



# National Check-off FACT SHEET

The national check-off provides industry funding for the Beef Cattle Research Council (BCRC) responsible for the industry's national research program; the Beef Information Centre (BIC) tasked with market development in Canada and the United States; and the Canada Beef Export Federation (CBEF) which develops export markets in Mexico, Asia, and more recently Russia and the Middle East.

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The national check-off is a mandatory levy of \$1 per head collected from beef cattle producers when they market their cattle. The check-off generates approximately \$8.2 million annually for research and marketing activities on behalf of the entire industry.
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A study evaluating the economic benefits from the Canadian beef cattle check-off was completed March 2010 and marks the first new analysis of the effectiveness of national check-off expenditures on producers' economic well-being in a decade. The study reports that on average from 2005 and 2008, **every check-off dollar invested in national research and marketing activities earned back \$9 for Canadian cattle producers.**

*Research* delivered a return of \$46 in producer benefits for every check-off dollar invested.

*Marketing* delivered a return of \$7.55 in producer benefits for every check-off dollar invested.

As well, by 2008 the return to the average dollar invested slightly exceeded the return to the average dollar invested prior to the BSE crisis.

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Canada's beef cattle check-off return on investment of \$9 for every dollar invested (9:1) is higher than Australia and the United States. Recent reviews of their check-offs reported returns of 5:1 and 5.5:1 respectively. And compared to other commodities, Canadian beef cattle check-off return falls squarely within the range of values reported in previous studies for other regions and commodities and is higher in some cases.
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Australia, New Zealand and the U.S. have similar check-offs, none of which are refundable. In Canada, the national check-off is non-refundable in all provinces except Alberta which recently changed to a refundable check-off.

<b>Country</b>	<b>Check-off levy</b>	<b>Applies to imports?</b>	<b>2008/2009 Revenue (millions)</b>
Canada beef	C\$1 per head marketed	No	C\$8.2
Australia beef	A\$5 per head marketed	No	A\$64
New Zealand beef	NZ\$3.6 per head sold for slaughter	No	NZ\$8.5
U.S. beef	US\$1 per head marketed	Yes	US\$82

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At the present time, Canada's beef cattle check-off does not apply to live animals exported from Canada, nor does the levy apply to imported cattle and beef products. It is estimated that application of the national check-off to imported product would generate



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an additional \$800,000 annually. Once agreements have been finalized to implement the national check-off in all regions of Canada, an import levy can be applied.

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The study evaluating the economic benefits from the Canadian beef cattle check-off indicates that **for every national check-off dollar refund, Canadian cattle producers lose \$11 in economic benefits.**
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While the national check-off provides the core industry funding for research and marketing programs, it does not fully cover the costs of all programs and activities. Supplementary funding is obtained by leveraging the national check-off, **attracting on average \$6 for every \$1 of producer check-off funds.**
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The \$1 per head is collected by provincial beef cattle organizations and is remitted to the Canadian Beef Cattle Research, Market Development and Promotion Agency which oversees the national check-off. Provincial check-offs vary. In addition to the \$1 per head national check-off, provincial levies include funding for provincial organizations and their activities, and provincial dues to the Canadian Cattlemen's Association. Provincial beef cattle organizations determine how they want their \$1 national check-off allocated to marketing and research. Historically, the ratio of investment in marketing to research is 93:7 (93 per cent to marketing and seven per cent to research).

## **Provincial Levy Levels**

<b>Province</b>	<b>Provincial levy per transaction</b>	<b>National check-off portion</b>	<b>Allocation of national check-off by province</b>
British Columbia	\$2.00	\$1.00	95% to marketing, 5% to research
Alberta	\$3.00	\$1.00	90% to marketing, 10% to research
Saskatchewan	\$2.00	\$1.00	90% to marketing, 10% to research
Manitoba	\$3.00	\$1.00	86% to marketing, 5% to research, 9% to Manitoba research
Ontario	\$3.00	\$1.00	95% to marketing, 5% to research – portion of funds rebated for veal
Quebec	\$6.04 cull cows \$5.04 bob calves		Not yet negotiated
New Brunswick	\$3.00	\$1.00	All allocated to marketing
Nova Scotia	\$2.00	\$1.00	All allocated to marketing

In B.C., Saskatchewan and Manitoba the levy is refundable except for the national check-off portion of \$1. As of April 1, 2010 the entire Alberta levy including the national check-off portion is refundable.

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The study evaluating the economic benefits from the Canadian beef cattle check-off is available on the Canadian Cattlemen's association website at [www.cattle.ca/nco-agency](http://www.cattle.ca/nco-agency).