119th CONGRESS 1st Session

To prohibit certain practices relating to certain commodity promotion programs, to require greater transparency by those programs, and for other purposes.

## IN THE SENATE OF THE UNITED STATES

Mr. LEE introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

# A BILL

- To prohibit certain practices relating to certain commodity promotion programs, to require greater transparency by those programs, and for other purposes.
  - 1 Be it enacted by the Senate and House of Representa-
  - 2 tives of the United States of America in Congress assembled,

#### **3** SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Opportunities for Fair-

5 ness in Farming Act of 2025".

#### 6 SEC. 2. FINDINGS.

- 7 Congress finds that—
- 8 (1) the generic programs to promote and pro-9 vide research and information for an agricultural

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commodity (commonly known as "checkoff pro grams") are intended to increase demand for all of
 that agricultural commodity and benefit all assessed
 producers of that agricultural commodity;

5 (2) although the laws establishing checkoff pro6 grams broadly prohibit the use of funds in any man7 ner for the purpose of influencing legislation or gov8 ernment action, checkoff programs have repeatedly
9 been shown to use funds to influence policy directly
10 or by partnering with organizations that lobby;

(3) the unlawful use of checkoff programs funds
benefits some agricultural producers while harming
many others;

(4) to more effectively prevent Boards from
using funds for unlawful purposes, strict separation
of engagement between the Boards and policy entities is necessary;

(5) conflicts of interest in the checkoff programs allow special interests to use checkoff program funds for the benefit of some assessed agricultural producers at the expense of many others;

(6) prohibiting conflicts of interest in checkoff
programs is necessary to ensure the proper and lawful operation of the checkoff programs;

| 1  | (7) checkoff programs are designed to promote   |
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| 2  | agricultural commodities, not to damage other types   |
| 3  | of agricultural commodities through anticompetitive   |
| 4  | conduct or otherwise;   |
| 5  | (8) prohibiting anticompetitive and similar con-  |
| 6  | duct is necessary to ensure proper and lawful oper-   |
| 7  | ation of checkoff programs;   |
| 8  | (9) lack of transparency in checkoff programs   |
| 9  | enables abuses to occur and conceals abuses from  |
| 10   | being discovered; and   |
| 11   | (10) requiring transparency in the expenditure  |
| 12   | of checkoff program funds is necessary to prevent   |
|  |   |
| 13   | and uncover abuses in checkoff programs.  |
|  | and uncover abuses in checkoff programs.<br><b>SEC. 3. DEFINITIONS.</b>   |
| 13   |   |
| 13<br>14   | SEC. 3. DEFINITIONS.  |
| 13<br>14<br>15   | SEC. 3. DEFINITIONS.<br>In this Act:  |
| 13<br>14<br>15<br>16   | SEC. 3. DEFINITIONS.<br>In this Act:<br>(1) BOARD.—The term "Board" means a Fed-  |
| 13<br>14<br>15<br>16<br>17   | SEC. 3. DEFINITIONS. In this Act: (1) BOARD.—The term "Board" means a Federal or State board, committee, council, or similar  |
| <ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> </ol>                                     | SEC. 3. DEFINITIONS. In this Act: (1) BOARD.—The term "Board" means a Federal or State board, committee, council, or similar entity established to carry out a checkoff program or  |
| <ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> </ol>                         | SEC. 3. DEFINITIONS. In this Act: (1) BOARD.—The term "Board" means a Federal or State board, committee, council, or similar entity established to carry out a checkoff program or an order issued by the Secretary under a checkoff  |
| <ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ol>             | SEC. 3. DEFINITIONS. In this Act: <ul> <li>(1) BOARD.—The term "Board" means a Federal or State board, committee, council, or similar entity established to carry out a checkoff program or an order issued by the Secretary under a checkoff program.</li> </ul>   |
| <ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol> | <ul> <li>SEC. 3. DEFINITIONS.</li> <li>In this Act: <ul> <li>(1) BOARD.—The term "Board" means a Federal or State board, committee, council, or similar entity established to carry out a checkoff program or an order issued by the Secretary under a checkoff program.</li> <li>(2) CHECKOFF PROGRAM.—The term "checkoff</li> </ul> </li> </ul> |

| 1  | ducers or brands, including a program carried out |
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| 2  | under any of the following:                       |
| 3  | (A) The Cotton Research and Promotion             |
| 4  | Act (7 U.S.C. 2101 et seq.).                      |
| 5  | (B) The Potato Research and Promotion             |
| 6  | Act (7 U.S.C. 2611 et seq.).                      |
| 7  | (C) The Egg Research and Consumer In-             |
| 8  | formation Act (7 U.S.C. 2701 et seq.).            |
| 9  | (D) The Beef Research and Information             |
| 10 | Act (7 U.S.C. 2901 et seq.).                      |
| 11 | (E) The Wheat and Wheat Foods Re-                 |
| 12 | search and Nutrition Education Act (7 U.S.C.      |
| 13 | 3401 et seq.).                                    |
| 14 | (F) The Floral Research and Consumer              |
| 15 | Information Act (7 U.S.C. 4301 et seq.).          |
| 16 | (G) Subtitle B of the Dairy Production            |
| 17 | Stabilization Act of 1983 (7 U.S.C. 4501 et       |
| 18 | seq.).  |
| 19 | (H) The Honey Research, Promotion, and            |
| 20 | Consumer Information Act (7 U.S.C. 4601 et        |
| 21 | seq.).  |
| 22 | (I) The Pork Promotion, Research, and             |
| 23 | Consumer Information Act of 1985 (7 U.S.C.        |
| 24 | 4801 et seq.).                                    |

| 1  | (J) The Watermelon Research and Pro-         |
|----|--|
| 2  | motion Act (7 U.S.C. $4901$ et seq.).        |
| 3  | (K) The Pecan Promotion and Research         |
| 4  | Act of 1990 (7 U.S.C. 6001 et seq.).         |
| 5  | (L) The Mushroom Promotion, Research,        |
| 6  | and Consumer Information Act of 1990 (7      |
| 7  | U.S.C. 6101 et seq.).                        |
| 8  | (M) The Lime Research, Promotion, and        |
| 9  | Consumer Information Act of 1990 (7 U.S.C.   |
| 10 | 6201 et seq.).                               |
| 11 | (N) The Soybean Promotion, Research,         |
| 12 | and Consumer Information Act (7 U.S.C. 6301  |
| 13 | et seq.).                                    |
| 14 | (O) The Fluid Milk Promotion Act of 1990     |
| 15 | (7 U.S.C. 6401 et seq.).                     |
| 16 | (P) The Fresh Cut Flowers and Fresh Cut      |
| 17 | Greens Promotion and Information Act of 1993 |
| 18 | (7 U.S.C. 6801 et seq.).                     |
| 19 | (Q) The Sheep Promotion, Research, and       |
| 20 | Information Act of 1994 (7 U.S.C. 7101 et    |
| 21 | seq.).                                       |
| 22 | (R) Section 501 of the Federal Agriculture   |
| 23 | Improvement and Reform Act of 1996 (7        |
| 24 | U.S.C. 7401).                                |

| 1  | (S) The Commodity Promotion, Research,                  |
|----|---|
| 2  | and Information Act of 1996 (7 U.S.C. 7411 et           |
| 3  | seq.).  |
| 4  | (T) The Canola and Rapeseed Research,                   |
| 5  | Promotion, and Consumer Information Act (7              |
| 6  | U.S.C. 7441 et seq.).                                   |
| 7  | (U) The National Kiwifruit Research, Pro-               |
| 8  | motion, and Consumer Information Act (7                 |
| 9  | U.S.C. 7461 et seq.).                                   |
| 10 | (V) The Popcorn Promotion, Research,                    |
| 11 | and Consumer Information Act (7 U.S.C. 7481             |
| 12 | et seq.).   |
| 13 | (W) The Hass Avocado Promotion, Re-                     |
| 14 | search, and Information Act of 2000 (7 U.S.C.           |
| 15 | 7801 et seq.).  |
| 16 | (3) Conflict of interest.—The term "con-                |
| 17 | flict of interest" means a direct or indirect financial |
| 18 | interest in a person or entity that performs a service  |
| 19 | for, or enters into a contract or agreement with, a     |
| 20 | Board for anything of economic value.                   |
| 21 | (4) Secretary.—The term "Secretary" means               |
| 22 | the Secretary of Agriculture.                           |
| 23 | SEC. 4. REQUIREMENTS OF CHECKOFF PROGRAMS.              |
| 24 | (a) Prohibitions.—                                      |
|    |   |

| 1  | (1) IN GENERAL.—Except as provided in para-             |
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| 2  | graph (4), for any checkoff program with an annual      |
| 3  | assessment revenue equal to more than \$20,000,000,     |
| 4  | a Board shall not enter into any contract or agree-     |
| 5  | ment to carry out activities under the checkoff pro-    |
| 6  | gram with a party that engages in activities for the    |
| 7  | purpose of influencing any government policy or ac-     |
| 8  | tion that relates to agriculture.                       |
| 9  | (2) Conflicts of interest.—A Board shall                |
| 10 | not engage in, and shall prohibit the employees and     |
| 11 | agents of the Board, acting in their official capacity, |
| 12 | from engaging in, any act that may involve a conflict   |
| 13 | of interest.  |
| 14 | (3) OTHER PROHIBITIONS.—A Board shall not               |
| 15 | engage in, and shall prohibit the employees and         |
| 16 | agents of the Board, acting in their official capacity, |
| 17 | from engaging in—                                       |
| 18 | (A) any anticompetitive activity;                       |
| 19 | (B) any unfair or deceptive act or practice;            |
| 20 | or  |
| 21 | (C) any act that may be disparaging to, or              |
| 22 | in any way negatively portray, another agricul-         |
| 23 | tural commodity or product.                             |
| 24 | (4) Exception for certain contracts with                |
| 25 | INSTITUTIONS OF HIGHER EDUCATION.—Paragraph             |

(1) shall not apply to a contract or agreement en tered into between a Board and an institution of
 higher education for the purpose of research, exten sion, and education.

5 (b) AUTHORITY TO ENTER INTO CONTRACTS.—Not6 withstanding any other provision of law, on approval of
7 the Secretary, a Board may enter directly into contracts
8 and agreements to carry out generic promotion, research,
9 or other activities authorized by law.

10 (c) PRODUCTION OF RECORDS.—

11 (1) IN GENERAL.—Each contract or agreement 12 of a checkoff program shall provide that the entity 13 that enters into the contract or agreement shall 14 produce to the applicable Board, on a quarterly 15 basis, accurate records that account for all funds re-16 ceived under the contract or agreement, including 17 any goods or services provided or costs incurred in 18 connection with the contract or agreement.

19 (2) MAINTENANCE AND PUBLICATION OF
20 RECORDS.—Each Board shall—

21 (A) maintain any records received under22 paragraph (1); and

(B) publish and make available for public
inspection those records by not later than 30
days after the date of receipt.

| 1  | (d) Publication of Budgets and Disburse-             |
|----|--|
| 2  | MENTS.—  |
| 3  | (1) IN GENERAL.—A Board shall publish and            |
| 4  | make available for public inspection all budgets and |
| 5  | disbursements of funds entrusted to the Board that   |
| 6  | are approved by the Secretary, immediately on ap-    |
| 7  | proval by the Secretary.                             |
| 8  | (2) Required disclosures.—In carrying out            |
| 9  | paragraph (1), a Board shall disclose—               |
| 10 | (A) the amount of the disbursement;                  |
| 11 | (B) the purpose of the disbursement, in-             |
| 12 | cluding the activities to be funded by the dis-      |
| 13 | bursement;   |
| 14 | (C) the identity of the recipient of the dis-        |
| 15 | bursement; and                                       |
| 16 | (D) the identity of any other parties that           |
| 17 | may receive the disbursed funds, including any       |
| 18 | contracts or subcontractors of the recipient of      |
| 19 | the disbursement.                                    |
| 20 | (e) AUDITS.—   |
| 21 | (1) PERIODIC AUDITS BY INSPECTOR GEN-                |
| 22 | ERAL.—   |
| 23 | (A) IN GENERAL.—Not later than 2 years               |
| 24 | after the date of enactment of this Act, and not     |
| 25 | less frequently than once every 5 years there-       |

| 1  | after, the Inspector General of the Department   |
|----|--|
| 2  | of Agriculture shall conduct an audit to deter-  |
| 3  | mine the compliance of each checkoff program     |
| 4  | with this section during the period of time cov- |
| 5  | ered by the audit.                               |
| 6  | (B) REVIEW OF RECORDS.—An audit con-             |
| 7  | ducted under subparagraph (A) shall include a    |
| 8  | review of any records produced to a Board        |
| 9  | under subsection $(c)(1)$ .                      |
| 10 | (C) SUBMISSION OF REPORTS.—On com-               |
| 11 | pletion of each audit under subparagraph (A),    |
| 12 | the Inspector General of the Department of Ag-   |
| 13 | riculture shall—                                 |
| 14 | (i) prepare a report describing the              |
| 15 | audit; and                                       |
| 16 | (ii) submit the report described in              |
| 17 | clause (i) to—                                   |
| 18 | (I) the appropriate committees of                |
| 19 | Congress, including the Subcommittee             |
| 20 | on Competition Policy, Antitrust, and            |
| 21 | Consumer Rights of the Committee on              |
| 22 | the Judiciary of the Senate; and                 |
| 23 | (II) the Comptroller General of                  |
| 24 | the United States.                               |
| 25 | (2) Audit by comptroller general.—               |

| <ul> <li>(A) IN GENERAL.—Not earlier than 3 years, and not later than 5 years, after the date of enactment of this Act, the Comptroller General of the United States shall— <ul> <li>(i) conduct an audit to assess—</li> </ul> </li> </ul> |
|---|
| of enactment of this Act, the Comptroller Gen-<br>eral of the United States shall—  |
| eral of the United States shall—  |
|   |
| (i) conduct an audit to assess—   |
|   |
| (I) the status of actions taken for   |
| each checkoff program to ensure com-  |
| pliance with this section; and  |
| (II) the extent to which actions  |
| described in subclause (I) have im-   |
| proved the integrity of a checkoff pro-   |
| gram; and   |
| (ii) prepare a report describing the  |
| audit conducted under clause (i), including   |
| any recommendations for—  |
| (I) strengthening the effect of ac-   |
| tions described in clause (i)(I); and   |
| (II) improving Federal legislation  |
| relating to checkoff programs.  |
| (B) CONSIDERATION OF INSPECTOR GEN-   |
| ERAL REPORTS.—The Comptroller General of  |
| the United States shall consider reports de-  |
| scribed in paragraph $(1)(C)$ in preparing any  |
| recommendations in the report under subpara-  |
| graph (A)(ii).  |
|   |

### 1 SEC. 5. SEVERABILITY.

If any provision of this Act or the application of such
provision to any person or circumstance is held to be unconstitutional, the remainder of this Act, and the application of the provision to any other person or circumstance,
shall not be affected.