

COOPERATION IN NEBRASKA

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FOUNDATION AWARDS SCHOLARSHIPS

Nebraska Cooperative Council Education Foundation scholarships for the 2015/16 academic year have been awarded to 8 students—6 at the University of Nebraska-Lincoln (UNL) each receiving a \$2,500 scholarship and 2 at the Nebraska College of Technical Agriculture (NCTA) at Curtis each receiving a \$1,500 scholarship. This year's recipients are:



Moriah Heerten, daughter of Ron & Sandra Heerten of Springview, will be a freshman majoring in ag economics and agronomy. The Heerten's are members of Farmers/Ranchers Co-op in Ainsworth.

Kevin Donoghue, son of Dan & Susan Donoghue of Columbus, will be a junior majoring in agribusiness. The Donoghue's are members of Central Valley Ag Co-op in York and Frontier Co-op in Brainard.

Trevor Enstrom, son of Lonny & Denise Enstrom of Oakland, will be a senior majoring in agribusiness. The Enstrom's are members of Central Valley Ag Co-op in York.

Alex Frerichs, son of Wayne & Judy Frerichs of Lodgepole, will be a sophomore majoring in agribusiness. The Frerichs' are members of Crossroads Co-op in Sidney, Panhandle Co-op in Scottsbluff, and Frenchman Valley Farmers Co-op in Imperial.

Cody Kuester, son of Gary & Linda Kuester of West Point, will be a senior majoring in ag economics and agronomy. The Kuester's are members of Central Valley Ag Co-op in York.

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UPDATES

2015 LEGISLATIVE SESSION

The 2015 legislative session adjourned sine die on May 29. The Council tracked 71 bills and resolutions with potential to impact cooperatives. This year may have been one of the most unpredictable sessions in recent memory. With 18 new senators, the Legislature took action on some very controversial issues. The repeal of the death penalty, granting a drivers' license to "dreamers," increase in fuel taxes, and prison reform were issues that dominated the session. Twenty-four *Legislative Updates* were forwarded throughout the session to update the membership on key issues.

PSC SCHEDULE A & E RATES

On June 2, the Nebraska Public Service Commission (PSC) voted to raise the current Schedule A and E rates. These rate schedules govern the maximum rates for state-licensed grain warehouses for Receiv-

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UPCOMING CHANGE IN COUNCIL LEADERSHIP



Long-time Council President Bob Andersen (pictured at left) announced his impending retirement earlier this spring. After 42 years of dedicated service to Nebraska cooperatives, Andersen will be retiring on February 29, 2016.

Through his four decades of leadership, the Council has grown to become the reliable voice for cooperatives while being viewed as one of the premier trade associations in the state. David Briggs, NCC Board Chair and President of Westco in Alliance, indicated that "The leadership Bob has provided the cooperatives in Nebraska during his career is out-

standing. Over his four decades of service, Bob has worked hard to bring a unified voice regarding cooperative issues to the Legislature. In addition Bob has built strong relationships with institutions and agencies all across the nation."

On May 1, the Council's Board of Directors announced the selection of Rocky Weber (pictured at right) to serve as President and General Counsel of the Nebraska Cooperative Council. Weber will join the Council on January 4, 2016. Most recently Weber has served as managing partner of the Crosby Guenzel law firm.



AGRICULTURAL COOPERATIVES OF PAST AND PRESENT

by Jessie Rudolph, Gothenburg FFA Chapter
1st Place Winner - 2015 Cooperative Speaking Contest



“Every man might help another without any disservice to himself;” these are the wise words of Benjamin Franklin. This quote perfectly describes a cooperative business.

Cooperatives don’t have a universally accepted definition. However, agricultural cooperatives have a large presence in Nebraska and America. Today I will explore the rich history of the co-op, how they work today in Nebraska, and the challenges that are faced.

According to “Cooperatives in the U.S.” (2012), “Cooperative organizations in the United States appeared very early, reflecting both the European heritage of early settlers and the basic need for cooperative solutions to rural conditions.” The development of United States cooperatives relates back to the Industrial Revolution in Europe. From 1750-1850 small businesses started to disappear and people were pushed to cities. William King advocated cooperatives for solving working class issues. He started the idea that capital could be provided by members. The Rochdale Cooperative was started by a group of weavers who struggled to get quality supplies. They put their funds together so they could produce desirable goods. The Rochdale employees distributed their rules and they are the seven principles still used today. In the United States, the first cooperative was founded by Benjamin Franklin in 1752. In 1866 co-ops could be found in most industrial towns. The Order of the Patrons of Husbandry was formed after the Civil War. This brought primary, secondary, and tertiary employees into direct relations. The Cooperative League of the United States of America was organized in 1916. This is an organization dedicated to the globalization of co-ops. Americans and the federal government had intense interest

in cooperatives. Although cooperatives have evolved greatly today, the basics are still the same.

Cooperatives are a very unique type of business. They can be described as using teamwork to achieve a common goal. According to UNL agricultural economics professor Darrell Mark in “Why You Should do Business in a Local Coop,” produced by CCPRO, “Members have the right to participate in decisions and are responsible for the governance. They have the right to elect the board of directors, who represent the decisions.” This means that cooperatives are member owned and managed. By being a member or patron of the cooperative, you own part of the business. Members also share the profits and losses. The money a member makes depends on his or her share in the business. This is called patronage refund. It is partially redeemed yearly as dividends. A percentage is also held by the co-op in your name. This adds up over years of business. In most co-ops, this money is redeemed at a certain age or time. Farmers may want to join a cooperative for easier access to fertilizer, agronomists, seed, grain storage, marketing, and fuel. It is a location where farmers can sell crops and get supplies that are easily accessible. Cooperatives are extremely important to Nebraska agriculture. There are 38 in our great state today. These businesses employ 5,000 people statewide. All Points Cooperative’s headquarters is in Gothenburg and has 12 other locations. Tod Clark is the CEO of this business. He has immense passion for his job. “Cooperatives are producer owned, self governed, and have a top down structure. All Points has 9 voting board members and two associates. We are only as strong as our board of directors. Our goal is to make a profit, pay equity, and send money to our membership,” Tod stated. Tod also knows about a cooperative’s challenges.

The challenges of a co-op are stated in “Current Challenges Facing Agricul-

tural Cooperatives,” by David Barton from September 1st, 2011. “Cooperatives have faced critical challenges related to financing. One of the biggest problems is maintaining equity capital and providing increased working capital.” Production agriculture, especially the crop sector, is highly successful. This means that farmers are receiving more profit. Due to new technology and being able to plant crops almost anywhere geographically, it has created a need for agronomic assets. If a co-op is unable to meet the patron’s needs, the business will not survive. The next challenge is profitability. Cooperatives get profit through the services they provide. A co-op needs to be profitable to maintain a solid balance sheet. The third problem is for cooperatives to balance the money between their members and the business itself. Members want to get the benefits from the co-op, but don’t always want to take ownership responsibility. The fourth challenge is education between the cooperative board and members. Members need to know what percentage of the company they own and the amount they’ll get. The final struggle is stated by Tod Clark, “Young farmers are used to technology. If customers are technologically advanced, there is a need for someone who understands it. Agronomy needs technology. With precision agriculture, producers have data at their fingertips. The question is - how do we help manage data? Someone has to know how.”

Although the word ‘cooperative’ does not have a universally accepted definition, I think that Benjamin Franklin summarized it pretty well. It was he who brought the business technique to America. Co-ops now have a grand presence in agriculture, and Nebraska. Today I unraveled the cooperative’s rich history, how they work today and their relation to Nebraska, and the challenges that are faced. Thank you, Mr. Franklin.

Updates *(continued from page 1)*

ing and Handling (R&I) grain as well as Storage and Insuring (S&I). Prior to the May 19 PSC hearing on the rates, the Council's Grain Ad-Hoc Committee recommended increasing the maximum charges due to the increases over the years to building and personnel costs. The Council's Board of Directors agreed with that recommendation, and Council President Bob Andersen testified at the hearing in favor of increasing the rates. Information regarding the new rules was sent to members on June 2.

COOPERATIVE SPEAKING CONTEST

The Council, along with the CHS Foundation, sponsored the State FFA Cooperative Speaking Contest on April 9-10 in Lincoln. A total of 57 students participated at the district contests with 23 qualifying for the state contest.

This year's winner was Jessie Rudolph of the Gothenburg FFA Chapter. Her speech is reprinted on page 2. Second place was awarded to Karissa Dicke of the Elgin FFA Chapter, and third place went to Emma Good of the Ainsworth FFA Chapter. Other results (in alphabetical order) and the FFA chapters they represented were:

Gold - Tiandrah Barnes, Cody-Kilgore; Heidi Borg, Allen; Jada Jensen, Hyannis; Emily Ludwig, Wisner-Pilger; and Kaitlyn Taylor, Holdrege

Silver - Dalton Anderson, Lewiston; Spencer Bierfreund, Medicine Valley; Megan Coan, Lakeview; Brody Davis, Cody-Kilgore; Brody Gamer, York; Montana Hill, Seward; Lauren Jacobsen, Wisner-Pilger; and Kaitlyn Lennemann, Southern Valley

Bronze - Erika Eckhardt, Sterling; Cody Hambleton, Fullerton; Mercedes Hemmingsen, Riverside; Hanna Hulse, Leigh-Clarkson; Jackie Lewis, Loup County; Devyn Rother, St. Paul; and Kali Uhrich, Red Cloud

"CO-OPS 101" FOR COMMUNITY COLLEGES

During the spring semester, Council staff provided 7 *Co-ops 101* presentations at CCC-Hastings, NCTA, CCC-Columbus, and NCC-Norfolk (4 classes) for a total of 111 students and instructors. The Council has been able to provide these programs through a grant from the CHS Foundation.

SUMMER AG TEACHERS CONFERENCE

The Council and the CHS Foundation joined together to sponsor a break during the Nebraska Ag Teachers Summer Convention held June 1-4 in Kearney. During the break, Ed Woeppel provided remarks on behalf of the Council. He thanked teachers for their role in preparing the next generation of agricultural leaders and discussed the value that Nebraska cooperatives provide. At the meeting, Woeppel also provided copies of cooperative videos and curriculum to new teachers and new programs that had joined the ranks in the past year.

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.

CALENDAR OF UPCOMING EVENTS

November 2015

- 19 Annual Meeting - Kearney, Holiday Inn
- 20 Director/Manager Workshop - Kearney, Holiday Inn

January 2016

- 5-6 Director Certification Program - Kearney, Hampton Inn
- 6 Nebraska Legislature convenes
- 25 NCC Legislative Advisory Committee meeting - Lincoln, Embassy Suites

February 2016

- 3 Cooperatives For Tomorrow Seminar - Lincoln, Embassy Suites
- 4 Cooperative Issues Symposium - Lincoln, Embassy Suites
- 25 Board Officers Seminar - LaVista, Embassy Suites

Scholarship Winners *(continued from page 1)*

Brandon Nichols, son of Dale & Tammi Nichols of Bridgeport, will be a sophomore majoring in ag economics. The Nichols' are members of Panhandle Co-op in Scottsbluff and Crossroads Co-op in Sidney.

Raymond Fleer, son of David & Lavonne Fleer of Pierce, will be a second-year student at NCTA majoring in Ag Production Systems/Diversified Agriculture. The Fleer's are members of Farmers Pride in Battle Creek.

Braden Wilke, son of Paul & Kari Wilke of Columbus, will be a first-year student at NCTA majoring in Ag Production Systems/Diversified Agriculture. The Wilke's are members of Central Valley Ag Co-op in York and Frontier Co-op Co. in Brainard.