

COOPERATION IN NEBRASKA

OFFICIAL PUBLICATION OF THE NEBRASKA COOPERATIVE COUNCIL



Volume 48, No. 1

March 2009

2009 Legislative Session Underway

As the 2009 legislative session nears the midway point, Council staff continues to monitor a number of issues that could impact cooperatives. There were 679 legislative bills introduced in this year's 90-day legislative session – the least amount introduced in 25 years for a 90-day session. It was 26 fewer than in 2007, 84 fewer than in 2005, and 113 fewer than in 2003.

The Council's Legislative Advisory Committee met on January 26th to discuss the bills that had been introduced and to determine the position that the Council would take on those bills affecting cooperatives.

Throughout the session, we have provided *Legislative Updates* to cooperative leadership team members. To find more in-depth information on bills, please refer to those *Legislative Updates*.

Following is a list of the more significant bills that the Council is monitoring:

LB 233 - Mineral Oil/Grain Suppressant (Support)

LB 233 was introduced by Senator Adams of York on behalf of the Council and would exempt mineral oil used as a dust suppressant from sales and use tax. The hearing was held on March 4th before the Revenue Committee. This issue arose when the Department of Revenue (DOR) became inconsistent in its position on the issue of the application of the sales and use tax to mineral oil purchased and used as a dust suppressant in grain elevators. This recent DOR position is being challenged by the taxpayer in a tax protest being funded by a group of participating cooperative members. Please refer to the attachment in our January 13th *Legislative Update* for more background on this issue.

Current status: Revenue Committee

LB 234 - Energy Source Exemption (Support)

LB 234 was introduced by Senator Adams on behalf of the Council and would exempt energy used for grain drying from sales and use tax. The hearing was held on March 5th before the Revenue Committee. This legislation became necessary due to a recent Department of Revenue (DOR) audit of a local cooperative in which the DOR disallowed the sales and use tax exemption on energy used for grain drying in the months other than the last calendar quarter (Oct-Dec). Drying of grain has long been considered as eligible for the "energy source" exemption as part of "processing." This limitation is not included in Nebraska statute §77-2704.13 nor is it contained in the DOR's Title 316, Regulation 1-089.

Current status: Revenue Committee



LB 502 - Petroleum Release Remedial Action Act (Support)

LB 502 would change provisions in the Petroleum Release Remedial Action Cash Fund. This fund is used for reimbursing the cleanup of leaking underground tanks and has been widely used across the state to clean up sites that have had petroleum leaks.

The current program is funded by a fee imposed on the sale of motor vehicle fuel (9/10¢/gal) and indelibly dyed diesel (3/10¢/gal).

(continued on page 4)

WHAT'S INSIDE...

2009 Legislative Session	1
President's Message	2
Grain Indemnity Fund and Study Review Committee ...	3
Scholarship Application Deadline	6
Recap of 2008/09 Education Programs	7
Calendar of Upcoming Events/Radio Spots	9

President's Message



This past quarter, we have been extremely busy with education and legislative programs. A total of 276 attendees participated in this year's training programs from December 2008 thru February 2009. Those programs included the: Director/Manager Workshops, Director Certification Program,

Graduate Director Seminar, Board Officer Seminar, and Cooperatives For Tomorrow program. Based on the participants' responses, the programs were rated very high. Special thanks to both CoBank and the University of Nebraska-Institute of Agriculture and Natural Resources who served as the co-sponsors to some of these programs.

Legislatively, we have been actively involved with hearings and working with senators and stakeholders. This year there have been 689 legislative bills/resolutions introduced, and we're either directly or closely monitoring 79 of those bills. With the implementation of legislative term limits for state legislators in 2006, there were 22 new legislators elected in 2006 and 16 new senators this year. From a cumulative standpoint, 73.5% of the legislative body has two years or less of experience.

I encourage you to closely review the legislative recap provided in this newsletter. The Council's Legislative Advisory Committee and Board of Directors decided to pursue two very important issues this year due to problems being encountered by local cooperatives with the Nebraska Department of Revenue (DOR) concerning sales and use tax. A special thanks to Senator Adams of York for introducing these bills on our behalf. LB 233 would exempt mineral oil used as a dust suppressant from sales and use tax, and LB 234 would exempt energy used for grain drying from sales and use tax. Both of these bills came about when our local members notified us of problems during DOR sales and use tax audits and the DOR's inconsistency of its position.

Also addressed in this publication is the establishment of the Council's Grain Indemnity Fund and Bond Study Review Committee by the Council's Board of Directors. With the recent failure of the Alvo Grain and Feed, the Nebraska Public Service Commission has been advocating the establishment of a Grain Indemnity Fund. Recognizing that the Nebraska Coop-

erative Council collectively represents the largest block of grain warehouse and grain dealer capacity in the State of Nebraska, our membership has a vested interest in the public policy and legislation of the public owners, depositors and storers of grain. The fundamental intent of the newly created committee is (1) to gather necessary information to inform the Council and its membership associated with grain bonding and indemnity and (2) to develop policy and, if necessary, legislation that ensures the Council and its membership as the primary policy maker in the process.

Lastly, mark your calendars for our August district meetings – Tuesday, August 11th in North Platte for District I and Thursday, August 13th in York for District II. I encourage your cooperative to attend your respective meeting. These meetings are intended to provide you with a review of the past year's programs and activities and, more importantly, to address the upcoming year's programs and challenges. These meetings provide a forum to address "where we're at and where we're going" as a trade association whose mission is the betterment and defense of the agricultural cooperative system. We're living in a time of change and we must be ready to adapt to change. Beverly Sills is quoted as saying, "We cannot direct the wind, but we can adjust the sails."

In the cooperative spirit, I remain...

Robert C. Andersen

NEBRASKA COOPERATIVE COUNCIL MISSION STATEMENT

"To defend, protect and enhance the agricultural cooperative movement through pro-active programs in education, legislation, government affairs, communication, and regulatory issues."

THE COOPERATIVE PRINCIPLES:

- *Voluntary and Open Membership*
- *Democratic Member Control*
- *Member Economic Participation*
- *Autonomy and Independence*
- *Education, Training and Information*
- *Cooperation among Cooperatives*
- *Concern for Community*



Visit our website at
www.nebr.coop

Grain Indemnity Fund & Bond Study Review Committee

In our December issue, we provided an article about the potential for the State of Nebraska to create some type of a Grain Insurance Fund (Indemnity Fund). As we indicated, movements such as these gain momentum when we have failures, such as the Alvo situation or the bankruptcies in the ethanol industry.

The Public Service Commission (PSC) is continuing to gather information on this issue and has requested that all stakeholders voice their thoughts.

Historical NCC Position

This issue has surfaced over the years and has been divisive within the industry. The Council has long opposed the establishment of a Grain Indemnity Fund. It has been the Council's position that a greater emphasis should be placed upon enforcement by the regulators via working capital, ratios, and stronger financial reporting by full-scope audits. Concern exists that to create such a Fund would promote mismanagement within the industry.

Grain Indemnity Fund and Bond Study Review Committee

In order to provide a well-informed position on behalf of cooperatives, the Council's Board created a 10-member Grain Indemnity Fund and Bond Study Review Committee (GIF-BSRC). The following individuals were appointed to the GIF-BSRC:

Directors: Evan Brandes, Aurora; Dale Dueland, Imperial; Todd Roehrs, York; and Jeff Beattie, Gothenburg

Managers: David Briggs, Alliance; Doug Derscheid, O'Neill; Bob Fifield, Hastings; Ron Hunter, Edison; Ron Velder, Dorchester; and NCC Bd Chair Jim Chism, Imperial (ex-officio)

Participating Member: Mike Hechtner, CoBank

Phase 1

This group has been charged with studying this issue from a wholistic approach. The committee's mission is to visit with representatives from other states knowledgeable in grain indemnity and bonding issues to better understand the perceived strengths and weaknesses of such a Fund.

The primary focus during Phase 1 is educational and is to form the basis for development of a policy that the Council should employ in addressing the issue of the formation of such a fund in Nebraska. The focus of the study is to develop a response to the following questions:

1. Should a grain indemnity fund be pursued in Nebraska?
2. Should legislative focus be on financial responsibility and transparency in reporting rather than on an indemnity fund?
3. Should current Grain Warehouse and Grain Dealers provisions in Nebraska continue in place? and/or,
4. Should ethanol plants and livestock facilities be included in any bonding or indemnity fund?

March 9th Meeting

The initial meeting of the GIF-BSRC was held in Omaha on March 9th. During the meeting, the committee heard from:

- Rocky Weber, Council Attorney, addressed the Grain Dealers and Grain Warehouse Acts in Nebraska and the security associated with these Acts
- Dr. Don Uchtman, Professor Emeritus of the University of Illinois at Urban-Champaign, presented the background, purpose, and limits of the Illinois Grain Indemnity Fund
- Dr. Roger Ginder, Professor of Ag Economics at Iowa State University, presented the background, purposes,



On March 9th, the Council's newly-created Grain Indemnity Fund and Bond Study Review Committee held its first meeting.

and limits of the Iowa Grain Indemnity Fund.

- Steve Moline, Iowa Attorney General's Office, provided the legal perspective of Iowa's Grain Indemnity Fund.
- Mike Maranell, Sr Vice President of AGP in Omaha, provided his perspective of the current status of Iowa's Grain Indemnity Fund.
- Rollie Svoboda, Manager of Pro Cooperative in Gilmore City, Iowa, provided a manager's perspective of an indemnity fund.

Next Steps

The Council will reach out to other stakeholders, including farm groups, to determine their views. The committee will address the capacity of the Nebraska Public Service Commission to fulfill their regulatory mission. Additionally, the committee will also address such aspects as: stronger enforcement by the respective regulator, stronger working capital requirements, maintenance of various debt to asset ratios, requiring full scope audits, and other pertinent factors.

The committee review process is that of a "wholistic" approach. It is recognized that what may work in surrounding states, may not work here in Nebraska.

Legislative Session *(cont. from page 1)*

Under current law, operations are eligible for cleanup funds of up to \$975,000/occurrence. If they sell no less than 2,000 gallons and no more than 250,000, operations would be eligible for \$985,000/occurrence.



Under current law, beginning July 1, 2009, the owner of any new tank at a site where tanks have not previously been located would have to be fully insured through private insurance to cover the costs of any remedial action. This provision was the result of a political compromise between Senator Beutler of Lincoln and the Nebraska Petroleum Marketers & Convenience Store Association.

It should be noted that last session, LB 593 would have removed the July 1st sunset provision.

Under LB 502, an owner paying for private insurance would be entitled to a credit or refund equal to the actual cost of private insurance from the petroleum remedial action fees paid by the owner. The credit would include the cost of insurance and site assessment needed to obtain private insurance.

Current status: Natural Resources Committee

LB 57 & 65 - Sales/Use Tax - Exempt Ag Machinery/ Equipment Repairs and Parts (Support)

LBs 57 and 65 would exempt from sales tax the sale of repairs or parts for ag machinery or equipment used in commercial agriculture. Both bills provide that no refund of sales and use taxes would be provided on or after October 1, 2009 (the operative date in the act). LB 65 would also exempt from sales tax the lease or rental of repair or replacement parts for ag machinery or equipment used in commercial agriculture.

Current status: Revenue Committee



Newly-elected Senator Heath Mello of Omaha, District 5 (left), stopped by the Council office to visit with Bob about an issue. Communication with senators is important as bills move thru the legislative process.

LB 186 & 249 - Sales and Use Tax Collection (Support)

LBs 186 and 249 change sales and use tax collection fees. Currently those collecting sales and use tax fees are allowed to withhold 2.5% of the first \$3,000 remitted to the state. Under LB 186, collectors would also be able to withhold additional fees for transaction costs of payment card sales (credit card processing fees).

Under LB 249, it would remain at the 2.5% until June 30, 2010. Beginning July 1, 2010, LB 249 keeps the deduction at 2.5% for the first \$3,000 and adds that .5% may be deducted for all amounts in excess of \$3,000.

Current status: Revenue Committee

LB 263 - Nebraska Seed Law and Nebraska Commercial Fertilizer and Soil Conditioner Act (Support)

LB 263 would not allow any political subdivision to prohibit or regulate matter regarding the registration, labeling and sale, storage, transportation, distribution and notification of use of seeds, fertilizer and soil conditioners under the Nebraska Seed Law and the Nebraska Commercial Fertilizer and Soil Conditioner Act. The bill does not limit the authority of any city or county to

adopt and enforce zoning regulations. The hearing before the Agriculture Committee was February 10th.

Current status: Ag Committee

LB 107 - Employee Termination (Oppose)

LB 107 was advanced to General File with a committee amendment. As introduced, LB 107 would have required an employer to provide employees with specific reasons for termination and provide the employee with a meaningful opportunity to present the employee's position in response to the reason for the proposed termination. The Council provided written opposition for the hearing record.

As advanced from committee, only state and local government employees would be covered under LB 107. Employees could request, in writing within 7 days following termination, an explanation for being fired. Within 7 days of receipt, government agencies would then be required to provide the explanation in writing. A small fine would be the penalty for "refusing to provide an answer." The bill "would prohibit using either the letter or a lack of a letter as a basis for a lawsuit."

Current status: General File

LB 584 - Agricultural Commodities Protection Act (Oppose)

LB 584 would create the Agricultural Commodities Protection Act. Under the Act, it would be unlawful for an ethanol producer to refuse to sell ethanol to any motor fuel manufacturer, distributor, marketer or retailer. The ethanol producer could not provide quantity discounts or require the purchase of unreasonable or unnecessary quantities. The bill also states "It is against the public policy of this state for ethanol producers to enter into single or multiple total production contracts with the product totally consumed by one market."

Current status: Ag Committee

LB 245 - Obstruction of Railroad Crossings (Oppose)

LB 245 provides a penalty and procedure for unlawful obstruction of railroad crossings. The agency governing this would be the Department of Roads rather than the Public Service Commission as has been in the past. Under the bill, the Department of Roads would be granted broad powers to enact rules and regulations, impose penalties and generally regulate blocking of railroad crossings. It would be unlawful for any person owning or operating a railroad train to permit a standing train to obstruct a public highway, road, street, or other railroad crossing for more than 10 minutes without good cause.

This would include cooperatives that own a railroad train and have no choice but to block a crossing while loading or unloading grain and agricultural products.

The bill also requires the Department of Roads to seek advice from counties, municipalities, railroads, and railroad employee unions when promulgating regulations for this Act. There are no provisions in the Act for requiring the Department of Roads to seek advice



from cooperatives owning and operating a railroad train.

Current status: Transportation & Telecommunications Committee

LB 602 - Reimbursement for First Purchasers of Certain Commodities (Oppose)

The legislative intent of LB 602 would allow that first purchasers of grains [elevators, feedlots, ethanol plants, Farm Service Agency (FSA)] that have state checkoffs to retain 5% of the amount collected as reimbursement for the cost of collecting and forwarding the checkoff fees to the state. The commodities that have state checkoffs are corn, grain sorghum and wheat. Currently, first purchasers receive no fees for collecting and remitting the checkoff fees.

The Council testified in opposition to LB 602 based on the following:

- The proposed 5% level is believed to be excessive and unsubstantiated
- It would result in additional time consuming auditing upon first purchasers
- It would create additional administrative cost on the first purchasers
- The potential effect that it would create for the FSA in the collection and remittance applicable for corn, wheat and sorghum that goes under loan is unknown. FSA is classified as a "first purchaser."

Current status: Ag Committee

LB 87 - Secured Transactions (Monitor)

LB 87 was introduced at the request of the Nebraska Bankers Association (NBA) and extends from September 2, 2009 to September 2, 2010, the existing provisions of and delays changes to the effects of errors and omissions in financing statements. Many states are facing this issue, and efforts are underway to ensure uniformity among the states. The NBA would like to extend

the date to 2010 so that uniform language could be developed and agreed upon by all states.

The Council worked to ensure the integrity of financing statements.

Current status: Signed by Governor, provisions became effective February 27th.

LB 593 - Corporate Farming / Initiative 300 (Neutral)

Senator Dierks of Ewing introduced LB 593 which seeks to legislatively reimpose provisions of I-300, the anti-corporate farming legislation that was ruled unconstitutional by the U.S. Circuit Court of Appeals for the Eighth Circuit in 2007. LB 593 represents the second attempt to re-codify I-300; last year LB 1174 failed to advance from General File.

LB 593 is largely the same as LB 1174 with one notable exception. For the first time the proponents of this legislation create an exception for certain limited liability entities.

LB 593 provides that five or fewer individuals could form a cooperative, non-stock cooperative or limited cooperative association (or any other limited liability entity such as a corporation or limited liability company) for the purpose of owning farm or ranch real estate or engaging in farming or ranching in Nebraska. An **existing** cooperative would **not qualify** as an individual.

The Council's Board of Directors adopted a "Position Statement" on September 20, 2007 to the I-300 issue. Based on it and guidance from our Legislative Advisory Committee, the Council's official position on LB 593 will continue to be neutral. At the same time, we'll continue to advocate that those outlined positions to our Position Statement be incorporated in any forthcoming legislation.

This has been, and most likely will continue to be a very contentious issue.

Current status: Ag Committee

(continued on page 6)

Legislative Session *(cont. from page 5)*

LB 204 - Commercial Motor Vehicle License Changes (Neutral)

LB 204 was introduced at the request of the Department of Motor Vehicles (DMV) as a result of a federal audit that indicated Nebraska was lacking in some areas. LB 204 would change penalty provisions for operators of commercial



motor vehicles (CMV) and specifically adds: (1) no CMV shall be used while an

out-of-service order is in effect; (2) a person shall not operate a CMV transporting hazardous materials if his/her CDL is suspended, revoked, or canceled; and (3) a person shall not operate a CMV transporting 16 or more passengers, under the conditions listed in #2. A violation of these provisions would be a Class II misdemeanor for the operator. Penalties for transporting non-hazardous materials would increase from a minimum of 90 days to 180 days of license suspension. If twice during a 10-year period, the suspension for the second offense would be a two-year suspension.

Before LB 204 was advanced to Select File, Committee amendment AM84 was adopted. It would align the dates for implementation of regulations so that the state and federal regulations would be consistent. Currently federal regulations are implemented and due to statute, Nebraska may be out of compliance for part of a year. AM84 would allow for the regulations to become synchronized.

Current status: Passed by the Legislature on March 12

LB 83 - Domestic Animals (Monitor)

LB 83 would broaden protection orders allowed to victims of domestic abuse and to allow domestic animals in such cases to be protected. A number of the ag groups worked this bill very hard to make sure that animals for "commercial agricultural operations"

were not included in the definition of domestic animal. The ag groups were concerned that animals were being elevated to the level of humans as far as "rights" were concerned. On February 20th, the bill failed to advance on a vote of 24 ayes, 18 nays, 7 absent/not voting; 25 votes are required to advance same.

Current status: Failed to advance to Select File

LB 254 - Aerial Applicators (Monitor)

The Ag Committee advanced LB 254 to General File. LB 254 would require an aerial pesticide business license for aerial pesticide application within Nebraska. Although we had some concerns with this bill, clarification was provided prior to the February 10th hearing.

As introduced, the bill had license fees of \$50 for Nebraska aerial businesses. Out-of-state aerial businesses would have been \$250 plus \$50 for each departure location with a maximum fee of \$500 for out-of-state businesses.



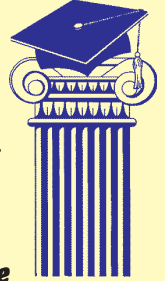
Pending amendment AM420, introduced by Senator Carlson, amends the fee structure so that all aerial businesses would be assessed a fee of \$100 plus \$50 or \$75 for each departure location utilized by the pilot. The exact fee for the departure locations would be determined after a public hearing is held. The Nebraska Department of Agriculture would be responsible for oversight and enforcement.

If LB 254 passes as amended, both in-state and out-of-state aerial applicators will need to have the proposed Nebraska Aerial Pesticide Business License (NAPBL). If a cooperative is selling products to producers, scheduling applications or providing billing services for products that are applied via aerial application, the cooperative should only

Scholarship Application Deadline Approaches



Applications for NCC Education Foundation Scholarships for the 2009/10 academic year are currently being accepted. Application forms and selection criteria are available on the home page of the Council's website at www.nebr.coop. Completed applications must be returned to the appropriate colleges by April 15, 2009.



NEBRASKA COOPERATIVE COUNCIL

Address 134 S 13th St., Ste 503, Lincoln NE 68508-1901
Office Hours 7:45 a.m. to 4:30 p.m. CT
Phone/Fax (402) 475-6555 / (402) 475-4538
E-mail/Website ncoopc@nebr.coop/www.nebr.coop

BOARD OFFICERS

Board Chairperson Jim Chism, Imperial - District I
Vice Chairperson David Briggs, Alliance - District I
Secretary Bruce Favinger, Hastings - District I

BOARD DIRECTORS

Jerrell Dolesh, Battle Creek District II
Tom Hansen, Edison District I
John Oehlerking, Elmwood District II
Randy Robeson, Brainard District II
Ron Velder, Dorchester District II
Bruce Younglove, CHS Inc-Lincoln Participating Member

STAFF

Robert C. Andersen, President boba@nebr.coop
Ed Woeppel, Educ/Program Dir. edw@nebr.coop
Glenda Gaston, Office Mgr/AA glendag@nebr.coop
Deb Mazour, Program Coord/AA debm@nebr.coop

utilize aerial applicators that have the proposed license.

By using applicators who have acquired the NAPBL, cooperatives would not be required to obtain the license for themselves. If a cooperative works with an aerial applicator that does not have the license, then the cooperative would be required to obtain the NAPBL.

Current status: General File

2008/09 Education Programs Completed

This year, the Council hosted 324 cooperative directors, managers, and employees at our various educational programs which included the Red Flags Training, Director/Manager Workshop, Director Certification Program, Graduate Director Seminar, Board Officer Seminar, and Cooperatives For Tomorrow. Thirty-three of our supply/marketing member cooperatives (or 77%) had people in attendance at the programs.

Once again, the evaluations of these programs showed the strong support that members have for education. While we provide many different educational offerings, each in its own way contributes to the success of the local cooperative management team.

Following is a summary of the programs we offered this past winter.

Director/Manager Workshop

"How Long Can It Last? ...or... Will It Ever End?" was the theme of the 2008 Director/Manager Workshops. Because of the extreme volatility that we experienced in 2008 with all commodities, this proved to be an appropriate title. During the workshop, we reviewed the rise and fall of grain and oil prices and discussed the impact on cooperatives. Included in discussions were:

- maintaining a strong balance sheet
- increasing equity in the co-op
- managing risk on inventories
- meeting patron needs in a new economic environment
- how the credit crunch may affect co-ops
- how accounting changes will affect future mergers or purchases for cooperatives

Principal sponsors of the workshops were the Council, CoBank, the University of Nebraska Institute of Agriculture & Natural Resources (UNL IANR). Supporting sponsors were AGP, CHS Inc., and Land O'Lakes.

Facilitators for the program were Tom Houser, VP of Commercial Agribusiness Banking in CoBank's Omaha office, and Dr. Dennis Conley, the NCC Distinguished Professor in Ag Economics and Director of Graduate Programs in Agribusiness at UNL.

This year, the workshops were held on December 12 in York, December 17 in Sidney, and December 18 in Kearney with 74 individuals attending overall. They rated the program 8.16 on a scale of 1 to 10 with 10 being the highest.

Director Certification Program

DCP was introduced as a 3-phase program in 1978 and expanded to 4 phases in 1985 covering all aspects of the roles and responsibilities of directors and how these differ from the manager. More than 7,550 phases have been completed. This year's 20 graduates increased the total number of graduates to 1,490. CoBank and UNL IANR are co-sponsors of the program with the Council.



(L-R) Dennis Conley and Tom Houser at the Director/Manager Workshop in York.

DCP is conducted annually to help directors deal with the challenges they face as decision makers. DCP is designed to accelerate the process by which directors become active, effective board members.

DCP was conducted January 8-9 at Kearney. Instructors were Dr. Dennis Conley, UNL (Phases 1 and 4); Council Attorney Rocky Weber with Crosby Guenzel LLP (Phase 1); Dr. Roger Ginder, Iowa State University (Phases 2 and 3); Deino Sather with CoBank (Phase 3); Tom Houser with CoBank (Phase 2); and Byron Ulery, retired cooperative manager from Beloit, KS (Phase 4).

(continued on page 8)

Thanks

The partnerships we have with other cooperative stakeholders allows for much of the success of our education programs. A special thanks to the **UNL Institute of Agriculture & Natural Resources, CoBank - Omaha, and Iowa State University** for their support.

Thanks also to the following organizations for their support of the Director/Manager Workshop: **AGP, CHS Inc., and Land O'Lakes.**

And, finally, to all our program facilitators. Thanks to the following individuals who gave of their time and talents to contribute to the success of our programs:

Dwayne Campbell, Campbell, Shaffer & Co, Enid OK (GDS)

Dr. Dennis Conley, UNL (DMW, DCP, BOS)

Dr. Roger Ginder, Iowa State University (DCP, CFT)

Tom Houser, CoBank (DMW, DCP, GDS)

Deino Sather, CoBank (DCP)

Byron Ulery, Beloit KS (DCP, BOT)

Rocky Weber, Crosby Guenzel LLP law firm (DCP, BOS)

Education Programs *(cont. from page 7)*

CoBank and UNL supply personnel time for travel, instruction, and material development. CoBank also sponsors the "Analyzing A Cooperative Business" booklet utilized in Phase 3. Dr. Ginder's services are obtained through a joint arrangement with Iowa State University by trading time with Dennis Conley who is utilized for DCP in Iowa.

Fifty-four (54) phases were completed with 17 member cooperatives participating.

Graduate Director Seminar

This year's Graduate Director Seminar--*Advanced Financial Management*--was completely revised to bring more "real world" examples into the seminar.

The program focused on understanding the audit and developing a working relationship with the auditor to allow directors to have a complete understanding of the financial condition of the cooperative. Case studies were used, and Dwayne Campbell, a CPA with Campbell Shaffer of Enid, Oklahoma, provided insights into the nuances of audits including audit notes. We also discussed working capital and how changes in prices for nearly all commodities have changed working capital requirements and how that affects business operations.

In addition to Mr. Campbell, Dr. Dennis Conley, Dr. Roger Ginder, and Tom Houser served as facilitators for the day-long program.

Thirty-three (33) individuals from 8 cooperatives participated.

Board Officer Seminar

The Board Office Seminar has always been one of our highest rated sessions. BOS is designed to provide maximum interaction between cooperative board leaders. This year, we altered the program to provide even more interaction between board leaders, and the program was a great success.

We began the program with the ever popular open forum



The open forum format of the Board Officers Seminar is very popular. Attorney Rocky Weber answered many questions from board officers.

discussion facilitated by Rocky Weber of Crosby Guenzel LLP and Dennis Conley from UNL. As always, this was a lively and in-depth discussion of issues facing local cooperative board leaders.

Following the afternoon session, we toured the little known Museum of American Speed in Lincoln. This museum is a rare collection of race cars and speed equipment that tells the story of automobile racing.

Following the tour we returned to the hotel for an informal dinner which allowed for more interaction for the attendees. Since the BOS was held the day prior to our Cooperatives For Tomorrow program, many stayed over and had the opportunity to really get to know their fellow board leaders from all across Nebraska.

Twenty-three (23) board leaders from 11 cooperatives attended.

Cooperatives For Tomorrow

The Cooperatives For Tomorrow program is designed to provide local cooperative leaders with the opportunity to hear from a wide variety of speakers. These are typically speakers that local cooperative directors may not have an opportunity to

Cooperatives Working Together To Benefit Other Cooperatives

This year we had the opportunity to reconnect with Colorado cooperatives for educational programming. A number of years ago, Colorado cooperatives took part in our DCP program. Colorado then created their own program. However, recently the Colorado Council has focused its energies on a one-day board leader program which has been very successful for them. Because of this, we are able to serve a portion of their educational needs with our traditional programs. This year, two Colorado cooperatives attended our Director/Manager Workshop in Sidney. In return, we have received the materials Colorado uses in their training program that can be incorporated into our existing programs.

Our work with Colorado on education certainly is nothing new. Our partnership with Iowa State University, the Iowa Institute for Cooperatives, CoBank, and UNL has served us very well since 1978. By working with an additional partner, we hope to be able to provide high quality programs and still be as efficient and effective with our resources as possible.

By working together, we can provide more innovative programming to meet the needs of local cooperatives and accomplish this in a cost efficient manner.



Participants at Cooperatives For Tomorrow found Dr. Dennis Avery's presentation very thought provoking.

listen to. The intent is to provide a thought-provoking and challenging program.

Judging by the evaluations, it was a thought-provoking meeting. The sixty-one individuals from 16 member cooperatives who attended provided detailed comments in their evaluations so it was apparent that the speakers did challenge the audience. Speakers for the day were:

Dr. David Kohl, retired from Virginia Tech University, provided an entertaining look at the current situation and what may lie ahead in these uncertain economic times. He is an ag economist specializing in business management and ag finance. He continues to conduct applied research and speaks to ag and banking groups each year.

Dr. Dennis Avery, director of the Center for Global Food Issues at the Hudson Institute, discussed the "other side" of the global warming issue and the impact of biofuels on the environment. He monitors development in world food production, farm product demand, the safety and security of food supplies and the sustainability of world agriculture. He is the author of "Global Food Progress" and "Saving the Planet with Pesticides and Plastics: The Environmental Triumph of High Yield Farming."

Dr. Roger Ginder, Ag Economist with Iowa State University, presented his newest research on the efficiencies of both Nebraska and Iowa cooperatives with particular focus on how the recent increases in fertilizer, fuels and especially grain prices have affected balance sheets for cooperatives.

Dr. Ernie Goss, Jack A. MacAllister Chair in Regional Economics at Creighton University in Omaha, provided the results of the latest Rural Mainstreet Economic (RME) survey and the long-term trends identified by the survey as well as his insight into the current economic conditions we are facing. He conducts the RME survey each month to gauge how local bankers in a 10-state region view current conditions. These local bankers also provide their views on the economic outlook for six months down the road.

CALENDAR OF UPCOMING EVENTS

March 2009

- 19-20 CoBank Customer Meeting
- 23-25 Dairy Farmers of America Annual Meeting

April 2009

- 2-3 Associated Milk Producers Annual Meeting
- 15 NCC Education Foundation Scholarship Application Deadline

May 2009

- 22 NCC Board Conference Call

July 2009

- 2 NCC Board Meeting - North Platte
- 7-9 NCFE Washington Conference
- 24 Deadline to Nominate Individuals for the NCC Cooperative Hall of Fame

August 2009

- 11 District I Meeting - North Platte Sandhills Convention Center
- 13 District II Meeting - York Chances R
- 21 HOF Committee Meeting - York Chances R

November 2009

- 19 NCC Board and Committee Meetings - Kearney Holiday Inn
- 20 NCC Annual Meeting - Kearney Holiday Inn

December 2009

- 11 D/M Workshop - York Holiday Inn
- 15 D/M Workshop - Sidney Holiday Inn
- 16 D/M Workshop - Kearney Holiday Inn

January 2010

- 5 Director Certification Program, Phases 1 & 3 - Kearney Holiday Inn
- 6 Director Certification Program, Phases 2 & 4 - Kearney Holiday Inn
- 7 Graduate Director Seminar - Kearney Holiday Inn

February 2010

- 10 Board Officer Seminar - Location to be determined

SCHEDULE OF NCC RADIO SPOTS

Every other Friday, the Nebraska Rural Radio Network provides the Council with complimentary network airtime to present a 3-4 minute update on current cooperative issues. This allows the Council to have one more method of communicating with our members.

The radio spots air at approximately 1:15pm MT on KNEB and at 2:17 pm CT on KRVN and KTIC. Our scheduled air times over the next two months are:

March 20 April 3 & 17 May 1, 15 & 29