

Cooperatives Impacting Nebraska

2015-16
Annual Report





Message from the Chairman & President

As we end the 71st fiscal year of the Nebraska Cooperative Council we are reminded of the old adage that: “The more things change, the more they stay the same.” Agriculture is a never ending cycle of change: Change in weather. Change in prices. Change in the global economy. Change in technology. For over a century Nebraska’s farmers and ranchers have navigated these changes. As cooperative companies, Nebraska’s farmer owned cooperatives face the same challenges.

The headwinds Nebraska’s farmer owned cooperatives face today are in many ways, however, unprecedented. The pace with which digital technology is changing farming and farm supply is staggering. Global economic policies affecting energy and food intersect and impact commodity prices. Scientific technology has created an abundance of yields without mature markets and transportation logistics to sustain crop values from the field to the table on a global basis. Traditional margin structures are being challenged at a time when many farmer owned cooperatives have recently completed capital improvements or mergers that have created stress on operating statements and threaten balance sheets.

While today’s particular challenges for farmer owned cooperatives have changed, the response to those challenges has not: ***“The management team of today’s farmer owned cooperatives are challenged now more than ever to serve the needs of their membership while yet protecting the same members’ investments..... The cooperatives that keep the needs of their membership in focus and face their future with the right combination of skills, knowledge and attitude will survive and be stronger than ever.”*** To prove the point that some things never change, that quote is from Council President Bob Andersen in his Letter to the Membership contained in the 1985 Council Annual Report. Thirty years later, in the midst of a time of great challenge in agriculture, those observations are as accurate for this time as they were for the time in which they were written.

The Council’s mission is: ***To defend, protect and enhance the agricultural cooperative movement through proactive programs in education, legislation, governmental affairs, communication and regulatory issues.*** Serving you and the needs of your membership, the Council continued to meet its mission in 2016.

You demonstrated that today’s cooperative management and directors understand the need for education and information as a tool to meet today’s challenges. That

David Briggs,
Chairman



Rocky Weber,
President



is reflected in the record number of managers and directors that registered for the Council’s education programs in 2015-16. In 2016-17, our education programs will focus on digital technology and big data issues for farm supply and the challenges of consolidating markets during the downward pressure associated with falling commodity prices.

With the Council’s support, the College of Agricultural Sciences and Natural Resources at the University of Nebraska-Lincoln, engaged Dr. Greg McKee as a full-time instructor and extension faculty member for farmer owned cooperatives. In addition to his classroom duties, Dr. McKee is working diligently to familiarize himself with the local and regional farmer owned cooperatives in Nebraska to provide extension research and analysis services and assist in the Council’s Director Certification Program.

At the request of the Council, the University of Nebraska-Lincoln Bureau of Business Research conducted and published the results of an economic study of the impact of farmer owned cooperatives on Nebraska’s economy. Beginning with a staggering \$2.2 billion annual overall economic impact, the results of that study (page 5) are an invaluable tool for the Council and its membership as we engage policy makers in Lincoln and in Washington, DC.

The national regulatory environment continued its nearly unchecked assault on business, including the business of farmer owned cooperatives. The Council worked diligently and, with the leadership of Nebraska’s congressional delegation, positioned legislative blocks to OSHA’s unlawful attempt to apply Process Safety Management standards to retail anhydrous facilities before that agency’s action was stopped by a federal court. These efforts were supported by the countless volunteer hours of cooperative managers and directors that participated in gathering information, formulating policy, participating in a Washington DC fly-in and then acting to educate their respective patrons to engage our delegation on the significantly

negative material impacts that OSHA's actions would have on anhydrous retailers and farmers.

How the farmers are affected is what ultimately moves policy-makers to act. As farmer owned cooperatives, this membership is uniquely positioned to develop and carry the message of what is in the best interests of the farmer owners. It was the best interests of the farmers that led to the formation of farmer owned cooperatives. It is attention to the best interests of the farmers that will allow farmer owned cooperatives to face the challenges of this time.

As it has for the last 71 years, the Council remains committed to its mission to serve you and to your mission to serve your members. We will, with your support and active involvement, continue to defend, protect, enhance, communicate and educate to protect Nebraska's farmer owned cooperatives. It is a time of great challenge, filled with great opportunity. Thank you, for letting us serve you!



David Briggs
Bd Chairman



Rocky Weber
President

Inside this Report:

Message from the Chairman & President **2**
 Andersen Retirement **3**
 Leadership **4**
 Co-op Economic Impact Study **5**
 State Legislation - 2016 Session **6**
 NCC Political Action Committee **8**
 Federal & State Regulations **9**
 Director Education **13**
 Youth Education **14**
 Annual Meeting / Hall of Fame **15**
 Financials **16**
 Membership **17**

Cooperative Principles:

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

Andersen Retirement

On February 24th, the Council's Board of Directors hosted a retirement reception for Bob Andersen. Bob officially retired on February 29th after 42 years of service to Nebraska cooperatives.



During the reception, numerous speakers provided tributes to Bob's years of service. A couple even provided some levity by sharing humorous stories regarding Bob's time at the Council.

In addition to the special gift that Bob's wife Jackie received at the Annual Meeting in November, Bob also received a plaque of recognition and a photo slide series depicting his cooperative career.

NCC Member Cooperatives by the Numbers (Annual)

(estimated as of 8-31-16)

- 31** Nebraska supply/marketing co-ops operating:
 - 343** additional branch locations in Nebraska
 - 51** additional branch locations out of state

3 Rural electric co-ops

1 Transport co-op

1 Telephone co-op

2 Out-of-state co-ops with a branch in Nebraska

1 Out-of-state rural electric co-op

2 Livestock Marketing Agencies

7 Participating Members

39 Supporting Members

NCC Member Supply/Marketing Co-op Stats:

53,100+ total voting members

5,435+ employees (full and part-time)

\$6.3 billion total sales

\$3.1 billion total assets

\$155.4 million net savings

\$313.9 million employee payroll with benefits

\$186.1 million investment in new equipment and facilities in past year

\$55.9 million total patronage refunds in past year

\$21.8 million equity/estate redemption in past year

\$12.4 million property taxes paid in past year

\$8 million federal/state income taxes paid in past year



2015/16 Council Leadership

Board of Directors



Chair:
David Briggs
WESTCO
Alliance



Vice Chair:
Dean Thernes
Farmers Pride
Battle Creek



Secretary:
Bruce Favinger
Cooperative Producers Inc
Hastings



Dave Beckman
Central Valley Ag Co-op
York



Mike Hechtner
CoBank
Omaha



John Oehlerking
Midwest Farmers Co-op
Elmwood



Doug Ohlson
Frenchman Valley Farmers Co-op
Imperial



Randy Robeson
Frontier Co-op Co.
Brainard



Tim Rowe
Country Partners Co-op
Gothenburg

Committees

Legislative Advisory Committee

- Rocky Weber..... Nebraska Cooperative Council (*Co-chair*)
- Dean Thernes..... Farmers Pride, Battle Creek (*Co-chair*)
- Dave Beckman..... Central Valley Ag Co-op, York
- Evan Brandes..... Aurora Co-op Elevator Co.
- Matt Caswell..... AGP, Omaha
- Jamey Nygren..... Farm Credit Services of America, Omaha
- John Oehlerking..... Midwest Farmers Co-op, Elmwood
- Randy Robeson..... Frontier Co-op Co., Brainard
- Ron Rutten..... Country Partners Co-op, Gothenburg
- David Briggs..... WESTCO, Alliance (*ex-officio*)

NCC-Political Action Committee

- Dean Thernes..... Farmers Pride, Battle Creek (*Chair*)
- Britt Anderson..... Country Partners Co-op, Gothenburg
- Tom Hansen..... Ag Valley Co-op, Edison
- Mary Kay Lyon..... CHS Agri Service Center, Holdrege
- Doug Ohlson..... Frenchman Valley Farmers Co-op, Imperial
- Bill Schuster..... Aurora Co-op Elevator Co.
- Kent Taylor..... Farmers/Ranchers Co-op Assn, Ainsworth
- Ron Velder..... Farmers Cooperative, Dorchester
- David Briggs..... WESTCO, Alliance (*ex-officio*)

Excellence in Cooperative Education Committee

- Bruce Favinger..... Cooperative Producers Inc, Hastings (*Chair*)
- Dale Anderson..... Farmers Co-op Elevator Co, Hemingford
- Don Anthony..... CHS Inc, Lexington
- Carl Dickinson..... Central Valley Ag Co-op, York
- Jay Geu..... Frenchman Valley Farmers Co-op, Imperial
- Tom Houser..... CoBank, Omaha
- Mike Nohavec..... Farmers Cooperative, Dorchester
- Dale Piper..... Midwest Farmers Co-op, Elmwood
- Tim Rowe..... Country Partners Co-op, Gothenburg
- David Briggs..... WESTCO, Alliance (*ex-officio*)
- Dr. Larry Van Tassell.. University of Nebraska-Lincoln (*ex-officio*)
- Ed Woepfel..... Nebraska Cooperative Council

Hall of Fame Committee

- Daryl Erickson..... Greenwood (*Chair*)
- Don Wiseman..... Fairbury (*Vice Chair*)
- Jerrell Dolesh..... Tilden
- Ed Foster..... Gothenburg
- Doug Nuttelman..... Stromsburg
- David Briggs..... WESTCO, Alliance (*ex-officio*)
- Rocky Weber..... Nebraska Cooperative Council (*ex-officio*)

Staff

- Rocky Weber..... President & General Counsel
- Ed Woepfel..... Education & Program Director
- Glenda Gaston..... Office Manager/Admin Assistant
- Deb Mazour..... Program Coordinator/Admin Assistant

Co-op Economic Impact Study



In July of 2015, the Council's Board commissioned the University of Nebraska-Lincoln Bureau of Business Research to conduct an economic impact study focused on Nebraska's supply and marketing cooperatives. The purpose of the study was to get an independent evaluation as to the true value that farmer owned cooperatives provide to the state of Nebraska.

The study was conducted by Dr. Eric Thompson and Dr. Mitch Herian from UNL and examined records from 2012-2014.

The results of the study were released on April 21 and, as we expected, they were very significant as indicated by the figures shown below.

The full report, as well as an interview with Dr. Thompson and Council President Rocky Weber, can be found on the Economic Impact Study page of our website at www.nebr.coop.

Study Results of the Impact of Nebraska's farmer owned supply/marketing cooperatives

- \$2.2 billion impact on state economy
- Create 13,944 jobs annually via co-op operations, member payments, and investments
- Through labor income and member payments, Nebraska cooperatives have an average \$752.5 million annual impact on income in the Nebraska economy
- Have a tax revenue impact of \$117.9 million annually
- Have an indirect impact of \$127.2 million on the Omaha and Lincoln Metropolitan Area economies.
- The Omaha and Lincoln Metropolitan Areas see 740 additional jobs and \$47.6 million in indirect labor from the activities of cooperatives throughout the state
- Nebraska cooperative activities result in \$6.7 million in state and local taxes paid in the Omaha and Lincoln Metropolitan Areas
- Average about \$8.8 billion in sales annually
- Directly employ an average of 6,410 workers annually with total average wages and benefits of \$308.7 million annually
- Annually invest about \$200 million in new facilities and equipment
- Return nearly \$97 million annually to cooperative members in the form of patronage allocations, equity redemptions, and equity redemptions to estates



State Legislation - 2016 Session

BECAME LAW

LB 887 - Petroleum Release Remedial Action Act (S)

LB 887 extends the use of the Petroleum Release Remedial Action Cash Fund (the "Fund") to June 30, 2020. It was previously set to sunset on June 30, 2016. The Fund is created by a tax on every gallon of petroleum that is sold, so this is a broad base that supports the clean up of leaks or spills. The Department of Environmental Quality continues to have a large backlog of sites that need to be cleaned up so the need is projected to continue well beyond 2020.

LB 908 - Veterinary Technicians (S)

LB 908 allows a temporary license for veterinarian technicians (up to one year) to be granted for a graduate of (1) an approved veterinary technician program pending passage of the national examination, or (2) a person lawfully authorized to practice as a veterinary technician in another state pending completion of the application for a license from Nebraska.

LB 928 - Discriminatory Wage Practices (O)

While LB 928 was killed by the Business & Labor Committee, one provision of the bill was amended into LB 83 which was ultimately adopted before the bill was passed and signed.

The surviving provision of LB 928 included in LB 83 extends the prohibition of employment discrimination on the basis of sex, including the terms and condition of em-

The 2016 Legislature adjourned on April 20. The session found the Council tracking 102 bills and resolutions that could impact cooperatives. A total of 214 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. Full descriptions of the status of the bills affecting cooperatives were emailed out each week to members in the form of *Legislative Updates* with a total of 13 forwarded during the legislative session.

Listed here are some of the more significant bills we followed. The Council's position is indicated in parentheses (S=support, O=oppose, M=monitor).

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.

ployment, which includes wages to employers with more than 2 employees. The current application is to employers with more than 15 employees.

Killed with LB 928 were its provisions that would have broadened the ability of employees to make wage pay claims against employers from a standard of “equal” pay or jobs of “equal” skill to “comparable” pay for “comparable” jobs.

LB 960 - Transportation Innovation Act (S)

Effective April 19, 2016, LB 960 creates the Transportation Innovation Act and the Transportation Infrastructure Bank Fund (TIBF) to accelerate capital improvements to Nebraska highways, particularly the expressway system and other high need areas.

LB 973 - Notice to Utilities on Moving Buildings (S)

LB 973 strengthens penalties for those who tamper with utility lines while moving buildings or tall structures without proper permits from the local utility provider.

LB 977 - Implements of Husbandry on Highways / Electronic CDLs (S)

LB 977 specifically indicates that an implement of husbandry is exempt from weight and load limits on state highways. (This does not include interstates.) Implements of husbandry are defined as tractors, self-propelled equipment designed and used to carry and apply fertilizer and chemicals, floaters, spreaders, nurse tanks, manure spreaders, and mixer-feeder trucks owned and used by a livestock operation. (Weight limits on country bridges would still need to be followed.)

The bill was amended to allow the Department of Motor Vehicles to develop and offer methods for successful applicants to obtain and renew Commercial Drivers Licenses electronically and for the electronic renewal and replacement of Commercial Learners Permits.

LB 1035 - Central Filing System/Master Lien List (S)

LB 1035 allows the master lien lists maintained by the Secretary of State (SOS) to be created, maintained and transmitted to purchasers of agricultural products in electronic or digital form. The Council coordinated with the SOS in the drafting and support of LB 1035.

NCC action now moves to the regulatory stage where the Council will be involved to help insure that the means of digital or electronic delivery of the master lien lists are compatible with information technology systems and software in place at cooperatives.

LB 1047 - Energy Exemption (S)

This bill was an effort, at nearly the 9-year mark of an ongoing dispute with the Department of Revenue, to establish clearly, by legislative action, that the aeration of grain be considered processing and manufacturing under the tax code and thus an exempt activity qualifying for a sales tax exemption.

The Revenue Committee amended the provisions of LB 1047 and five other bills into LB 774. The bill, among other things, clarifies that the drying and aerating of grain is processing for purposes of qualifying for the sales tax exemption on energy costs spent for processing and manufacturing. Passed by the Legislature - April 12, 2016; Effective date - October 1, 2016

LB 176 - Competitive Livestock Markets Act (M)

As passed, the bill narrows a restriction in the Competitive Livestock Markets Act that prohibits livestock packers from directly or indirectly owning or feed livestock. In effect it removes the restriction on packers owning swine during production stages.

LB 712 - Aboveground Motor Vehicle Fuel Storage Tanks (M)

Introduced at the request of the Fire Marshal's office, LB 712 changes provisions relating to the regulation of aboveground fuel storage tanks. The bill removes regulations specifying the date of original installation, the population of the city, and the capacity of the tank. Currently statutes allow aboveground tanks if the tank was in existence on May 29, 1959, in cities with a population of less than 2,000 and the aboveground tank was replacing an underground tank. Also, the new tank could not exceed the capacity of the old underground tank or 18,000 gallons, whichever is less.

LB 730 - Grain Warehouses (M)

LB 730 changes the qualified checkholder rule into a rule whereby only cash sales of grain in storage made within a 5-day window before closure of a grain warehouse and for which payment is not received would still qualify as grain warehouse claims.

LB 775 - Property Tax / Motor Vehicles (M)

LB 775 changes property tax provisions relating to motor vehicles, specifically trailers and semi-trailers. Under current language motor vehicles are exempt from property tax. LB 775 specifically adds trailers and semi-trailers to that exemption.

(Continued on page 12)



NCC Political Action Committee

The Nebraska Cooperative Council - Political Action Committee (NCC-PAC) conducted its election year legislative candidate interviews in July interviewing 27 legislative candidates.

Interviews were held in North Platte on July 12, LaVista on July 19-20, and in Lincoln on July 21. Members of the committee are listed on page 4. Dale Anderson of Hemingford joined the committee on short notice to fill in for other committee members that had conflicts on various days.

The publication in April of the farmer owned cooperative economic impact study conducted by the University of Nebraska provided the Council an opportunity to update the materials and information shared with candidates to focus on the importance of Nebraska's farmer owned cooperatives in each legislative district and statewide. Economic impact information sheets for the cooperatives' economic impact statewide and for each individual cooperative member of the Council were prepared and distributed to the candidates. Each candidate was fully informed of the cooperative locations, number of employees, payrolls, patronage and equity redemption



In July, the NCC-PAC interviewed 27 legislative candidates including District 25 candidate Suzanne Geist (top right). The interviews allowed the committee to learn more about each candidate's background/positions and, in addition, gave the NCC-PAC the opportunity to provide more information to candidates about Nebraska's farmer owned cooperatives.

payments, and property taxes paid by the cooperatives in their respective districts. The Council will be completing this new information for each legislative district to be delivered to each senator at the commencement of the next legislative session in January.

THANK YOU

...to the following members who provided voluntary contributions to the NCC-PAC for the 2015-16 fiscal year:

Ainsworth - Farmers/Ranchers Co-op Assn
 Alliance - Panhandle Rural Electric Membership
 Alliance - WESTCO
 Aurora Co-op Elevator Co
 Battle Ceek - Farmers Pride
 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
 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/Spalding - Country Partners Co-op
 Grant - Midwest Electric Co-op Corp

Hastings - Cooperative Producers Inc
 Hemingford - Farmers Co-op Elevator Co
 Holdrege - CHS Agri Service Center
 Imperial - Frenchman Valley Farmers Co-op
 Lindsay - Farmers Co-op Assn
 Scottsbluff - Panhandle Co-op Assn
 Sidney - Crossroads Co-op Assn
 Wausa - CHS Inc
 York - Central Valley Ag Co-op
 Ag Processing Inc
 Austin Mutual Insurance Co
 Capital Recovery, Inc
 CHS Inc
 CHS Insurance
 Gardiner Thomsen
 Land O'Lakes Inc
 Milliman, Inc.
 Nebraska Rural Radio Assn

FEDERAL REGS

OSHA Process Safety Management Standards

A delegation of member cooperative managers and producer board members traveled to Washington, DC on March 15-17 to meet with Nebraska's congressional delegation regarding OSHA's decision to revoke 24 years of interpretation and remove the retail exemption for anhydrous ammonia facilities from application of Process Safety Management (PSM) standards which have historically only been applied to manufacturers.

Meetings were held with Senators Fischer and Sasse and Congressmen Fortenberry, Smith and Ashford, and/or their respective staffs. Co-op representatives included Chris Vincent, President, Aurora Cooperative Elevator Co.; Dean Thernes, President, Farmers Pride, Battle Creek; Greg Sabata, Board Chairman, Frontier Cooperative Co., Brainard; Ron Velder, President, Farmers Cooperative, Dorchester; Dave Beckman, Board Chairman, Central Valley Ag, York; John Oehlerking, Board Member, Midwest Farmers Cooperative, Elmwood, and Rocky Weber, NCC President & General Counsel.

PSM will require substantial changes to anhydrous ammonia facilities. Data compiled by the Council demonstrates that for many cooperatives in the state the costs will be in the millions of dollars, and for some could be as much as \$8-\$10 million. This will of course lead to higher nitrogen based fertilizer costs that have been calculated to be anywhere from \$18 to \$30 per acre depending on

whether liquid or dry is the alternative product and the application rate.

The Council continues to be in regular contact with the Nebraska congressional delegation on this issue. Nebraska's three congressmen have all signed correspondence along with 38 other congressmen to the House Appropriations Sub-Committee with jurisdiction over OSHA asking for language in the 2017 Appropriations Bill that will require OSHA to conduct formal rule making and reconsider its decision in light of the significant material costs to retailers and producers. Senator Fischer has taken a lead role in the Senate seeking similar legislation in the Senate, and Senator Sasse has joined her in that effort. The Council also continues to work with staff of the Agricultural Retailers Association and the National Council of Farmer Cooperatives.

On June 8, 2016, the Council held an OSHA-PSM Enforcement Conference in Kearney. It is clear that OSHA will begin enforcing PSM on retail anhydrous fertilizer facilities on October 1, 2016 absent action by Congress or the Courts. Further, it is clear that OSHA believes that its PSM standards place the burden on the employer to, in addition to all of the procedural and documentary requirements of PSM, prove that storage tanks and piping systems do not pose a threat to the health and safety of employees.

Following this Conference, Council President Rocky Weber attended the Washington Legislative Conference conducted by the National Council of Farmer Cooperatives. While there, Weber met with Congressman Adrian Smith and the staffs of Senator Deb Fischer and Congressman Jeff Fortenberry primarily on the issue of

(Continued on page 10)



Senator Ben Sasse (center) listens as John Oehlerking, Bd Chair of Midwest Farmers Co-op at Elmwood (right) explains the negative impact OSHA's PSM standards would have on his cooperative and his farm.

Federal & State Regulations

(continued from page 9)

OSHA-PSM. This follows the Council's March 2016 Congressional Fly-In addressing the OSHA-PSM issue.

Congressional efforts to block OSHA enforcement of PSM on retail anhydrous fertilizer facilities currently stand as follows:

1. H.R. 5213, introduced in the House on May 12, 2016 by Nebraska Representative Adrian Smith, titled the Fertilizer Access Responsible Management (FARM) Act, would require OSHA to undergo formal rule making and an economic analysis of the impacts of the removal of the retail exemption from PSM as applied to anhydrous fertilizer facilities. The measure currently has 19 co-sponsors.

2. S. 3253, introduced in the Senate on July 14, 2016 by Nebraska Senator Deb Fischer as the FARM Act, is materially similar to H.R. 5213 and currently has 4 co-sponsors.

3. Senate Appropriations Sub-Committee Report Language that is nearly identical to the 2016 Omnibus Report Language that resulted in OSHA delaying enforcement until September 30, 2016 (which is the end of the federal fiscal year).

4. House Appropriations Sub-Committee Report Language that is stronger than the 2016 Omnibus Report Language and states that:

"The revised enforcement policy relating to the exemption of retail facilities from coverage of the Process Safety Management of Highly Hazardous Chemicals standard.....issued by OSHA on July 22, 2015, shall not be enforced nor deemed by the Department of Labor to be in effect."

Because of the pending election, it is unlikely that any of these measures will be voted upon before October 1, 2016. In September, we are likely to see Congress adopt a Continuing Resolution (CR) that continues to fund the



The Council held a conference on June 8, 2016 in Kearney facilitated by national and regional OSHA representatives regarding OSHA's Process Safety Management Standards. One hundred (100) individuals attended.

federal government until after the election. In that event, those impacted by OSHA's actions, which include every retailer and consumer of anhydrous ammonia fertilizer, need to be sure that the Report Language in the 2016 Omnibus, which has delayed OSHA enforcement of PSM against retail anhydrous fertilizer facilities, remains in place in any new CR.

Atrazine Risk Assessment Comment

In June, the U.S. Environmental Protection Agency issued a preliminary risk assessment indicating that atrazine is harmful to plants, animals, and fish through ground and surface water. Industry experts have indicated that EPA has discounted several rigorous, high quality scientific studies in reaching this conclusion. This assessment is based on a 2012 EPA study that was deemed flawed at that time by EPA's own science advisory panel. This risk assessment is being done because federal regulations require that the registrations of pesticides are to be reviewed every 15 years.

It is estimated that eliminating atrazine would cost farmers up to \$59/acre according to a 2012 study by the University of Chicago. Atrazine and related chemicals are integral to modern conservation tillage or no-tillage practices.

The EPA opened a comment period until October 5, 2016 regarding the use of atrazine. The Council prepared a general comment that encouraged EPA to look at the overwhelming scientific evidence of the environmental safety of atrazine and the economic impact a ban or serious limitations on atrazine use will have on agricultural producers.

The Council continues to work closely with the National Council of Farmer Cooperatives (NCFC) and the Ag Retailers Association regarding federal legislation and regulations. NCFC has a continuous presence with Nebraska's congressional delegation, their respective staffs, and policy makers which allows the views of farmer owned cooperatives to be held in the forefront of any discussions.

NCFC, along with strong support from state councils such as Nebraska, monitors any efforts that would threaten the cooperative business model. Issues such as mandatory equity redemption, interest on members' equity, securities, patronage redemption, Capper Volstead repeal, and many more are continually monitored to ensure that the cooperative business model is not compromised.

The Ag Retailers Association represents retailers, distributors, and suppliers of crop protection products, fertilizer, equipment, technology and other services.

STATE REGS

Energy Source Exemption

In the past year, the Nebraska Legislature passed LB 774 amending Neb. Rev. Stat. § 77-2704.13(2) to provide that sales and use tax shall not be imposed on the sale and purchase of energy when more than 50% of the energy purchased is used in processing grain, with the term processing including drying and aerating grain in commercial agricultural facilities. This was a Nebraska Cooperative Council legislative initiative. Beginning October 1, 2016, the inclusion of the provision stating processing includes grain drying AND aeration should prevent disputes with the Nebraska Department of Revenue (NDOR) regarding whether energy used in drying grain is processing grain for purposes of the sales tax exemption.

However, with regard to refund claims filed for periods before the new law goes into effect, the NDOR's interpretation of what constitutes "processing" grain for purposes of the sales tax exemption continues to be unclear. While the change in the law effective October 1, 2016, will increase the accessibility of the energy use sales tax exemption going forward, for periods prior to this change, whether certain facilities qualify for the exemption may still be at issue depending upon the structure, size and age of the facility. It appears that we may still need to litigate the pre-October 1, 2016 language to assist several members on refund claims.

Thank you ...to the following who provided voluntary contributions to cover expenses related to resolving the energy source issue:

Aurora Co-op Elevator Co
Battle Ceek - Farmers Pride
Brainard - Frontier Co-op Co
Cedar Bluffs - Farmers Union Co-op Assn
Dodge - Cooperative Supply Inc
Dorchester - Farmers Cooperative
Edison - Ag Valley Co-op N/S
Elmwood - Midwest Farmers Co-op
Friend - Farmers Union Co-op Co
Gothenburg/Spalding - Country Partners Co-op
Hastings - Cooperative Producers Inc
Hemingford - Farmers Co-op Elevator Co
Holdrege - CHS Agri Service Center
Imperial - Frenchman Valley Farmers Co-op
Lindsay - Farmers Co-op Assn
York - Central Valley Ag Co-op
Holyoke CO - CHS/Grainland Co-op
Ag Processing Inc
CHS Inc
Eastern NE Grain
Land O'Lakes

Thank You...

...to the following members who provided voluntary contributions to cover expenses related to resolving the sales tax exemption issue:

Aurora Co-op Elevator Co
Battle Ceek - Farmers Pride
Brainard - Frontier Co-op Co
Dodge - Cooperative Supply Inc
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/Spalding - Country Partners Co-op
Hastings - Cooperative Producers Inc
Hemingford - Farmers Co-op Elevator Co
Henderson Community Co-op Assn
Imperial - Frenchman Valley Farmers Co-op
Lindsay - Farmers Co-op Assn
Wausa - CHS Inc

Sales & Use Tax Exemption For Depreciation on Parts for Ag Machinery & Repairs

In the past year, efforts continued regarding challenging the Nebraska Department of Revenue's (NDOR) interpretation and application of the agricultural machinery and equipment sales and use tax refund provided in Neb. Rev. Stat. § 77-2708.01 and its application to the purchase of fertilizer tank trailers and ag machinery parts and repairs. In two cases involving the same issues, the NDOR's partial denial of sales tax refund claims submitted for sales tax paid on the purchase of ag machinery parts and repairs and fertilizer tank trailers was appealed to the District Court of Lancaster County, Nebraska. On February 21, 2016, the District Court of Lancaster County issued an Order in each case affirming the NDOR's partial denial of refund claims with respect to ag machinery and equipment parts and repairs. With respect to the NDOR's denial of sales and use tax refund claims for the purchase of fertilizer tank trailers, the District Court reversed the NDOR's decision and granted the refund claims for sales tax paid upon the purchase of new fertilizer tank trailers.

On March 21, 2016, the District Court's Orders affirming the NDOR's partial denial of sales and use tax refund claims for ag machinery parts and repairs in both pending matters were appealed to the Nebraska Court of Appeals. In both cases, the parties submitted briefs to the Nebraska Court of Appeals on the legal issue of the proper interpretation of the refund provided in Section 77-2708.01.

(Continued on page 12)

Federal & State Regulations

(continued from page 11)

Compressed Air / Anhydrous Nurse Tanks

In the fall of 2015 we learned of products being sold that are designed to introduce compressed air into a nurse tank to stabilize the flow of Anhydrous Ammonia when applying the Ammonia during cold temperatures. One such device is actually an air compressor, which can be mounted on a tool bar, that is pumping air into the nurse tank.

These products have been prohibited from use in Illinois and Minnesota. Experts that we have consulted with indicate that this is an extremely dangerous practice and should not be utilized under any circumstances. Adding the oxygen from the compressed air to the anhydrous ammonia accelerates the phenomenon of stress corrosion cracking in steel.

We learned that these devices may have been displayed at ag shows in Nebraska the past few years, so

some producers may be familiar with or actually own such a product. Because of this, we sent correspondence to all cooperatives encouraging them to discuss this with patrons and warn them of the changes.

PSC Schedule A & E Rates

On May 25, 2016, the Nebraska Public Service Commission (PSC) voted to maintain the current Schedule A and E rates. This means the maximum rates for receiving, handling, and delivery (one-time charge) will remain at 36¢/bu for all grains, 15¢/cwt for dry edible beans, and 30¢/cwt for popcorn. The storage and insuring maximum rates will remain at .00165¢/bu/day for all grains, .0039¢/cwt/day for dry edible beans, and .0025¢/cwt/day for popcorn.

State Legislation

(continued from page 7)

LB 958 - Value of Ag and Horticultural Land (M)

LB 958 was the Revenue Committee's reconfigured attempt to provide property tax relief to ag real estate. Under the bill, the total property tax relief granted is \$224 million. Of the \$224 million, \$20 million is specifically for agricultural land owners.

KILLED

LB 671 - Build Nebraska Act (O)

The bill would have repealed the Build Nebraska Act, terminated the State Highway Capital Improvement Fund created by the Act, moved collected funds to the General Fund, and changed the distribution of future sales and use tax revenue that would have otherwise gone to the State Highway Capital Improvement Fund to the General Fund.

LB 672 - Waste Reduction & Recycling Incentives (S)

The bill would have eliminated the \$1/tire recycling fee imposed on new tires for a motor vehicle, trailer, semi-trailer, and tractors effective October 31, 2016.

LR 378CA - Right to Farm/Ranch (S)

LR 378CA was a Constitutional Amendment for the November 2016 election that provided that farming and ranching practices shall be forever guaranteed and that the Legislature shall pass no law abridging the right of citizens to employ agricultural technology and livestock production and ranching practices without a compelling state interest.

After its introduction, LR 378CA became controversial within and outside of the agricultural community. The Council and most farm commodity groups took a position of general support but did not testify or actively engage in the debate due to the controversial nature of the issue in the agricultural community.



The Council has completed another successful year of educational programming with 371 individuals representing 77% of the Council's member supply/marketing cooperatives attending at least one educational program. The year was not without challenges, due to the early February snowstorm that caused us to postpone the Cooperatives For Tomorrow Seminar and Cooperative Issues Symposium. A summary of each program follows:

Director/Manager Workshop (DMW)

One hundred eight (108) individuals attended the DMW on "Managing Your Risk" which was held in Kearney on November 20th, the day after our Annual Meeting. Quality presentations were provided by Dr. Michael Swanson from Wells Fargo, Bill Davis and Doug Stark from Farm Credit Services of America, and Tom Houser from CoBank.

Director Certification Program (DCP)

DCP was held in Kearney on January 5 and 6. A total of 97 phases were completed during the two days. Facilitators for the phases were Dr. Roger Ginder, retired from Iowa State University; Tom Houser, CoBank; Rocky Weber, Council staff; Don Wiseman, retired co-op manager, and Ed Woeppel, Council staff. In addition, Dr. Keri Jacobs from Iowa State joined as a facilitator for Phase 3 and Bill Kutilek from Crosby Guenzel LLP joined Rocky in Phase 1.

Board Officer Seminar (BOS)

The BOS was held on February 25th prior to the CoBank Customer Meeting in LaVista. This ever-popular program was led by Rocky Weber and discussed numerous issues that board leaders face.



Cooperative Issues Symposium (CIS) and Cooperatives For Tomorrow (CFT)

The early February snowstorm forced us to postpone CIS and CFT until March 8 and 9. Fortunately we were able to retain all but one of the scheduled speakers for both programs and, as luck would have it, most of the previously registered individuals were able to attend.

CIS focused on generational differences and was led by business consultant Tom McClung. The day also included a panel discussion with young producers and ended with a "Strategic Thinking" session led by Tom.

CFT the following day included presentations by nationally known economist Don Reynolds, commodity analyst Bill Lapp, investment broker Chris Erickson, Creighton economist Dr. Ernie Goss, and UNL economist Dr. Mitch Herian.

AT LEFT: Dr. Keri Jacobs, Ag Economist at Iowa State University, facilitated Phase 3 of the Director Certification Program. She discussed the importance of understanding financial statements.

ABOVE: Director/Manager Workshop participants listened to speakers about "Managing Your Risk" on November 20, 2015 in Kearney.

Youth Education

CO-OPS 101

The Council continued to provide Co-ops 101 presentations at community colleges and the UNL Cooperatives Class, and this year also offered the presentation for high school students. Overall, during the 15/16 academic year, we made 16 presentations for 292 students.

Community Colleges... 12 presentations for 224 students at 5 community colleges (Southeast Community College-Beatrice, Northeast Community College-Norfolk, Central Community College-Hastings, Central Community College-Columbus, and the Nebraska College of Technical Agriculture at Curtis).

UNL Cooperatives Class... 1 presentation for 22 students

High Schools... 4 presentations for 68 students at Omaha Bryan High School, The Career Academy at Southeast Community College-Lincoln, and the Southeast Community College Early Ag Experience for high school students.

The Career Academy at Southeast Community College-Lincoln offered the 2-day SCC Early Ag Experience for students to have the opportunity to learn about the many careers that agriculture has to offer. With a host of guest speakers and a number of field trips, students became much more aware of agricultural opportunities. The Council provided the opening presentation of the program.

These presentations allow us to reach a critical audience with the cooperative message. These students will become future employees and members of cooperatives so it is important that they have a working understanding of cooperatives. This program has been partially funded by the CHS Foundation.

STATE AG TEACHERS CONFERENCE

On June 8, Ed Woeppel provided remarks at the State Ag Teachers Conference in Kearney. Ed highlighted the recent cooperative economic impact study and career opportunities in his remarks.

CO-OPS CLASS AT UNL

The University of Nebraska-Lincoln offered the "Role of Cooperatives in Agriculture" class for the second year in the fall of 2015. This one-credit-hour class, taught by Attorney Rocky Weber, has proven to be very successful. A total of 23 students were enrolled in the class that allowed students to gain an in-depth understanding of the cooperative business model.



On September 24, 2015, Ron Hunter, Manager of Ag Valley Co-op at Edison, spoke at the Nebraska College of Technical Agriculture-Curtis about the importance of cooperatives to Nebraska's economy and the variety of job opportunities at co-ops.

COOPERATIVE SPEAKING CONTEST

The Council, along with the CHS Foundation, sponsored the State FFA Cooperative Speaking Contest on April 7-8 in Lincoln. A total of 58 students participated at the district contests with 23 qualifying for the state contest.

This year's winner was Justin Evert of the Howells-Dodge FFA Chapter. Second place was awarded to Jada Jensen of the Hyannis FFA Chapter, and third place went to Lauren Jacobsen of the Wisner-Pilger FFA Chapter.

UNL Co-op Staff Position

In July of 2015, the Council entered into a formal agreement with the University of Nebraska to create an Agricultural Economics staff position for a Professor of Agriculture & Rural Cooperatives. The search for this new position began immediately after the signing of the agreement. The Search Committee was in unanimous agreement to recommend Dr. Greg McKee (pictured at right) for the position. Dr. McKee was serving as an Associate Professor and Director of the Quentin Burdick Center for Cooperatives at North Dakota State University.



Dr. McKee began his work in Nebraska in this new position in May of 2016.

Dr. McKee is teaching a 3-credit hour cooperatives class at UNL, leading a phase of the DCP and beginning his research agenda this fall. He will also be developing a cooperative oriented extension program to provide research and consulting services to farmer owned cooperatives.

Annual Meeting / Hall of Fame



The 70th Annual Meeting of the Council continued with the revised format of the previous year that resulted in a shortened meeting and an opportunity for members to attend two Council activities in one trip away from home.

By holding the Annual Meeting on November 19th and the Director/Manager Workshop on November 20th, we were able to maximize member involvement and the travel time for all involved.

The Annual Meeting drew 186 members and guests to the Holiday Inn in Kearney. The business session included the financial report, President's report, Chairman's report, PAC report, and Excellence in Cooperative Education Committee report. Results of the NCC Board Election were also announced with incumbents David Briggs, President of WESTCO in Alliance, and John Oehlerking, Director of Midwest Farmers Co-op in Elmwood, both re-elected for four-year terms.

The cooperative managers presented Bob & Jackie Andersen with a gift of a travel certificate in honor of Bob's upcoming retirement.

Following the business session, we had the opportunity to hear a fascinating presentation by Tony & Jonna Mendez (pictured at left). Both are retired, highly-decorated CIA officers. Tony engineered and conducted the rescue of six U.S. diplomats out of the Canadian Embassy in Tehran in 1980. The story they told provided insight into the danger and intrigue of CIA operations.

The Hall of Fame induction ceremony followed with Al Kalkwarf, formerly of Dorchester, being inducted posthumously.

At the conclusion of the ceremony, members enjoyed a reception and the opportunity for fellowship.



Members listened to board reports during the business session (above) as well as a presentation by retired and highly-decorated CIA officers Jonna & Tony Mendez (left).



Ron Velder (second from left) presents the Hall of Fame certificate to Al Kalkwarf's wife Charlene and stepson Gary.

Al Kalkwarf, formerly of Dorchester, was posthumously inducted into the Nebraska Cooperative Council Hall of Fame on November 19, 2015. The induction ceremony was held in conjunction with the Council's Annual Meeting in Kearney.

Accepting the award were Al's wife Charlene and stepson Gary Hamilton. The family received a framed certificate commemorating Al's induction into the Hall of Fame.



Al became the 62nd person to be inducted into the Hall of Fame. In addition to the framed certificate, Al will be recognized with a plaque detailing his contributions which will be permanently displayed at the Council office.

Al was one of those rare individuals that spent his entire career at one cooperative. He began working at Dorchester Farmers Co-op while in high school and after a stint in the Army, he continued working there until he passed away in 2010. Al began working full time for the cooperative in 1959 and became General Manager in 1981. He held that position until he retired in 1994. After "retirement," he resumed working for the co-op until 2010.



2015/16 Financial Statements

STATEMENTS OF FINANCIAL POSITION August 31, 2016 and 2015

STATEMENTS OF ACTIVITIES August 31, 2016 and 2015

ASSETS

	2016	2015
Current Assets:		
Cash and Cash Equivalents:		
Cash - Unrestricted	\$802,410	\$978,929
Cash - Restricted - FFE	112,351	69,169
Cash - Restricted - NCC-PAC	85,810	112,049
Cash - Restricted - NACA	44,891	60,034
Cash - Restricted - UNL Tickets	1,438	1,464
Cash - Restricted - Energy Source	27,163	26,032
Cash - Restricted - Anhydrous Sales & Use Tax	175	18,009
Total Cash and Cash Equivalents	<u>1,074,238</u>	<u>1,265,686</u>
Mutual Fund Investments - Restricted - FFE	656,086	609,597
KRVN Golden Notes - Unrestricted	2,500	5,000
KRVN Golden Notes - Restricted - FFE	-	5,000
Certif of Dep - Unrestricted	100,677	93,589
Certif of Dep - Restricted - FFE	-	19,636
Certif of Dep - Restricted - NACA	13,128	13,050
Interest Receivable - Unrestricted	699	1,038
Interest Receivable - Restricted - FFE	185	291
Interest Receivable - Restricted - NACA	-	6
Deferred Compensation Assets	4,186	0
Prepaid Expenses	14,092	14,303
Total Current Assets	<u>1,865,791</u>	<u>2,027,196</u>
Investments:		
KRVN Golden Notes - Unrestricted	15,750	15,750
KRVN Golden Notes - Restricted - FFE	6,500	4,000
Certif of Dep - Unrestricted	92,869	98,090
Deferred Annuity - Restricted - FFE	-	36,615
Cash Value of Deferred Comp. Assets	37,678	39,721
Total Investments	<u>152,797</u>	<u>194,176</u>
Property & Equipment:		
Furniture & Office Equipment	97,891	125,409
Accumulated Depreciation	(84,879)	(89,302)
Net Property & Equipment	<u>13,012</u>	<u>36,107</u>
TOTAL ASSETS	<u>\$2,031,600</u>	<u>\$2,257,479</u>

LIABILITIES & NET ASSETS

Current Liabilities:		
Prepaid Dues	\$370,590	\$536,512
Prepaid Deposits	-	4,050
Prepaid NCC-PAC Contributions	4,109	26,719
Deferred Compensation Payable	4,186	-
Accrued Expenses	45,316	36,376
Total Current Liabilities	<u>424,201</u>	<u>603,657</u>
Long-Term Liabilities:		
Deferred Rent	9,120	9,170
Deferred Compensation Payable	37,678	39,721
Total Long-Term Liabilities	<u>46,798</u>	<u>48,891</u>
Net Assets:		
Unrestricted	616,983	656,697
FFE - Restricted	775,122	744,309
NCC-PAC - Restricted	81,701	85,330
NACA - Restricted	58,019	73,090
NCC-UNL Tickets - Restricted	1,438	1,464
Energy Source - Restricted	27,163	26,032
Anhydrous Sales & Use Tax - Restricted	175	18,009
Total Net Assets	<u>1,560,601</u>	<u>1,604,931</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$2,031,600</u>	<u>\$2,257,479</u>

GENERAL FUND

	2016	2015
Revenue and Support:		
Members' Dues	\$624,771	\$594,489
Participating Members' Dues	107,832	95,264
Meetings	36,212	36,004
Workshops	129,723	125,913
Interest Income	3,555	3,738
Gain on Sale of Equipment	19,382	-
Miscellaneous	511	-
Total Revenue and Support	<u>921,986</u>	<u>855,408</u>
Expenses:		
Salaries	536,816	369,588
Social Security Tax	34,082	24,287
Unemployment Tax	389	351
Employee Insurance	6,238	3,431
Retirement	45,450	40,763
Transitional Expenses	-	-
Total Personnel Expenses	<u>622,975</u>	<u>438,420</u>
Accounting Fees	7,335	6,750
Auto	12,141	12,702
Books and Magazines	3,398	3,485
Consulting Services/Contract Labor	25,902	27,087
Depreciation	13,626	18,126
Directors' Fees	12,524	12,797
Dues/Contributions	7,503	6,470
Impact Study	19,394	12,320
Insurance	5,062	4,857
Legal Fees	27,962	37,563
Loss on Disposal of Fixed Assets	-	309
Meetings	76,230	45,547
Office Supplies	8,522	13,251
Postage	744	1,922
Property Taxes	492	1,570
Rent	32,336	32,322
Repairs and Maintenance	11,105	8,089
Telephone	7,330	7,666
Travel	7,223	6,715
Workshops	56,631	69,388
Youth Education	2,700	3,550
Miscellaneous	565	72
Total Expenses	<u>961,700</u>	<u>770,978</u>
Increase in Net Assets	(39,714)	84,430
Net Assets - Beginning of Year	656,697	572,267
Net Assets - End of Year	<u>\$616,983</u>	<u>\$656,697</u>

ENERGY SOURCE FUND

	2016	2015
Revenue and Support:		
Contributions Received	\$38,984	\$41,402
Interest Income	12	11
Total Revenue and Support	<u>38,996</u>	<u>41,413</u>
Expenses:		
Legal Fees	37,865	27,783
Total Expenses	<u>37,865</u>	<u>27,783</u>
Increase (Decrease) in Net Assets	1,131	13,630
Net Assets - Beginning of Year	26,032	12,402
Net Assets - End of Year	<u>\$27,163</u>	<u>\$26,032</u>

ANHYDROUS SALES & USE TAX FUND

	2016	2015
Revenue and Support:		
Contributions Received	\$ 1,770	\$27,850
Interest Income	6	3
Total Revenue and Support	<u>1,776</u>	<u>27,853</u>
Expenses:		
Legal Fees	<u>19,610</u>	<u>9,844</u>
Total Expenses	<u>19,610</u>	<u>9,844</u>
Increase in Net Assets	(17,834)	18,009
Net Assets - Beginning of Year	<u>18,009</u>	-
Net Assets - End of Year	<u>\$ 175</u>	<u>\$18,009</u>

FUND FOR EXCELLENCE (FFE) FUND

	2016	2015
Revenue and Support:		
Interest Income	\$ 653	\$931
Investment Income (Loss) from Marketable Securities	19,406	23,398
Unrealized Gain (Loss) on Marketable Securities	20,444	(46,679)
Increase in Annuity Cash Surrender Value	<u>592</u>	<u>1,152</u>
Total Revenue and Support	<u>41,095</u>	<u>(21,198)</u>
Expenses:		
Professor Expenses	<u>10,282</u>	-
Total Expenses	<u>10,282</u>	<u>0</u>
Increase (Decrease) in Net Assets	30,813	(21,198)
Net Assets - Beginning of Year	<u>744,309</u>	<u>765,507</u>
Net Assets - End of Year	<u>\$775,122</u>	<u>\$744,309</u>

NATIONAL AFFAIRS COOPERATIVE ACTION (NACA) FUND

	2016	2015
Revenue and Support:		
Interest Income	\$ 184	\$ 191
Total Revenue and Support	<u>184</u>	<u>191</u>
Expenses:		
Meetings	12,829	-
Travel	<u>2,426</u>	-
Total Expenses	<u>15,255</u>	<u>0</u>
Increase in Net Assets	(15,071)	191
Net Assets - Beginning of Year	<u>73,090</u>	<u>72,899</u>
Net Assets - End of Year	<u>\$58,019</u>	<u>\$73,090</u>

NCC-PAC FUND

	2016	2015
Revenue and Support:		
Contributions Received	\$38,552	\$35,052
Interest Income	225	171
Total Revenue and Support	<u>38,777</u>	<u>35,223</u>
Expenses:		
Donations	42,250	3,750
Office Supplies	156	-
Miscellaneous	-	5
Total Expenses	<u>42,406</u>	<u>3,755</u>
Increase (Decrease) in Net Assets	(3,629)	31,468
Net Assets - Beginning of Year	<u>85,330</u>	<u>53,862</u>
Net Assets - End of Year	<u>\$81,701</u>	<u>\$85,330</u>

UNL TICKETS FUND

	2016	2015
Revenue and Support:		
Contributions Received	\$45,675	\$46,204
Interest Income	2	2
Total Revenue and Support	<u>45,677</u>	<u>46,206</u>
Expenses:		
UNL Tickets	21,131	21,555
UNL Contribution	24,000	24,300
Postage	<u>572</u>	<u>415</u>
Total Expenses	<u>45,703</u>	<u>46,270</u>
Increase (Decrease) in Net Assets	(26)	(64)
Net Assets - Beginning of Year	<u>1,464</u>	<u>1,528</u>
Net Assets - End of Year	<u>\$1,438</u>	<u>\$1,464</u>

August 31, 2016

2015/16 Annual Report - Nebraska Cooperative Council

2015/16 Membership

SUPPLY/MARKETING

COOPERATIVES

Ainsworth - Farmers/Ranchers Co-op Assn
Alliance - WESTCO
Aurora Co-op Elevator Co
Battle Creek - Farmers Pride
Brainard - Frontier Co-op Co
Cedar Bluffs - Farmers Union Co-op Assn
Clarkson - Farmers Union Co-op Supply Co
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 Assn
Fordyce Farmers N/S Co-op
Friend - Farmers Union Co-op Co
Gering - Stateline Producers Co-op N/S
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
Pilger - Farmers Co-op
Ravenna - Farmers 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.
York - Central Valley Ag 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 COOPERATIVES

Hiawatha KS - Ag Partners Co-op, Inc
Holyoke CO - CHS/Grainland Co-op

OUT-OF-STATE RURAL ELECTRIC COOPERATIVE

Torrington WY - Wyrulec Company

LIVESTOCK MARKETING AGENCIES

Allied Producers' Co-op
Producers Livestock Marketing

PARTICIPATING MEMBERS

Ag Processing Inc
CHS Inc
CoBank
Dairy Farmers of America, Inc
Farm Credit Services of America
Growmark, Inc
Land O'Lakes Inc

SUPPORTING MEMBERS

ACE Agribusiness/Pennmillers
ADM (Archer-Daniels-Midland)
Aon Risk Solutions
Arthur J. Gallagher Risk Management
Services, Inc
Associated Benefits Corp
Associated Milk Producers, Inc
Austin Mutual Insurance Co
Berkley Agribusiness Risk Specialists
BNSF Railway
Capital Recovery, Inc
CHS Insurance Services, LLC
CliftonLarsonAllen CPAs
Continental Western Group
EBM Construction, Inc
Farm Credit Council Services
FarmLink
Four Points Federal Credit Union
Frisbie Construction Co, Inc
Gardiner Thomsen CPAs
Howalt+McDowell Insurance
Inspro Inc
INTLFCStone, LLC
KFSA
Lewis Goetz
Lincoln Inspection Service
McPherson Concrete Storage Systems, Inc
Milliman, Inc
Nationwide Agribusiness Insurance Co
Nebraska Corn Board
Nebraska Ethanol Board
Nebraska Rural Radio Assn
Olsson Associates
Pawling, Finn & Torell, CPAs LLC
Runzheimer International
The Cooperative Finance Assn
Triangle Insurance
Union Pacific Railroad
United Benefits Group
United Suppliers, Inc
VistaComm

Nebraska Cooperative Council

134 South 13th Street, Suite 503

Lincoln, NE 68508

Ph: 402/475-6555

Fax: 402/475-4538

Email: ncoopc@nebr.coop

Website: www.nebr.coop