

Cooperation in Nebraska

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NEBRASKA COOPERATIVE COUNCIL
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“For the more cooperative we are, the more prosperous we become, and the more we impact the world.”

- Thomas Bosmeniel, 2018 State FFA Cooperative Speaking Contest Winner

A Winter Recap and A Look Forward Into Spring



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COUNCIL CONCLUDES 17/18 EDUCATION PROGRAMS

The Council has continued to refine our programming based on significant input and study by the Board and Excellence in Cooperative Education Committee (ECEC). Six years ago, we incorporated major changes into the Council's educational programming by utilizing nationally recognized experts for our programs.

In March of 2017, the ECEC and Board met to evaluate how things had progressed and what changes need to be made to maintain high level programs. Part of this effort was surveying managers and directors. As a result of the March meeting, we added an Advanced Director Training program for 2018. This was identified as a need by a number of the more senior directors.

This past fall and winter our membership once again participated in the educational programs at a high level. We had a total of 417 people from 80% of our local cooperative members in attendance in addition to one Participating Member.



Forty-four directors attended the first offering of the Advanced Director Training which was requested from seasoned directors who wanted a refresher on certain DCP topics.

Those who attended had the opportunity to hear from speakers representing 3 different universities and 9 different states. This variety of speakers and presentations allowed us to address many of the issues facing cooperatives today.

Director/Manager Workshop

DMW was held on November 16, the day after the Council's Annual

Meeting in Kearney. The theme was "Is Profitability Possible (How Do We Stay There?)".

Facilitators for the day-long program were Cortney Cowley with the Federal Reserve Bank of Kansas City; Dr. Michael Swanson, ag economist and consultant for Wells Fargo; and Jonah Kolb from Moore & Warner Ag Group.

A total of 86 people attended the workshop. Our thanks to Farm Credit Services of America for sponsoring the lunch and breaks.

Director Certification Program

DCP is our foundational program that provides newly elected directors with skills to allow them to become functioning board members. Facilitators for the four-phases of the program which were conducted on January 3-4 in Kearney were Bill Kutilek, Crosby Guenzel LLP (Ph 1); Ed Woeppel, NCC (Ph 1); Tom Houser, CoBank (Ph 2&3); Rocky Weber, NCC (Ph 2); Dr. Keri Jacobs, Iowa State University (Ph 2&3); Dr. Greg McKee, UNL (Ph 4); Retired Manager Rod Schroeder, Ashland (Ph 4 panel); and Current Director Neil Stedman, Elmwood (Ph 4 panel).

Seventy-four (74) phases were completed in 2018 with 18 graduating.

(continued on page 3)

Plans are underway for next year's programs. Be sure to mark the following on your calendars:

- **Nov. 15, 2018 - Director/Manager Workshop at Kearney**
Continues to be held the day following the NCC Annual Mtg
- **Jan. 8-9, 2019 - Director Certification Program at Kearney**
2 phases conducted in separate rooms each day
- **Feb. 6-7, 2019 - Cooperatives For Tomorrow Seminar & Graduate Director Seminar (previously called Advanced Director Training) at Lincoln**
We have discontinued our Cooperative Issues Symposium and instead will conduct the Graduate Director Seminar (GDS) with CFT. Topics for GDS will change from year to year but the program is designed for co-op directors who have completed all four phases of DCP.
- **Feb. 21, 2019 - Board Leadership Seminar at LaVista**
Attendance will be limited to 3 officers plus 1 additional director from each member co-op

COUNCIL CONCLUDES EDUCATION PROGRAMS

(continued from page 2)

Advanced Director Training

In response to increased interest of experienced board members and suggestions from management teams, the Council developed ADT as a “refresher” for directors who are DCP graduates and have been serving on local cooperative boards for several years.

We focused on the Board’s responsibility to determine the future plans/vision for the cooperative. Planning for the future requires a full understanding of the financial picture of the cooperative so the first session focused on balance sheets, sources and uses of funds, and a balance sheet predictor.

The session, facilitated by Dr. Keri Jacobs and Tom Houser, also incorporated situational analysis using financial acumen to analyze situations that Boards of Directors may encounter as well as assessment of ongoing profitability of the cooperative.

Initially scheduled for one hour, the attendees interest in the financial program brought this section to three hours in length. This resulted in the session focusing on preparing board members to communicate the strategy and mission of the cooperative to the public (conducted by Bryan Bjerke and Mark Smither of Paulsen) and the final session of the day focusing on Board-Management Communications (facilitated by Dr. Greg McKee) being condensed due to lack of time. A total of 44 participants attended.

Cooperative Issues Symposium

CIS, with the theme of “Generational Changes in Agriculture”, was held in Lincoln on January 31 with 85 in attendance. Chad Gent with Farm Credit Services of America, provided a background on the changing demographics in production ag and agribusinesses.

Kristen Hadeed of Gainesville, Florida then provided a compelling presentation on the generational changes taking place and focused on dealing with millennials in the workplace. This was followed by a panel discussion with two recent UNL graduates Taylor Hart and Lukas Fricke.

Matt Rush from Portales, New Mexico, provided the final presentation of the day during the evening meal. Our thanks to CoBank for sponsoring the evening reception and dinner.

Cooperatives For Tomorrow Seminar

CFT was held on February 1 in Lincoln with 83 in attendance. The focus of the program was on the consolidation that is taking place in agriculture and agribusiness. Dr. Michael Langemeier from Purdue University provided an overview of the continuing consolidation in production agriculture.

We then heard from Matt Danner, a

young mega farmer from Templeton, Iowa. He provided a very eye-opening look at how a young/large farmer selects his suppliers/partners.

Dr. Langemeier then addressed the consolidation that is taking place in agribusiness. This presentation was followed up by another eye-opening presentation by Dr. Robert Reiter from Monsanto. Dr. Reiter’s presentation also provided participants with significant food for thought for upcoming board planning sessions.

Board Leadership Seminar

BLS was held in LaVista on February 22nd just prior to CoBank’s reception/customer meetings. A total of 45 cooperative board leaders attended BLS.

The program once again consisted of a wide ranging discussion of current topics that all cooperatives deal with at some point. Once again this program was highly rated by those in attendance.

NCC President Rocky Weber and Bill Kutilek with Crosby Guenzel LLP facilitated the seminar.



NCC staff and several Board members/co-op representatives met with Congressman Smith on February 21 in Lincoln to discuss resolutions to Section 199A. Pictured above are Rocky Weber, John Oehlerking, David Briggs, Congressman Smith, Dean Thernes, Ron Velder, and Dave Beckman. Unable to attend: Carl Dickinson.



PRESIDENT'S MESSAGE

As I made a member visit in central Nebraska yesterday, I noted for the first time a few corn planters rolling in the fields. That sight and the current forecast would indicate that our lingering winter is perhaps behind us and we can finally

enjoy the spring.

I have always thought that spring is particularly the province of agricultural producers. It seems that no matter what the challenges of the last year were, farmers take to the fields in the spring with a renewed sense of purpose; that with a new crop comes new opportunity and with renewed opportunity, optimism for the future. In agriculture it is in the changing of the seasons that we find our place and our purpose.

Spring also signals the end of the legislative season. Here in Lincoln the 105th Legislature adjourned leaving many big issues on the table. Foremost of these is property tax relief. Proponents of rural property tax relief abandoned their 2018 initiative petition that would have codified LB 829, introduced by Senator Steve Erdman, into statute. A two-thirds majority of the Legislature may amend or repeal any statute adopted by initiative petition. The supporters of the initiative have indicated they are studying a constitutional amendment including the same provisions. The Legislature can not repeal or amend a constitutional amendment, it can only be amended or repealed at the ballot box. If the 106th Legislature fails to act on property tax relief we can expect an attempt at a constitutional amendment. The legislative task is to determine how the shift of funds from the General Fund to property tax relief will affect state spending at every level. This, in addition to the 106th Legislature having to adopt a biennial budget in 2019, will leave little room for anything else.

As summer looms, the NCC-PAC interviews of legislative candidates that will take place in July will certainly be framed by these issues. I expect that we will be asking a lot of questions about property tax relief, keeping sales tax exemptions that have benefited cooperatives and ag producers, priority liens for ag input suppliers, and related issues.

Through the winter months, the Council was heavily engaged in the legislative process to first maintain Section 199DPAD prior to the beginning of 2018. Almost immediately after January 1, we then had to re-engage in efforts to protect new Section 199A when private grain companies led a charge to repeal the new Section 199A and with it the ability of farmers to take up to 20% of payments, including grain payments in PURPIMS received from cooperatives, as a deduction against gross income.

While we were able to maintain the original Section 199DPAD deduction at the cooperative level, a complicated

series of calculations is required to determine how producers are affected by delivery of grain to a cooperative or non-co-operative entity with deductions limited to net farm or taxable income.

Dr. Greg McKee (see link on page 5) has provided some early analysis of the impact of new Section 199A. He continues to work on how these new provisions will affect decision making in the board room about the 199DPAD being allocated and the effects on equity management, cash flow, operating statements, and balance sheets.

The other federal level legislation that the Council was heavily engaged in through the winter was the effort to have Congress recognize that multi-employer pension plans like the Co-op Retirement Plan do not pose the same risk of default as single employer plans and therefore should not have to pay the same substantially increased premiums to the Pension Benefit Guaranty Corp., as single employer plans. Representatives Smith, Fortenberry and Bacon all co-sponsored H.R. 3596, the Right Sizing Pension Premiums Act, which saw over 25% of all House members, from both parties, sign on as co-sponsors. Unfortunately, the Omnibus Spending Bill passed in March did not contain this legislation.

We engaged each office of our congressional delegation on this issue and Section 199. We appreciate the time their respective staffs spent on these issues and greatly appreciate Congressman Adrian Smith meeting with several representatives of the Council in Lincoln in February for over an hour and Congressman Jeff Fortenberry for reaching out to me for a meeting in Lincoln in March to discuss these issues.

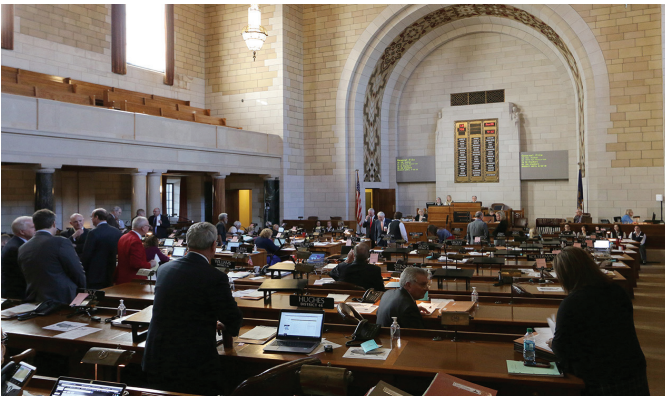
So, as winter turns to spring, our focus starts to turn to summer and fall with your Council looking forward to Nebraska cooperatives' active participation in legislative races through the NCC-PAC, continuing the work of the Legacy Initiative Steering Committee (see pg 10), finalizing the 2018-19 education programs (see pg 2), and planning the Annual Meeting and Hall of Fame Induction for 2018. As servants in agriculture, like each of you, it is in the changing of each season that we also find our place and our purpose.

NEW MEMBER

The Council welcomes the following new supply-marketing cooperative member:

St. Paul Co-op Grain Assn. - St. Paul, NE

2018 LEGISLATURE ADJOURNS



The 2018 legislative session adjourned on April 18. The session addressed budgetary issues caused by lagging tax receipts, University funding, and many other issues. One notable exception was progress on property tax relief. While numerous bills were proposed, none could gather enough support to be advanced by the Legislature.

A total of 694 bills/resolutions were introduced this session and 457 were carried over from the 2017 session. Of these, 152 were passed and signed by the Governor; 5 were passed but vetoed by the Governor; and the remainder were killed due to this being the end of the 105th Legislature.

In 2018, the Council reviewed 75 new bills for potential impact on cooperatives. Updates on bills of interest were forwarded to members during the session in regular *Legislative Updates*.

NEBRASKA COOPERATIVE COUNCIL

MISSION STATEMENT

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

DR. GREG MCKEE'S COOPERATIVE RELATED ARTICLES

Go to: <https://agecon.unl.edu/cooperatives>

Dr. Greg McKee, UNL Professor of Ag Economics, has written several papers including one entitled "Effects of Section 199A Tax Deduction on Agricultural Cooperatives and Their Patrons". We encourage you to review it as information may be useful for explaining the effects of these changes to employees and members.

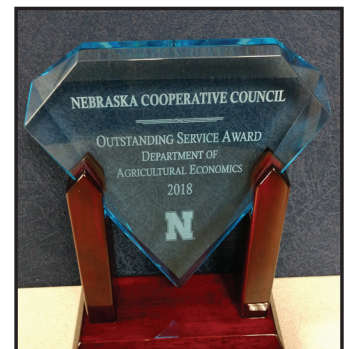
COUNCIL AND FOUNDATION RECEIVE OUTSTANDING SERVICE AWARD

The Council and the NCC Education Foundation were honored to receive the Outstanding Service Award from the University of Nebraska-Lincoln Agricultural Economics Department. The award was presented on April 17, 2018, at the Ag Economics Award Banquet.



Dr. Larry VanTassell (center) presented the award and accepting it on behalf of the Council and Foundation were (L-R) Council Education & Program Director Ed Woepel, Foundation Board Chair Gerald Schmidt, Council Board Chair David Briggs, and Council and Foundation President Rocky Weber.

The Council and the Foundation were recognized due to the support given thru the Fund For Excellence to the Cooperative Education Professorship and the undergraduate scholarships given at UNL through the NCC Education Foundation.



COUNCIL HOLDS 72ND ANNUAL MEETING

The 72nd Annual Meeting of the Nebraska Cooperative Council attracted 224 people and was held at the Holiday Inn in Kearney on November 15, 2017.

NCC President & General Counsel Rocky Weber presented the 2016/17 Financial Report as well as the President's Report, followed by NCC Board Chair David Briggs (Chairman's Report); NCC Board Vice Chair and NCC-PAC Co-chair Dean Thernes (NCC-PAC Report); and NCC Board Secretary and ECEC Chair Dave Beckman (Education Report).

During the President's Report, Rocky Weber announced the kick-off of the "Legacy Initiative" (Read more about this on page 10).

Board election results were announced with producer Evan Brandes (Aurora Co-op Elevator Co) and manager Kent Taylor (Farmers/Ranchers Co-op - Ainsworth) both re-elected to the Board.



During the business meeting, Dean Thernes (at podium), NCC Board Vice Chair and Co-chair of the NCC-PAC, presented the Political Action Committee report.

Damian Mason, an Indiana farmer and ag spokesperson, was the featured speaker at the Annual Meeting. His presentation was full of humor and also contained the message that agriculture needs to do a much better job of communicating their story.

The final portion of the Annual

Meeting was the induction of Rod Schroeder and Fred Temme into the Cooperative Hall of Fame (see article on page 7). Following adjournment, the member reception was held which provided a great opportunity for networking and allowed members to catch up with Schroeder and Temme.



Keynote speaker Damian Mason



224 people attended the Annual Meeting, Hall of Fame and membership reception.



The membership reception has become a favorite to congratulate the Hall of Fame inductees and to catch up with co-op friends across the state.



(L-R) NCC Board Chair David Briggs and President Rocky Weber present plaques to former NCC board members Doug Ohlson and Bruce Favinger who served 2 yrs and 11 yrs, respectively, on the NCC Board.

TWO INDUCTED INTO 2017 NCC HALL OF FAME

Rodney Schroeder of Ashland and Fred Temme of Wayne have become the 64th and 65th inductees into the Nebraska Cooperative Council Hall of Fame. The induction ceremonies were held on November 15 during the Council's Annual Meeting at Kearney.

Both of these gentlemen have provided significant leadership for cooperatives in Nebraska and in the Midwest, and complement previous members of the Hall of Fame.

Rod Schroeder

Rod Schroeder grew up on a farm near Leigh, Nebraska and began his career as an accountant at Gooch Mills in Lincoln. Ten months later at the ripe age of 21, he accepted a job at the Aurora Cooperative. Rod quickly rose through the ranks and was named CEO of the Cooperative in 1984.



and was named CEO

Rod spent 18 years as CEO at Aurora, and during his tenure the sales of the cooperative grew from under \$1 million per year to \$162 million in his final year. During that same period, the cooperative grew from 3 locations to 23 locations.

In 2002, Rod left Aurora to join Agriliance, and during that time he provided leadership to bring the cultures of the regionals together to successfully run the business. Agriliance then integrated with Winfield Solutions, and through Rod's leadership pre-tax earnings grew from \$40 million to \$162 million.

In addition to his leadership and vision at work, Rod also served on many local, state and national boards during his career. These would include service as chairman of United Benefits Group and on the boards of the Co-op Retirement Committee, Farmers Commodity Corporation, Ag Retailers Association,

The Fertilizer Institute, Crop Life America, Cooperative Mutual Insurance Company, Heritage Bank, FLM+, and Nebraska Energy Cooperative.

Fred Temme

Fred Temme is truly one of the most dedicated cooperative

supporters that the dairy industry in Nebraska has ever seen. His service on cooperative boards throughout his career distinguish him as a true leader of agricultural cooperatives.

Fred began farming near Wayne in 1955 after serving his country in the U.S. Army. He began share renting the farm from his father and milking 25 cows. Today the operation, that his son and grandson operate, includes over 1,000 acres of farmland and 850 milk cows.

While building a successful business, Fred also provided leadership throughout the industry. Fred began his service to his cooperative as a district officer



On November 15, 2017, NCC President Rocky Weber (at podium) inducted Rod Schroeder and Fred Temme into the Nebraska Cooperative Council Hall of Fame.



for Associated Milk Producers Inc (AMPI) in 1977. He served on numerous AMPI committees throughout the years and as a corporate director until his retirement in 1998. He served as Chair, Vice Chair, and Secretary of the Dairy Council of Central States ADA; Vice Chair of the Nebraska Dairy Industry Development Board; and as a board director on the Federal Order 65 Production Board and Nebraska Dairy Review Board; and he also had the honor of testifying before Congress.

Locally Fred served on the Wayne County Extension Board, Wayne County Farm Bureau Board, Wayne County Soil & Water Conservation Board, and Lower Elkhorn Natural Resources District Board. He also served on his local school board and church council.

2018 NCC HALL OF FAME

*Do you know individuals who are worthy of being inducted in the NCC Hall of Fame? Retired managers, directors or employees of a local cooperative or regional or an advocate of cooperatives that have had an impact on the local, regional, and national level? Watch for the nomination form which will be mailed out in May with a July 13th deadline. The NCC Cooperative Hall of Fame recognizes those individuals, who because of **extraordinary contributions** of time and talent, have advanced the interests of Nebraska's farmer owned cooperatives and their respective farmer members; who have strengthened the cooperative industry; and who have distinguished themselves and the cooperative system.*

COUNCIL CONTINUES TO EDUCATE YOUTH ABOUT COOPERATIVES

NCC Education Foundation Receives Grant

The NCC Education Foundation is pleased to announce that the Foundation has received a grant from the CHS Foundation 2018 Cooperative Education Grants Program that will support cooperative youth activities.



Specifically, the grant will fund the Co-ops 101 programs at the college level, the State FFA Cooperative Speaking Contest, and provide break sponsorship for the State Ag Teachers Association.

We appreciate the generous support of the CHS Foundation for these important programs.

State FFA Cooperative Speaking Contest

Awards were presented to 22 FFA members for their speaking skills and knowledge of cooperatives during the 90th annual Nebraska FFA Convention on April 5-6, 2018.



Each contestant in the Cooperative Speaking Competition was judged on a six- to eight-minute prepared speech on a topic dealing with cooperatives and their benefits to the local, state and national economies. Participants were selected for the competition at district contests throughout the state over the past several months.

The competition is sponsored by the Nebraska Cooperative Council in an effort to help develop leadership skills and increase understanding of the cooperative system. 2018 marks the 67th consecutive year that the Council has supported the Nebraska FFA Association.

Thomas Bosmeniel from the Seward FFA Chapter took top honors in the 2018 competition and received a trophy, first place medal, and check for \$250. His speech is reproduced on page 9. Second place went to Jocelyn Pohl of the Bridgeport Chapter along with a medal and check for \$125. Third place went to Jadyn Burenheide of the Howells-Dodge FFA Chapter who

received a medal and check for \$75.

Also receiving medals in the competition and the FFA chapters they represent were (in alphabetical order):

Gold - Elizabeth Kment, Plainview (4th); Caleb Hendrickson, Shickley; Brea Hostert, West Holt; Kara Krejdl, Southern Valley; and Laura Wuskowiak, Gothenburg

Silver - Sarah Adam, Ravenna; Jordyn Anderson, Plainview; Creighton Harrington, Loup City; Ana Leise, Mead; Abby Pieke, Newman Grove; Renee Redsem, Chadron; Madison Stracke, Stuart; and Anna Thede, St. Paul

Bronze - Rebecca Dozler, Boone Central; Alexis Gerritse, Tri County; Abigail Goosey, McPherson County; Sarina Jassen, Adams Central; Zane Kern, Blair; and Bailey McLaughlin, Pawnee City

Co-ops 101

The Council continues to provide cooperative presentations for college and high school agricultural students throughout the state.

These presentations are designed to provide students with a better understanding of the cooperative business model and the economic impact that cooperatives have on the state of Nebraska. We also address career opportunities within cooperatives.

During the 2017 fall semester, we have provided 11 presentations for 181 students at Blair High School, SCC-Beatrice, CCC-Hastings, CCC-Columbus, NCTA, UNK, and UNL. During the 2018 spring semester, we have provided 4 presentations for 59 students at SCC-Beatrice (2), CCC-Hastings, and NCTA.



Taylor Collins from Farmers Co-op, headquartered in Dorchester, talks to SCC-Beatrice students about all the career options available at cooperatives.

COOPERATIVES: AN IMPACT

by Thomas Bosmeniel, Seward FFA Chapter
1st Place Winner - 2018 Cooperative Speaking Contest



“The more generous we are, the more joyous we become. The more enthusiastic we are, the more valuable we become. The more serving we are, the more productive we become. The more cooperative we are, the more prosperous we become.” This lesson from inspirational writer William Arthur Ward illustrates the ideology that lays the foundation of the cooperative way of doing business, a methodology practiced by these impactful businesses: Cooperatives. In order to properly understand the cooperative way of doing business, we must begin our study of cooperatives with the question of what exactly constitutes a cooperative, examine the inception and development of cooperatives throughout history, and explore why supporting and using the services of a cooperative are far more beneficial to the consumer and the community over a traditional corporation.

Our study of cooperatives first begins with the question as to what exactly constitutes a cooperative. According to the International Cooperative Alliance Website, a cooperative is an autonomous association of people united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled business. The term cooperative means “having the ability to work together”. This idea has been the basis for cooperatives since their inception. Cooperatives heavily rely on the principle of cooperation for the purpose of mutual benefit. It would be a false generalization to assume that cooperatives work only towards the mutual benefit

of profit. According to Consumer Cooperatives: Democracy Development Employment, there are non-profit, community based cooperatives that work to be a consumer cooperative, meaning that they are managed by those who use their services. An example of this is CP Federal Credit Union based in Michigan. There are also the worker cooperatives which are managed by those who work there, and housing cooperatives which are managed by those who live there. Examples of these are the worker Cooperative Women’s Actions to Gain Economic Security which was designed to help women financially, and the Michigan State University Student Housing Cooperative which helps students in college find proper housing.

Our study of cooperatives continues with the examination of the inception and development of cooperatives. According to Brett Fairbairn’s *The Meaning of Rochdale*, the very first documented consumer cooperative was the Fenwick Weavers Society founded in 1761. This cooperative grew from the local weavers selling oatmeal at a discounted price. By the year 1830, several hundred cooperatives had been founded and organized. As described in Doug Peacock’s *Social Strife: The Birth of the Co-Op*, most of these cooperatives had unfortunately failed by 1840. However, some cooperatives such as the Lockhurst Lane Industrial Co-operative Society and Galashiels and Hawick Co-operative Societies are still operating today. As stated in the Rochdale Pioneers Museum Website, the Rochdale Society of Equitable Pioneers established the “Rochdale Principles” in 1844 which became the basis under which they ran their cooperative, and it would become the foundation for

the development and growth of modern cooperatives. Such principles include, though are not limited to, open membership, democratically controlled operation, and, of course, cooperation among other cooperatives. Cooperative enterprises forming after Rochdale became consistently successful, and an international association was formed in 1895. According to *Legal Studies Working Paper*, October 2015, cooperatives provided an opportunity for new policies to be established such as the Co-Determination Policy which allows workers to assist in the management of the business where they are employed. The Cooperative Movement became transcontinental when major cooperatives were being founded and developed in the United States, Europe, Asia, and Latin America. The Movement has now stretched to nearly all corners of the Earth.

With the completion of our study of cooperatives, we can now explore why supporting and using the services of a cooperative are far more beneficial to the consumer and the community. Since their inception, cooperatives have impacted the economies of the world greater than any traditional corporation or small business as stated in the *Grassroots Economic Organizing Website*. With a low failure rate than these traditional corporations and small businesses, cooperatives usually manage to become successful which improves the economy whether on the local level, or even on the national and global scale. Community based cooperatives stabilize the cor-
(continued on page 10)

LEGACY INITIATIVE

The Legacy Initiative Steering Committee met twice during the winter to kick off Phase I of the Council's Legacy Initiative. The purpose of the initiative, as introduced at the Annual Meeting, is to determine how best to align the core attributes of the cooperative business model, such as farmer ownership and control and sharing in profits through patronage allocation and equity redemption, with the values of 21st Century ag producers. A key aspect of this endeavor is understanding the needs of young producers and introducing them to the cooperative business model to create a lasting ownership/customer relationship.

The first meeting of the Legacy Initiative Steering Committee was December 12, 2017, during which the group, working with market consulting firm Beck Ag, developed a set of cooperative value propositions to test in surveys with farmers. The surveys were



conducted in January and February with approximately 25 producers statewide. Additionally an interactive session with a focus group comprised of nine young producers, age 34 and under, answering questions and discussing their attitudes about farmer owned cooperatives was conducted.

The Steering Committee met again on February 13 to discuss the key trends and findings of the survey and to determine how to proceed in the development of education, communication and marketing strategies to develop the ownership relationship between co-

operatives and their patrons. Following the February 13 meeting we determined that time was necessary to understand the implications of these initial findings in order to determine the next steps in the process of developing a focused education and communication platform that can be used by the Council and member cooperatives regarding the value of cooperative membership.

The Legacy Initiative Steering Committee recessed until after spring work is completed. This time has allowed us to sit down with Beck Ag and think about Phase II of the Initiative which will likely involve delving deeper into some of the Phase I findings and developing strategies and procedures for re-establishing the legacy relationships between producers and cooperatives that gave rise to the farmer owned cooperative business model.

COOPERATIVES: AN IMPACT

(continued from page 9)

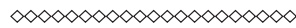
responding community in which they operate because they are community based. Business anchors that are a part of these community cooperatives distribute, recycle, and multiply local expertise and capital within a community. According to the Cooperative Grocer Network, cooperatives based in the food industry spend more revenues locally, buy more products and organic products locally, recycle more, and create more jobs than the conventional grocery stores. Though, the most notable difference between a cooperative and a traditional corporation is what happens to the profits of both companies. The consumer of a traditional corporation would never

see the profits unless they are also an investor of the corporation. With a cooperative, the consumer should recognize the term patronage dividends. According to the International Cooperative Alliance website, when a member or consumer of a cooperative use the services from that cooperative, they receive a portion of the profits that is calculated from the amount that each patron spends at the cooperative. These payments are patronage dividends. The alternative option for a traditional corporation is that of stock dividends which are payments that are made to the investors of a company and not necessarily the consumers. The stock market can be an extremely high risk/

high reward scenario. Patronage dividends supplied by the cooperative are not. When considering the option to support and use the services of a business, the cooperative is far more beneficial to the consumer.

Altogether, we began our study of cooperatives with their characteristics and the examination of their inception and development. With this newly acquired knowledge, we explored why we should support and use the services of a cooperative over a traditional corporation when applicable. For the more cooperative we are, the more prosperous we become, and the more we impact the world.

Below are the minutes of the Council's 72nd Annual Meeting. Per Council Management Policy, please notify the Council (134 S. 13th Street, Suite 503, Lincoln, NE 68508 or ncoopc@nebr.coop) by May 11 if there are any objections/errors in the minutes as reproduced below. If none are received, they shall be deemed accepted as distributed.



**Nebraska Cooperative Council
72nd Annual Meeting
November 15, 2017**

CALL TO ORDER

The 72nd Annual Meeting of the Nebraska Cooperative Council convened at 4:00 pm on Wednesday, November 15, 2017, in Ballroom I of the Holiday Inn & Convention Center in Kearney. David Briggs, Chairperson of the Board of Directors, presided.

SPECIAL THANKS

Briggs thanked the Participating & Supporting Members and others for sponsoring today's meeting.

2016/17 FINANCIAL REPORT

Rocky Weber, NCC President & General Counsel, presented the 2016/17 Financial Report. He reported that the Council's Board had reviewed and accepted the 2016/17 Financial Report and that a full-scope audit in accordance with the appropriate auditing standards had been conducted. Weber reported that the auditor expressed an unqualified opinion.

CHAIRPERSON'S REPORT

Briggs presented the Chairperson's Report. He introduced the Council's directors and recognized the committee members and membership for their support of Council programs.

**EXCELLENCE IN COOPERATIVE
EDUCATION COMMITTEE (ECEC)
REPORT**

David Beckman, Chair of the ECEC, presented the background of the ECEC, the importance of education, and future programming.

**POLITICAL ACTION COMMITTEE (PAC)
REPORT**

Dean Thernes, Vice Chair of the Board of Directors and Chair of the PAC, presented the background of the PAC and voluntary contributions received to date, and indicated that PAC interviews with Nebraska senator candidates will be conducted in 2018.

PRESIDENT'S REPORT

Weber provided the President's Report for the prior year which included the legislative program, regulatory issues, and educational programs as well as the challenges before farmer-

owned cooperatives. Included in the President's Report was an introduction of the Nebraska Cooperative Council Legacy Initiative which is a project to align the mission of the farmers and cooperatives with the needs of 21st century ag producers.

**RECOGNITION OF OUTGOING
DIRECTORS**

Bruce Favinger, former Board Chairman at Hastings and Doug Ohlson, formerly of Imperial, were recognized for their service on the Council's Board of Directors.

**VOTING DELEGATE
ELECTION RESULTS**

Dean Thernes, Election Committee Chairman, reported on this year's Board election results as follows:

Producer Director:

Evan Brandes, Board Vice Chairman at Aurora, was elected for a four-year term

Manager Director:

Kent Taylor, President/CEO at Ainsworth, was elected for a four-year term

DAMIAN MASON

Briggs introduced the keynote speaker, Damian Mason, who grew up on a dairy farm in Indiana and was involved in FFA and 4-H as a child. He has a degree in Agricultural Economics from Purdue University and also studied comedy writing and improvisation at the Second City in Chicago. He delivered an Ag commentary and comedy regarding producing, processing, packaging, selling and transporting the bounty of North American Agriculture.

HALL OF FAME INDUCTION

At this time Briggs and Weber inducted Rodney Schroeder and Fred Temme into the Nebraska Cooperative Council Hall of Fame.

ADJOURNMENT

Briggs declared the meeting adjourned at 6:41 p.m.

Respectfully submitted,
David Beckman, Recording Secretary

**CALENDAR OF
UPCOMING EVENTS**

May 2018

10 NCC Board of Directors meeting/
conference call

June 2018

21 NCC Board of Directors meeting
- North Platte

July 2018

10-11 NCC-PAC Candidate Interviews
- LaVista

19 NCC-PAC Candidate Interviews
- Lincoln

November 2018

14 NCC Board/Committee Meetings,
Annual Meeting, Hall of Fame
& Membership Reception -
Kearney, Holiday Inn

15 NCC Director/Manager
Workshop - Kearney, Holiday Inn

January 2019

8-9 NCC Director Certification
Program - Kearney, Hampton Inn

February 2019

6 NCC Cooperatives For
Tomorrow Seminar - Lincoln,
Embassy Suites

7 NCC Graduate Director Seminar
- Lincoln, Embassy Suites

21 NCC Board Leadership Seminar -
LaVista, Embassy Suites

21-22 CoBank Customer Meetings -
LaVista, Embassy Suites

NCC RADIO SPOTS

The Nebraska Rural Radio Network provides the Council with complimentary network air time to present updates on current cooperative issues. These messages are aired every other Friday if there is information of significant importance to share.

The radio spots air at approximately 1:15pm MT on KNEB and at 2:17 pm CT on KRVN and KTIC.