

Nebraska Cooperative Council

2009-10 Annual Report



NCC MISSION STATEMENT:

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

NCC Member Cooperatives by the Numbers*

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Nebraska Cooperative Council

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93.5%	Nebraska supply/marketing cooperatives that are members of the Council
41	Nebraska supply/marketing co-ops operating:
353	additional branch locations in Nebraska
26	additional branch locations out of state
3	Rural electric co-ops
2	Transport co-ops
1	Telephone co-op
1	Out-of-state co-op with a branch in Nebraska
1	Out-of-state co-op
1	Livestock Marketing Agency
10	Participating Members
25	Supporting Members
64,500+	total voting members of local supply/marketing co-ops
5,100+	employees (full and part-time)
\$5.7 billion	total sales of local supply/marketing co-ops
\$2 billion	total assets of local supply/marketing co-ops
\$217 million	employee payroll (with benefits)
\$134 million	net savings generated by local co-ops
\$78 million	investment in new equipment and facilities in past year
\$55 million	total patronage refunds in past year
\$14 million	equity/estate redemption in past year
\$9 million	federal/state income taxes paid in past year
\$9 million	property taxes paid in past year

*as of 8/31/10



**Jim Chism, NCC Board
Chairman, and Robert Andersen,
NCC President**

One of the Rochdale Principles governing cooperatives is “cooperation among cooperatives.”

Nebraska’s cooperative leaders in 1945 recognized the importance of establishing a statewide non-profit trade association in Nebraska resulting in the Nebraska Cooperative Council’s organization. As you review this year’s Annual Report, it’s clear that the Council’s mission has not diminished but is as important this year as ever. This past year can be described as a year of change and challenge as well as a positive and successful year.

It has been said that “the price of doing the same thing is far higher than the price of change.” That quote really reflects upon the Council’s operations this past year.

During our Member Input Meetings last January, the members expressed a strong consensus that the Council needs to maintain leadership roles in director education, legislation, and regulatory issues. This is the goal of your management team—to position the Council to be a valued leader in these areas.

The Council remains committed to developing and providing quality cooperative training programs for

Chairman & President’s Message

cooperative directors. Cooperative boards and management are required to consider a greater number of factors and potential alternatives to minimize risk in an ever-changing and complex business climate. Our goal is to develop and deliver educational opportunities that allow cooperative management teams to best meet the challenges of a competitive agribusiness environment.

At the same time, the Council remains committed to enhancing both our governmental affairs and regulatory issues programming. These two areas consume both personnel time and funding but are deemed to be increasingly important to our members. We must provide leadership in the development and support of legislative initiatives favorable to cooperatives at the state and national levels. Your Council stands as an important and respected legislative leader in representing cooperatives before our elected state and federal legislators, as well as the state and federal governmental departments. This is demonstrated by the number of legislative and regulatory issues addressed in this Annual Report.

This past year, the Council took on a leadership role in speaking out on behalf of the cooperative business model and cooperatives in relation to the U.S. Department of Justice and the USDA workshops which included the addressment of the Capper-Volstead Act. This was a priority issue for the Council as the Capper-Volstead Act is the foundation and “magna carta” for the very existence of cooperatives. It was very gratifying to have the



Council’s membership provide voluntary funding to finance our Action Plan (see details on page 15) and due to members’ generosity, we were able to proactively address same.

This year, after considerable discussion and evaluation, the Council’s management team made the decision to discontinue conducting our August statewide member district meetings. The district meetings had been an annual staple of communications with the members for many years; yet, in this time of electronic technology and increased communications, it was felt that the district meetings were becoming redundant in content and not an efficient use of the members’ time.

As you review this year’s Annual Report, it reaffirms the Council’s commitment to its mission of doing all things necessary “to defend, protect, and enhance the agricultural cooperative movement through pro-active programs in education, legislation, government affairs, communication, and regulatory issues.”

Your support is appreciated and valued.

In the cooperative spirit, we remain...

 
Jim Chism Robert Andersen

2009/10 Council Leadership

Board of Directors

District I



David Briggs (Vice Chair)
WESTCO
Alliance



Jim Chism (Bd Chair)
Frenchman Valley Farmers Co-op
Imperial



Bruce Favinger (Secretary)
Cooperative Producers Inc
Hastings



Tom Hansen
Ag Valley Co-op
Edison

District II



Jerrell Dolesh
Battle Creek Farmers Co-op
Battle Creek



John Oehlerking
Midwest Farmers Co-op
Elmwood



Randy Robeson
Frontier Co-op Co
Brainard



Ron Velder
Farmers Cooperative
Dorchester

Participating Member



Steve Neelly
CHS Inc.
Lincoln

Committees

Legislative Advisory Committee

Robert Andersen Nebraska Cooperative Council (*Co-chair*)
David Briggs WESTCO, Alliance (*Co-chair*)
Jerrell Dolesh Battle Creek Farmers Co-op
Tom Hansen Ag Valley Co-op, Edison
Mike Hechtner CoBank, Omaha
Mike Maranell Ag Processing Inc, Omaha
Rich Richey Husker Co-op, Columbus
Todd Roehrs United Farmers Co-op, York
Ron Velder Farmers Cooperative, Dorchester
Jim Chism Frenchman Valley Farmers Co-op, Imperial (*ex-officio*)

Excellence in Cooperative Education Committee

Bruce Favinger Cooperative Producers Inc, Hastings (*Chair*)
Dave Beckman Central Valley Ag Co-op, O'Neill
Deb Brauer Crossroads Co-op Assn, Sidney
Jay Geu Frenchman Valley Farmers Co-op, Imperial
Tom Houser CoBank, Omaha
Don Lien CHS Agri Service Center, Holdrege
John Oehlerking Midwest Farmers Co-op, Elmwood
Merle Lyons Land O'Lakes, Sergeant Bluff IA
Randy Robeson Frontier Co-op Co, Brainard
Dr. Dennis Conley ... University of Nebraska-Lincoln (*ex-officio*)
Jim Chism Frenchman Valley Farmers Co-op, Imperial (*ex-officio*)
Ed Woepfel Nebraska Cooperative Council

NCC-Political Action Committee

David Briggs WESTCO, Alliance (*Chair*)
Doug Derscheid Central Valley Ag Co-op, O'Neill
Bob Fifield Cooperative Producers Inc, Hastings
Ed Foster All Points Co-op, Gothenburg
Ron Hunter Ag Valley Co-op, Edison
Mary Kay Lyon CHS Agri Service Center, Holdrege
John Moore United Farmers Co-op, York
Greg Sabata Frontier Co-op Co, Brainard
Bill Schuster Aurora Co-op Elevator Co
Ron Velder Farmers Cooperative, Dorchester
Jim Chism Frenchman Valley Farmers Co-op, Imperial (*ex-officio*)

Hall of Fame Committee

Virgil Harms Blue Springs (*Chair*)
Daryl Erickson Greenwood
Bill Henry North Platte
Stan Hillius Kearney
Tom Osborn Battle Creek
Jim Chism Frenchman Valley Farmers Co-op, Imperial (*ex-officio*)
Robert Andersen Nebraska Cooperative Council (*ex-officio*)

Staff

Robert Andersen President
Ed Woepfel Education & Program Director
Glenda Gaston Office Manager/Admin Assistant
Deb Mazour Program Coordinator/Admin Assistant

2009 Hall of Fame Inductees

Tom Osborn of Battle Creek and Wayne Duis of Odell were inducted as the newest members of the Nebraska Cooperative Council Cooperative Hall of Fame on November 20, 2009. The induction ceremonies were held during the Council's Annual Meeting.

Tom and Wayne were presented with a framed certificate commemorating their induction into the Hall of Fame by Council Board Chair Jim Chism. In addition, a plaque outlining each of their accomplishments will be permanently displayed in the Council's office in Lincoln.

Both inductees provided substantial leadership for their respective cooperatives. A summary of their accomplishments are:

Tom Osborn... Tom farmed for over 40 years south of Battle Creek. During that time, he served as a director for the Battle Creek Farmers Cooperative for 25 years with 10 years as Board Chair.

Through Tom's leadership, the board and management team created significant growth for the co-op. During the time he was on the board, Battle Creek acquired cooperatives in Pierce and Bloomfield and bought facilities in Osmond, Madison, and Norfolk. Tom also helped lay the ground work for an eventual acquisition of the Newman Grove cooperative.

In addition to his service on the local board, Tom also provided statewide leadership. He served on the NCC Board of Directors for 8 years and during that time served on the Educational Advisory Committee. Tom also served on various regional committees during that time frame.



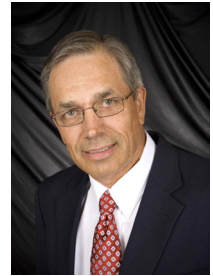
Tom spent endless hours promoting the cooperative system throughout the state and, as one of his nominators said, "I'm a better person having met and worked with Tom Osborn. It's people like Tom that make Nebraska a good place to live."

Wayne Duis... Wayne began his service to cooperatives in 1982 by being elected to the board of the Odell Farmers Cooperative. He served on the Odell board for 9 years, serving as both secretary and chair of the board. When Odell merged with Plymouth in 1991, Wayne became a board member of the newly formed co-op and served as chair of the board from 1995-2000.

During his years on the Plymouth board, sales for the company nearly doubled going from \$48 million in 1992 to \$93 million in 2000.

While on the Plymouth board, Wayne served on the NCC ad-hoc committee charged with researching ways to enhance the Council's influence and voice on legislative issues. This was a significant issue for the Council, particularly with the growing influence in urban areas of the state. Wayne provided a strong voice which led to the formation of the NCC Political Action Committee that was formed in 1999.

One of his nominators perhaps summed up Wayne's contributions best by saying, "Our cooperative became stronger each year Wayne served on the board. His efforts also set the stage for a very successful merger with a neighboring cooperative a few years after he left the board."



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

2009/10 Financial Statements

The financial statements below are excerpts from the complete Audited Financial Statements provided to the Council's Board of Directors and as such are deemed preliminary and subject to the Board's approval.

Financial statements will be provided to members at the Annual Meeting on November 19, 2010. They are also available for members by contacting the Council office at 402/475-6555.

2009/10 Membership

(members who paid dues for the 2009/10 fiscal year)

SUPPLY/MARKETING COOPERATIVES

Ainsworth - Farmers/Ranchers Co-op Assn
Alliance - WESTCO
Aurora Co-op Elevator Co
Battle Creek Farmers Co-op N/S
Beatrice - Farmers Union Co-op Supply Co
Beatrice - Southeast Nebraska Co-op Co
Big Springs - Farmers Co-op Elevator Assn N/S
Brainard - Frontier Co-op Co
Bridgeport - Stateline Bean Producers Co-op
Brule - Farmers Co-op Assn
Cedar Bluffs - Farmers Union Co-op Assn
Clarkson - Farmers Union Co-op Supply Co
Columbus - Husker Co-op
Dodge - Co-op Supply Inc N/S
Dorchester - Farmers Cooperative
Edison - Ag Valley Co-op, N/S
Elmwood - Midwest Farmers Co-op
Elsie - Hi-Line Co-op Inc
Eustis - Farmers Co-op Assn
Fairfield N/S Co-op Fertilizer Assn
Friend - Farmers Union Co-op Co
Gothenburg - All Points Co-op
Guide Rock - Farmers Union Co-op Co
Hastings - Cooperative Producers Inc.
Hayes Center - Hayes County Farmers
N/S Co-op
Hemingford - Farmers Co-op Elevator Co
Henderson Community Co-op Assn
Holdrege - CHS Agri Service Center
Imperial - Frenchman Valley Farmers Co-op
Lindsay - Farmers Co-op Assn
Merna - Farmers Co-op Grain Co
O'Neill - Central Valley Ag Co-op N/S
Pilger - Farmers Co-op
Ravenna - Farmers Co-op Assn
Schuyler Co-op Assn
Scottsbluff - Panhandle Co-op Assn
Sidney - Crossroads Co-op Assn
Spalding - Country Partners Co-op
Stapleton - Logan County Co-op Oil Assn
Talmage - Farmers Co-op Co
Wauneta Co-op Oil Co
Waverly - Farmers Co-op Co
York - United Farmers Co-op

RURAL ELECTRIC COOPERATIVES

Alliance - Panhandle Rural Electric Membership
Corp
Grant - Midwest Electric Co-op Corp
O'Neill - Niobrara Valley Electric Membership
Corp

TRANSPORT COOPERATIVES

Gothenburg - Co-op N/S Transport Inc.
Grand Island - Central Co-op N/S
Transport Co.

TELEPHONE COOPERATIVES

Blue Hill - Glenwood Telephone
Membership Corp

OUT-OF-STATE SUPPLY/ MARKETING COOPERATIVES

Hiawatha KS - AgPartners Co-op, Inc.
Moundridge KS - Mid Kansas Co-op Assn

LIVESTOCK MARKETING AGENCY

Producers Livestock Marketing

PARTICIPATING MEMBERS

Ag Processing Inc
CHS Inc
CoBank
Cooperative Mutual Insurance Co
Dairy Farmers of America, Inc
Farm Credit Services of America, Inc
Four Points Federal Credit Union
GROWMARK, Inc
Land O'Lakes, Inc

SUPPORTING MEMBERS

ADM (Archer-Daniels-Midland)
Ag States Group, LLC
Associated Benefits Corporation
Associated Milk Producers Inc
Capital Recovery, Inc
Dempster Industries, LLC
Eastern NE Grain, LLC
EBM Construction, Inc
FC Stone, LLC
Frisbie Construction Co, Inc
Gardiner Thomsen CPAs
Geotechnical Services, Inc
KFSA
Lincoln Inspection Service
McPherson Concrete Storage Systems, Inc
Mid States Millwright & Builders, Inc.
Milliman, Inc
Nationwide Agribusiness Insurance Co
Nebraska Corn Board
Nebraska Ethanol Board
Nebraska Rural Radio Assn
(KRVN/KNEB/KTIC)
Pawling, Finn & Torell, CPAs LLC
Stevenson & Associates, LLC - CPAs
Summit Point Consulting
United Suppliers, Inc.
VistaComm

Education Programs

The Nebraska Cooperative Council completed another successful year of educational programming in early March.

A total of 211 people attended the various programs this year, representing 30 different cooperatives. Fifty-seven (57%) percent of our member cooperatives attended the programs. In addition, cooperatives from Wyoming, Colorado, and Kansas had members in attendance.

The summary of the programs is as follows:

Director/Manager Workshops

Ninety-three (93) individuals attended the Director/Manager Workshops which were held on December 11 in York, December 15 in Sidney, and December 16 in Kearney.

“Where Do We Go From Here?” was the title of this year’s workshop. Since the fall of 2006, there has been unprecedented volatility in most of the products cooperatives handle. Whether it was grain, fuel, fertilizer, or even some chemicals, all have presented varying extremes of price fluctuation and related risks like never before seen.

This volatility has shaken traditional marketing strategies for cooperatives and created new dynamics in financing

and risk management. Practices we have taken for granted over the years may no longer be accepted.

With the increased borrowing in the summer of 2008 and the meltdown shortly thereafter last fall, the availability of and terms for financing changed for most businesses.

During the workshop, we addressed how cooperatives may mitigate risk through a variety of methods currently being implemented in the industry.

We also addressed recent changes in accounting rules and the affect on mergers in the future, in particular the “market value” vs “book value” accounting for assets and potential impact on handling members’ equity.

Facilitators for the program were Tom Houser of CoBank and Dennis Conley of UNL.

Director Certification Program

DCP was conducted at Kearney on January 5-6. The four phases of this program cover all aspects of directors’ responsibilities to help them deal with the challenges they face as



Participants in the Board Officer Seminar work together to find a solution for a case study.

decisionmakers. DCP is designed to accelerate the process by which directors become active, effective board members. Program objectives are:

- to provide a clear understanding of the board’s roles and responsibilities and how these differ from those of the manager
- to provide working knowledge of successful cooperative planning and monitoring of results
- to help participants understand cooperative financial statements and their use in making decisions
- to provide hands-on experience in cooperative problem solving
- to enable directors to gain insight into the operations of other co-ops through interaction with other participants

Facilitating the four phases were Dennis Conley, UNL (Ph 1 and 4); Roger Ginder, Iowa State University (Ph 2 and 3); Tom Houser, CoBank (Ph 2 and 3); Rocky Weber, Crosby Guenzel LLP law firm in Lincoln (Ph 1); and Dave Christiansen, manager from Moundridge, KS (Ph 4).

This year we had 7 graduates bringing the total number of DCP graduates to 1,497 since the programs inception in 1978. At total of 57 phases were completed by local directors this year.

This past year CoBank provided a generous donation of \$10,000 to the Council to be utilized for educational programming. This donation has been added to the Fund For Excellence which was created to support and enhance the Council’s educational programs.

With the uncertainty that lies ahead with University funding and commitment to cooperative education programs, this donation is very timely. Additional resources such as this will prove to be very valuable in the future.

CoBank has been a long-time partner in the educational mission of the Council, and this latest contribution reflects their strong commitment to director education.



Graduate Director Seminar

Thirty (30) directors attended the Graduate Director Seminar in Kearney which was originally scheduled for January 7 however, due to inclement weather, was postponed until March 5.

The GDS this year was titled "The Changing Role of Directors and Managers in a Growth Cooperative". Discussion focused on how cooperative growth has occurred in Nebraska and how growth in cooperatives can be successfully achieved.

Case studies were used to provide examples of issues that arise in growing companies. In addition, Dave Christiansen, President of Mid Kansas Cooperative Association in Moundridge, KS, provided a presentation on communicating in growth cooperatives. The other facilitator for the program was Dr. Dennis Conley.

Board Officer Seminar

The Board Officer Seminar was held in Lincoln on February 10 with 34 officers attending. This program is designed to provide additional training to help current and future officers carry out their function as board leaders.

Attorney Rocky Weber from Crosby Guenzel LLP and Dr. Dennis Conley from UNL facilitated an open forum where the discussion topics were driven by participants.

During the afternoon session, the program consisted of numerous board role playing scenarios. Participants were split into groups and discussed a number of real world issues that cooperative boards face.

Following the afternoon session, we traveled to Memorial Stadium to tour the football facilities to see memorabilia from the past as well as the state-of-the-art Tom and Nancy Osborne Complex.

We finished the day with an informal dinner which allowed board leaders in attendance an opportunity to network with their statewide counterparts.

FFA Cooperative Speaking Contest



A record number of FFA students participated in this year's State FFA Cooperative Speaking Leadership Skills Event. From the 71 students who participated in the district contests across the state, 23 qualified and participated in the state contest which was held in conjunction with the State FFA Convention on April 8-9 in Lincoln.

The Nebraska Cooperative Council has been proud to sponsor this event with the Nebraska FFA Association. This year marks the 59th consecutive year that the Council has sponsored FFA activities.

This event is designed to provide students with the opportunity to research and develop a speech focusing on any topic relating to cooperatives. By participating in this event, students learn a great deal about cooperatives and the principles of cooperatives.

Winning the 2010 FFA Cooperative Speaking Event was Lauren Ibach of the Sumner-Eddyville-Miller FFA. Second place went to Alix Mashino of the West Boyd FFA Chapter. Placing third was Andrew Brittenham of the Superior FFA, and fourth went to Johanna Nutt of the Medicine Valley FFA Chapter.

Other medal winners, in alphabetical order, were:

Gold - Carly Hegemann, Howells-Clarkson; Kelsey Wetovick, Fullerton; Kelsie Wiese, Leigh; and Melissa Woepfel, Norris.

Silver - Lea Kayton, Seward; Amy Krepel, Crofton; Chelsey Krug, Dundy County-Stratton; Doug Larsen, Stuart; Jana Nollette, Cody-Kilgore; Jenna Schutt, Mead; Marivel Paredes, Pender; and Katie Umland, Fairbury.

Bronze - Andrew Ambriz, West Point; Mariah Brandt, Tri County; Caroline Cook, Verdigre; Annalisa Glenn, Greeley-Wolbach; Kayla Golka, Hemingford; Jess Smith, Waverly; and Wade Walters, Shickley.

Cooperatives 101 Video

In June of 2009, the Council distributed two pieces of a three-part cooperative curriculum to high school and two-year post secondary ag teachers. Those two pieces were the updated USDA curriculum and a customized unit dealing specifically with Nebraska cooperatives.

In the fall of 2009, the third piece of the project was completed and distributed to the same groups as well as to all Council members. This was a DVD titled *Cooperatives 101*—a 12-minute video that explains how cooperatives function.

This video is designed to provide an overview of cooperatives for high school and college students and as an informational tool that cooperatives can use with new employee orientation. This video has proven to be a very popular and useful tool for both cooperatives and schools in Nebraska.

The Council was able to complete the video, as well as the curriculum pieces, with funding from the CHS Foundation. In addition, the CCPRO group was very instrumental in the production of the *Cooperatives 101* video.

State Legislative Issues

2009 Special Session and 2010 Session

2009 Special Legislative Session

Governor Heineman called a special legislative session in 2009 to address the \$330+ million gap that was projected for the state's 2009-10 and 2010-11 budgets. It convened November 4 and adjourned November 20.

The Governor recommended \$280 million in spending reductions and \$56 million in transfers from other funds. These cuts and transfers affected agriculture and cooperatives, either directly or indirectly. The Council provided testimony for the following:

LB 11 - Commodity Checkoff Funds (Support)

LB 11 was introduced in response to the Governor's proposed budget transfers from state-approved commodity checkoff funds to close the state budget gap. LB 11 would have blocked those funds from being transferred.

A number of farm and commodity organizations, including the Council,

testified in support of LB 11.

LB 11 was killed; however, the transfer of funds from the checkoff funds was not included in the final appropriations bill passed by the Legislature.

LB 13 - Sales/Use Tax Exemptions (Oppose)

LB 13 would have put exempt items back onto the sales tax rolls for calendar year 2010. Items such as feed, veterinary medicines, ag chemicals, manufacturing machines and equipment would have been taxable under LB 13.

The exempt items would not have been taxed at the current 5.5% but at .65%. LB 13 would have yielded approximately \$300 million in one year.

The Council, along with other business groups, opposed LB 13 and provided a letter of opposition. LB 13 was killed by the Revenue Committee.

The 101st Legislature adjourned on April 14th. This year's session was unique in that budgeting concerns dominated every issue. These budgeting challenges appear to carryover, if not intensify, in the next biennium.

Following are the key issues that the Council was involved in this session.

SIGNED INTO LAW

LB 725 - Fertilizer and Ag Chemical Application (Support)

LB 725 amended the definition of certain fertilizer and chemical application equipment (specifically anhydrous nurse tanks) and exempted this

equipment from the Federal Motor Carrier Safety Regulations requiring brakes and lights on trailers. It also exempted fertilizer trailers from carrying a registration certificate upon them. Instead, the certificate shall be kept at the principal place of business of the trailer's owner. Provisions became effective July 15.

LB 751- Secured Transactions/ UCC Financing Statements (Support)

LB 751 reversed the change in law that was passed two years ago but which had not yet become effective. Thus, the law regarding financing



statements reverted back to the longstanding rule that creditors must use the correct name of the debtor in order to avoid having their financing statements deemed seriously misleading and therefore ineffective for the purpose of perfecting liens and security interests. Provisions of LB 751 became effective on March 4.

LB 780 - Workers Compensation (Oppose)

LB 780 represented an unprecedented departure from the requirement that a physical injury be involved in order for workers' compensation benefits to be recovered. The Council is a member of the Nebraskans for Workers' Compensation Equity and Fairness group (NWCEF), and we worked in conjunction with them to oppose the bill. Provisions became effective July 15.

LB 832 - Petroleum Release Remedial Action (Support)

LB 832 amended the Petroleum Release Remedial Action Act to

remove the private insurance requirement which presently applied to the installation of new tanks at new sites. The owner of such tanks are currently required to pay for coverage under the Leaking Underground Storage Tank (LUST) Fund. Provisions became effective July 15.

LB 847 - Small Claims Court (Oppose)

Provisions of LB 847 were amended into LB 712 late in the session. Among other things, the bill amended statutes relating to the Small Claims Court in order to provide a defendant a method for vacating a default judgment rendered by a Small Claims Court. Prior to passage, the only remedy in a small claims case was an appeal to the district court for an error on the record. The practical effect was that there was no way to vacate a default judgment obtained in Small Claims Court regardless of what the reason was that the litigant failed to show unless there was some error on the record. The bill also provides that parties may be represented by attorneys for the purpose of filing a motion for a new trial or to set aside, vacate, or modify a default judgment. Provisions of LB 712 became effective April 14.

LB 865 - Adopt the Livestock Animal Welfare Act (Support)

LB 865 adopted the Animal Welfare Act to clarify the application of the animal cruelty statutes to livestock to prevent customary livestock care and veterinary practices from being misconstrued as animal cruelty. Nebraska's animal cruelty statutes have been amended numerous times since the early 1990's and now touch on a wide range of issues related to animal mistreatment. As a result, statutes intermingled protections for pets and livestock. These intermingled protections led to questions about potential for the laws to be interpreted in a

manner that could negatively impact care practices for food animals. LB 865 maintained protection for pets and livestock animals from mistreatment and acknowledged the difference in common standards of care for different species of animals. Provisions of LB 865 became effective July 15.

LB 882 - Disposal of Dead Animals (Support)

LB 882 allowed producers to move dead animals across roadways for disposal. Prior to this, only rendering companies could move dead animals for disposal on roadways. It also authorized a veterinary clinic or veterinary diagnostic laboratory to utilize alkaline hydrolysis as a method of disposal of animal carcasses or carcass parts. This method is utilized at a number of diagnostic and research facilities in the U.S. as an alternative to incineration. Provisions of LB 882 become effective October 1.

KILLED

LB 729 - Conveyance Safety Act (Oppose)

LB 729 would have repealed the Conveyance Safety Act (CSA) which became law on January 1, 2008. LB 729 appeared to be an attempt to move regulation of conveyances back to the Department of Labor. As such, regulation would resort back to the system in place prior to the passage of the CSA. It should be noted that the CSA, section 48.2508 (17) provides for an exemption for "man lifts, hoists, or conveyance used in grain elevators or feed mills." This exemption was included in the CSA as a Council amendment in the enabling legislation several years ago.

LB 740 - Prohibit Agriculture Transfers (Support)

LB 740 would have prohibited General Fund transfers from the following funds effective July 1, 2011:
(Continued on page 12)

As the Council's mission statement indicates, we will "*defend, protect and enhance the agricultural cooperative movement through pro-active programs in education, legislation, governmental affairs, communication, and regulatory issues*". Certainly our main focus legislatively is on cooperative issues.

While we work on many industry issues, our number one priority is on cooperative issues. Some of the basic issues that we continually monitor are:

◆ **Securities...** to ensure that cooperative equities are not classified as securities and subject to full registration with the Securities & Exchange Commission.

◆ **Mandatory Equity Redemption...** to advocate that equity redemp-

tion should be determined by the cooperative's Board of Directors and not mandated.

◆ **Patronage Dividends...** to oppose any effort to subject cooperative patronage dividends/per unit retainings to "double taxation" at the producer and local levels for the purpose of computing state income taxes.

◆ **Interest on Members' Equity...** to oppose legislation mandating cooperatives to pay annual interest to member stockholders on their members' equity.

These issues are core to our mission and are items on which we cannot compromise.

State Legislation

(continued from page 12)

Buffer Strip Act, Commercial Feed Administration Cash Fund, Weed Book Cash Fund, Nebraska Seed Administrative Cash Fund, Pure Food Cash Fund, and Weights and Measures Act. The Council expressed our concerns about the transfer of funds which were generated for a specific use being subsequently transferred to another non-related fund.

LB 774 - Sales Tax Treatment of Net Metering (Support)

LB 774 would have corrected a Department of Revenue (DOR) interpretation within the net metering law as passed in 2009. The intent of the Nebraska Rural Electric Association when the law was written was that only the net amount sold would be taxable. Currently, the DOR interprets that tax is due on the gross amount from the utility. LB 774 would have clarified that the tax is due on the net amount.

LB 793 - Prohibit Fund Transfers (Support)

LB 793 would have prohibited the transfer of funds from a cash fund for a use or to another fund unless the transfer or appropriation is specifically authorized by law. LB 793 was introduced as a result of the 2009 special session last November. At that time the Governor proposed taking funds from the commodity check off funds to help balance the state's budget. We opposed that action along with the other commodity groups and farm organizations. Ultimately, the commodity funds were not used to offset the deficit. However, LB 793 would have changed the statute to make such a process more difficult.

LB 833 - Workers Compensation (Support)

LB 833 would have provided confidentiality of Nebraska Workers Compensation Court records. This bill came about following complaints about

attorneys who immediately contact employees who file a workers' compensation claim. Some believe the names/addresses of individuals who have filed a claim shouldn't be made public.

LB 1039 - Fire Extinguishing Certification Act (Oppose)

LB 1039 would have adopted the Fire Extinguishing Certification Act, which required certification of persons engaged in the inspection, installation, or servicing of portable fire extinguishers and pre-engineered fire extinguishing systems. Each applicant would have paid an application fee of up to \$100 and an annual review fee of up to \$100 with final fees for each determined by the State Fire Marshall.

LB 1066 - Sales & Use Tax on Services (Oppose)

LB 1066 would have added a Nebraska sales tax to the cost of 60 services performed in Nebraska including the "warehousing of raw agricultural products".

NCC Political Action Committee

The NCC-PAC was fully engaged this year due to the state senatorial election cycles. This summer, the PAC conducted 19 interviews with state senator candidates. These interviews were held in Omaha on July 13-14 and in Lincoln on July 15.

The PAC, which was established in 1999, was created to help us gain access with legislators, both rural and urban. Of course, with the continuing growth in population in the Omaha and Lincoln areas, more legislative seats will ultimately shift to urban senators. The PAC allows us to educate these senators and to develop relationships that will be beneficial during the legislative session.

The interviews are designed not only to allow for the committee to hear from candidates, but at the same time provide committee members with the opportunity to inform candidates about cooperatives. We shared with the candidates the size and scope of cooperatives and how cooperatives differ from other business models. Many of the candidates were surprised to learn of the size and scale of today's cooperatives.

Our thanks to the following members who provided contributions to the NCC-PAC in the 2009/10 fiscal year:



Ainsworth	Elmwood	O'Neill
Alliance	Elsie	Ravenna
Alliance REA	Eustis	Scottsbluff
Aurora	Fairfield	Sidney
Battle Creek	Friend	Spalding
Beatrice SE	Gothenburg	Stapleton
Big Springs	Gothenburg Transport	Waverly
Blue Hill Telephone	Grand Island Transport	York
Brainard	Guide Rock	AGP
Cedar Bluffs	Hastings	KRVN
Clarkson	Hemingford	Land O'Lakes
Columbus	Henderson	Producers Livestock
Dodge	Holdrege	Stevenson & Assoc.
Dorchester	Imperial	
Edison	Lindsay	

State Regulations

COOPERATIVE SPECIFIC

Patron Investment Programs

We continue to monitor the Department of Banking & Insurance concerning proposed regulations which could affect cooperative patron investment programs. In the past, we have seen various proposals that would have made compliance very difficult and costly for locals with such programs. Historically, about every two to three years, the Department undergoes a regulation addressment of same.

INDUSTRY SPECIFIC

PSC Schedule A and E Rates

On May 19, the Nebraska Public Service Commission (PSC), conducted their public hearing on the Schedule “A” rates which govern the maximum rates for state licensed grain warehouses for Receiving and Handling (R&H) grain, as well as Storage and Insuring (S&I). The hearing also covered the Schedule “E” rates which govern dry edible beans and popcorn.

The Council’s Grain Ad-Hoc Committee submitted the following recommendations relative to Schedule “A” to the Council’s Board of Directors, which were subsequently approved:

- Recommend no changes to the Storage & Insuring rates or the Receiving, Handling & Delivery rates



In February, the Council presented Senator Greg Adams of York (center) with a plaque in appreciation of his outstanding leadership to solve the mineral oil tax issue. Through the efforts and perseverance of Senator Adams, the issue was resolved to the benefit of producers from across the state, and the farmer owned cooperatives in Nebraska can now move forward in their mission to serve Nebraska’s farmers and ranchers.

- Support elimination of Notes 9, 11 and 12
- Support continuation of permissive language within Note 4 to allow for a “minimum” of 180 days for storage

Due to PSC and producer concerns being expressed about Note 4, the NCC Grain Ad-Hoc Committee and Board realized the “minimum” days within Note 4 might need to be reduced, and the Committee and Board discussed acceptable options for reducing the minimum days of storage.

When the PSC commissioners met on June 15, 2010, they maintained the current allowable charges for the Storage & Insuring and Receiving, Handling & Delivery rates. They also voted to eliminate Notes 9, 11, and 12. The most notable change was relative to Note 4. The commissioners voted to reduce this to 120 days with the change effective June 15, 2010.

Energy Source Exemption

Since the end of the 2009 legislative session, the Council has continued to work on the energy source exemption issue. This became an issue in the fall of 2008, when a Nebraska Department of Revenue (DOR) audit cited a cooperative because energy use for drying grain was not exempt due to the time of year. At that time, the DOR indicated that the exemption could only be claimed in October, November or December, not realizing that crops such as wheat were harvested in the summer. We challenged this response since the DOR for many years had granted exemptions for energy use in drying grain.

Legislative Efforts...In 2009, Senator Adams introduced LB 234, at the request of the Council, to clarify this issue. The bill was advanced from the Revenue Committee to General File but remained at that status during the 2010 session.

Regulatory Resolution Efforts...The Council met twice with the DOR in the last half of 2009 to discuss this issue. Following our June 2009 meeting, the Council conducted a survey of energy usage for aerating, blending, and drying usage within the cooperative grain industry, and the cumulative results were provided to DOR officials. We met again with DOR staff including Commissioner Doug Ewald in October.

This past January, the DOR released their proposed Revenue Ruling addressing the sales and use tax exemption for energy used in grain storage facilities, over a year after the DOR had cited the local cooperative. The DOR established a comment response deadline of February 26th to their proposed Ruling. The Council sought input from a number of cooperatives.

(Continued on page 14)

The Council submitted an official response to the DOR acknowledging our disagreement with their attempts to further reduce or eliminate the energy exemption. We expressed our concerns that the proposed regulations would be onerous and burdensome upon the industry.

Specific issues that we raised in the response related to aerating, blending, and drying. We challenged the DOR definition of nonprocessing which includes aeration and blending of grain. Under the DOR definition, energy used for “aerating both dried grain and grain with excess moisture in the same bin” would not be exempt from sales tax. In reality, we know that sometimes dry grain and wet grain is put in the same bin, and aeration is required to maintain quality.

Finally, the DOR has proposed that energy used for drying can be exempt if only wet grain is in the facility. If some dry grain was in the facility and then wet grain was added, the energy to dry the wet grain would not be tax exempt since some dry grain was present. Again, this definition would create problems during the busy harvest season.

In March 2010, the DOR requested that the Council propose definitive language for this Ruling. Since we believe that the DOR is extending the regulations beyond what is allowed in state statute, it is challenging to craft language that bridges our divergent points of view.

Ad-hoc Committee

Created...The Council’s Board convened an Energy Source Ad-hoc Committee to address the developments and to submit a recommendation for the Council Board’s consideration.

They ultimately determined, and the Board concurred, that it would be virtually impossible to craft language for the ruling since our position is nearly the opposite of the DOR’s position.

In our subsequent response to the March DOR request that we propose definitive language, we reaffirmed that we would not provide a line-by-line alternative to a proposed Revenue Ruling which we believe exceeded the existing Nebraska statutes governing same.

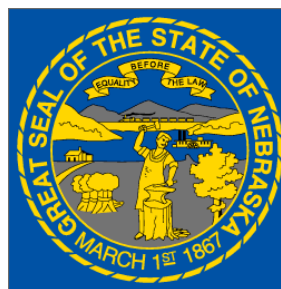
Current Status...The Council’s Board of Directors believes that due to the state’s economic challenges, any legislative addressment at this time would be futile. Accordingly, the Council is attempting to identify a potential “ideal” test case between a local cooperative and the DOR to consider for litigation against the DOR.

Grain Indemnity Fund

The Council continued to be actively involved in discussions relative to creating a Grain Indemnity Fund for the State of Nebraska.

On October 2nd, the Legislature’s Ag Committee held an Interim Study Hearing relating to the Grain Indemnity Fund. The Council testified at this hearing at which time we presented what we believe are more prudent measures that can be implemented to provide greater protections and transparency for producers. Two examples would be requiring full scope audits for grain warehousemen and grain buyers along with more PSC inspections. Throughout the hearing, there was little support from any of the ag organizations to create a Grain Indemnity Fund.

Throughout the year, we presented our perspective at various meetings with the Nebraska Public Service Commission and farm organizations.



Federal Legislation & Regulations



Capper-Volstead Act

In the fall of 2009, it became apparent that the Capper-Volstead Act would be facing scrutiny from the U.S. Department of Justice (DOJ), U.S. Department of Agriculture (USDA) and possibly some members of Congress. This, of course, was very alarming given the importance of agriculture to Nebraska's economy.

The Capper-Volstead Act is the Act that provides limited anti-trust protection allowing farmers and ranchers to legally join together to purchase ag inputs and sell commodities.

Without Capper-Volstead, it is highly questionable if farmers could

continue to work together in a cooperative. The risk of anti-trust prosecution under the Sherman Anti-trust Act may be too great.

In order to study this issue, the DOJ and USDA scheduled a series of workshops across the country to examine issues of competition in agriculture. The focus of these workshops is upon concentration within agriculture in such areas as the seed industry, meat packing, and ag production. Incorporated within same is addressing the Capper-Volstead Act.

As these events have unfolded, NCC has dedicated significant resources to resist any changes to Capper-Volstead.

At its February meeting, the NCC Board of Directors adopted an Action Plan/Strategy. Included within the Plan, but not limited to, were the following:

1. Congressional Fly In. On March 16-18, 2010, eight (8) cooperative leaders joined President Andersen and traveled to Washington DC to personally meet with the state's entire congressional delegation. In addition, the group met with Secretary of Agriculture Tom Vilsack to express

our support for the Capper-Volstead Act. While in DC, the group also met with NCFC staff to discuss the issue.

2. Contribution. NCC provided a \$10,000 contribution to the National Council of Farmer Cooperatives' (NCFC) public relations campaign
(Continued on page 16)

Red Flags

On May 28, 2010, the Federal Trade Commission (FTC) announced they are delaying further enforcement of the "Red Flags" Rule until December 31, 2010. This delay is at the request of several members of Congress who are considering legislation that would affect the "scope of entities covered by the Rule." This latest delay is one of several that FTC has implemented at the request of Congress since 2008.

The Council hosted a training session regarding Red Flags in

September of 2008. That training was designed to provide cooperatives with the background and key points to help develop their individual Red Flags implementation program.

At this point, it is not clear how the "scope of entities covered by the Rule" is defined and what entities are included in the definition. In addition, it is not clear as to what changes members of Congress are considering.

We will continue to monitor this issue and provide you with updates as they become available.

Thanks to the organizations below which provided voluntary



contributions to the Council in our efforts to fight the attack on Capper-Volstead. This funding, in addition to impacting our congressional representatives, will also allow us to spread the cooperative message. By working with NCFC, we will be able to get the message to citizens in highly populated areas of the country such as the east and west coasts.

Supply/Marketing Co-ops

Ainsworth	Friend
Alliance	Gothenburg
Aurora	Hastings
Battle Creek	Hemingford
Beatrice SE	Henderson
Big Springs	Holdrege
Brainard	Imperial
Bridgeport Bean	Lindsay
Brule	O'Neill
Cedar Bluffs	Ravenna
Columbus	Scottsbluff
Dorchester	Sidney
Edison	Spalding
Elmwood	Stapleton
Elsie	Waverly
Fairfield	York

Participating Members

CoBank
Four Points Federal Credit Union

Others

NE Managers Association

Federal Legislation/Regulations (continued from page 15)

entitled “Farmer Co-ops: Providing for America” campaign. The campaign is designed to help cooperatives and their members tell the story of how cooperatives provide value to rural America.

3. Development of Supporting Materials. NCC developed a number of materials which were distributed to all of our cooperatives in late March. Included were sample opinion pieces for local newsletters or newspapers; sample letters for cooperatives to send to congressional representatives; a fact sheet on Nebraska cooperatives; and a billing stuffer to be used by local cooperatives to inform their members of the threat to Capper-Volstead as well as requesting the grassroots members to contact their congressional representatives.

4. Coordinate an effort for statewide leaders to address this issue. NCC worked with Senator Tom Carlson of Holdrege, Chairman of the Agriculture Committee, in developing a letter to U.S. Secretary of Ag Vilsack supporting the cooperative system. All 49 state senators signed this letter. We also worked with the Governor’s office, and Governor Heineman forwarded a letter to Ag Secretary Vilsack and our congressional delegation.

5. Opinion piece for newspaper. On March 14, 2010, the state’s largest newspaper, the *Omaha World Herald*, printed a guest “opinion editorial” from Council President Robert Andersen which emphasized the importance of cooperatives in Nebraska (reprinted on page 17).

6. Inform statewide ag groups. NCC will be meeting with the leadership of other statewide ag groups on November 18 to brief them on the issue as well as request that these leaders take an active role in corresponding with congressional representatives to



In mid-March, the Council conducted a fly-in to Washington DC to speak with Nebraska’s congressional representatives about the importance of the Capper-Volstead Act to cooperatives. Representing the Council and pictured here with Senator Ben Nelson (white shirt) are left to right: NCC President Bob Andersen; Dean Thernes, manager of Battle Creek Farmers Co-op; Greg Sabata, Bd Chair of Frontier Cooperative Company of Brainard; Bruce Favinger, Bd Chair of Cooperative Producers Inc of Hastings; Jim Chism, manager of Frenchman Valley Farmers Cooperative of Imperial; Dave Beckman, Bd Chair of Central Valley Ag Cooperative of O’Neill; Gerald Schmidt, Bd Chair of Farmers Cooperative of Dorchester; John Moore, Bd Secretary of United Farmers Cooperative of York; and Council Attorney Rocky Weber.

urge resistance to any type of repeal effort on Capper-Volstead.

7. NCC Funding. In order to carry out these aggressive efforts effectively, additional funding was required. In early March, the Council reached out to supply/marketing cooperatives requesting voluntary financial contributions to help implement the Action Plan. The membership’s response was truly outstanding. Over \$66,000 in contributions were received. These funds are in a restricted account and will only be used for costs to implement

the Action Plan (i.e., Fly In, legal fees, development of materials, etc.) The box on page 15 provides a list of all cooperatives which have contributed to this effort. Certainly their support has been vital to this effort.

The Council will continue to monitor this effort very closely and will work with NCFC and others to protect the ability of farmers/ranchers to work together in the marketing of their commodities and the purchasing of inputs and to protect the ag cooperative business model.



Reprinted below is an editorial which was published in the *Omaha World Herald* on March 14, 2010. It was part of our effort to inform the citizens of the state about the importance of the Capper-Volstead Act (see more on page 15).

Repeal of act would threaten ag cooperatives

by Robert C. Andersen, President of the Nebraska Cooperative Council, Lincoln NE

The U.S. Department of Justice (DOJ) and the U.S. Department of Agriculture will be holding joint workshops over the next several months to study antitrust issues in agriculture. One of the issues publicly raised by DOJ officials is whether the Capper-Volstead Act is still necessary in our agricultural economy.

The Capper-Volstead Act is the fundamental legal foundation of our farmer- and rancher-owned cooperatives in the United States. Capper-Volstead was passed by Congress in 1922 to protect the ability of farmers and ranchers to join together in cooperative business organizations to sell agricultural commodities and purchase agricultural inputs without violating the antitrust provisions of the Sherman Antitrust Act.

A repeal of Capper-Volstead could gravely impact the competitive ability of Nebraska's farmers and ranchers.

Farmer owned cooperatives have been in existence for more than 100 years in Nebraska. During this time, much has changed in agriculture. What has not changed is the basic need recognized by the passage of Capper-Volstead: to protect the competitive position of individual farmers and ranchers in the agricultural economy.

Nebraska's agricultural cooperatives are owned, patronized and governed by the farmers and ranchers who are members of those cooperatives. These cooperatives are not owned by profit-only-oriented investors in distant cities or large multinational agricultural companies. They are owned by the farmers and ranchers who use their services. These local agricultural producers control and govern the cooperatives through boards of directors comprised of and elected by the agricultural producer members.

By working together, the cooperative becomes an extension of each individual member's farming operation. This allows farmers to move further up the marketing chain in adding value to the products they produce, as well as helping farmers secure the inputs needed for their farming operations on a competitive basis.

Cooperatives provide a competitive balance for producers who are dealing with private companies or multinational corporations. An individual farmer is at a distinct disadvantage if attempting to individually market grain nationally or internationally. Through a cooperative, a number of farmers can jointly own a train-loading facility in order to access competitive national and international grain markets.

Likewise, in the securing of input supplies, cooperatives provide individual farmers and ranchers a more competitive

platform by combining their individual purchasing power. Working through the cooperative, a producer can receive the benefit of access to bulk fertilizer facilities and participate in the savings associated with bulk purchasing and favorable transportation rates.

Nebraska's farmer- and rancher-owned cooperatives provide considerable benefits to our farm economy:

- Last year, Nebraska's farmer-owned cooperatives returned \$82.7 million in patronage allocations to their members. These are allocations of the profits or savings of the cooperative generated by the business done with each member.

- In addition to the patronage refunds, Nebraska agricultural cooperatives provided \$10.8 million in members equity credit redemptions to their farmer and rancher owners and patrons.

- Last year, agricultural cooperatives in Nebraska invested more than \$91 million in new equipment and facilities in Nebraska communities. The vast majority of these investments are in communities of fewer than 10,000 people.

- Agricultural cooperatives employ more than 3,900 people statewide with a combined payroll of more than \$211 million. This equates to an average salary of more than \$54,000 per employee. In addition to providing goods and services for producers, cooperatives also provide excellent employment opportunities in Nebraska communities.

These statistics clearly demonstrate that agricultural cooperatives are providing value for agricultural producers and are a great success story for the rural economy of our state. The members of the Nebraska Cooperative Council are proud that agricultural cooperatives are one of the most consistent economic development drivers in rural Nebraska.

The Capper-Volstead Act is as necessary today as ever to protect the important competitive and economic benefits that Nebraska's farmer- and rancher-owned cooperatives provide to their members and the state's agricultural economy. Any effort to repeal the Capper-Volstead Act should be vigorously opposed by those who value the success of Nebraska's farmers and ranchers in today's complex and challenging economy.

Council Meetings

Annual Meeting

The Council's 64th Annual Meeting was held on November 20 at the Holiday Inn in Kearney with 130 cooperative leaders attending the meeting and Hall of Fame luncheon.

The opening address of the morning session was provided by Lt. Governor Rick Sheehy.

Eric Brown, General Manager of the Nebraska Rural Radio Association, then spoke of the long history that the Council and the Nebraska Rural Radio Network shared.

Board Secretary/Treasurer Bruce Favinger then presented the financial report, and Board Chair Jim Chism then provided the chair's report.

Council President Bob Andersen then provided the President's Report with the legislative and regulatory issues and educational programs that the Council was involved in this past year.

Following the business session, the group had the opportunity to hear from Olympic Gold Medalist Rulon Gardner.

Following Gardner's address, the voting caucus was held. Jim Chism from Imperial and Jerrell Dolesh from Battle Creek were re-elected to three-year terms on the board for District I and II respectively. Delegates also ratified a Bylaw amendment to create a Class A and Class AA active membership for the Council. This amendment was proposed to address regional ownership of operations within Nebraska.

After the morning break, the ever-popular Legal, Tax & Accounting Workshop was held. Rocky Weber and Dave Jarecke of the Crosby Guenzel LLP law firm conducted this year's workshop. Rocky and Dave touched on a number of issues; however, the area that drew the most attention was OSHA and safety issues.

The final session of the Annual Meeting was the membership luncheon and Hall of Fame induction ceremony where Wayne Duis of Odell and Tom Osborn of Battle Creek were inducted into the NCC Cooperative Hall of Fame.



Keynote Speaker Rulon Gardner (far left), Olympic Wrestling Gold Medalist, shared his message of perseverance with meeting participants.

Member Input Meetings

The Council held Member Input Meetings on January 12 in North Platte and January 13 in York. The purpose of these meetings was to gather input from our members relative to the activities of the Council with that input incorporated in Board planning for the coming year.

In summary those in attendance indicated:

- The membership wants the Council to provide leadership on industry-wide legislative and regulatory issues.

- The membership's expectation is that the Council should provide leadership to both cooperative and industry specific areas. This dual expectation elevates our operational costs. Indirectly, it increases the members' costs.

- Membership dues, at this time, are viewed as providing proportional value when compared to the cost of membership.

- There appears to be strong support for the Council.

- The membership is receptive to multi-state programs with other state councils as long as existing Council programs are not diminished. Education may be an area where we need to continue to explore options.



Bob Andersen (far right) listens to co-op representatives as they evaluate Council programs and provide suggestions for the future.

District Meetings Discontinued

The need for district meetings was raised last winter, and in the ensuing months, the Council's Board and staff studied this issue carefully. Issues such as duplication of communications, time/costs upon local cooperatives, difference of perspective between eastern and western cooperatives, how technology could be used, the value of members networking, and finally how the student scholars would be recognized were all considered.

Ultimately, the Board felt that through our newsletters, the use of email, and other forms of communication, significant information regarding the work of the Council was already being shared. The Board felt eliminating the district meetings would allow for better use of Council resources. Be assured that even though the district meetings will no longer be held, by infusing some of the content into the Annual Meeting and continuing to host Member Input Meetings, the Council will strive to keep members informed about the issues affecting cooperatives.