

# Concrete Masonry Check-off Program



An Overview of the Concept and the Benefits  
Updated: November, 2011



# Check-off Programs

## What is a check-off program?

An industry-wide, coordinated, and continuous program of research, promotion and education to support specific generic products. The program is financially supported by all producers since the program is designed to improve sales for all producers.

Examples:

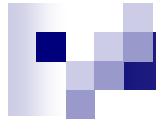




# Check-off Programs

## **How does a check-off program differ from typical industry promotions?**

- Revenues to support industry promotion come from an assessment applied to every product from the industry that is manufactured or sold.
- All companies within the U.S. participate equally and consistently.
- The programs are provided a unique tax-exempt status.
- To accomplish these attributes, the industry must be authorized to conduct such a program to support public good by the federal government.



# Check-off Programs - Existing

## Existing Example Federal Farm Check-Off Programs

- Dairy Products - \$280 million
- Fluid Milk - \$110 million
- Soybeans - \$90 million
- Beef - \$80 million
- Cotton - \$70 million
- Pork - \$65 million
- Haas Avocados - \$24 million
- Eggs - \$20 million
- Honey - \$4 million
- Lamb – \$2 million
- Blueberries - \$2 million
- Popcorn - \$0.6 million

These programs were originally created to support promotion of farm-related industries and have been managed through the Department of Agriculture

There are approximately 30 such programs in existence, some of which have been around for over 30 years.



# Check-offs Not Just for Farm Programs

The Propane and Oil Heat industries both created programs to promote themselves.



**Industry Investment**

The Propane Council's research and development, training, and safety programs promote the safe use of odorized propane.

[▶ LEARN MORE](#)

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## Building Industries are Implementing Check-offs

**BSLC** Binational Softwood Lumber Council

compare wood with other materials ▶

HOME CONTACT

About Us Programs Why Wood **Check Off** News/Events Gallery

# Check Off

**Overview**

Updates

Background

Potential Program

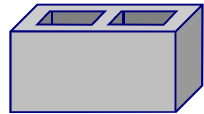
Timeline

The Binational Softwood Lumber Council has been the initial funder of a number of initiatives designed to strengthen the softwood lumber industry in North America, but ultimately a more long-term funding model is required. Through the efforts of the US Endowment for Forest & Communities and funding from the BSLC, industry leaders have determined that establishing a commodity check off program for softwood lumber can provide the necessary support.

A "check off" is an industry-funded, generic marketing and research program designed to increase domestic and/or international demand for an agricultural commodity, in this case, softwood lumber. Once established, check off programs are directed by industry-governed boards, appointed by the U.S. Secretary of Agriculture.



# How check-off programs are developed



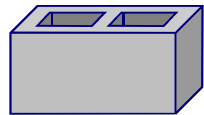
The industry communicates its support of the program and asks the government for the ability to organize in this manner. Program is initiated by and drafted by the industry.



Congress authorizes industry to assess itself using check-off concept through legislation. An agency is appointed to oversee process with industry.



Agency works with industry to develop the order, oversees the referendum, and if industry votes to approve program, appoints check-off board, and provides on-going oversight.



Industry votes in referendum to approve program. Industry then nominates check-off board members.



Check-off board manages program and approves funding for various entities to perform initiatives that will support concrete masonry market development



# Concrete Masonry Industry Promotions



## HOW TO DESIGN A MASONRY STRUCTURE IN 20 MINUTES!

**new software options for hybrid masonry/steel structures and loadbearing masonry structures**

**MASONRY SYSTEMS**

**Inspiration**

If the work here doesn't move you, check your pulse. This is our online gallery of the best in masonry design from all over North America. Discover the beauty and versatility of brick, block and stone by browsing our Masonry Showcase. Think your own work might inspire others? Submit your project to our editors and become part of our growing collection of outstanding masonry architecture.

**Information**

Get smart here. Learn why masonry structures outlast and outperform every other building system. Figure out which masonry wall system is right for your next building and what it will cost. Discover how to detail your structure for maximum durability. Find data, articles, presentations and videos about every aspect of masonry design & construction, from fire ratings to moisture control, cost.

**Interaction**

Ask for a second opinion, or contribute one. Here you'll find instant access to your colleagues. Post and read messages, ask questions, or submit industry announcements on the electronic bulletin board. This is an active platform for discussion about new ideas and building techniques, an opportunity to invite experts to a meeting or event, and the best place to find out what's new in the masonry marketplace.

[More Information](#)

**Involved**  
A question, make an announcement, or join a discussion

**Thermal Catalog of Concrete Masonry Assemblies**

Single Wythe Concrete Masonry Assemblies - In-Situ Installation

Assembly 5: Hybrid Walling at 20 in. c.c. with half in. insulation between wythes and 1/2 in. aggregate wythe on the exterior. Approximate R-value:

Temperature	U-Value	R-Value
75°F	0.055	18.18
70°F	0.055	18.18
65°F	0.055	18.18
60°F	0.055	18.18
55°F	0.055	18.18
50°F	0.055	18.18
45°F	0.055	18.18
40°F	0.055	18.18
35°F	0.055	18.18
30°F	0.055	18.18
25°F	0.055	18.18
20°F	0.055	18.18
15°F	0.055	18.18
10°F	0.055	18.18
5°F	0.055	18.18
0°F	0.055	18.18
-5°F	0.055	18.18
-10°F	0.055	18.18
-15°F	0.055	18.18
-20°F	0.055	18.18
-25°F	0.055	18.18
-30°F	0.055	18.18
-35°F	0.055	18.18
-40°F	0.055	18.18
-45°F	0.055	18.18
-50°F	0.055	18.18
-55°F	0.055	18.18
-60°F	0.055	18.18
-65°F	0.055	18.18
-70°F	0.055	18.18
-75°F	0.055	18.18
-80°F	0.055	18.18
-85°F	0.055	18.18
-90°F	0.055	18.18
-95°F	0.055	18.18
-100°F	0.055	18.18

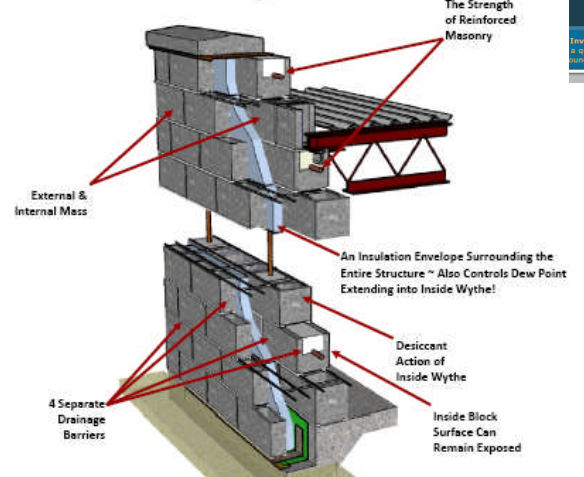
## WHY MASONRY?



### FOUR REASONS YOUR NEXT BUILDING SHOULD BE BUILT WITH CONCRETE MASONRY:

- 1 IT'S GREEN**  
Concrete masonry is energy efficient and low-impact. MIRE+
- 2 IT'S AFFORDABLE**  
Save money up front and long term with concrete masonry. MIRE+
- 3 IT'S FLEXIBLE & ATTRACTIVE**  
Infinite design flexibility is yours with concrete masonry. MIRE+
- 4 IT'S SAFE**  
Concrete survives fires, earthquakes, and floods. MIRE+

### World's Best Wall System!



Did I say Competitive First Cost and Lowest Life Cycle Cost?

**Fire Safe Construction Cost Comparison Study**

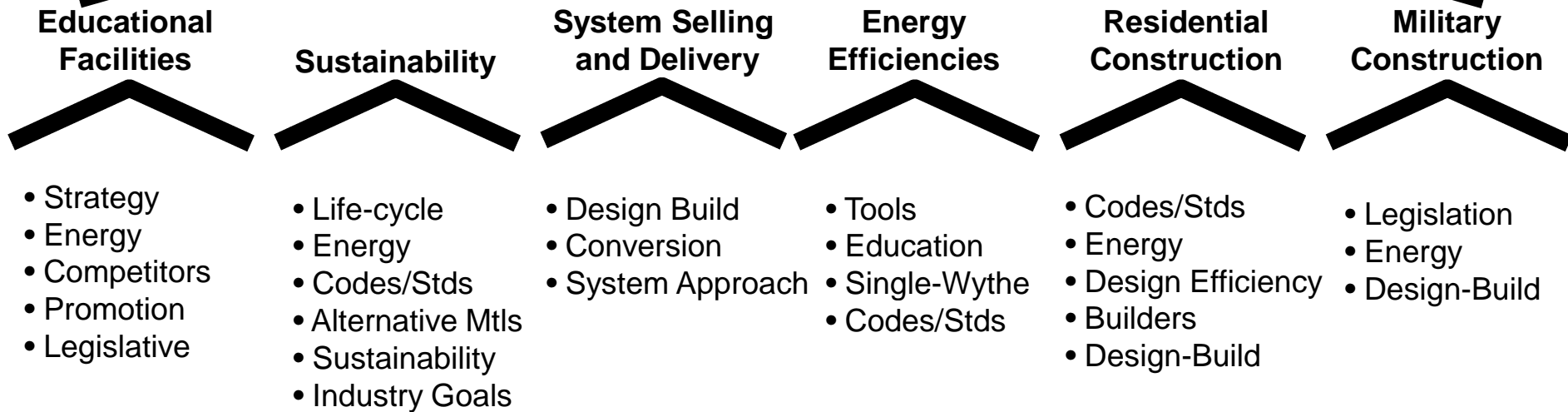
**Executive Summary Report**



# Masonry Mission – Expand marketplace



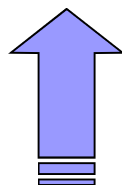
## Objectives



Other Objectives: structural; single-wythe; planning policies; fire; retail; associations structure; architects; universities

<h3>Bedrock Programs and Services</h3>	<ul style="list-style-type: none"> <li>• Strategic plan</li> <li>• Codes and standards</li> <li>• Technical competency</li> </ul>	<ul style="list-style-type: none"> <li>• Member communication</li> <li>• Partner collaboration</li> </ul>
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Guiding Principles



- Maintain image as competent industry advocate
- Advocate safe, economical, and sustainable solutions
- Collaborate effectively with state associations
- Create army of advocates through creation of tools, education, etc.

# Vision 2020

**Sustainable Masonry Communities**

A Grassroots Marketing Program





# How concrete masonry benefits the public:

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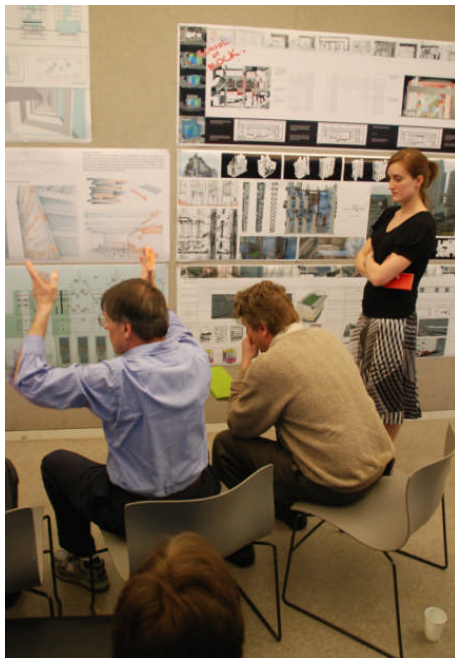
- Shelter from the storm - protecting life and managing financial risks in fires, earthquakes, tornados, hurricanes, floods and other disasters
- Durable construction achieving sustainability objectives
- Energy efficient structures supporting reduction mandates
- Effective construction for schools, military bases, and other government buildings, reducing maintenance and operational expenses

# Vision

The ultimate vision of and industry check-off program is to expand the use of concrete masonry.

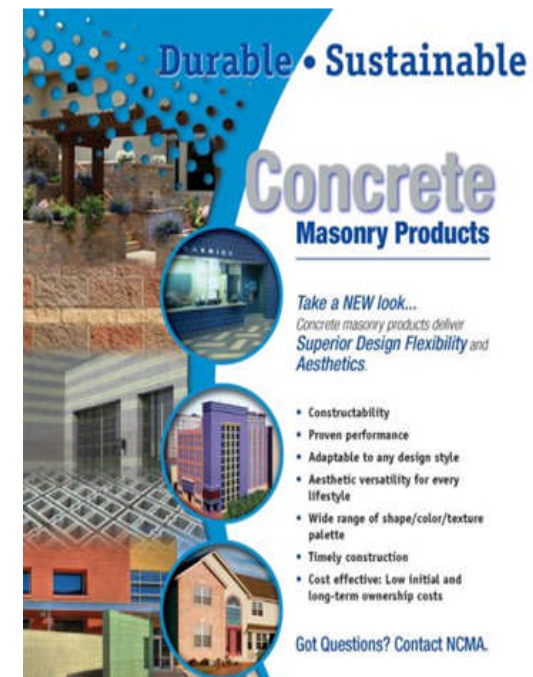
Primary objectives: Education, Research, Promotion

## EDUCATION



## RESEARCH

## PROMOTION



**Durable • Sustainable**

### Concrete Masonry Products

*Take a NEW look...  
Concrete masonry products deliver  
Superior Design Flexibility and  
Aesthetics.*

- Constructability
- Proven performance
- Adaptable to any design style
- Aesthetic versatility for every lifestyle
- Wide range of shape/color/texture palette
- Timely construction
- Cost effective: Low initial and long-term ownership costs

Got Questions? Contact NCMA.



# Operational Objectives

- Improve industry competitive position
- Complement associations
- Be fair, inclusive and equitable to participants
- Establish a steady stream of revenue for industry programs
- Provide funding for national, regional, and state programs
- Achieve positive return on investment
- Support programs to benefit all industry participants



# Assessments

**Industry promotion efforts** are supported by assessments on every block manufactured and sold within the United States.

**All producers will pay at the same rate** on a per block basis and the assessment must be disclosed directly on the invoice. Each producer will make their own decision as to whether to pass the assessment amount to the customer and in what manner it is reflected on the invoice.

**The assessment collected is not subject to state or federal taxes** (similar to some environmental fees required by law).

**The assessments are collected by producers and submitted confidentially** on a quarterly basis to a 3<sup>rd</sup> party accounting firm.



# Equal Participation

**Participation** in an enacted check-off program would be mandatory for all producers. Check-off program, with support from oversight agency, reserves right to file suit if necessary to ensure compliance with statutory mandate.

**Audits** will be conducted regularly by a 3<sup>rd</sup> party audit firm to verify reported volumes. Audits are limited to sales reports only. Each company will be audited at least once within first five years. Audits are confidential and may not be shared with other producers or with other agencies for purposes beyond management of the program.

**Enforcement** provisions will exist to ensure full participation. Interests and fees will apply to late payments and suits may be filed in cases of willful non-compliance.



# Program Scope: Concrete Block

## What is a “concrete block” ?

Man-made masonry unit having an actual width of 3-in. or greater manufactured from dry-cast concrete using a block machine.

**Masonry Unit** – a noncombustible building product intended to be joined using mortar, grout, surface bonding, post-tensioning, or some combination of these methods.

**Dry-Cast Concrete** – A composite material that is composed essentially of aggregates embedded in a binding medium composed of a mixture of cementitious materials (such as hydraulic cement, pozzolans, or other cementitious materials) and water of such a consistency to maintain its shape immediately after forming in a block machine.

**Block Machine** – A piece of equipment that utilizes vibration and compaction to form concrete masonry units.





## What is a “concrete block” ?

### Included:

- Gray block
- Architectural block
- Prefaced block
- Concrete brick larger in any dimension than 3-5/8” x 2-1/4” x 7-5/8” (bed depth x height x length)
- Block to be post-tensioned
- Block to be surface-bonded
- Sound wall block
- Fence block

### Excluded:

- Concrete veneer units less than 3-in. actual widths
- Segmental retaining wall units
- Concrete pavers
- Concrete brick equal to or smaller in any dimension than 3-5/8” x 2-1/4” x 7-5/8”
- Clay brick
- Precast panels
- Cast stone
- Adhered manufactured stone masonry veneer
- Calcium silicate units
- Lintels
- Articulating concrete (revetment) block
- Autoclave-Aerated Concrete
- Dimension Stone



# Assessment Considerations

Initial Assessment: \$0.01 per Concrete Block

- *The Board shall be provided the authority to increase (or decrease) the assessments once annually in increments not more than \$0.01.*
- *Super majority of Board (2/3) required to increase assessment.*
- *Maximum possible assessment: \$0.05*



# Referendum Process

Referendum – a ballot or election process engaged by all producers who meet the scope of the check-off program.

This is the final piece in the campaign and the point where the industry makes the ultimate approval of the program

## **Referendum Details:**

- Every company provided opportunity to vote
- Each company gets one vote for each of its cavities in operation
- Majority of voting cavities in operation required to pass referendum

**Cavities in Operation** – those machine cavities associated with a block machine that has produced concrete masonry units within the last six months of the date set for determining eligibility and is fully operable and capable of producing concrete masonry units.



# Termination (escape clause)

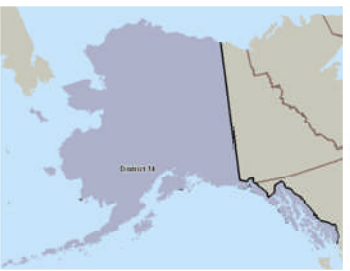
In the event that the industry determines that this program is not performing in its best collective interest, there are mechanisms to revoke the program.

- Program created by industry can be terminated by industry
- At Board initiative, or on 5-year intervals, producers can initiate new referendum to continue or terminate
- Petition needed from 25% of block producer companies to initiate referendum.
- Referendums conducted by Board at its expense.

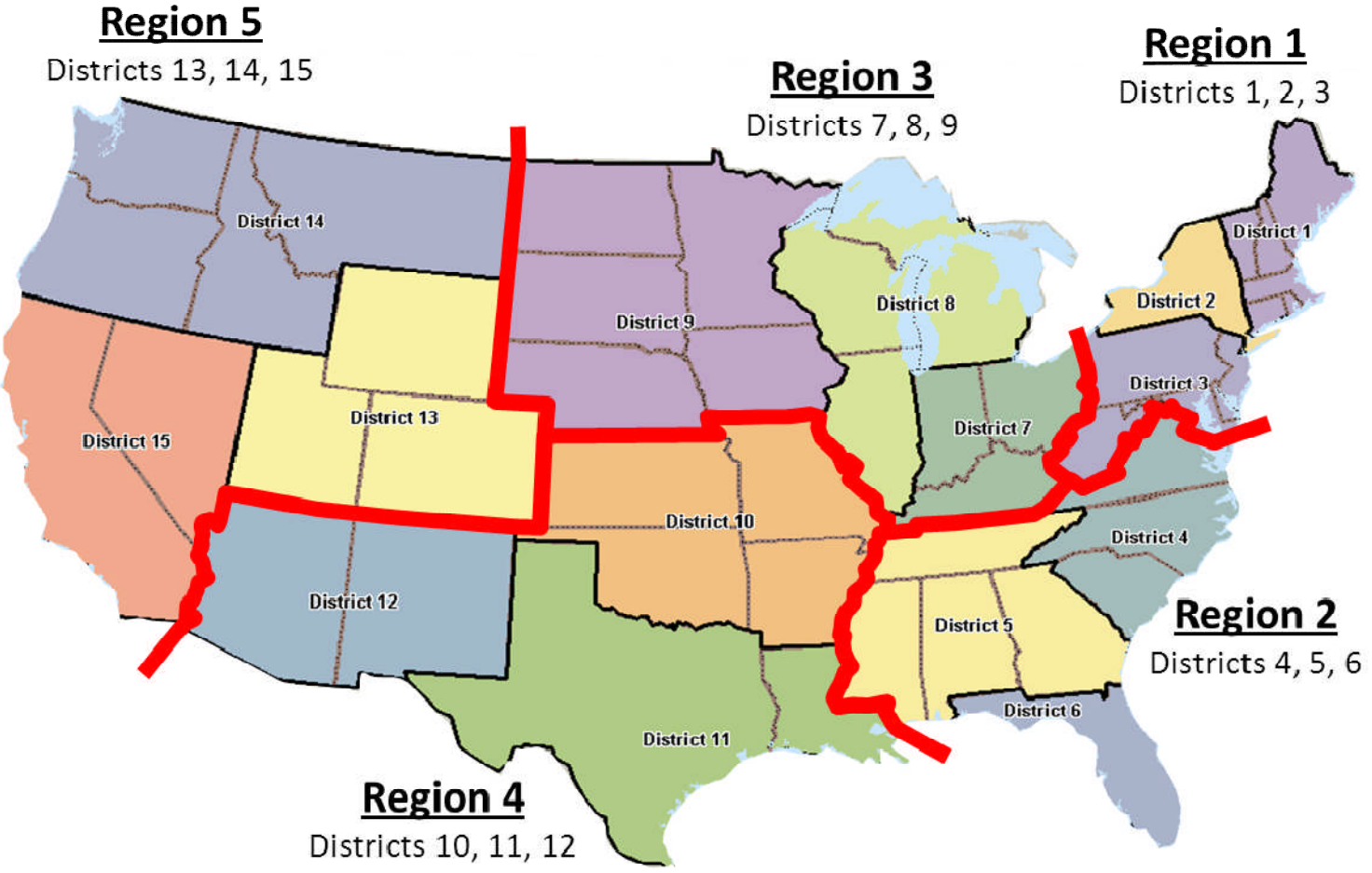


# Governance with Regional Focus

Alaska – Part of District 14

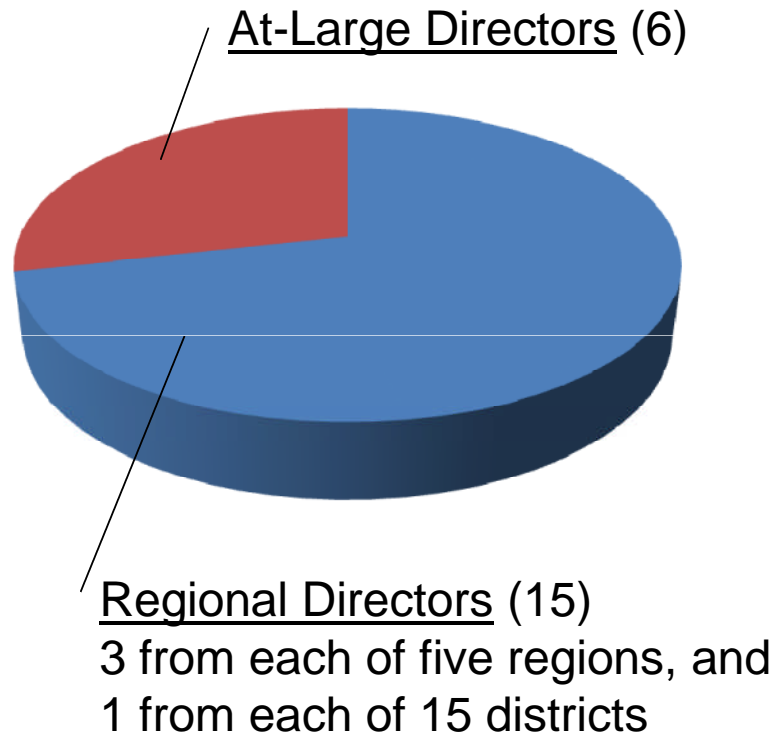


Hawaii – Part of District 15





## Check-off Board – 21 Members



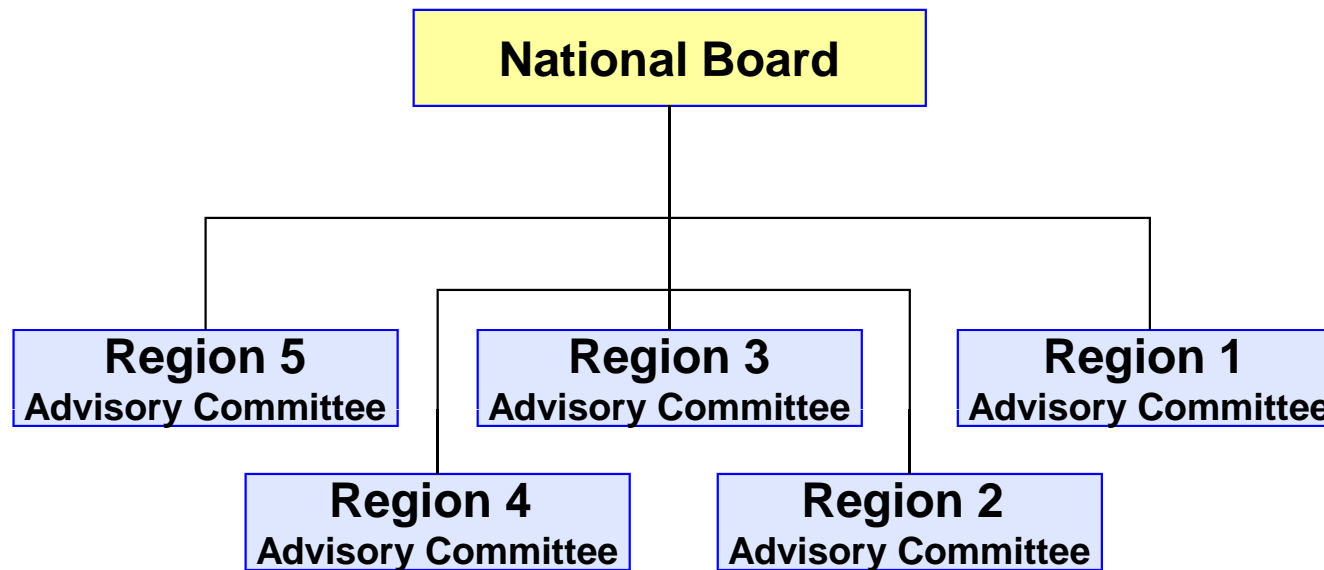
### Balance Considerations for Board:

- Producer of each size classification shall be fairly represented:
  - Small (3 cavities and less)
  - Medium (4 – 25 cavities)
  - Large (more than 25 cavities)
- No district shall have more than 2 reps
- No company shall have more than 2 reps
- Top three producing states shall have at least one rep.

\*The industry provides a slate of board nominees. Appointments are made by the secretary of the agency overseeing the program. Board officers are selected by the Board from its own ranks



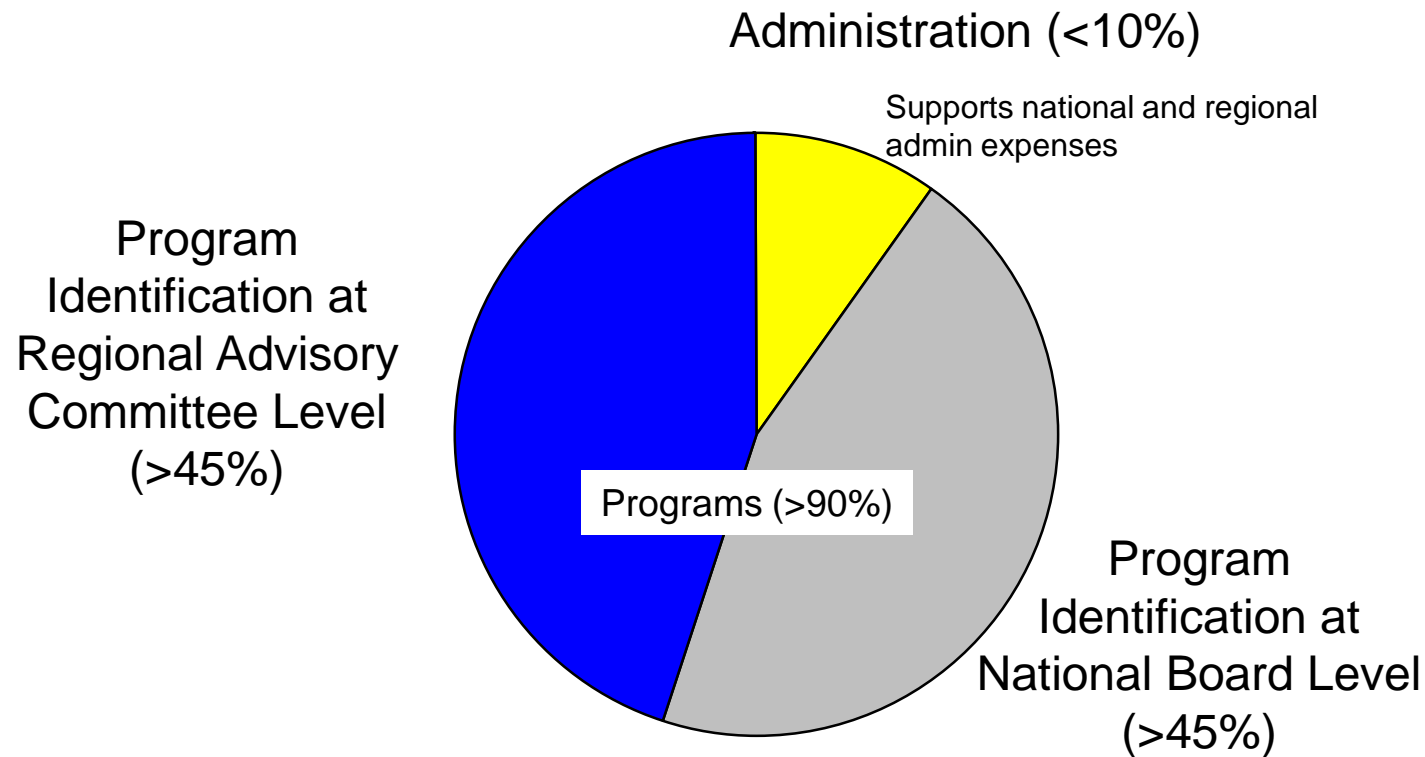
# Regional Advisory Committees



- Five regional advisory committees will represent the interests of each region and report through the national board.
- Regional directors on the national board will serve as officers (chair, vice chair, secretary-treasurer) of the regional advisory committee to ensure regional influence.
- Representatives of state and regional concrete masonry associations will serve on the Regional Advisory Committees, as will additional representatives from those areas that are not serviced by such state and regional associations.



# Resource Allocation



Allocations between regionally or nationally-focused programs may vary. The National Board may elect to allocate more resources to regionally-focused programs. Similarly, Regional Advisory Committees may recommend more resources be allocated to support nationally-focused programs.





## WHERE IS OUR GOVERNMENT ADVOCATE?

**“USDA will take a lead role in advancing wood** as a green building material through the development and implementation of programs that are publicly relevant and appropriate for government. Policy makers as well as the forest products industry and resource management organizations support a science-based approach of outlining the benefits of using wood and wood-based products in green building in the U.S. The inherent benefits of using wood go beyond economic gains. Robust markets for green building materials can enhance the economic incentives for maintaining privately owned forests in forest use--an important consideration given continuing concerns regarding the loss of forestland to development and fragmentation. An “all hands” approach of policy makers, government agencies, industry, academia, and private landowners will be needed to advance scientific knowledge, to bolster development and dissemination of new technologies, and to raise awareness and use of wood in green buildings.”



## WHERE IS OUR GOVERNMENT ADVOCATE?

“In proclaiming 2011 as the International Year of the Forest, **USDA Secretary Tom Vilsack directed the Forest Service to favor wood in new building construction**; maintain commitment to certified green building standards; examine ways to enhance research and development projects using green building materials; and, actively work to identify innovative non-residential construction projects that use wood as a green building material. This USDA policy is consistent with President Obama’s executive order on Federal Leadership in Environmental, Energy, and Economic Performance.”



# Strategy and Ideal Timeline for Program Development

