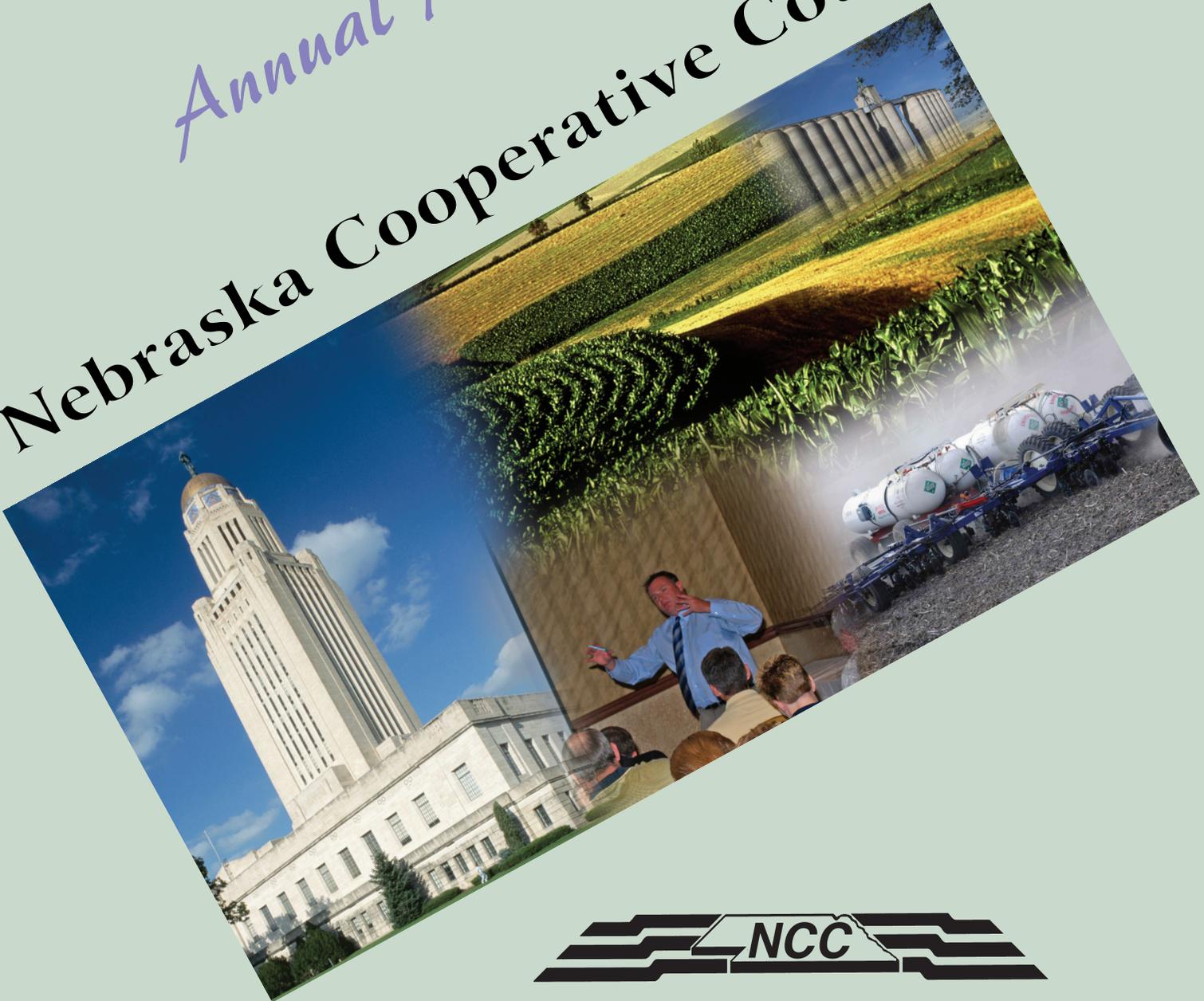


2010-11  
Annual Report

# Nebraska Cooperative Council



## NCC MISSION STATEMENT:

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

# NCC Member Cooperatives by the Numbers\*

## Inside this Report:

Chairman/President's Message **3**  
 Education **4**  
 State Legislation **7**  
 Political Action Committee **10**  
 State Regulations **11**  
 Federal Regulations **12**  
 FFA Cooperative Speaking Contest **14**  
 Council Annual Meeting **15**  
 Hall of Fame **15**  
 Financials **16**  
 Membership **17**  
 Leadership **18**

## Nebraska Cooperative Council

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<b>95%</b>	of Nebraska's supply/marketing cooperatives
<b>41</b>	Nebraska supply/marketing co-ops operating:
<b>352</b>	additional branch locations in Nebraska
<b>26</b>	additional branch locations out of state
<b>3</b>	Rural electric co-ops
<b>2</b>	Transport co-ops
<b>1</b>	Telephone co-op
<b>1</b>	Out-of-state co-op with a branch in Nebraska
<b>1</b>	Out-of-state co-op
<b>1</b>	Livestock Marketing Agency
<b>11</b>	Participating Members
<b>29</b>	Supporting Members
<b>72,700+</b>	total voting members of local supply/marketing co-ops
<b>5,200+</b>	employees (full and part-time)
<b>\$4.8 billion</b>	total sales of local supply/marketing co-ops
<b>\$2.2 billion</b>	total assets of local supply/marketing co-ops
<b>\$247.7 million</b>	employee payroll (with benefits)
<b>\$127.9 million</b>	net savings generated by local co-ops
<b>\$90.1 million</b>	investment in new equipment and facilities in past year
<b>\$56.8 million</b>	total patronage refunds in past year
<b>\$9.2 million</b>	equity/estate redemption in past year
<b>\$11.6 million</b>	federal/state income taxes paid in past year
<b>\$9 million</b>	property taxes paid in past year

\*as of 8/31/11

# Chairman & President's Message



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

We thank each of the cooperative management teams for your continued support of Nebraska's only cooperative trade association dedicated to agricultural cooperatives. We encourage your review of this year's Annual Report of the Nebraska Cooperative Council. We realize that without the members' participation and support this past year, our capacity to properly address issues and needed programs would be diminished.

The Council's Board of Directors and staff remain committed to fulfilling our organizational mission of doing all things necessary *"to defend, protect, and enhance the agricultural cooperative movement through proactive programs in education, legislation, government affairs, communication, and regulatory issues."*

The Council's legislative program continues to be a priority area. The Council's management team recognizes the importance of providing leadership in the development and support of legislative initiatives favorable to cooperatives at the state and national levels. Your Council is recognized as an important and respected legislative leader for agricultural cooperatives by our elected state and federal legislators, as well as the state and federal governmental departments. This is the result of the efforts and dedication of

many within the cooperative system.

Our primary legislative focus continues to be that of issues that are "cooperative specific," such as equity redemption, cooperative taxation, and interest on members' equity. In the past few years, however, the Council has been the principal in some non-cooperative legislative issues, such as the sick leave/vacation pay issue, mineral oil, direct delivery grain, and this year's one call notification per soil testing. While each of these issues

*"Any change, even a change for the better, is always accompanied by drawbacks and discomforts."*

*- Arnold Bennett*

affect cooperatives, they are industry specific issues. In each case, the Council provided a key leadership role in the resolution of those issues because it was in the best long-term interests of our members.

At the same time, the Council remains committed to enhancing our regulatory issues programming. Regulatory compliance for agricultural cooperatives has become more and more of a challenge due to the issues presented at both the state and federal levels. This consumes both personnel time and funding but are deemed to be increasingly important to our members.

The Council's management team recognizes the importance of director education programming. In today's cooperative operations, cooperative boards and management are required to consider a greater number of factors and potential alternatives to minimize risk in an ever-changing and complex business climate.

Arnold Bennett is quoted with once saying "Any change, even a change for

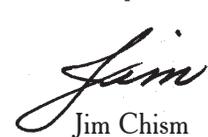
the better, is always accompanied by drawbacks and discomforts." This quote is very applicable in our educational programming.

This past July, the Council's Board of Directors and Education Committee elected not to renew the Nebraska Cooperative Council Distinguished Professorship in Agricultural Economics at the University of Nebraska. This decision was not made lightly, and we continue to have great respect for our Land Grant College. We believe this decision will allow us to reach our goal of enhancing existing educational programming for 2011/12 and to develop new educational programs to meet the needs of the Council's member-

ship via more targeted topic offerings utilizing national industry and academic resources. The Council is open to future cooperation with the Ag Economics Department assuming the Department develops the quality of resources that provide value to our members.

In closing, our commitment to the membership is to position the Council to both fulfill our members' needs and to create value to the membership. We recognize that the difference between success and failure can be very thin. We want to restate our sincere appreciation for the members' participation and input this past year, along with the financial support to position the Council to properly address the challenges before us both now and in the future. Your continued support is both valued and appreciated.

In the cooperative spirit, we remain...

   
Jim Chism      Robert Andersen

# Education Programs

Four hundred thirty nine (439) people attended the Council's various educational programs this year. This included representatives from 33 different cooperatives or 80% of our membership attending one or more programs.

The total numbers were significantly higher than last year due to the fact that the weather was much more cooperative this year and we offered two more programs—Cooperatives For Tomorrow and the OSHA Conference.

Below is a summary of the programs:

## Director/Manager Workshops

The Director/Manager Workshops were held in Sidney, Kearney, and York with 108 participants overall. The theme of the workshops was "Protecting Your Most Valuable Assets: Your Employees, Your Members, Your Cooperative."

During the workshop we heard how OSHA enforcement has evolved from the agency's inception until today. Discussion focused on how to make safety related economic decisions based on:

- Older vs. newer facilities
- Consolidated sites for facilities
- Implementation of a safety oriented

culture within your cooperative

We also addressed a culture of "zero tolerance" and what that means for your cooperative.

Facilitators for the program were Doug Fletcher, OSHA Compliance Assistance Specialist with the U.S. Department of Labor in Omaha; Tom Houser, Vice President of the Commercial Agribusiness Banking Group in the Omaha office of CoBank; and Dr. Dennis Conley, the Nebraska Cooperative Council Distinguished Professor in Agricultural Economics and Director, Graduate Programs in Agribusiness at UNL.

## Director Certification Program

DCP was conducted in Kearney. The four phases of this program cover all aspects of directors' responsibilities to help them deal with the challenges they face as decisionmakers. DCP is designed to accelerate the process by which directors become active, effective board members.

Facilitating the four phases were Dennis Conley, UNL (Ph 1 and 4);



**Board Officer Seminar participants enjoyed a team building/organizational leadership presentation by UNL Athletic Director Dr. Tom Osborne.**

Roger Ginder, Iowa State University (Ph 2 and 3); Tom Houser, CoBank (Ph 2 and 3); Rocky Weber, Crosby Guenzel LLP law firm in Lincoln (Ph 1); and Don Wiseman, retired manager of numerous cooperatives (Ph 4).

This year we had 15 graduates bringing the total number of DCP graduates to 1,512 since the programs inception in 1978. A total of 87 phases were completed by local directors this year.

## Graduate Director Seminar 3 - Establishing the Value of Your Cooperative

GDS3 was held in Kearney where 29 cooperative directors studied the many methods of determining the value of a cooperative. We addressed the various methods of placing values on assets for the benefit of buyers, sellers, and all entities involved. Discussion focused on problematic conditions which may exist for cooperatives in a period of transition as they attempt to place value on their own or neighboring operations.

In addition, we addressed changes taking place in the banking industry regarding capital needs and the capacity of borrowers. Tom Houser (CoBank) provided an excellent



## Our Sincere Appreciation to CoBank

CoBank has provided a generous donation of \$10,000 to the Council to be used for educational programming. This donation fulfills a three-year commitment that CoBank made to Council education programs in 2009. CoBank has partnered with the Council for many, many years to help the Council achieve its educational mission. This contribution once again emphasizes the commitment that CoBank has for director education for Nebraska cooperatives.

overview of how these changes impact local cooperatives. Over the past 2-3 years, many cooperatives are dealing with a much different process to secure financing. Tom did an excellent job of explaining the changes and the reasons for these changes.

Facilitators for the day's session were Tom Houser of CoBank and Dennis Conley with UNL.

### Board Officer Seminar

BOS was held at Embassy Suites in Lincoln. A total of 40 directors from 17 cooperatives attended the program.

The afternoon began with an "open forum" discussion led by Attorney Rocky Weber with Crosby Guenzel LLP and Dennis Conley from UNL. Discussion touched on a multitude of topics that were raised by the members in attendance.

Following the open forum discussion, participants had the opportunity to hear from UNL Athletic Director and legendary football coach Dr. Tom Osborne. Dr. Osborne provided an excellent presentation talking about team building and organizational leadership. His message was very well received by the group.

The evening finished with dinner and time for fellowship.

### Cooperatives For Tomorrow

Held in Lincoln, CFT is designed to provide local cooperative leaders with the opportunity to hear from a wide variety of speakers. These are typically speakers that local cooperative directors may not have an opportunity to listen to. The intent is to provide a thought-provoking and challenging program.

Sixty-nine (69) cooperative representatives attended and listened to the speakers for the day which were:

**Dr. Jay Lehr...**Dr. Lehr holds a Bachelors Degree in Engineering from Princeton and received his Ph.D. in Ecology and Environmental Sciences from the University of Arizona. He

## Future Educational Program Direction

Educational programs for local cooperative directors have been a priority for the Council ever since 1946 when the first Council educational "clinic" was held. Throughout that time frame, the University of Nebraska has been a partner in many of these educational offerings.

This spring the Board and Excellence in Cooperative Education Committee (ECEC) devoted a considerable amount of time evaluating current offerings and addressing future cooperative educational needs.

Because of the size, scope, and complexity of today's agricultural cooperatives and the speed of change, the decision was made to elevate the Council's educational programming. To achieve this, the Council will strive to utilize nationally recognized presenters noted for their expertise and skill set.

Secondly, by utilizing these facilitators, the Council will seek to create more highly sophisticated and complex training programming for Nebraska cooperative managements teams for both today and the future.

The decision was then made to not renew the NCC Distinguished Professorship with the University. We want to thank Dr. Dennis Conley for his efforts over the past five years in that role.

In addition to the changes in our director education programming, the Council will also increase efforts to reach youth audiences. The Council will be providing presentations at community colleges across the state to provide information on cooperatives. These presentations will also be offered for UNL students.

was a college professor at both the University of Arizona and Ohio State University. Dr. Lehr explained the megatrends shaping the future of agribusiness and discussed world food demand and its impact on Nebraska agriculture.

**Dr. William Wilson,** North Dakota State University...Dr. Wilson is a University Distinguished Professor in Agribusiness at NDSU. He addressed the evolving agriculture supply chains and how this evolution impacts American agriculture.

**Dr. Jason Henderson,** Federal Reserve Bank of Kansas City...Jason is Vice President and Omaha Branch Executive of the Federal Reserve Bank of Kansas City. He addressed the issues challenging our economy and an

outlook for ag in Nebraska.

**Dr. Ernie Goss,** Jack A. MacAllister Chair in Regional Economics at Creighton University in Omaha...Dr. Goss conducts the monthly Rural Mainstreet Economic survey to gauge how local bankers in a 10-state region view current conditions. These bankers also provide their views on the economic outlook for six months down the road. He provided us with the results of the latest survey and the long-term trends identified by it.

### OSHA Conference

The Council hosted a conference to address the issues surrounding the Occupational Health & Safety Administration's (OSHA) increased  
(Continued on page 6)

## Education

(continued from page 5)

enforcement of workplace safety.

Over the past 1½ years, OSHA has become much more aggressive in their enforcement, and this particularly applies to grain facilities.

Because of this increased scrutiny, the OSHA Conference was held to allow local cooperatives to learn more about:

- OSHA's action regarding the grain handling industry
- How to avoid criminal prosecution under OSHA regulations
- Requirements that cooperatives need to adhere to
- Creating a culture of safety

At the same time, we wanted to provide cooperatives with the tools necessary to meet OSHA's increased enforcement procedures.

The speakers included:

- Amanda Strainis-Walker, former Attorney with Arent Fox in Washington, DC
- Oscar Hampton III, Senior Trial Attorney, Solicitors Office, U.S. Department of Labor, Kansas City MO
- Dave Jarecke, formerly with Crosby Guenzel LLP in Lincoln
- Rocky Weber, Managing Partner



**During the OSHA conference, cooperative representatives learned more about OSHA's increased enforcement of workplace safety. In addition to its regular schedule of educational programs, the Council also holds conferences/workshops on other issues in order to keep cooperatives informed.**

with Crosby Guenzel LLP in Lincoln.

Over 60 individuals participated and received a wealth of information regarding OSHA from the four presenters.

### Employee Workshops

The Council continues to provide employee workshops for local cooperatives. This past year, the Council provided "Customer Service...or Else" for one cooperative. Approximately half of their employees attended a session in September with the other half attending a February session.

The facilitator for the program was

Don Warrington, retired Human Resources Manager of Farm Credit Services of America. Don addressed the need for cooperatives to provide superior customer service in order to remain competitive in today's marketplace. He also provided a number of tools to help employees sharpen their customer service skills.

If your cooperative is interested in hosting any of the customized employee workshops, please contact Ed Woeppel at the Council office.

### THE COOPERATIVE PRINCIPLES:

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

***"Education is knowing where to go to find out what you need to know, and it's knowing how to use the information you get."***

***- William Feather  
U.S. author***

***"Man's mind stretched to a new idea never goes back to its original dimensions."***

***- Oliver Wendell Holmes Jr***

# State Legislation - 2011 Session

The legislative session adjourned on May 26. Over 730 bills, resolutions, and constitutional amendments were introduced this session. In addition, 125 interim studies were also introduced.

This year's session was dominated by the budget, reforming the Commission of Industrial Relations, and redrawing the legislative and congressional district boundaries.

Following is a recap of the legislation the Council was involved in this session.



## SIGNED INTO LAW

### LB 305 - State Meat & Poultry Inspection Act

*Position: Neutral*

LB 305 became effective September 9, 2011. It directs the Department of Ag to provide a report by November 15, 2011, which describes any actions necessary to implement a state program of meat and poultry inspection. The report shall identify any necessary revisions to statute and any rules or regulations that need revisions and include anticipated resources required to develop and maintain an inspection program and recommend a fee schedule sufficient to fund the program which would include a fee-for-service system for inspections.

The accompanying "A" bill was also passed and transferred \$65,000 from the Commercial Feed Administration Fund for the 2011/12 FY and \$30,000 from the same fund for the 2012/13 FY. As originally introduced, LB 305 would have transferred \$100,000 in each of the next two fiscal years.

### LB 84 - Roads Funding

*Position: Support*

LB 84 became effective September 9, 2011. It directs  $\frac{1}{4}$  of 1¢ (approximately \$60-65 million per year) of the state sales tax to roads funding for 20 years beginning July 1, 2013.

Revenue generated from the sales tax is not capped, allowing for funding growth as Nebraska's economy recovers and the state takes in more revenues. The funding will be directed as follows: 60% to the highest-priority transporta-

tion projects as determined by the Department of Roads, 25% to complete construction of the expressway system and federally designated high priority corridors, and 15% to cities and counties.

LB 84 represents a major shift in state policy, which in the past has allowed only user fees (ie, gasoline taxes, motor vehicle fees) to fund road construction.

(Continued on page 8)

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

◆ **Mandatory Equity Redemption...** to advocate that equity redemption should be determined by the cooperative's Board of Directors and not statutorily mandated.

◆ **Securities...** to ensure that cooperative equities are not classified as securities and subject to full registration with the Securities & Exchange Commission or Nebraska Department of Banking and Finance.

◆ **Patronage Dividends...** to oppose any effort to subject cooperative

patronage dividends/per unit retains to "double taxation" at the producer and local levels for the purpose of computing state income taxes.

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

◆ **Cooperative Quorum and Voting Requirements...** to oppose any efforts to make the transacting of business more difficult for cooperatives.

◆ **Capper-Volstead Act...** to oppose any efforts to repeal the limited anti-trust exemption given to farmers and farmer owned cooperatives by the Capper-Volstead Act.

## State Legislation

(continued from page 7)

### LB 35 - Overweight/Overlength Permit

LB 35 became effective September 9, 2011. The bill, among other things, increased from 120 to 210 days the maximum life of a State Department of Roads overweight or overlength permit for hauling loads of grain, sugar beets and other seasonally harvested products.

### LB 47 - Railroad Carriers

*Position: Neutral*

LB 47 became effective February 23, 2011. During the 2010 legislative session, a bill was passed to create a new process for the negotiation and grievance process for telecommunications carriers placing a line or wire across a railroad right-of-way. There was some confusion on whether a third

party contracted by the railroad was meant to be governed by the statutory provision. LB 47 clarifies that such a third party is subject to the process outlined in section 86-164.

### LB 90 - Secured Transactions / Uniform Commercial Code

*Position: Support*

LB 90 becomes effective July 1, 2013. The bill adopted revisions approved and recommended for adoption by a Joint Review Committee of the Uniform Law Commissioners and the American Law Institute.

These revisions made amendments to secured transaction provisions of the Uniform Commercial Code (UCC).

The Council had numerous questions/concerns including:

A. Changing the definition of "agricultural lien." Would a statutory

lien be considered as a "non-UCC lien" or an agricultural lien?

B. Clarification as to the operative date and transactions entered into before the effective date

C. Clarification as to whether a security interest perfected in one state is subsequently perfected in other states

D. Would a new form of a financing statement be required?

Several meetings were held with Senator Burke Harr, the Council, the Nebraska Bankers Association, and other stakeholders to ensure that the Council's concerns regarding the bill were resolved, and LB 90 would not have an adverse effective on cooperatives.

Prior to the bill's effective date, the Council will hold compliance workshops for members to ensure they understand the changes.

## WORKERS COMPENSATION LEGISLATION

The Council is a member of the Nebraskans for Workers Compensation Equity Fairness Coalition. A number of legislative bills were introduced this session that dealt with workers compensation issues. The Council supported these bills through the Coalition. All of them remain pending before the Business & Labor Committee for potential addressment in the 2012 session.

### LB 245 - Employee Medical Records

LB 245 would require employees filing a claim for worker's compensation benefits to provide all their previous hospital and medical records, with exceptions, to the employer, compensation insurer, risk management pool, or self-insurer upon request. The purpose of the bill is to give employers and their insurance compa-

nies the means to timely investigate claims for workers' compensation benefits.

### LB 272 - First Injury Reports

LB 272 is designed to prevent abuse by trial lawyers who communicate with employees following the filing of the first report of injury.

### LB 348 - Employer Liability

LB 348 would limit an employer's liability for medical conditions and disabilities resulting from an accident to those for which the accident was the prevailing factor in causing both the personal injury and the resulting disability. Under LB 348, gradual deterioration or progressive body degeneration caused by aging or the normal activities of day-to-day living would not be compensable in the absence of a workplace injury that was

the prevailing factor of any resulting medical condition or disability.

### LB 506 - Definition of Wages

LB 506 would establish that the wage rate at time of last employment would be the wage rate used for a worker who contracts an occupational disease arising out of and in the course of employment but is retired or deceased at the time the claim is made. This bill came about following a Nebraska Supreme Court case that held that an injured worker who contracted an occupational disease which did not exhibit itself until after the worker was retired was not entitled to workers' compensation disability payments or death benefit because there was no wage rate at the time of filing of the workers' compensation claim.

### **LB 484 - One-Call Notification / Soil Testing**

*Position: Support*

LB 484 would exclude certain soil sampling and monitoring activities from the definition of excavation within the One-Call Notification System Act.

The Transportation & Telecommunications Committee plans to “hold over” LB 484 till the 2012 legislative session and to conduct a hearing in the fall of 2011 to ascertain and document problems that have arisen due to same. See the boxed article at right for additional background on this issue.

### **LB 429 - Motor Fuels**

*Position: Oppose*

LB 429 remains before the Revenue Committee and would reduce the collection fee paid to wholesalers who collect state motor fuel taxes. Currently 5% of the first \$5,000 and 2.5% of all amounts above \$5,000 may be withheld. Under LB 429, 1% of all amounts remitted, but not to exceed \$5,000 per reporting period, could be deducted as commission for collecting and remitting the motor vehicle fuel tax.

### **LB 443 - Fees for State Fire Marshal Services**

*Position: Oppose*

LB 443 remains before the Government, Military & Veterans Affairs Committee and would increase fees for a number of State Fire Marshal services including, but not limited to, inspection for fire safety, investigative reports, reviewing plans, aboveground storage tanks, installation of tanks, and underground tanks.

Our member survey of various sized cooperatives found that if LB 443 is implemented, the annual fee for a large cooperative would increase by \$1,000-\$1,500; a medium sized cooperative

## **ONE-CALL NOTIFICATION SYSTEM ACT / SOIL TESTING**

The One-Call Notification Act (OCNA) was enacted in 1994 to provide a central system for identifying underground utilities. Under the Act, no one shall commence any excavation without calling the One-Call System at least 48 hours prior to the excavation. Also required in the Act is that within 48 hours the utilities must indicate that the area to be excavated is clear of underground utilities or come to the site and mark the location of the underground lines.

The general purpose of the Act is to avoid the possibility of workers hitting underground wires or pipelines. Through this system, the risk of injury to workers is reduced and the loss of service for phone lines, electricity, etc. is reduced.

The issue arose this past fall when a cooperative in eastern Nebraska was taking soil testing probes and had not called the One-Call Notification Center. Subsequently, senior legal counsel for Northern Natural Gas Company sent a letter to the Nebraska Attorney General’s Office on December 2, 2010, stating that Northern Natural Gas believed a violation of the One-Call Notification Law had occurred by this cooperative.

When the OCNA was enacted in 1994, the practice of soil testing by ag

businesses was assumed to be included within the exemption for ag production. To our knowledge this was the first time action had been taken regarding soil sampling.

It should be noted that the Nebraska Attorney General provided an “informal opinion” on January 21, 2011.

Because of the uncertainty, LB 484 was introduced to resolve this issue (see legislative section).

Because of the magnitude of the penalties, this is a significant issue for cooperatives. Under Nebraska statute, an excavator who damages an underground facility is liable for all costs of repairs and any damages or personal injury or death of damaging an underground utility. In addition, if the violation is with a gas or other hazardous liquid pipeline, fines of up to \$10,000/day with a maximum of \$500,000 can be levied.

On March 25, 2011, the Attorney General’s Office issued another opinion which provided that “farmers, their employees, and any third party consultants or entities that farmers designate to conduct routine soil sampling for agricultural purposes” need not call the One-Call Hotline prior to soil sampling.

could expect a \$500-\$750 increase; and a small cooperative might experience a \$100-\$250 increase.

### **LB 530 - Employee Credit Privacy Act**

*Position: Oppose*

LB 530 remains before the Business & Labor Committee and would adopt the Employee Credit Privacy Act.

The Act would make it illegal to base recruiting, hiring, or dismissal of employees on credit history. It would be illegal to even ask about credit history or obtain a credit report unless credit history is a bona fide occupational requirement, such as for bonding or if the position includes signature powers over marketable assets.

(Continued on page 10)

## State Legislation

(continued from page 9)

### LB 639 - Limited Liability Companies

*Position: Support*

LB 639 remains before the Banking Committee and would change provisions relating to articles of organizations and charging orders for limited liability companies. It clarifies provisions of the Nebraska Uniform Limited Liability Company Act to state that both the articles of organization (if filed before 2011) or a certificate of organization (if filed after January 1, 2011) may be restated if a Limited Liability Company (LLC) wishes to amend and refile in the Secretary of State's office the organizing document of the LLC.

LB 639 would also change provisions of the LLC statutes regarding the rights afforded to judgment creditors. Under LB 639, charging orders remain the exclusive remedy for a judgment creditor to enforce a judgment against the judgment debtor's interest in an LLC. The applicable provisions of Section 21-142 and 21-2654 would be changed to clarify that no creditor of a member of a LLC shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the LLC. The judgment creditor continues to have the rights to the distributions of proceeds from the LLC payable to the judgment debtor.

### LB 698 - Labeling for Alcohol-blended Fuels

*Position: Neutral with AM650*

LB 698 as amended by a previous committee amendment would have retained mandatory pump labeling of alcohol-gasoline blends when the alcohol-blended fuel is 11% or greater by volume. For fuels containing less than 11%, labeling would have been on a "voluntary" basis.

## NCC Political Action Committee

The NCC Political Action Committee was created in 1999 to help us gain access with legislators, both rural and urban. With the continuing population growth in Douglas, Sarpy, and Lancaster counties, more legislative seats will continue to shift to urban senators as evidenced by the loss of District 49 in this year's legislative redistricting. The PAC allows us to educate these senators and to develop relationships that will be beneficial during the legislative session.

In 2012, elections will be held for 25 legislative seats—16 of these senators will be up for re-election and 9 are "term limited" out. Fourteen of the 25 senators are from Douglas, Sarpy or Lancaster counties.

Preceding the elections, the PAC committee will conduct interviews of the candidates.

During the interviews, the Committee conducts a "Co-op 101" session with each urban senator addressing what a co-op is, how they function, why they're different from an investor owned business and the importance of cooperatives to the entire economy of the state. Many of the urban (and some of the rural)

The bill was advanced from General File (1st reading) in late March. When it was debated on Select File (2nd reading), there was considerable opposition to the bill including a motion by Senator

Thanks to the following members who provided contributions to the NCC-PAC in the 2010/11 fiscal year:



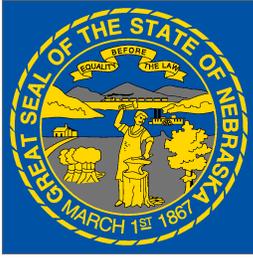
Ainsworth	Grant REA
Alliance	Hastings
Alliance REA	Hemingford
Aurora	Henderson
Battle Creek	Holdrege
Beatrice SE	Imperial
Big Springs	Lindsay
Blue Hill Telephone	O'Neill
Brainard	Scottsbluff
Cedar Bluffs	Sidney
Clarkson	Spalding
Columbus	Stapleton
Dodge	Waverly
Dorchester	York
Edison	ADM
Elmwood	Ag Processing Inc
Elsie	Capital Recovery
Fairfield	EBM Construction
Friend	KRVN
Gothenburg	Land O'Lakes
Gothenburg Transport	Milliman Inc.
Grand Island Transport	Stevenson & Assoc.

candidates are especially surprised by the gross sales, number of employees, and the total economic impact that cooperatives provide.

Gaining early access to candidates is critical, and the interviews help in that process. The relationships that we begin to build through the interview process are extremely important for the future.

Lautenbaugh to bracket the bill. Accordingly, Senator Christensen (who introduced LB 698) pulled the bill from the legislative agenda on April 13 in effect killing it for the session.

# State Regulations



## PSC Approves Schedule A and E Rates

On May 11, the Nebraska Public Service Commission (PSC), conducted a public hearing on the Schedule A and E Rates which govern the maximum rates for state licensed grain warehouses for Receiving and Handling (R&H) grain, as well as Storage and Insuring (S&I).

Prior to the hearing, the Council's Grain Adhoc Advisory Committee reviewed the existing PSC rules, rates, and notes. The committee recommended to the Council's Board of Directors that no changes be made to Schedule A or E Rates.

The PSC commissioners met on May 17, and at that meeting voted to maintain the current A&E schedules.

## Energy Source Exemption

In the fall of 2008, the Nebraska Department of Revenue (DOR) audited a Nebraska cooperative and assessed sales and use taxes because, according to the DOR, electricity used for drying grain was not exempt under the energy exemption due to the time of year the energy was utilized. At that time, the DOR indicated that the exemption could only be claimed for energy used in October, November or December, arbitrarily ignoring the fact that crops such as wheat are harvested in the summer. The Council, at that time, communicated its resistance to

this arbitrary interpretation to the DOR. The DOR refused to alter its position which threatened to eviscerate the exemption which had for years been utilized for grain drying.

In 2009, Senator Adams introduced LB 234 at the Council's request. It was advanced from committee but ultimately was indefinitely postponed following 2010 legislative adjournment. The primary reason for postponement related to a fiscal note which asserted that passage of the bill would result in less revenue to the State. While we disagreed with the conclusions of the fiscal note, it was determined that with the state's current budgetary constraints, postponement on advancing the bill was politically prudent.

Since 2009, the Council and its legal counsel have met and communicated with the DOR numerous times to attempt to resolve this issue. Throughout this time frame, we have not been able to reach any agreement with DOR regarding its interpretation of the energy exemption and the arbitrary change we believe it made sometime in or around 2008.

The Council's Board continues to support the concept that the DOR's interpretation of the energy exemption is inconsistent with existing Nebraska statutes and therefore believes that continued efforts to oppose said interpretation and to obtain the energy exemptions for grain drying as currently allowed by statute are justified.

In February 2010, the Council's Board adopted the following action plan based on input from legal counsel:

A. Submit a formal statement to the DOR outlining our objections to a draft Revenue Ruling which was circulated by the DOR and which included questionable statutory interpretations

B. At such time that the State's budget climate improves, the Council

will again seek legislative resolution.

C. Support and facilitate the filing of test cases before the DOR on behalf of local cooperatives which would challenge arbitrary interpretations of the DOR and establish precedence for the benefit of Council members.

In October and November 2010, approximately 11 refund claims relating to gas used for drying grain and approximately 15 refund claims relating to electricity used for drying grain were filed with the DOR by a member cooperative. The DOR has approved all of the refund claims relating to gas used for drying corn, and the refund checks have been issued. As to the electric refund claims, the DOR has not yet taken the position that it will challenge or deny them but is assuring us that a decision will be made in the near future. The DOR has raised numerous questions regarding these refund claims, often asking the same questions over and over and some of which we believe are asking for immaterial information. It is quite possible that these refund claims will end up being litigated at the DOR and through the appellate courts.

We believe it is prudent to submit additional refund claims from other cooperatives regarding gas and electricity used in drying corn and other grains in order to establish clear precedence as to how the claims will be processed by the DOR and, if necessary, further challenge any arbitrary positions it takes.

While we have seen some recent success regarding the gas refunds it remains to be seen how the electrical claims will be resolved. Our hope is to resolve this through the refund process; however, litigation may still be necessary to solve the entire issue.

# Federal Regulations



The Council continues to work with the National Council of Farmer Cooperatives (NCFC) to address federal regulatory issues. NCFC has established a number of priorities in this area, three of which the Council has been actively involved in. Those are:

1. Support for the Capper-Volstead Act antitrust protections for farmer cooperatives and protect the rights of farmers to join or form cooperatives to market their products and improve their income from the marketplace.

2. Maintaining Internal Revenue Code Subchapter T tax provisions for farmer cooperatives and promote favorable tax treatment for farmer cooperatives.

3. Supporting legislative and regulatory efforts that promote the Farm Credit System's unwavering mission to provide credit and related services to the agricultural sector and rural America.

Specific transportation positions that NCFC and the Council are advocating are:

- Maintaining and clarifying agricultural hours of service exemptions
- Passing long overdue trucking productivity improvements, including increased allowable weights for hauling agricultural commodities

Financial positions include ensuring that as the regulations for the Dodd-Frank Act are implemented, the Commodity Futures Trading Commission (CFTC) takes into account the

need for cooperatives to utilize over-the-counter derivatives to hedge the risks of the cooperative. In addition, cooperatives need to provide these tools for patrons to help the patrons manage their own risk. Farmer cooperatives must not be subject to the same level of regulations that Wall Street financial institutions are held to since cooperatives use these tools to hedge against price risk, not speculate on future pricing levels.

## Federal Motor Carrier Safety Administration

On May 31<sup>st</sup>, we learned that the Federal Motor Carrier Safety Administration (FMCSA) of the Department of Transportation issued a notice for public comment regarding:

1. Guidance on the distinction between interstate and intrastate commerce
2. Applicability of the commercial drivers license (CDL) to farm vehicle drivers working under crop-share arrangements
3. Definitions of implements of husbandry

The notice was issued on May 31, 2011 and the deadline for submission was June 30, 2011. Due to the short timeframe, the Council, along with many other farm organizations, requested an extension of the deadline for comments. As a result of these requests, the FMCSA extended the deadline to August 1, 2011.

The Council encouraged members to submit comments to the FMCSA and, after thoroughly researching the issue, submitted comments on behalf of our membership. In general, our comments posed the question of the need to change current safety regulations.

The first two items would adversely impact farmer owners of cooperatives, and the third item would adversely impact both cooperatives and farmers. Because of this, the Council encouraged both farmers and local cooperatives to submit comments.

Our specific concern deals with the inclusion of floaters/spreaders in the definition of implements of husbandry. In addition we indicated that it was not necessary for the agency to regulate implements of husbandry.

## GPS Interference

The Federal Communications Commission (FCC) approved a conditional waiver that would allow a company to build tens of thousands of new ground stations. This would serve as positive news for bringing better service to rural America and those who use smart phones, iPads, and laptops.

Unfortunately, the new stations could interfere with many existing GPS systems including those used at the co-op or in farm equipment.

The GPS community is concerned because testing has shown that LightSquared's ground-based transmissions overpower the relatively weak GPS signal from space. Although the company will operate in its own radio band, that band is so close to the GPS signals that most GPS devices pick up the strong ground-based signal and become overloaded or jammed.

There is also concern that the FCC may approve a technical solution to the problem that requires millions of existing GPS users to upgrade or replace their devices.

The Council submitted comments to the FCC regarding this issue and encouraged local cooperatives to do the same.

## Dept of Justice / Dept of Ag Workshop - Capper Volstead

Since the fall of 2009, the Council has spent considerable time addressing the need for Capper-Volstead legislation. The Capper-Volstead Act is the federal legislation that provides limited exemptions allowing farmers to work together to market their products and secure inputs.

On September 19, 2009 the Capper-Volstead Act came under fire at a field hearing in Vermont when Asst. Attorney General Christine Varney indicated that “Congress might conclude that the Capper-Volstead Act might not be the right law for the state of the industry at this time and could revoke it.”

Since that time, the Council has joined with the National Council of Farmer Cooperatives (NCFC) to counter the challenges raised by the Department of Justice (DOJ). Our efforts have included a \$10,000 contribution to NCFC to help with their efforts addressing this issue, helping local cooperatives reach their local members by providing various communication pieces, communicating with the entire Nebraska congressional delegation, providing op-ed pieces for newspapers across the state including a piece we composed which was printed in the *Omaha World Herald*, and engaging the Governor and state senators in communication



with federal officials supporting the retention of the Capper-Volstead Act.

The Council also engaged the leadership of Nebraska’s farm organizations and commodity groups in this discussion. We hosted a meeting for all major farm organizations and commodity groups in Kearney on November 18. During the meeting, we provided these ag leaders with the background on the joint DOJ/USDA workshops that were being held and, more importantly, we discussed the value that cooperatives provide for farmers and ranchers in Nebraska.

Our discussion centered on the impact that cooperatives have on the state’s economy and how cooperatives benefit farmers and ranchers. Cooperatives serve as an extension of the farmers’ business by providing inputs and marketing services. The loss of these services would have a detrimental impact on the entire state’s economy.

In addition, Council President Robert Andersen attended 4 of the 5 workshops held across the country between March and December of 2010. While the “anti-cooperative” rhetoric has softened as the workshops concluded, it is still not clear what, if anything, will come of these workshops. Neither DOJ or USDA has indicated any firm action regarding Capper-Volstead. However DOJ and USDA officials, including Ms. Varney, have provided positive comments regarding Capper-Volstead after hearing from cooperative leaders.

At this point it is uncertain if Capper-Volstead may be addressed in the upcoming Farm Bill or within some other legislation. Regardless of how this is addressed, the Council will continue to work with our congressional delegation and NCFC to monitor this issue that could have a significant impact on cooperatives.

It is clear that USDA and DOJ have a much closer working relationship as a result of this process, so marketing transparency issues will receive greater scrutiny in the future. Currently there are two tax cases that DOJ is evaluating. These cases could impact cooperatives depending on the action taken. We will be monitoring these cases closely for the potential impact on our members.

**Farmer Co-ops:**  
Preserving a way of life.

**Farmer Co-ops**  
Providing for America.

**Farmer-owned co-ops keep American agriculture fair and competitive.**

What do co-ops do for America? They help farmers compete in the global marketplace. Provide access to credit, in good times and bad. Employ hundreds of thousands of men and women. Invest in communities. Help their neighbors recover from natural disasters. And so much more. Yet, powerful voices are challenging agriculture and farmer co-ops. Everything that you and your co-op make possible is at risk as a result. It is more important than ever to make your voice heard to protect your livelihood, your community, and rural America. To learn more and take action, visit [ncfco.org](http://ncfco.org).

**NCFC**  
National Council of  
Farmer Cooperatives

**As part of its “Farmer Co-ops - Providing for America” campaign, the National Council of Farmer Cooperatives developed ad materials which were used in nationwide news outlets. Above is one of the ads that was developed to spread the message on the importance of farmer-owned cooperatives to America.**

# State FFA Cooperative Speaking Contest

The Nebraska Cooperative Council, in partnership with the CHS Foundation, once again sponsored the Nebraska FFA Association's Cooperative Speaking Event. This makes the 60<sup>th</sup> consecutive year that the Council has provided support to the Nebraska FFA Association.



The State FFA Cooperative Speaking Event was held in conjunction with the State FFA Convention on April 6-8 in Lincoln.

This year, students from 62 schools from throughout the state participated in the district contests. From these, 23 students advanced to the state competition.

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

Winning the 2011 FFA Cooperative Speaking Event was Brandy Reichmuth from the Humphrey FFA Chapter. She received a trophy, first place medal, and check for \$100 from the Nebraska Cooperative Council. Second place went to Amber Burenheide of the Howells-Clarkson FFA Chapter along with a medal and check for \$50. Third place went to Andrew Brittenham of the Superior FFA Chapter who received a medal and check for \$25.

Other medal winners in alphabetical order were:

Gold - Charity Burkey, Scottsbluff; Brooke Cuba, Twin River; MaKenzie Kalkowski, Wisner-Pilger; Alix Mashino, West Boyd; and Turner Moore, Syracuse

Silver - Jessica Bartak, Ainsworth; Jayde Bensen, Pender; AnnaLisa Glenn, Greeley-Wolbach; Haley Gunnink, Cody-Kilgore; Natasha Hongsermeier, Aurora; Faith Huneke, Wilber-Clatonia; Lexy Nuesch, Pierce; and Melissa Woepfel, Norris

Bronze - Marissa Christiancy, Franklin; Caroline Cooke, Verdigre; Jourdan Matthies, Gothenburg; Chelsea Nealon, Elba; Devynn Patocka, Mead; Megan Portiner, Gothenburg; and McKehna Thiem, Crete



**Ed Woepfel presents Brandy Reichmuth from the Humphrey FFA Chapter with the 1st place trophy in the 2011 FFA Cooperative Speaking Contest.**

## FFA Business & Industry Tour



Each fall, the newly elected FFA officers tour the many businesses and industry groups that support the State FFA Association. This allows the officers to learn more about the businesses and organizations that are important to Nebraska agriculture. At the same time, the business and industry representatives learn about current activities of the State FFA.

Pictured above with Ed Woepfel, the Council's Education & Program Director, are the 2010-11 State FFA officers (left to right): Kerry Swanson, Imperial FFA Chapter; Debra Wray, Ord FFA Chapter; Mollie Wilken, Crofton FFA Chapter; Dakota Olson, Boone Central FFA Chapter; Alec Ibach, Sumner-Eddyville-Miller FFA Chapter; Jordyn Lechtenberg, Ainsworth FFA Chapter; and John Bader, Centennial FFA Chapter.

# Council Annual Meeting

The Nebraska Cooperative Council hosted its 65th Annual Meeting at the Kearney Holiday Inn and Convention Center on November 19. A total of 195 people attended the meeting and Hall of Fame luncheon.

The Council hosted a reception on November 18 for all attendees of the Annual Meeting with the partners of the Crosby Guenzel LLP law firm providing the beverages for the event.

The Annual Meeting kicked off with an address from National Council of Farmer Cooperatives President and CEO Chuck Conner. Chuck provided an interesting view of the recent elections and how these results will affect agriculture. He also addressed issues related to the regulatory environment in Washington DC and the challenges regulatory agencies are providing for cooperatives.

State Senator Greg Adams of York, chair of the Education Committee, then addressed the challenges that all Nebraskans will face due to the projected budget deficits.

During the business session, Council Board Chair Jim Chism provided the Chair's Report; Board Secretary Bruce

Favinger followed with the Financial Report, and Greg Sabata provided a PAC Report. Robert Andersen finished the business session with the President's Report.

The Voting Delegate Caucus was then held with elections taking place for three NCC Board seats as well as voting on a proposed By-law amendment. The amendment was approved by delegates and focused on the election of the Board of Directors. The specific changes were:

- Class A & AA members would be elected for a four-year term to the Council's Board instead of the current three-year terms.

- Commencing in 2011, the normal Board term rotation would provide for one "producer" director seat and one "manager" director seat "open" annually.

- The utilization of election Class A and AA producers and managers by Districts would be discontinued and replaced by a "statewide" election basis.

- The utilization of a five member election committee

- The Class A and AA directors to the Board would be required to reside within the state of Nebraska

Following a short break, the Legal, Tax & Accounting Workshop was held with Rocky Weber, Bill Kutilek, and Tom Jeffers from Crosby Guenzel LLP presenting.

The membership luncheon followed. The guest speaker for the luncheon was Nebraska-born NASA Astronaut Clayton Anderson.

The final portion of the luncheon was reserved for the Nebraska Cooperative Council Cooperative Hall of Fame where Jerry Johnson of Wahoo and Walt Oehlerking were inducted.



Participants enjoyed the luncheon presentation by NASA Astronaut Clayton Anderson, originally from Nebraska.

## Cooperative Hall of Fame

Jerry Johnson of Wahoo and Walter Oehlerking of Elmwood were inducted into the Hall of Fame during the luncheon at the Council's 2010 Annual Meeting.

Each will be permanently recognized with a plaque outlining their outstanding achievements which will be on display at the Council's office.

A summary of their accomplishments are:

**Jerry Johnson...** Jerry began his career in 1962 as a service man for the Holdrege co-op. He went on to provide leadership for six cooperatives across the state. Altogether, Jerry served as the President/CEO of a Nebraska cooperative for 22 years.



Jerry also provided leadership on the Farmland Board of

Directors, the Land O' Lakes/CHS Managers Council, and on the Nebraska Cooperative Council Board of Directors, serving as Vice-Chair in 1997-98. He also served on the NCC-PAC steering committee as well as the original PAC committee of the Council.

**Walter Oehlerking...** Walt was a member of three cooperatives: the Elmwood Farmers Cooperative, Elmwood Farmers Oil Cooperative and Dairy Farmers of America.

Walt's leadership of cooperatives included service on the board of Elmwood Farmers Cooperative for 35 years, with 2 of those years as Board Vice Chair and 20 years as Board Chair. Walt also served on the Council's Legislative Advisory Committee from 1999-2000.



# 2010/11 Financial Statements

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

Financial statements will be provided to members at the Annual Meeting on November 18, 2011. They are also available for members by contacting the Council office at 402/475-6555.

# 2010/11 Membership

## **SUPPLY/MARKETING COOPERATIVES**

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

## **RURAL ELECTRIC COOPERATIVES**

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

## **TRANSPORT COOPERATIVES**

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

## **TELEPHONE COOPERATIVES**

Blue Hill - Glenwood Telephone  
 Membership Corp

## **OUT-OF-STATE SUPPLY/ MARKETING COOPERATIVES**

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

## **LIVESTOCK MARKETING AGENCY**

Producers Livestock Marketing

## **PARTICIPATING MEMBERS**

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

## **SUPPORTING MEMBERS**

ADM (Archer-Daniels-Midland)  
 Ag States Group, LLC  
 Associated Benefits Corporation  
 Berkley Agribusiness Risk Specialists  
 Capital Recovery, Inc  
 CFO Systems, LLC  
 Eastern NE Grain, LLC  
 EBM Construction, Inc  
 FCStone, LLC  
 Frisbie Construction Co, Inc  
 Gardiner Thomsen CPAs  
 Inspro Inc  
 Integris USA, LLC  
 KFSA  
 Lincoln Inspection Service  
 McPherson Concrete Storage  
 Systems, Inc  
 Mid States Millwright & Builders, Inc.  
 Milliman, Inc  
 Nationwide Agribusiness Insurance Co  
 Nebraska Corn Board  
 Nebraska Ethanol Board  
 Nebraska Rural Radio Assn (KRVN,  
 KNEB, KTIC)  
 Pawling, Finn & Torell, CPAs LLC  
 Plymouth Industries  
 Stevenson & Associates, CPAs  
 Summit Point Consulting  
 Triangle Insurance  
 VistaComm

# 2010/11 Council Leadership

## Board of Directors



**David Briggs (Vice Chair)**  
WESTCO  
Alliance



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



**Jerrell Dolesh**  
Battle Creek Farmers Co-op  
Battle Creek



**Bruce Favinger (Secretary)**  
Cooperative Producers Inc  
Hastings



**Mike Hechtner**  
CoBank  
Omaha



**Ron Heerten**  
Farmers/Ranchers Co-op  
Ainsworth



**John Oehlerking**  
Midwest Farmers Co-op  
Elmwood



**Randy Robeson**  
Frontier Co-op Co  
Brainard



**Dave Schneider**  
Farmers Co-op Co  
Waverly

## Committees

### Legislative Advisory Committee

Robert Andersen .. Nebraska Cooperative Council (*Co-chair*)  
David Briggs ..... WESTCO, Alliance (*Co-chair*)  
Tom Connelly ..... Country Partners Co-op, Spalding  
Jerrell Dolesh ..... Battle Creek Farmers Co-op  
Duane Keller ..... Aurora Co-op Elevator Co  
Mike Maranell ..... Ag Processing Inc, Omaha  
Steve Neelly ..... CHS Inc, Lincoln  
John Oehlerking .... Midwest Farmers Co-op, Elmwood  
Randy Robeson .... Frontier Co-op Co, Brainard  
Jim Chism ..... Frenchman Valley Farmers Co-op, Imperial (*ex-officio*)

### NCC-Political Action Committee

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

### Excellence in Cooperative Education Committee

Bruce Favinger ..... Cooperative Producers Inc, Hastings (*Chair*)  
Dave Beckman ..... Central Valley Ag Co-op, O'Neill  
Deb Brauer ..... Crossroads Co-op Assn, Sidney  
Jay Geu ..... Frenchman Valley Farmers Co-op, Imperial  
Ron Heerten ..... Farmers/Ranchers Co-op, Ainsworth  
Tom Houser ..... CoBank, Omaha  
Don Lien ..... CHS Agri Service Center, Holdrege  
Merle Lyons ..... Land O'Lakes, Sergeant Bluff IA  
Dave Schneider ..... Farmers Co-op Co, Waverly  
Jim Chism ..... Frenchman Valley Farmers Co-op, Imperial (*ex-officio*)  
Dr. Larry Van Tassell .. University of Nebraska-Lincoln (*ex-officio*)  
Ed Woeppel ..... Nebraska Cooperative Council

### Hall of Fame Committee

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

## Staff

Robert Andersen ..... President  
Ed Woeppel ..... Education & Program Director

Glenda Gaston ..... Office Manager/Admin Assistant  
Deb Mazour ..... Program Coordinator/Admin Assistant