



2013-14  
Annual Report



**Nebraska  
Cooperative  
Council**

### 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.

### Cooperative Principles:

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

### Nebraska Cooperative Council

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## NCC Member Cooperatives by the Numbers

(estimated as of 8-31-14)

<b>36</b>	Nebraska supply/marketing co-ops operating:
<b>354</b>	additional branch locations in Nebraska
<b>37</b>	additional branch locations out of state
<b>3</b>	Rural electric co-ops
<b>1</b>	Transport co-op
<b>1</b>	Telephone co-op
<b>1</b>	Out-of-state co-op with a branch in Nebraska
<b>1</b>	Livestock Marketing Agency
<b>11</b>	Participating Members
<b>33</b>	Supporting Members
<b>56,200+</b>	total voting members of local supply/marketing co-ops
<b>5,575+</b>	employees (full and part-time)
<b>\$7.7 billion</b>	total sales of local supply/marketing co-ops
<b>\$2.8 billion</b>	total assets of local supply/marketing co-ops
<b>\$184.6 million</b>	net savings generated by local co-ops
<b>\$162.4 million</b>	investment in new equipment and facilities in past year
<b>\$63.1 million</b>	total patronage refunds in past year
<b>\$16.5 million</b>	equity/estate redemption in past year
<b>\$15.9 million</b>	federal/state income taxes paid in past year
<b>\$11.1 million</b>	property taxes paid in past year

# Chairman & President's Message



*NCC President Robert Andersen and Board Chairman David Briggs*

We are pleased to provide you with this year's Annual Report of the Nebraska Cooperative Council. Your management team believes that this past year was a productive year and that the Council's programs had a positive impact upon its membership in total.

As the redeployment of cooperative assets has continued in Nebraska, the Council continues to focus on three primary areas which are educational, legislative, and regulatory programming.

While our continuity keeps us grounded, we continue to strive to revise our programming to meet member needs. This may best be summed up by a quote from Pauline Kezer. She said, "Continuity gives us roots; change gives us branches letting us stretch and grow and reach new heights."

In 2011, upon a careful assessment of the Council's director education programming, the Council's management team concluded that our training programs needed to be elevated to meet the challenges of a rapidly changing cooperative business environment. Since that time, we have utilized nationally recognized experts from 12 states and 7 universities to provide programming for our members. This variety of presenters has given our members a very diverse and thought provoking view of the future of agriculture. Members' input reflects their appreciation for the current training programs and their desire for future quality programming. Your

management team remains committed to maintaining high quality educational programming.

Our educational outreach to students within the community colleges, which was initiated in 2011, has resulted in us providing 39 Co-ops 101 sessions which 670 students have attended. Coupled with this, in August 2014, the University of Nebraska has implemented a "Role of Cooperatives in Agriculture" class which will be taught by Attorney Rocky Weber. This is the culmination of several years of working with the University to create cooperative offerings within the Department of Agricultural Economics.

Legislative involvement has increased during the past decade by your association. Our primary legislative focus is on "cooperative specific" issues. In the past few years, however, the Council has been the principal in some non-cooperative legislative issues. Per the latter, the Council provided a key leadership role in the resolution of those issues because it was in the best long-term interests of our members.

As we visit with legislators and stakeholders, we believe the Council is viewed as a key and credible stakeholder; this is the result of the efforts of many within the cooperative system and effective legislative and regulatory programs.

As we have seen a political shift in the Legislature from rural to urban in the past couple of decades, the importance of developing positive relations with senators has been elevated. This past July, the Council's Political Action

*"Continuity gives us roots; change gives us branches letting us stretch and grow and reach new heights."*  
- Pauline Kezer

Committee (PAC) interviewed 32 candidates over four days. Unquestionably, the establishment of the Council's PAC 15 years ago has been a compliment to our programming with urban legislators from Douglas, Sarpy and Lancaster counties.

We have remained committed to our organizational mission of promoting and creating a better understanding of cooperatives, of promoting a common approach to ag cooperatives, and the fundamental charge of "doing any and all things to defend, protect, and enhance the ag cooperative movement."

We recognize that leadership will be required on future challenges and that issues will continue to become more complex. Conversely, this will require more time and financial resources. The point being there is a "leadership cost."

All of this takes us back to a value proposition. Council dues should be viewed as an investment in your future success. We believe that as you review this Annual Report, you will conclude that your cooperative is receiving a return on investment (dues).

In closing, we want to thank each of you for your support of the Council and your willingness to serve the cooperatives of the state. By serving on committees and task forces, attending education programs, and other Council events, you are contributing to advancing the cooperative business model and for that, you are to be commended.

In the cooperative spirit, we remain...

*David*  
David Briggs

*Bob*  
Robert Andersen

# 2013/14 Council Leadership

## Board of Directors

Dave Beckman  
Central Valley Ag Co-op N/S  
O'Neill



David Briggs (*Bd Chair*)  
WESTCO  
Alliance



Carl Dickinson  
United Farmers Co-op  
York



Bruce Favinger (*Secretary*)  
Cooperative Producers Inc  
Hastings



Mike Hechtner  
CoBank  
Omaha



Ron Heerten  
Farmers/Ranchers Co-op  
Ainsworth



John Oehlerking  
Midwest Farmers Co-op  
Elmwood



Randy Robeson (*Vice Chair*)  
Frontier Co-op Co.  
Brainard



Dean Thernes  
Battle Creek Farmers Co-op N/S  
Battle Creek



## Committees

### Legislative Advisory Committee

Robert Andersen..... Nebraska Cooperative Council (*Co-chair*)  
Randy Robeson ..... Frontier Co-op Co., Brainard (*Co-chair*)  
Evan Brandes..... Aurora Co-op Elevator Co.  
Matt Caswell..... AGP, Omaha  
Ron Heerten..... Farmers/Ranchers Co-op, Ainsworth  
Jamey Nygren..... Farm Credit Services of America, Omaha  
John Oehlerking ..... Midwest Farmers Co-op, Elmwood  
Ron Ruttan..... Country Partners Co-op, Spalding  
Dean Thernes ..... Battle Creek Farmers Co-op N/S  
David Briggs ..... WESTCO, Alliance (*ex-officio*)

### NCC-Political Action Committee

Randy Robeson ..... Frontier Co-op Co., Brainard (*Chair*)  
Britt Anderson ..... All Points Co-op, Gothenburg  
Doug Derscheid ..... Central Valley Ag Co-op N/S, O'Neill  
Bob Fifield..... Cooperative Producers Inc., Hastings  
Ron Hunter..... Ag Valley Co-op, Edison  
Mary Kay Lyon ..... CHS Agri Service Center, Holdrege  
John Moore..... United Farmers Co-op, York  
Doug Ohlson ..... Frenchman Valley Farmers Co-op N/S, Imperial  
Bill Schuster ..... Aurora Co-op Elevator Co.  
Ron Velder ..... Farmers Cooperative, Dorchester  
David Briggs ..... WESTCO, Alliance (*ex-officio*)

### Excellence in Cooperative Education Committee

Bruce Favinger ..... Cooperative Producers Inc, Hastings (*Chair*)  
Don Anthony..... CHS Inc, Lexington  
Dave Beckman ..... Central Valley Ag Co-op N/S, O'Neill  
Deb Brauer..... Crossroads Co-op Assn, Sidney  
Carl Dickinson ..... United Farmers Co-op, York  
Jay Geu..... Frenchman Valley Farmers Co-op, Imperial  
Tom Houser..... CoBank, Omaha  
Monty Johnson ..... Southeast Nebraska Co-op Co., Beatrice  
Galen Kuska..... Farmers Cooperative, Dorchester  
David Briggs ..... WESTCO, Alliance (*ex-officio*)  
Dr. Larry Van Tassell ..... University of Nebraska-Lincoln (*ex-officio*)  
Ed Woeppel..... Nebraska Cooperative Council

### Hall of Fame Committee

Daryl Erickson..... Greenwood (*Chair*)  
Bob Brass ..... Lexington (*Vice Chair*)  
Jerrell Dolesh ..... Tilden  
Doug Nuttelman ..... Stromsburg  
Don Wiseman ..... Fairbury  
David Briggs ..... WESTCO, Alliance (*ex-officio*)  
Robert Andersen..... Nebraska Cooperative Council (*ex-officio*)

## Staff

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

# Director Education



The Council concluded educational programming for 2013/14 with a full compliment of programs designed to meet the needs of local cooperative directors. Once again attendance was strong with 374 directors, managers, and staff representing 72% of the Council's member supply/marketing cooperatives attending at least one of the programs.

This attendance level is remarkable considering the merger activity that has taken place in the past few years. In fact, we would have to go back to the early 2000s to see this level of attendance.

Programs offered this year were the Director/Manager Workshop, Director Certification Program, Cooperative Issues Symposium, Cooperatives For Tomorrow Seminar, and Board Officer Seminar. A summary of each program follows:

## Director/Manager Workshop

Workshops were held in Ogallala and York on December 11 and 12, 2013 respectively, and focused on strategic positioning and perpetuating the cooperative. Presenters included Jeff Lakner, Board Vice Chair of South Dakota Wheat Growers; Richard Bentley, consultant with Land

O'Lakes; business consultant Tom McClung; and Tom Houser with CoBank. A total of 120 individuals representing 24 cooperatives attended.

## Director Certification Program (DCP)

All four phases of DCP were offered in Kearney on January 7-8, 2014. Presenters for the program were Dr. Roger Ginder, retired Iowa State University professor; Tom Houser, CoBank; Attorney Rocky Weber with Crosby Guenzel LLP; Don Wiseman, retired cooperative manager, and Ed Woeppel, NCC Education & Program Director. A total of 79 phases were completed by directors from 22 cooperatives.

## Cooperative Issues Symposium (CIS)

The CIS was held in Lincoln on February 5, 2014. The program focused on equity management. Dr. Mike Boland, University of Minnesota, led the day-long discussion. In the afternoon session, Art Churchill (Board Chair), Vernon Flinn (Board Vice Chair), and Tom Hauschel (CEO), all of Heartland Cooperative in West

Des Moines, Iowa, participated in a panel discussion regarding their equity program. A total of 49 individuals representing 15 cooperatives attended.

## Cooperatives For Tomorrow (CFT) Seminar

The CFT was held in Lincoln on February 6, 2014. Another wide array of speakers provided many different thoughts for participants to consider. Speakers included John Phipps, contributing editor for Farm Journal and Top Producer; Robert Hodgen, business manager for J.D. Heiskell Holdings; Dr. Brent Gloy, ag economist from Purdue University; and Dr. Ernie Goss, economist from Creighton University. A total of 87 individuals from 17 cooperatives attended.

## Board Officer Seminar (BOS)

The BOS was held in LaVista on February 26, 2014. The morning session featured the always popular "Open Forum" discussion led by Attorney Rocky Weber. In the afternoon the group toured Midwest Laboratories, a leading testing facility in Omaha. Thirty-nine (39) board leaders from 13 cooperatives attended.

*"Education is the kindling of a flame, not the filling of a vessel."*

*- Socrates*

# State Legislation 2014 Session



While the Council monitors all legislative activity in order to keep its cooperative members abreast of any legislative changes that may affect how cooperatives conduct business, the primary responsibility of the Council in the legislative arena is to monitor and effect legislation that pertains to “cooperative specific issues.” This legislative priority includes, but is not limited to, legislative action affecting:

- Cooperatives as business entities unique from corporations and limited liability companies
- Cooperative corporate governance and the rights and obligations of cooperative board members, stockholders and patrons
- Laws, including tax codes, that may affect how cooperatives allocate patronage to their patrons
- Equity management and equity redemption restrictions
- Securities and other “safe harbor” exemptions that provide cooperatives the ability to raise and manage equity

These legislative priorities involve issues that affect the very nature of the cooperative business model, whether it be a local or regional cooperative, a utility cooperative, a transportation cooperative, or the Farm Credit System, CoBank or related cooperative entities uniquely formed to serve the needs of cooperative business organizations.

The 2014 Legislature adjourned sine die on April 17, 2014. The session found the Council tracking 88 bills and resolutions that could impact cooperatives. A total of 185 bills became law.

The session was noted for significant debate on many issues with an unusually high number of filibusters used to influence the outcome. Water issues, Medicaid, and prison reform were among the issues that dominated much of the discussion. Full recaps of the issues affecting cooperatives were emailed out each week to members in the form of Legislative Updates with a total of 16 forwarded during the legislative session.

Listed below are some of the more significant bills we followed. The Council’s position is indicated in parentheses (S= support, O=oppose, M=monitor, NP=no position).

## SIGNED INTO LAW

### **LB 96 - Exempt Ag Parts & Repairs (M)**

LB 96 becomes effective October 1, 2014. The bill exempts repairs and replacement parts for ag machinery or equipment from the Nebraska sales tax. This will make ag implement businesses in Nebraska more competitive with neighboring states. Prior to passage, Nebraska was one of only eight states

that still charged a sales tax on these purchases.

### **LB 174 - Rules of the Road / Load Contents and Spillage (M)**

LB 174 became effective July 18, 2014. It amends the Nebraska Rules of the Road to make it a Class IV misdemeanor with a minimum fine of at least \$250 if “any vehicle that contained livestock, but still contains the manure or urine of livestock, on any highway located within the corporate limits of a city of the metropolitan class, shall spill manure or urine from the vehicle.” Under Nebraska statutes, “metropolitan class” is any city with a population of 300,000 or more so as passed, only Omaha would be affected by the bill. The bill was introduced to remedy a significant problem in south Omaha.

### **LB 249 - Motor Carrier Provisions (S)**

LB 249 was ultimately amended into LB 983 and became effective March 29, 2014. In part, the bill

*“You do not examine legislation in the light of the benefits it will convey if properly administered, but in the light of the wrongs it would do and the harms it would cause if improperly administered.”*

- Lyndon B. Johnson

would (1) allow Nebraska farmers to take advantage of the new Commercial Drivers License (CDL) exemptions put into place by the new federal highway bill; (2) amend the definition of “commercial motor vehicle” to exclude “covered farm vehicles” traveling within Nebraska; and (3) add an exemption to hours of service requirements for transport of agricultural commodities or farm supplies within 150 miles of the source.

### **LB - 272 Nebraska Chemigation Act (M)**

LB 272 became effective July 18, 2014. It increases fees for the chemigation program (which have not been changed since 1986) to off-set the cost of administering the program and costs of the annual inspection programs. The bill allows each NRD to set the fees, and there would be a cap of no more than \$150 for new or special permits; \$100 for renewal of regular and special permits; and \$500 for emergency permits. The bill also clarifies that emergency permits (1) must be approved within two working days rather than 48 hours, and (2) cannot be issued on Saturday, Sunday, or a federal or state holiday. A definition of working day is provided in the bill.

### **LB 736 - One-Call Notification System Act / Phone and Online (NP)**

LB 736 became effective July 18, 2014. The bill changes requirements for excavators under the One-Call Act by deleting the notice of an intended excavation through the One Call Center’s 800 telephone number and simply providing that an excavator may serve notice of its intent to excavate by submitting a “locate” request. The bill clarifies that locate requests must be submitted using a method provided by the One-Call center which currently are calling 811 (the diggers hotline), fax submissions, or online submissions.

### **LB 373 - Nebraska Construction Prompt Payment Act (O)**

Provisions of LB 373 with AM1550 were amended into LB 961 and became effective July 18, 2014. As introduced, the bill would amend the Nebraska Construction Prompt Payment Act which sets forth the payment obligations of owners to contractors and contractors to subcontractors on construction projects. This Act covers all persons, entities, and political subdivisions in the State of Nebraska except the state itself.

The Act was passed in 2010 and addressed the problem of delinquent payments to contractors, which in turn negatively affects payment to subcontractors. It required payment within 30 days of a request for payment and that subcontractors must be paid within 10 days of receipt of payment. During discussions on AM1550, the Council provided input that improved provisions of the Act that would apply to cooperatives entering into construction agreements.

AM1550 removed the trust account and penalty provisions and amended the definition of “substantially complete” to reflect the definition used by the American Institute of Architects. Retainage is capped at 10% and once the project is 50% complete, retainage is capped at 5%. The owner or owner’s representative must pay the retainage to the contractor within 45 days of substantial completion; the contractor must then pay the subcontractor(s) within 10 days of receipt.

### **LB 668 - Liens (S)**

Provisions of LB 668 were amended into LB 851 and became effective April 10, 2014 since it contained the emergency clause. It provides for the extinguishment of a lien or security interest and changes provisions relating to lien proceeds and distribution.

The bill amends statutes relating to possessor liens for work done to or materials furnished upon personal property such as vehicles, machinery, and farm implements. Section 52-201 provides that any person who makes, alters, repairs, or in any way enhances the value of any such personal property shall have a lien on such property while it is in such person’s possession for the reasonable or agreed charges for the work done or materials furnished; further, the person shall have the right to retain possession of such property until such charges are paid.

For those cooperatives who offer automotive and other services to personal property, they may benefit from these provisions when the customer fails to pay the bill.

### **LB 749 - Nebraska Model Business Corporation Act (M)**

LB 749, a 342 page bill, becomes effective January 1, 2016. It replaces the Nebraska Business Corporation Act with the Nebraska Model Business Corporation Act which will bring the Nebraska Act up to date with the model Act. The Council will be assessing what future actions may be required in 2015 to bring stock and non-stock cooperative provisions into conformance with the Nebraska Model Business Corporation Act.

### **LB 750 - Statutory Liens (S)**

Provisions of LB 750 became effective April 11, 2014 since the bill included the emergency clause. It provides a mechanism to clear old crop or livestock liens off the record, bringing the administration of statutory liens in line with the administration of a UCC-1 lien. It requires that statutory liens against crops or livestock would lapse and be void five years after filing unless the secured party files a continuation statement for another five years.

*(Continued on page 8)*

## State Legislation

(continued from page 7)

Under the bill, the Secretary of State is required to notify, by first-class mail, the holders of liens subject to the bill that such a lien will lose its perfection unless a continuation statement is filed as provided in the bill.

### LB 941 - Dairy Study (S)

LB 941 provides for a dairy growth study and funding report to be forwarded to the Legislature on or before November 15, 2014. Funded from the Commercial Feed Administration Cash Fund, the comprehensive study would evaluate current herds, processing facilities, potential for expansion, and constraints for expansion.

### LB 983 - Motor Vehicles (M)

LB 983 contained the emergency clause and became effective March 29, 2014. The bill amends motor vehicle statutes so that Nebraska is in compliance with federal rules and regulations. Without passage, Nebraska would have lost \$13.7 million in federal highway funds the first year and \$27.4 million for each subsequent year of noncompliance.

Initially the Council had concerns with LB 983 due to a change in definition for “covered farm vehicle” which ultimately would have required farmers towing anhydrous tanks to have a CDL (currently they are exempt from this requirement). However, after several follow-up meetings with Senator Dubas and other stakeholders, the bill was amended to continue to allow for the ag exemption regarding the towing of anhydrous trailers.

### LBs 906, 940, 1046, and 1098 - Create the Water Sustainability Fund and transfer funds (S-940 and 1046; NP-906 and 1098)

LBs 906 and 1098 were both signed into law and became effective on

April 2 and April 17, 2014, respectively. The bills created the funding and administrative procedures for the Water Sustainability Fund (WSF).

The Council was heavily involved in the discussion regarding this legislation, and we were clear that we supported the creation of a Water Sustainability Fund; however, we would oppose the bill if a fertilizer tax was utilized to fund the legislation.

LB 906 (which as passed included provisions of seven other bills including two—LBs 940 and 1046—that the Council supported) created the WSF with an initial transfer of \$21 million from the General Fund to the WSF. The bill also provides that \$11 million will be transferred annually into the WSF beginning in FY2015-16. This funding will be used for projects that contribute to making water use in Nebraska sustainable. All funding will be overseen by the Natural Resources Commission.

LB 1098 revises the membership of the Natural Resources Commission by stating 14 individuals will be appointed by the Governor and 13 individuals will represent the river basins in Nebraska. The Commission will have oversight on all activities related to the WSF.

INDEFINITELY  
POSTPONED

### LB 358 - One-Call Notification System Act (O)

LB 358 would have amended the One-Call Notification System Act to indicate soil sampling done by a third party (not the owner or tenant) would be considered tillage if no fee is charged. If a fee were charged, the person doing the soil sampling would have been required to call the One-Call system prior to taking soil samples. So basically, it would have required that cooperatives call the One-Call hotline

two days prior to the soil sampling of their farmer patrons if a fee is charged.

Presently “the tilling of soil and gardening for seeding and other agricultural purposes” is not considered excavation and does not require that you call the One-Call center. Soil sampling, according to the Nebraska Attorney General’s office statement of March 25, 2011, is considered tillage and therefore the Attorney General would not prosecute those taking routine soil samples.

### LB 637 - DEQ Economic Impact Analysis (S)

LB 637 would have required the DEQ to prepare an economic impact statement for any rule or regulation that the Department intended to adopt that was different than federal regulation or increased cost on regulated persons or entities. Required in the statement were an analysis of less intrusive or less costly alternatives, less stringent compliance and deadlines, and consolidation and simplification of compliance.

The bill would have made it more difficult for the DEQ to promulgate costly rules and regulations that could impact business operations, including cooperatives.

### LB 767 - Operator Training for Underground Storage Tanks (M)

LB 767 would have changed provisions to the Petroleum Release Remedial Action Cash Fund to allow for reimbursement to a responsible person or his or her qualified trainer for the cost of compliance with the operator training requirements of the federal Energy Policy Act of 2005. In essence, this would have allowed for reimbursement of training programs for owners/operators of underground tanks.

The bill also directed that the State Fire Marshal establish training and experience requirements for qualified trainers that would insure operators



receive appropriate training necessary to protect human health, public safety, and the environment in the operation of tanks.

### **LB 892 - Change Enforcement Provisions of the One-Call Notification System Act (O)**

LB 892 would have added a provision to the One-Call statutes that authorizes the operator of an underground facility to institute a civil suit for injunctive relief to restrain an excavator if it appears that an excavator has repeatedly violated or is violating or threatening to violate any provision of the One-Call Notification Act. It also increases the maximum allowable fine from \$5,000 to \$10,000. Ironically, while the bill is targeted at repeat offenders, it does not offer a definition of a repeat offender.

Our legal counsel reviewed LB 892 and determined that it was “one-sided” in that it allowed operators of underground facilities to have private rights of action to enjoin excavations in addition to the ability of the Attorney General to seek penalties against an excavator. It posed a risk of a significant amount of litigation between operators and excavators, particularly cooperatives conducting soil testing.

### **LB 965 - Public Power District Expenditures (O)**

LB 965 would have changed provisions regarding expenditures made by public power districts, municipalities, cooperatives, and others providing electrical services. The bill would have required the providers to provide “as many benefits as possible” to member owners. Included in the list of costs in the bill were the costs of climate changes and health impacts of energy production. In general, the bill was designed to encourage “green” energy generation.

## **NCC Political Action Committee**

*Since the era of term limits, the NCC-PAC has become even more crucial to help us update and educate senators about cooperatives.*

Due to the election cycle, the NCC-Political Action Committee had a busy summer conducting 32 interviews with state senator candidates. These interviews were held in North Platte on July 10, in Omaha on July 22-23 and in Lincoln on July 24.

The NCC-PAC continues to be a significant part of the Council’s overall legislative program.

As the urban areas of the state continue to grow in population, it is important that the Council has access to the state senators serving those areas.

As senators move in and out of leadership positions much more rapidly, maintaining open communication has become much more critical.

While we are technically conducting interviews, committee members also utilize that time to provide the candidates with cooperative information. During each interview, committee members explain what a cooperative is and the importance of cooperatives to their communities and the state economy as a whole.



*In July 2014, the Council’s NCC-PAC Committee interviewed 32 candidates over 4 days at North Platte, Omaha, and Lincoln. Pictured above (top center/right) is Brent Smoyer of Lincoln, candidate for District 26.*



*...to the following who provided voluntary contributions to the NCC-PAC for the 2013/14 fiscal year:*

- Ainsworth - Farmers/Ranchers Co-op Assn
- Alliance - Panhandle Rural Electric Membership Alliance - WESTCO
- Aurora Co-op Elevator Co
- Battle Creek Farmers Co-op N/S
- Beatrice - Southeast Nebraska Co-op Co
- Big Springs - Farmers Co-op Elevator Assn N/S
- Blue Hill - Glenwood Telephone Membership Corp
- Brainard - Frontier Co-op Co
- Cedar Bluffs - Farmers Union Co-op Assn
- Clarkson - Farmers Union Co-op Supply Co
- Columbus - Husker Co-op
- Dodge - Cooperative 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
- Fairfield N/S Co-op Fertilizer
- Friend - Farmers Union Co-op Co
- Gothenburg - All Points Co-op
- Hastings - Cooperative Producers Inc
- 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
- O’Neill - Central Valley Ag Co-op N/S
- Schuyler Co-op Assn
- Scottsbluff - Panhandle Co-op Assn
- Sidney - Crossroads Co-op Assn
- Spalding - Country Partners Co-op
- Wausa - CHS Inc
- Waverly - Farmers Co-op Co
- York - United Farmers Co-op
- Ag Processing Inc
- Austin Mutual Insurance Co
- Capital Recovery, Inc
- CHS Inc
- CHS Insurance
- Dairy Farmers of America
- Land O’Lakes Inc
- Milliman, Inc.
- Nebraska Rural Radio Assn (KR/VN-KNEB-KTIC)
- Stevenson & Associates CPAs



# State & Federal Regulations

## PSC Schedule A and E Rates

On May 20, 2014, the Nebraska Public Service Commission (PSC) voted to maintain the current Schedule A and E rates following a hearing earlier in the month. These schedules govern the maximum rates for state licensed grain warehouses for receiving and handling grain, as well as storage and insuring.

Following review, the Council’s Grain-Adhoc Advisory Committee and Board concurred that no changes be made to the Schedule A or E rates, and prior to the hearing, a letter was forwarded to the PSC indicating this.

## Title 195 - Chemigation Regulations

The Nebraska Department of Environmental Quality (DEQ) held a meeting/telephone conference on July 23, 2014, to seek input regarding chemigation regulations. The chemigation regulations are being examined due to the passage of LB 272 during the 2014 legislative session.

Those attending the hearing were DEQ and NRD personnel and staff of the Nebraska Farm Bureau and the Council.

LB 272 allows Nebraska’s natural resources districts (NRDs) to set the various fees for chemigation permits. LB 272 also provides a definition for “working day” as it relates to emergency permits.

Under LB 272, fees for permits could increase as follows:

	<u>Current</u>	<u>Under LB 272</u>
New permit/special permit	\$30	as much as \$150
Renewal permit	\$10	not more than \$100
Emergency permit	\$100	not more than \$500

In each case, each NRD would be allowed to set the fees in order to recoup the cost of issuing the permits.

In terms of the definition of “working day”, this is defined as Monday-Friday and would not include Saturday, Sunday, or a state or federal holiday. The definition of “working day” applies to emergency permits and indicates that the NRD has to respond within two working days of the filing of a request.

The major issue that was raised by some NRDs during the meeting was establishing a consistent fee structure. Their concern was that if neighboring NRDs did not have similar fees it would cause confusion, particularly with farmers who had land in two different NRDs.

The DEQ will take comments from the July 23rd meeting and develop revisions that will be presented to the Environmental Quality Council (EQC) at a hearing in February of 2015.

The Council will continue to monitor the rulemaking process as well as the February EQC meeting.

## State Management Plan for Pesticides and Water Resources

The Nebraska Department of Agriculture (NDA) is developing an agency policy for managing pesticides which impacts our state’s water resources. The State Management Plan (SMP) for Pesticides and Water Resources was authorized in the original language of the 1993 Nebraska Pesticide Act and would establish a process NDA would follow to assist with regulatory decisions on the pesticides found in water resources. The U.S. Environmental Protection Agency requires our state pesticide regulatory programs to establish a strategy to identify pesticides of concern in water resources and demonstrate progress toward correcting any pesticides that repeatedly exceed contaminant threshold levels.

*Legislation changes policy. Regulations change practices.*

The Council attended the NDA's initial meeting to discuss this proposed policy which was held on August 20, 2014. At the meeting, NDA presented historical background and current information on the SMP and requested public input on the draft policy. The agency will also initiate a 60-day comment period during which all stakeholders and the public in general will be invited to comment on the proposed policy. The Council will continue to closely monitor this proposal for any potential impact on cooperatives.

### Underground Storage Tanks

The Nebraska State Fire Marshal held a rule-making hearing on August 26, 2014 to receive public testimony concerning the adoption of program changes, additions and grammatical changes in Title 159 Nebraska Administrative Code Chapter 1-16. These changes include new definitions and procedures regarding a delivery prohibition program. It also includes new definitions and requirements for an ongoing training program for underground tank operators. The regulations include a new time frame for the term "temporarily out of use."

There were two major items that we discussed about the proposed changes. The first related to the "delivery prohibition" or "red tagging" of underground tanks. The Fire Marshal was asked if it was possible for vendors (fuel suppliers) to receive an updated email list of tanks that are "red tagged" so that the vendor would have more assurance of delivering only to approved tanks.

The second major issue dealt with training of underground storage tank operators. Under the proposed changes, all underground tank operators will need to complete the required training by December 31, 2015. There are three classes of operators identified

(Class A, B, and C). Class A and B operators will need to complete the Fire Marshal approved training while Class C operators can be "trained" in house by the Class A or B operators that have completed the approved training.

The Fire Marshal indicated that there are many sources for the training including online training. He further indicated that his office will maintain a listing of approved training programs and will post that list on their web site once their review is completed.

These rules and regulations will become effective five days after filing with the Secretary of State (SOS). Prior to filing these regulations with the SOS, the Attorney General and the Governor need to approve the proposed regulations. The Fire Marshal's office anticipates the rules will be filed with the SOS and take affect late this fall.

Council staff attended the hearing and will continue to monitor the process of revising Title 159 regulations.

### Energy Source Exemption Update

The Nebraska Cooperative Council and its members have been dealing with uncertainties surrounding the sales and use tax exemption for energy for several years. As many of the Council's members are aware, since at least 2008, the Department of Revenue (DOR) has raised numerous questions regarding the eligibility of energy used for electric fans that are used for drying grain and has either denied or has delayed reimbursements under the exemption while it further reviews the matter. In other cases it has assessed Council members for energy used to dry grain. The actions of the DOR over the last six or so years have made it clear that use of the energy exemption by the grain handling industry is in jeopardy, particularly in connection with electricity usage.

After consulting with its members, the Council organized a concerted

effort to challenge the DOR and its interpretations of the energy exemption. As part of this effort, numerous sales tax refund claims, or test cases, were filed utilizing the energy consumption and payments from a member cooperative's grain handling sites in eastern Nebraska. The DOR quickly determined that there was no legitimate basis to deny refund claims relating to natural gas. However, the refund claims for taxes paid in connection with electricity have not been processed and are still pending with the DOR.

There are numerous questions being litigated in connection with the electricity claims. For example, the level of accounting detail for energy used by equipment at a particular site is being contested. Additionally, the DOR has questioned whether "processing" is actually occurring during many of the periods that fans are operating in grain bins. Another issue we are challenging is the DOR's stance that blending, sorting and cleaning of grain do not constitute processing.

The Nebraska courts have never ruled on these issues. While not binding on the Nebraska DOR, it is persuasive that the Kansas Supreme Court has ruled on many of these issues and determined that the Council's positions are correct. The Council intends to continue supporting litigation of these issues so as to obtain similar guidance for the industry in utilizing the energy exemption either through agreement by the DOR or, if necessary, court order.

At this point, we continue to work with the DOR on this issue and continue to pressure it to either move the matter toward a hearing and judicial adjudication or work with us to find a mutually acceptable manner of applying the exemption. However, progression of the litigation before the DOR is solely determined by the DOR. Unfortunately, it is common for litigated

*(Continued on page 12)*

## State & Federal Regulations

(continued from page 11)

matters to be pending before the DOR for several years, and it is impossible to predict when this matter will be finally adjudicated.

In recent months the DOR has demonstrated some willingness to adapt its position on the application of the energy exemption. The DOR has recently acknowledged that drawing ambient air over moist grain in fact removes moisture from the grain. This may seem obvious to those in the industry, but it has taken years to convince the DOR of this fact.

In the latest meeting between our counsel and DOR's legal staff to discuss this matter, the DOR communicated during the meeting that it was working toward development of some clear guidelines so the industry could efficiently utilize the exemption. The DOR has communicated that it intends to circulate draft guidelines for utilizing the exemption in the near future, and we will present them to our members for input/discussion when we receive them.

### Federal Privacy Act (Gramm-Leach-Bliley Privacy Notice)

In the fall of 2013, several questions arose pursuant to the Federal Privacy Act, more commonly known as the Gramm-Leach-Bliley Act. This Act had been passed in or about 2001. Specifically, were cooperatives still subject to same and secondly, had there been any changes in compliance requirements?

Attorney Andrew Pease with Crosby Guenzel, LLP researched this issue and indicated that the applicability is upon those cooperatives who provide a financial product or service to the patron primarily for personal, family, or household purposes.

The Council provided a "draft" Patron Privacy Notice for our members. Unfortunately, no one uniform, standardized document can be utilized due to the operational variations among cooperatives so cooperatives were encouraged to contact their legal counsel to determine the policy to fit their needs.

### Clean Water Act / Common Sense Nebraska

On April 21, 2014, the Environmental Protection Agency (EPA) and the Army Corps of Engineers (Corps) released a rule which would greatly expand the reach of the Clean Water Act (CWA). In basic terms, the rule used a draft "connectivity study" to claim that all water is connected in a "significant" way. By doing this, EPA and the Corps can claim jurisdiction over water bodies including ones which do not always contain water such as ditches and ephemeral drains. It is our belief the proposed rule would greatly increase the regulatory burden on farmers, ranchers, and virtually anyone who turns dirt with a shovel.

The regulatory changes could mean farmers and ranchers would be required to obtain Section 404 "dredge and fill" permits for simple agricultural practices such as fencing, rotating crops and basic conservation practices. Perhaps more alarming, the definitional changes could trigger Section 402 "pollutant" point-source discharge requirements for the application of weed and insect control products, fertilizer or any other activity in and around areas deemed to be "waters of the U.S." The costs and legal liability farmers and ranchers could face would be enormous.

In early August, Common Sense Nebraska, a coalition of Nebraska agri-

cultural organizations, was formed to oppose the proposed rule by the EPA and the Corps redefining "waters of the U.S." under the CWA.

The original members of Common Sense Nebraska were the Nebraska Cattlemen, Nebraska Corn Growers Assn, Nebraska Dairy Assn, Nebraska Farm Bureau Federation, Nebraska Pork Producers, Nebraska Poultry Assn, and Nebraska Soybean Assn.

The coalition seeks to defeat the proposed regulation by hosting events to draw media and public attention to the rule and working closely with the Nebraska Congressional Delegation and other state election officials to defeat the rules either administratively or legislatively.

The Council's Board of Directors voted to join this coalition because of the negative impact that the proposed rules of the EPA and Corps could have on production agriculture.

As you may have noted, the groups that have formed this coalition are very similar to the groups involved in A-FAN (Alliance for the Future of Agriculture in Nebraska).

The Council has been a member and strong supporter of A-FAN since its inception. A-FAN was formed for the purpose of addressing issues related to livestock production in the state such as zoning, siting of facilities, public relations, etc.

The Common Sense Nebraska coalition will focus on the single topic of the EPA/Corps rules under the CWA. These rules would impact livestock production, crop production, and agribusinesses that are involved in product application activities.

# Youth Education



*1st Place Winner of the 2014 State FFA Cooperative Speaking Contest - Miles Stagemeyer, O'Neill FFA Chapter*

*"It is always a much easier task to educate uneducated people than to re-educate the mis-educated."*

*- Herbert M. Shelton*

## FFA State Cooperative Speaking Contest

For the 64th consecutive year, the Council has provided support for the Nebraska FFA Association. In recent years, the Council has sponsored the FFA Cooperative Speaking Event with assistance from the CHS Foundation. The event was held in conjunction with the State FFA Convention in Lincoln on April 9-11, 2014.



The contest is designed to allow students to research, prepare and deliver a 6-minute speech on any topic relating to cooperatives. This contest provides students the opportunity to learn more about cooperatives.

This year's winner (pictured above) was Miles Stagemeyer of the O'Neill FFA Chapter. Second place went to Brittany Hanzlik of Stuart, and third place went to Kora Schott of Ravenna.

Other medal recipients (in alphabetical order) were:

**Gold:** Caitlin Collins, Aurora; Tessa Hughes, West Point; Erica Lewis, Wisner-Pilger; Victoria Talcott, Palmyra; and Haley Zabel, Norris

**Silver:** Bailey Brown, West Central; Dominique Cook, Creighton; Hannah Jones, Cody-Kilgore; Hanna Hake, Leigh; Jennifer Knopik, Fullerton; Isabelle Ritz, Ord; Jill Rocheford, Howells-Dodge-Clarkson; and Tayler Walter, Perkins County

**Bronze:** Cheryl Aby, Alliance; Eric Bohoty, Seward; Corissa Brown, Hayes Center; Nathan Derr, Friend; Sarah Forbes, Southern Valley; Nathan Hendrickson, Shickley; Stephanie Sorensen, Plainview; and Alex Stocker, Northwest

## Co-ops 101

The Council is continuing to provide Co-ops 101 presentations for ag students at community colleges and the Nebraska College of Technical Agriculture at Curtis. This program is funded by a grant from the CHS Foundation.

These one-hour presentations provide students with an understanding of how cooperatives differ from other business models and how the cooperative business model adds value for farmers and ranchers. Students also learn about career opportunities within the cooperative system.

For the 2013/14 academic year, the Council provided 19 presentations to 284 ag students at Southeast Community College-Beatrice; Central Community College-Hastings; NE College of Technical Agriculture-Curtis; Central Community College-Columbus; and Northeast Community College-Norfolk.

*(Continued on page 14)*



*Tom Hermance from Farmers Cooperative-Dorchester, informs students at Central Community College-Hastings about the benefits of cooperatives as well as the many job opportunities available at cooperatives.*

## Youth Education

(continued from page 13)

### UNL Announces Cooperatives Class

The University of Nebraska-Lincoln has announced a new course offering within the Agricultural Economics Department. Beginning the fall of 2014, UNL will offer a one-credit hour course titled "Role of Cooperatives in Agriculture."



The course will allow students to learn about farmer-owned and managed cooperatives, how ownership is different from other business models, how cooperatives are financed and managed, and career opportunities within cooperatives.

Attorney Rocky Weber with the Crosby Guenzel LLP law firm in Lincoln has been hired by UNL as an adjunct professor for the course.

As an addition to the course, UNL will also be offering a cooperative study tour and a cooperative internship program in 2015. Details of these two programs will be provided later this year.

The Council and UNL leaders have been in discussions over the past year to determine how we can incorporate cooperative principles into the UNL curriculum.

## Cooperative Hall of Fame

Dr. Roger Ginder of Ames, Iowa, and Bill Henry of North Platte were inducted into the Nebraska Cooperative Council Hall of Fame on November 22, 2013. The induction ceremony was held in conjunction with the Council's Annual Meeting luncheon in Kearney.

Roger and Bill become the 58th and 59th members to be inducted into this distinguished group of cooperative leaders. Each received a framed certificate commemorating their induction into the Hall of Fame. In addition, they will be recognized with a plaque detailing their contributions to cooperatives which will be permanently displayed at the Council office.

**Dr. Roger Ginder...** Roger grew up on a farm in central Illinois and received his Bachelors and Masters Degrees from Southern Illinois University. After serving as an Ag Marketing Specialist at the University of Delaware, Roger moved to the University of Kentucky where he received his Ph.D in 1978. That same year, Roger began his service at Iowa State University, a position he main-

tained until his retirement in 2010.

During that time, Roger was very instrumental in creating and delivering a model Director Certification Program for cooperative directors. This program was a partnership of the councils and universities in Iowa and Nebraska and CoBank.

**Bill Henry...** Bill began farming west of Gothenburg in 1959.

Throughout his farming career, Bill has been a loyal and enthusiastic supporter of cooperatives.



He was elected to the Board of Farmland Service Co-op in 1985 and served as Secretary of the Board from 1987 to 1998. Bill was elected as Chairman of the Board in 1998 and served in that role until 2004.


Bill was very instrumental in the consolidation of Farmland Service Co-op and All Points Co-op in 2004. He served as Vice Chair of the merged cooperative until his retirement in 2007.

In addition to his service to cooperatives, Bill has served on the Dawson County Public Power Board for 25 years, and he has served as his local school board president for 12 years.




Standing (L to R) Dr. Roger Ginder and Bill Henry were recognized by Robert Andersen (at podium) prior to the start of the Hall of Fame Induction Ceremony.

**Fall Semester 2014**  
New course offering  
**AEEN 399 "Role of Cooperatives in Agriculture"**  
1 credit hour  
Instructor: Rocky Weber\*  
Tuesdays from 1:00-1:50 p.m.




Learn about farmer owned and managed cooperatives, what services they provide, who owns them, how they are financed and managed. Explore job opportunities with cooperatives.



This class is sponsored by the Department of Agricultural Economics, the Nebraska Cooperative Council, and a grant from the CHS Foundation.

\*Rocky Weber was raised in a farming family in northeast Nebraska and has over 25 years of professional experience in representing and working with agricultural cooperatives, a specialty of his legal practice. His activities have included the formation of cooperatives, including shared-risk related cooperatives, cooperative governance, capitalization and equity management, strategic planning, mergers and acquisitions, corporate policies, and cooperative finance.

Rocky brings practical experience in the application of cooperative principles to advance the interests of agricultural producers in a complex global agricultural economy.



The University of Nebraska-Lincoln is an equal opportunity educator and employer.

# Annual Meeting

The Council's 68th Annual Meeting was held in Kearney at the Holiday Inn & Convention Center on November 22, 2013. A total of 169 people attended the meeting and Hall of Fame luncheon.

Speakers included National Council of Farmer Cooperatives' President Chuck Conner of Washington, DC; State Senator Paul Schumacher of Columbus; and Colonel Mark W. Tillman, pilot and commander of Air Force One.

The business session included the financial report, Chairman's report, PAC report, Excellence in Cooperative Education Committee report, and the President's report.

In addition, members elected/re-elected, respectively, Carl Dickinson, President of United Farmers Co-op in York, and Bruce Favinger, Bd Chair of Cooperative Producers Inc. in Hastings to the NCC Board of Directors.

The morning session concluded with the Legal, Tax & Accounting Workshop presented by attorneys from the Crosby Guenzel LLP law firm.

The Hall of Fame induction ceremony capped off the Annual Meeting. This year, Dr. Roger Ginder of Ames, Iowa, and Bill Henry of North Platte were inducted into the Hall of Fame (see page 14).



*During the Business Session of the Annual Meeting, reports were presented to the membership. These included (L to R) Randy Robeson, NCC-PAC report; Bruce Favinger, Excellence in Cooperative Education Committee report; David Briggs, Chairman's Report; and Robert Andersen (at podium), financial report and President's Report.*



*During the morning break, meeting participants enjoyed time for fellowship with other board members across the state. John Oehlerking (pictured with the cow bell) let everyone know when it was time for the meeting to re-convene.*



*Speakers at the Council's 2013 Annual Meeting were (L to R) Chuck Conner, President of the National Council of Farmer Cooperatives in Washington, DC; Senator Paul Schumacher of Columbus, Vice Chair of the Revenue Committee; and Colonel Mark Tillman, pilot and commander of Air Force One.*

# 2013/14 Financial Statements

## STATEMENTS OF FINANCIAL POSITION August 31, 2014 and 2013

## STATEMENTS OF ACTIVITIES August 31, 2014 and 2013

### ASSETS

	2014	2013
Current Assets:		
Cash and Cash Equivalents:		
Cash - Unrestricted	\$882,906	\$762,949
Cash - Restricted - FFE	131,636	26,288
Cash - Restricted - NCC-PAC	76,531	83,493
Cash - Restricted - NACA	59,914	44,801
Cash - Restricted - UNL Tickets	1,528	1,495
Cash - Restricted - Energy Source	<u>12,402</u>	<u>17,867</u>
Total Cash and Cash Equivalents	1,164,917	936,893
Mutual Fund Investments - Restricted - FFE	436,011	-
KRVN Golden Notes - Unrestricted	2,500	15,000
KRVN Golden Notes - Restricted - FFE	-	25,000
Certif of Dep - Unrestricted	148,606	141,156
Certif of Dep - Restricted - FFE	133,373	653,971
Certif of Dep - Restricted - NACA	12,978	12,901
Interest Receivable - Unrestricted	1,032	1,153
Interest Receivable - Restricted - FFE	496	1,614
Interest Receivable - Restricted - NACA	6	6
Prepaid Expenses	<u>8,852</u>	<u>11,525</u>
Total Current Assets	<u>1,908,771</u>	<u>1,799,219</u>
Investments:		
KRVN Golden Notes - Unrestricted	19,500	10,000
KRVN Golden Notes - Restricted - FFE	9,000	5,000
Certif of Dep - Unrestricted	41,242	46,749
Certif of Dep - Restricted - FFE	19,529	-
Deferred Annuity - Restricted - FFE	35,463	34,343
Cash Value of Deferred Comp. Assets	<u>40,077</u>	<u>35,762</u>
Total Investments	<u>164,811</u>	<u>131,854</u>
Property & Equipment:		
Furniture & Office Equipment	123,388	131,394
Accumulated Depreciation	<u>(73,101)</u>	<u>(89,550)</u>
Net Property & Equipment	<u>50,287</u>	<u>41,844</u>
<b>TOTAL ASSETS</b>	<b><u>\$2,123,869</u></b>	<b><u>\$1,972,917</u></b>

### LIABILITIES & NET ASSETS

Current Liabilities:		
Prepaid Dues	\$540,888	\$514,488
Prepaid Deposits	1,000	720
Prepaid NCC-PAC Contributions	22,669	20,228
Accrued Expenses	<u>32,288</u>	<u>28,585</u>
Total Current Liabilities	<u>596,845</u>	<u>564,021</u>
Long-Term Liabilities:		
Deferred Rent	8,482	7,073
Deferred Compensation Payable	<u>40,077</u>	<u>35,762</u>
Total Long-Term Liabilities	<u>48,559</u>	<u>42,835</u>
Net Assets:		
Unrestricted	572,267	479,510
FFE - Restricted	765,507	746,216
NCC-PAC - Restricted	53,862	63,265
NACA - Restricted	72,899	57,708
NCC-UNL Tickets - Restricted	1,528	1,495
Energy Source - Restricted	<u>12,402</u>	<u>17,867</u>
Total Net Assets	<u>1,478,465</u>	<u>1,366,061</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$2,123,869</u></b>	<b><u>\$1,972,917</u></b>

### GENERAL FUND

	2014	2013
Revenue and Support:		
Members' Dues	\$576,130	\$534,213
Participating Members' Dues	109,334	97,452
Meetings	32,603	28,669
Workshops	126,075	116,525
Interest Income	<u>3,890</u>	<u>4,000</u>
Total Revenue and Support	<u>848,032</u>	<u>780,859</u>
Expenses:		
Salaries	356,202	338,961
Social Security Tax	23,606	22,676
Unemployment Tax	406	471
Employee Insurance	3,400	3,161
Retirement	<u>38,846</u>	<u>37,985</u>
Total Personnel Expenses	<u>422,460</u>	<u>403,254</u>
Accounting Fees	6,750	6,791
Auto	13,717	12,985
Books and Magazines	4,674	3,267
Consulting Services/Contract Labor	21,699	21,600
Depreciation	19,148	22,328
Directors' Fees	8,018	8,763
Dues/Contributions	24,824	25,507
Insurance	4,824	5,484
Legal Fees	37,474	37,448
Meetings	62,898	47,424
Office Supplies	9,874	10,420
Postage	1,853	3,199
Property Taxes	1,241	1,174
Rent	32,311	32,300
Repairs and Maintenance	9,118	9,088
Telephone	8,627	8,830
Travel	7,769	8,323
Workshops	57,136	66,228
Youth Education	760	600
Miscellaneous	<u>100</u>	<u>259</u>
Total Expenses	<u>755,275</u>	<u>735,272</u>
Increase in Net Assets	92,757	45,587
Net Assets - Beginning of Year	<u>479,510</u>	<u>433,923</u>
Net Assets - End of Year	<u>\$572,267</u>	<u>\$479,510</u>



## ENERGY SOURCE FUND

	2014	2013
Revenue and Support:		
Interest Income	\$8	\$20
Total Revenue and Support	8	20
Expenses:		
Legal Fees	5,473	10,205
Total Expenses	5,473	10,205
Increase (Decrease) in Net Assets	(5,465)	(10,185)
Net Assets - Beginning of Year	17,867	28,052
Net Assets - End of Year	\$12,402	\$17,867

## FUND FOR EXCELLENCE (FFE) FUND

	2014	2013
Revenue and Support:		
Interest Income	\$5,930	\$8,870
Investment Income (Loss) from		
Marketable Securities	(5)	-
Unrealized Gain on Marketable Securities	12,246	-
Increase in Annuity Cash Surrender Value	1,120	1,078
Total Revenue and Support	19,291	9,948
Expenses:		
Total Expenses	0	0
Increase in Net Assets	19,291	9,948
Net Assets - Beginning of Year	746,216	736,268
Net Assets - End of Year	\$765,507	\$746,216

## NATIONAL AFFAIRS COOPERATIVE ACTION (NACA) FUND

	2014	2013
Revenue and Support:		
Contributions Received	\$15,000	\$15,000
Interest Income	191	173
Total Revenue and Support	15,191	15,173
Expenses:		
Total Expenses	0	0
Increase in Net Assets	15,191	15,173
Net Assets - Beginning of Year	57,708	42,535
Net Assets - End of Year	\$72,899	\$57,708

## NCC-PAC FUND

	2014	2013
Revenue and Support:		
Contributions Received	\$35,841	\$32,286
Interest Income	206	197
Total Revenue and Support	36,047	32,483
Expenses:		
Donations	45,450	5,250
Miscellaneous	0	22
Total Expenses	45,450	5,272
Increase (Decrease) in Net Assets	(9,403)	27,211
Net Assets - Beginning of Year	63,265	36,054
Net Assets - End of Year	\$53,862	\$63,265

## UNL TICKETS FUND

	2014	2013
Revenue and Support:		
Contributions Received	\$46,847	\$46,706
Interest Income	1	3
Total Revenue and Support	46,848	46,709
Expenses:		
UNL Tickets	22,323	22,177
UNL Contribution	24,000	24,000
Postage	492	450
Total Expenses	46,815	46,627
Increase in Net Assets	33	82
Net Assets - Beginning of Year	1,495	1,413
Net Assets - End of Year	\$1,528	\$1,495

# 2013/14 Membership

### SUPPLY/MARKETING COOPERATIVES

Ainsworth - Farmers/Ranchers Co-op Assn  
Alliance - WESTCO  
Aurora Co-op Elevator Co  
Battle Creek Farmers Co-op N/S  
Beatrice - Southeast Nebraska Co-op Co  
Big Springs - Farmers Co-op Elevator Assn N/S  
Brainard - Frontier Co-op Co  
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  
Fairfield N/S Co-op Fertilizer Assn  
Friend - Farmers Union Co-op Co  
Gering - Stateline Producers Co-op  
Gothenburg - All Points Co-op  
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  
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  
Talmage - Farmers Co-op Co  
Wauneta Co-op Oil Co  
Wausa - CHS Inc.  
Waverly - Farmers Co-op Co  
York - United Farmers Co-op

### RURAL ELECTRIC COOPERATIVES

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

### TRANSPORT COOPERATIVE

Grand Island - Central Co-op N/S Transport Co

### TELEPHONE COOPERATIVE

Blue Hill - Glenwood Telephone Membership Corp

### OUT-OF-STATE SUPPLY/ MARKETING COOPERATIVE

Hiawatha KS - Ag Partners Co-op, Inc

### LIVESTOCK MARKETING AGENCY

Producers Livestock Marketing

### PARTICIPATING MEMBERS

Ag Processing Inc  
Associated Milk Producers, Inc  
Austin Mutual Insurance Co  
CHS Inc  
CoBank  
Dairy Farmers of America, Inc  
Farm Credit Services of America  
Four Points Federal Credit Union  
Growmark, Inc  
Land O'Lakes Inc  
United Suppliers, Inc

### SUPPORTING MEMBERS

ACE Agribusiness/Penn Millers  
ADM (Archer-Daniels-Midland)  
Arthur Gallagher Risk Management Services  
Associated Benefits Corp  
Berkley Agribusiness Risk Specialists  
BNSF Railway  
Capital Recovery, Inc  
CHS Insurance  
CliftonLarsenAllen CPAs  
EBM Construction, Inc  
Farm Credit Council Services  
Frisbie Construction Co, Inc  
Gardiner Thomsen CPAs  
Howalt+McDowell Insurance  
Inspro Inc  
Integris USA, LLC  
INTL FCStone, LLC  
KFSA  
Lincoln Inspection Service  
McPherson Concrete Storage Systems, Inc  
Mid States Millwright & Builders, Inc.  
Mill & Elevator, a Lewis-Goetz Co.  
Milliman, Inc  
Monsanto  
Nationwide Agribusiness Insurance Co  
Nebraska Corn Board  
Nebraska Ethanol Board  
Nebraska Rural Radio Assn (KRVN, KNEB, KTCI)  
Olsson Associates  
Pawling, Finn & Torell, CPAs LLC  
The Cooperative Finance Assn  
Triangle Insurance  
VistaComm