021. Similar graphs for each individual checkoff program that deposits funds with the Treasurer of State are provided in the next section of this **FRB**. Because all moneys are transferred out of the State’s funds by the DAS to qualified financial institutions, itemized expenses and refunds cannot be obtained from the State’s accounting system; only revenue and total amount transferred are available. For more information on individual program expenditures and refund rates, see the State Auditor Reports referenced in **Appendix A** or visit individual program websites.

Figure 1 — Total Checkoff Deposits with the Treasurer of State



Note: This graph includes deposits from the State beef, egg, turkey, and corn checkoff assessments and the national soybean assessment. The Iowa Soybean Association collects the national assessment and deposits the moneys with the Treasurer of State. Half of the national assessment is passed to the national program.

State Agricultural Checkoff Program Summaries

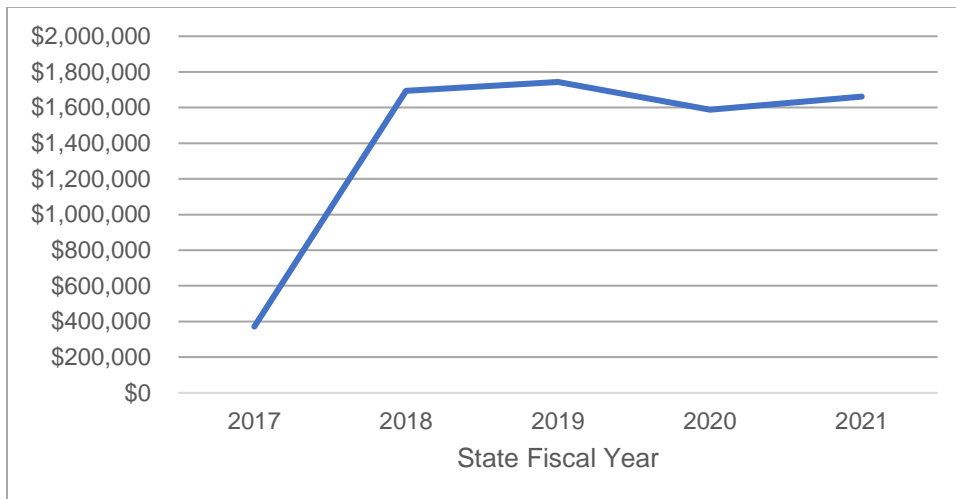
Dairy Industry Commission

Iowa Code chapter [179](#) establishes the Iowa Dairy Industry Commission (IDIC) to administer a State checkoff program. When active, the IDIC collects 0.75% of the value of milk sold. However, this program is suspended when a national program is in place. A national program is currently in place; therefore, the Iowa program is not active. The national program collects \$0.15 per 100 pounds of milk sold. Of the \$0.15 per 100 pounds of milk collected, 10 cents goes to [Midwest Dairy](#), a Qualified Program covering parts of 10 states including Iowa, and the remaining \$0.05 goes to the [National Dairy Promotion and Research Board](#). Qualified Programs are state, regional, or importer organizations that conduct a dairy product promotion, research, or nutrition education program, authorized by federal or state law, or that were active programs prior to the [Dairy Production Stabilization Act of 1983 \(Dairy Act\)](#). The national assessment is nonrefundable.

Iowa Beef Industry Council

Iowa Code chapter [181](#) establishes the Beef Cattle Producers Association. When active, this program can establish an assessment up to \$1 per head of cattle by a producer vote. A national checkoff program, the [Cattlemen’s Beef Board](#) is currently in place. When a national program is in place, the State program has two options: suspension or applying to become a Qualified State Beef Council under the current national program. A Qualified State Beef Council can continue to operate with oversight from the national program. The [Iowa Beef Industry Council \(IBIC\)](#) is a Qualified State Beef Council and is the active beef checkoff program in Iowa. Both national and State assessments are currently in place. According to the USDA, Iowa’s total number of cattle as of January 1, 2022, was approximately 3.90 million head. The national assessment is \$1 per head and the State assessment is \$0.50 per head, so the total checkoff in Iowa is \$1.50 per head. The national assessment is not refundable but the State assessment is refundable. Checkoff assessments deposited with the Treasurer of State from FY 2017 to FY 2021 are shown in **Figure 2** below. Only the State assessments are deposited with the Treasurer of State. The national assessment is not included in the data below. The \$0.50 State assessment began March 1, 2017, so revenue data only goes back to 2017 for this program.

Figure 2 — Iowa Beef Industry Council Deposits with the Treasurer of State



Iowa Sheep and Wool Promotion Board

Iowa Code chapter [182](#) establishes the [Iowa Sheep and Wool Promotion Board](#). The Board collects \$0.02 per pound of wool sold and \$0.10 per head of sheep sold. The State program is not suspended in the presence of a national program. A national program, the [American Lamb Board](#), is currently in place. According to the USDA, Iowa’s total number of sheep as of January 1, 2022, was 160,000 head, and wool production for 2021 was 740,000 pounds. Under the national program, producers, seedstock operators, and feeders pay an assessment of \$0.007 per pound of the live weight of animals sold. In contrast to other checkoff programs, first handlers also pay an assessment of \$0.42 per head under the national program. Iowa Code does not require the Iowa Sheep and Wool Promotion Board to deposit funds with the Treasurer of State, so deposits with the Treasurer of State are not available. According to the State Auditor’s report published in 2019, the Sheep and Wool Promotion Board collected approximately \$30,000 in 2018 and 2019. This is significantly less than most other State programs.

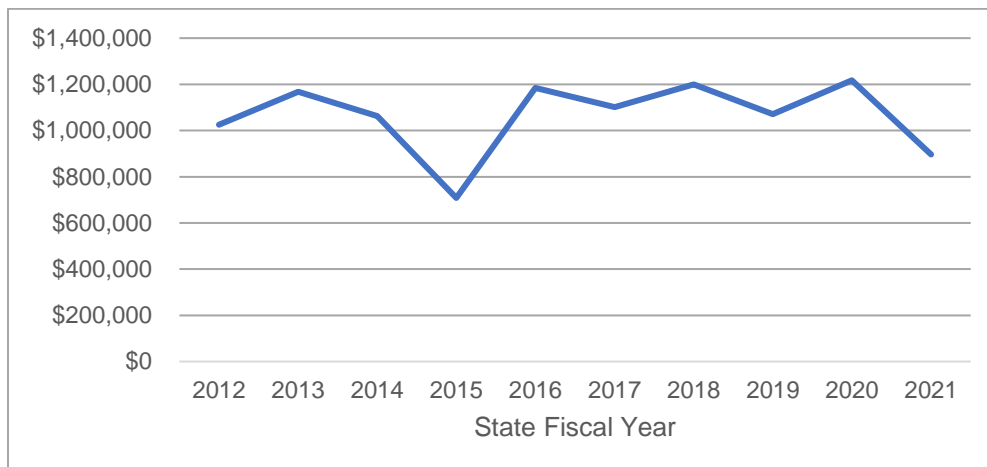
Iowa Pork Producers Council

Iowa Code chapter [183A](#) establishes the Iowa Pork Producers Council. When operating, this program collects an assessment between 0.2% and 0.3% of the gross sale price of all hogs sold. The assessment starts at 0.25% and can be adjusted by a producer vote. This program is suspended during the presence of a national program. A national program, the [National Pork Board](#), currently exists; therefore, the State program is not active. The national program currently collects 0.40% of the gross sale price of all hogs sold. Of the national funds collected, 16.5% (or 0.066% of gross sale price) is given to the [Iowa Pork Producers Association](#), a division of the national program that operates in Iowa. The national checkoff assessment is nonrefundable.

Iowa Egg Council

Iowa Code chapter [184](#) establishes the [Iowa Egg Council](#). This program collects \$0.02 per 30 dozen eggs sold. The assessment is nonrefundable. The State assessment is only collected from producers who own or contract for the care of over 30,000 layer-hens in Iowa. This program is not suspended in the presence of a national program. A national program, the [American Egg Board](#), is currently in place. The national checkoff assessment is \$0.10 per 30 dozen eggs sold and is collected in addition to the State assessment. Producers owning 75,000 or fewer layer hens may request an exemption from the national assessment. State checkoff assessments deposited with the Treasurer of State from FY 2012 to FY 2021 are shown in **Figure 3** below. The checkoff revenue in FY 2015 was likely reduced due to the Highly Pathogenic Avian Influenza (HPAI) outbreak which reduced Iowa egg production.

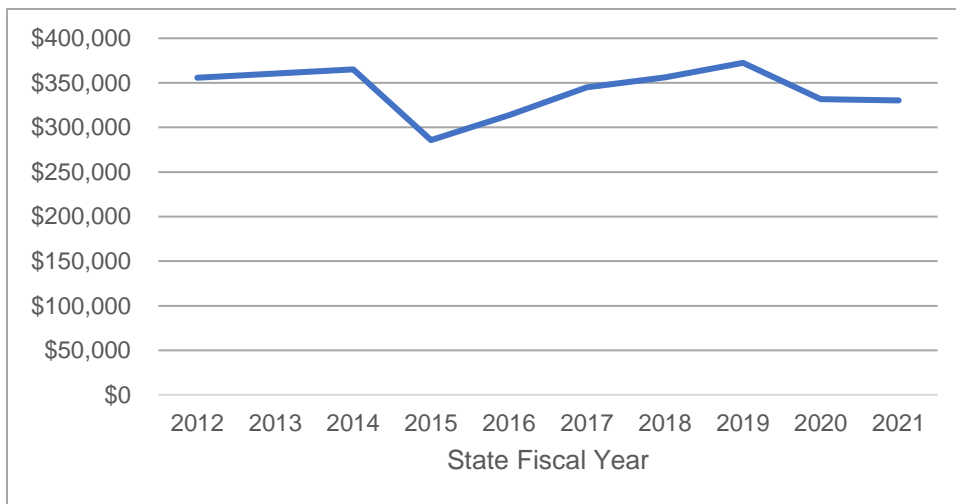
Figure 3 — Iowa Egg Council Deposits with the Treasurer of State



Iowa Turkey Marketing Council

Iowa Code chapter [184A](#) establishes the [Iowa Turkey Marketing Council](#). The Council collects an assessment of \$0.025 per tom turkey processed in Iowa and \$0.015 per hen processed in Iowa. Iowa primarily processes tom turkeys. According to the USDA, Iowa produced approximately 11.7 million head of turkey in 2021. The checkoff assessment is only collected from producers who raise over 5,000 head of turkeys each year. The assessment is not refundable for turkeys raised in Iowa. Turkeys raised outside of Iowa but sold to be processed in Iowa may be refunded if the refund is requested by an organization representing the interests of turkey producers and the organization requesting the refund has a signed and effective agreement with the Iowa Turkey Marketing Council regarding the refund ([787 IAC 1.1](#)). No national checkoff program exists. Checkoff assessments deposited with the Treasurer of State from FY 2012 to FY 2021 are shown in **Figure 4** below. The checkoff revenue in FY 2015 was likely reduced due to the HPAI outbreak which reduced Iowa turkey production.

Figure 4 — Iowa Turkey Marketing Council Deposits with the Treasurer of State

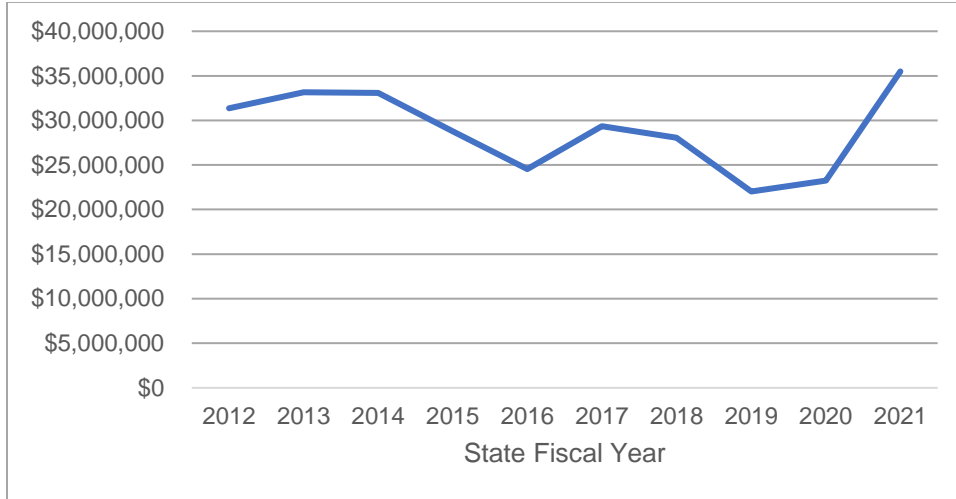


Iowa Soybean Association

Iowa Code chapter [185](#) establishes the [Iowa Soybean Association](#). When no national program is in place, the Association collects an assessment of 0.5% of the market value of soybeans. A national program, the [United Soybean Board](#), is currently in place. The national assessment is also 0.5% of the market value of soybeans. When a national program is in place, the Association operates in collaboration with the national program, as a Qualified State Soybean Board. Any organization authorized to collect a state assessment on soybeans by state law may elect to become a Qualified State Soybean Board. Qualified State Soybean Boards must adhere to regulations outlined by the United Soybean Board. As a Qualified State Soybean Board, the Iowa Soybean Association collects the national assessment for the United Soybean Board. Half of the national assessment, or 0.25% of the total market value of soybeans, remains with the Iowa Soybean Association. The other half is passed to the United Soybean Board. Checkoff assessments deposited with the Treasurer of State from FY 2012 to FY 2021 are shown in **Figure 5** below. The data in **Figure 5** includes the total national assessment. Half of these moneys are transferred to the United Soybean Board. This assessment is refundable under Iowa Code, however, since the United Soybean Board collects the assessment, a producer may only request a refund of the state portion of the assessment. In

addition, if a refund is requested, the refund is redirected to the United Soybean Board rather than being given to the producer.

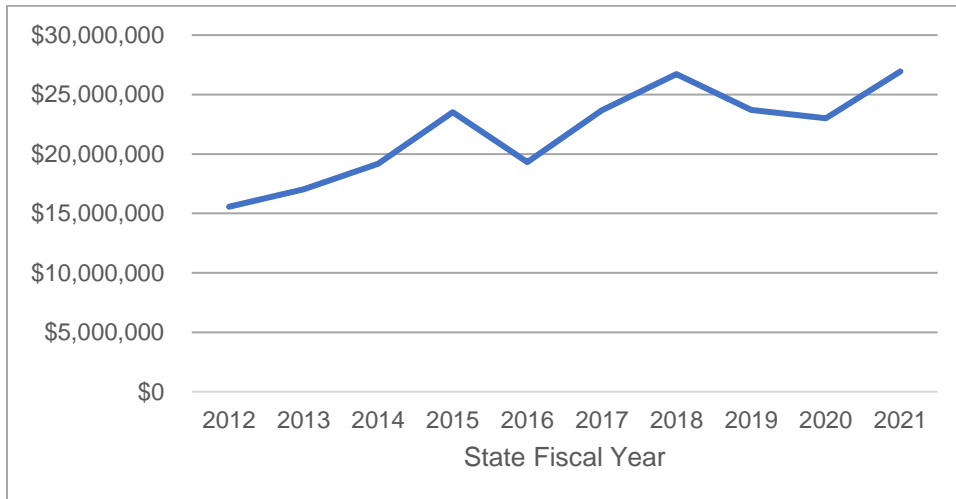
Figure 5 — Iowa Soybean Association Deposits with the Treasurer of State



Iowa Corn Promotion Board

Iowa Code chapter [185C](#) establishes the [Iowa Corn Promotion Board](#). The Board collects an assessment of \$0.01 per bushel of corn sold. The assessment is refundable. No national checkoff program exists. Checkoff assessments deposited with the Treasurer of State from FY 2012 to FY 2021 are shown in **Figure 6** below.

Figure 6 — Iowa Corn Promotion Board Deposits with the Treasurer of State



Conclusion

This **FRB** provides an overview of agricultural checkoff activities in the State, specifically those programs authorized in the Iowa Code. For more information on individual programs, visit the program websites noted in **Table 1** of this document or review the available State Auditor Reports in **Appendix A**.

Appendix A — State Auditor Reports

Some programs are routinely audited by the Iowa State Auditor. Audit reports provide detailed information on expenses and refunds. Reports are not available for every program. Furthermore, some State checkoff programs have fiscal years that differ from the State's fiscal year, so data obtained from State Auditor reports is not directly comparable to data from the State accounting system. Links to recent audit reports are available in **Table 2**.

Table 2 — Recent Available Audit Reports for Active State Checkoff Programs

Checkoff Program	End Date of Audit Report	2018	2019	2020	2021
Iowa Sheep and Wool Promotion Board	June 30	-	2019	-	-
Iowa Egg Council	June 30	2018	2019	2020	-
Iowa Turkey Marketing Council	December 31	2018	-	2020	-
Iowa Soybean Association	September 30	-	-	2020	2021
Corn Promotion Board	August 31	2018	2019	2020	2021

Note: Years represent the year in which the most recent fiscal year ended for the program. Years do not reflect the State's fiscal year.

Appendix B — Data Used in Figures

Fiscal Year	Beef	Corn	Egg	Soy	Turkey	Total by Year
2012	\$ 0	\$ 15,559,537	\$ 1,025,295	\$ 31,343,892	\$ 355,873	\$ 48,284,598
2013	\$ 0	\$ 17,019,210	\$ 1,167,878	\$ 33,148,372	\$ 360,391	\$ 51,695,851
2014	\$ 0	\$ 19,189,257	\$ 1,063,349	\$ 33,076,223	\$ 365,001	\$ 53,693,830
2015	\$ 0	\$ 23,500,096	\$ 708,256	\$ 28,777,184	\$ 285,786	\$ 53,271,322
2016	\$ 0	\$ 19,325,370	\$ 1,184,553	\$ 24,530,037	\$ 313,932	\$ 45,353,892
2017	\$ 371,460	\$ 23,671,147	\$ 1,101,229	\$ 29,359,486	\$ 344,868	\$ 54,848,190
2018	\$ 1,693,299	\$ 26,726,596	\$ 1,199,896	\$ 28,044,612	\$ 356,055	\$ 58,020,459
2019	\$ 1,743,400	\$ 23,694,603	\$ 1,071,410	\$ 22,026,049	\$ 372,451	\$ 48,907,912
2020	\$ 1,588,242	\$ 23,006,008	\$ 1,217,500	\$ 23,246,325	\$ 331,652	\$ 49,389,727
2021	\$ 1,661,187	\$ 26,942,413	\$ 897,064	\$ 35,489,406	\$ 330,185	\$ 65,320,255
Total by Category	\$ 7,057,588	\$ 218,634,238	\$ 10,636,428	\$ 289,041,587	\$ 3,416,195	

Sources

www.ecfr.gov/current/title-7/subtitle-B/chapter-XI