



2019/20 and 2020/21 Annual Reports

Inside this Report:

NCC Member Co-ops by the Numbers	2	Director Education	13
Message from the Chairman & President	3	Youth Education	15
Leadership	4	Intern Retreat	16
State Legislation - 2020 & 2021 Sessions	5	Annual Meeting / Hall of Fame	17
NCC Political Action Committee	10	Financials	18
Federal & State Government Relations	11	Membership	19

NCC Member Cooperatives by the Numbers (Annual)

(as of 8-31-21)

24	Nebraska supply/marketing co-ops operating:
340	additional branch locations in Nebraska
69	additional branch locations out of state
3	Rural electric co-ops w/ 1 branch in Nebraska
2	Telephone co-ops w/ 6 branches in Nebraska
4	Out-of-state co-ops with 8 branches in Nebraska
2	Livestock Marketing Agencies
7	Participating Members
26	Supporting Members

NCC Member Supply/Marketing Co-op Stats:

60,291	total voting members
5,399	employees (full and part-time)
\$6.9 billion	total sales
\$4.2 billion	total assets
\$98 million	net savings
\$383.8 million	employee payroll with benefits
\$238.5 million	investment in new equipment and facilities in past year
\$54.2 million	total patronage refunds in past year
\$21.9 million	equity/estate redemption in past year
\$18.9 million	property taxes paid in past year
\$537,000	federal/state income taxes paid in past year
\$1.6 million	total charitable, scholarship & community support donations



Message from the President & Chairman



Rocky Weber
President



David Briggs
Board Chairman

In late 2019 we began planning the 2020 Annual Meeting of the Council to celebrate its 75th Anniversary. No one anticipated that by the time November 2020 arrived we would convene the 75th Annual Meeting in a virtual format in the midst of a global pandemic. A year later as we gear up for the 76th Annual Meeting, we are looking forward to being together, in person, to reflect on the accomplishments of the last two years and look forward to the future.

The challenges of the global pandemic, the social and political unrest in the United States, a new Administration in Washington, and a vastly different global economy emerging from the pandemic have challenged cooperatives, of every size, in all facets of operations from labor shortages to unforeseen grain and input prices and supply chain interruptions.

Like all of you, the Council responded to rapidly changing federal and state initiatives and regulatory changes as policy makers attempted to manage the effects of the pandemic. In 2020 and 2021 we coordinated with all levels of federal and state government and the National Council of Farmer Cooperatives to provide an unprecedented amount of information to allow our member cooperatives to operate in a rapidly changing environment.

While there were legislative interruptions, the Council successfully introduced and obtained passage of important legislation in 2020 and 2021 to change the insurance regulations for self-insured group health plans that may benefit cooperative members and successfully continued to achieve legislative success in making the statutory liens used by cooperatives more adaptable and administratively flexible.

The Council's engagement with Nebraska's congressional delegation actually increased during the pandemic as Council representatives engaged in several virtual conferences with our congressmen and senators on a host of topics from the critical rural labor shortage and H2-A temporary worker programs to Section 199A and federal transportation rules affecting CDL licenses and hours of service.

In July of 2020, the Council was one of the few, if not the only Nebraska trade association that conducted a full in person interview process with legislative candidates in 2020 and continued the successful work of the NCC-PAC's participation in legislative races.

In this same period the NCC Education Foundation continued its work and expanded its impacts to grant undergraduate students of cooperative members \$31,000 in scholarships annually while supporting virtual and in person Co-op 101 programs for the community colleges, a virtual Cooperative Intern Retreat in 2020 and an in-person Cooperative Intern Retreat in 2021.

The Council's 2020-2021 education programs were all presented for the first time in a virtual format. While some attendees preferred in-person programs, the virtual format allowed participation by some who had not previously participated in Council education programs. In 2020 your Council spearheaded an effort, joined by four other state cooperative councils and their members, to present a joint virtual education program involving national thought leaders in agriculture. The 2021-2022 education programs will provide a mixture of both virtual and in-person programming to cover a range of topics relevant to the post-pandemic world that is emerging in what we call the "Great Reset".

In 1945, those early Nebraska cooperative leaders believed that working together in legislative, regulatory, education and governmental affairs would benefit and strengthen the Nebraska agricultural cooperative system as a whole. As we complete our 75th and 76th years, we are confident that we have and will continue to successfully aggregate the interests and influence of the Nebraska agricultural cooperative system to advance and protect your interests, regardless of the challenges.

Thank You, for your support and participation!

A handwritten signature in cursive script that reads "Rocky".

A handwritten signature in cursive script that reads "David".

Council Leadership

Board of Directors

Committees

OFFICERS



Chair:
David Briggs
WESTCO
Alliance



Vice Chair:
Dean Thernes
Farmers Pride
Battle Creek



Secretary:
Dave Beckman
CVA
York

DIRECTORS



Evan Brandes
Aurora Co-op
Elevator Co.
Aurora



Mike Hechtner
CoBank
Omaha



Galen Kuska
Farmers Co-op
Dorchester



Bart Moseman
Farmers Co-op
Elevator Co
Hemingford



Tim Rowe
Country Partners
Co-op
Gothenburg



Jeremy Wilhelm
Frontier Co-op
Lincoln

Staff

Rocky Weber.....President & General Counsel
Ed Woepfel.....Education & Program Director
Deb Mazour.....Office Manager & Program Coordinator

Legislative Advisory Committee

Rocky Weber.....Nebraska Cooperative Council (Co-chair)
Dean ThernesFarmers Pride, Battle Creek (Co-chair)
*Aaron BeckerFarmers Co-op, Pilger
Dave BeckmanCVA, York
Evan Brandes.....Aurora Co-op Elevator Co
Matt CaswellAGP, Omaha
Jeff Loschen.....CPI, Hastings
Bart Moseman.....Farmers Co-op Elevator Co, Hemingford
Jamey Nygren.....Farm Credit Services of America, Omaha
**Allan Zumpfe.....Farmers Cooperative, Dorchester
David BriggsWESTCO, Alliance (ex-officio)

NCC-Political Action Committee

Dean ThernesFarmers Pride, Battle Creek (Chair)
Tod Clark.....Country Partners Co-op, Gothenburg
Carl Dickinson.....CVA, York
Galen Kuska.....Farmers Co-op, Dorchester
Mary Kay LyonCHS Inc, Holdrege
Douglas Olsen.....Panhandle Co-op Assn., Scottsbluff
Bill SchusterAurora Co-op Elevator Co.
Jeremy WilhelmFrontier Co-op, Lincoln
David BriggsWESTCO, Alliance (ex-officio)

Excellence in Cooperative Education Committee

Tim RoweCountry Partners Co-op, Gothenburg (Chair)
Carl Dickinson.....CVA, York
Chad FehringerFarmers Pride, Battle Creek
Jay GeuFrenchman Valley Farmers Co-op, Imperial
*Tom HouserCoBank, Omaha
Jeff Krejdl.....Ag Valley Co-op, Edison
Bart Moseman.....Farmers Co-op Elevator Co, Hemingford
Neil StedmanFrontier Co-op, Lincoln
**Brook Stromer.....CoBank, Omaha
David BriggsWESTCO, Alliance (ex-officio)
Ed Woepfel.....Nebraska Cooperative Council

Hall of Fame Committee

*Daryl Erickson.....Greenwood (Chair)
Jerrell Dolesh.....Tilden
**Bruce FavingerMinden (Vice Chair)
Galen Kuska.....Exeter (Chair)
Doug Nuttelman.....Stromsburg
Don Wiseman.....Fairbury
David BriggsWESTCO, Alliance (ex-officio)
Rocky Weber.....Nebraska Cooperative Council (ex-officio)

* Served through December 31, 2020

** Joined the committee January 1, 2021

State Legislation 2020 and 2021 Sessions

As with many other things this year, the Covid-19 global pandemic impacted the 2020 legislative session greatly. After a normal beginning to the session in early January of 2020, things changed quickly in mid-March. Due to the pandemic, senators took a short recess from March 13-20, 2020 returned for 3 days to pass legislation related to the pandemic and then recessed until July 20, 2020 when they completed the final 17 days of the session and adjourned sine die on August 13, 2020.

Fortunately, the Council's principle piece of legislation (LB 1014) had, with the help of our lobbyists, been introduced quickly and received a hearing before the Banking, Commerce and Insurance Committee in early February. By the time the Legislature recessed in March, the bill had successfully passed two rounds of debate. Upon the Legislature reconvening, LB 1014 was quickly passed on Final Reading and signed by Governor Ricketts. The bill allows for associations of self-employed persons, such as cooperatives, to form self insured group health insurance plans in Nebraska such as that offered for a time by Land O'Lakes.

During 2020 and 2021, the Council tracked 189 and 134 bills and resolutions, respectively, that could impact cooperatives. Listed below are some of the more significant bills we followed. Our position is indicated in parentheses (S=Support, O=Oppose, N=Neutral, M=Monitor).

2020 LEGISLATION SIGNED INTO LAW

LB 1014 - Multiple Employer Welfare Arrangement Act (S)

Signed into law on July 24, 2020, LB 1014 allows the Multiple Employer Welfare Arrangement Act to apply to multiple employer welfare arrangements providing health care coverage to self-employed individuals on or after January 1, 2020. LB 1014 was introduced by Senator Lindstrom on behalf of Land O' Lakes and the Council to amend Nebraska insurance law to allow self-employed persons, including farmers, who are members of associations to pool together for the purpose of accessing group health insurance benefits.

The Land O' Lakes farmer insurance plan was offered in Nebraska in 2019 as a result of the federal Department of Labor issuing an Association Health Plan ("AHP") rule that allowed self-employed to access health insurance that otherwise was only accessible by associations of employers. That rule was invalidated by a federal court in April 2019, with the court



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

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

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

ruling that the DOL had exceeded its statutory authority in issuing the AHP rule. DOL and the Nebraska Department of Insurance allowed the plan to finish out the year. The Nebraska Department of Insurance determined in fall of 2019, however, that it did not have authority under Nebraska statutes to allow a self-employed, self-insured association plan to continue into 2020.

Prior to the bill's introduction, the Council worked diligently with Land O' Lakes and the Nebraska Department of Insurance to develop the language necessary to allow self-employed, self-insured association health plans in Nebraska.

LB 899 - Public Power Districts / Biofuels (S)

Signed into law August 6, 2020 with provisions effective November 14, 2020, LB 899 allows public power districts to develop, manufacture, use, purchase, or sell advanced biofuels, biofuel byproducts, and other fuels so long as such actions are done to help offset greenhouse gas emissions. The bill also provides that public power districts may only sell advanced biofuels, biofuel byproducts, and other fuels and fuel byproducts that help offset greenhouse gas emissions at wholesale.

LB 923 - Tax Exemption for Electric Co-ops or Electric Membership (S)

LB 923 was signed into law August 15, 2020 and provisions became effective August 16, 2020. It clarifies that sales tax would not be collected on services in cases where rural electric entities pay for outside construction to help in maintenance and construction of infrastructure.

LB 1009 - Water Sustainability Fund Transfer (S)

LB 1009 was signed into law on August 6, 2020, and provisions became effective August 7, 2020. It made various fund transfers including \$600,000 from the Water Sustainability Fund to the Department of Natural Resources Cash Fund on June 30, 2021. The purpose of this transfer was to provide funding for repairs to the irrigation canal and tunnels that failed the summer of 2019is past summer along the Gering-Fort Laramie Canal which provides irrigation water for Scottsbluff County.

LBs 858 and 856 - Extend the Petroleum Release Remedial Action Cash Fund (S)

LB 858 was signed into law on August 6th. Several bills were amended into it prior to its passage including LB 856 which extends the Petroleum Release Remedial Action Cash Fund to June 30, 2024. Prior to, it was set to expire on June 30, 2020. This fund is utilized for clean up of petroleum releases or spills all across the state.

LB 931 - NE Rules of the Road / Overload Exception (M)

Signed into law on August 6, 2020 with provisions effective November 14, 2020, LB 931 changed the overload exception for hauling crops. Prior to its passage a truck could be overloaded by 15% and limited to 70 miles when hauling seasonal harvest products from the field to storage (either on-farm or off farm), market, stockpile or factory. With the passage of LB 931, trucks can be overloaded by 15% and haul up to 120 miles when hauling from the field or from on-farm storage or to any of the previously allowed destinations.

KILLED UPON 2020 SESSION ADJOURNMENT

LB 879 - Eliminate NE Advantage Microenterprise Tax Credit Act (S)

LB 879 would have eliminated the Nebraska Advantage Microenterprise Tax Credit Act which provides income tax credits to individuals growing a small business with five or fewer employees and a net worth of less than \$500,000. Farmers and livestock operators are exempt from the \$500,000 net worth limit. The \$2 million saved by elimination of this tax credit would have been used to increase the appropriation to the Business Innovation Act by a similar amount. Increased funding to the Business Innovation Act may have more benefit for our cooperative members.

LB 1035 - Increase the Number of Legislative Districts (S)

LB 1035 would have changed the number of legislative districts from the current 49 to 50 districts beginning in 2023. Given the likely population shift that will be verified through



Members of the NCC Board meet with Senator Linehan's staff to discuss property tax relief.

the 2020 census, rural Nebraska will see fewer, larger legislative districts. We believe that in order for the rural areas of Nebraska to be adequately represented, consideration must be given to keeping the rural districts smaller in geographic territory, even if this means creating additional legislative districts.

LB 1159 - Pesticide Act (S)

LB 1159 would have amended the Pesticide Act to change non-certified applicator pesticide use restrictions and provide unlimited license examination attempts. Currently a non-certified applicator can apply general use pesticide 60 days prior to getting their initial license if they are working under the direct supervision of a licensed certified applicator. LB 1159 would have allowed the non-certified applicator to do this for 120 days while waiting for the initial license. New language in the bill would also have allowed a person to take the certifying test as many times as they wanted in an attempt to pass the test in a 120-day period.

LB 283 - Climate Change Study (M)

LB 283 would have provided that the University of Nebraska develop an evidence-based, data-driven, strategic action plan to provide methods for adapting to and mitigating the impacts of climate change. It would have been funded by a transfer not to exceed \$250,000 from the Waste Reduction and Recycling Incentive Fund.

LB 1070 - Sales Tax Exemption for Ag Machinery

LB 1070 would have added header trailers, head haulers, and header transports to the list of sales tax exempt ag machinery. Pending committee amendment AM2236 would have added seed tender trailers to the exemptions as well.

2021 LEGISLATION SIGNED INTO LAW

LB 177 - Liens (S)

The Nebraska Cooperative Council's LB 177, introduced by Senator Brett Lindstrom, was approved by the Governor on March 31st. Provisions will become effective 3 calendar months following the June 10th adjournment of the session. (If the Legislature adjourns as scheduled, the effective date would be September 11th). LB 177 changes the time frame for filing and perfecting a statutory fertilizer and ag chemical lien and a seed or electrical energy lien from the current 60 days to 120 days after delivery of a product or service to perfect the lien. Extending these lien filing deadlines to 120 days will largely resolve administrative issues and likely lead to fewer liens needing to be filed thereby lowering administrative costs for our farmer owned cooperatives.

LB 18 - ImagiNE Nebraska Act - Equivalent Employees (S)

LB 18 was signed by the Governor on May 24. With the inclusion of the emergency clause, provisions of the bill became effective on May 25, 2021. The bill amends the ImagiNE Nebraska Act by clarifying that those locations qualified for incentives under the Act include those locations involved in Post-Harvest Crop Activities (NAICS 115114, except Cotton Ginning), and the processing of tangible personal property. For purposes of this subdivision, processing means to subject to a particular method, system, or technique of preparation, handling, or other treatment designed to prepare tangible personal property for market, manufacture, or other commercial use which does not result in the transformation of such property into a substantially different character.

LB 139 - Covid-19 Liability Protection (S)

Senator Slama's priority bill, LB 139 was signed by the Governor on May 25. Since it included the emergency clause, provisions became effective on May 26, 2021. The bill creates the Covid-19 Liability Protection Act to protect individuals and organizations from liability to persons who have had Covid-19. In order to get the bill to final approval the provisions requiring a higher burden of proof of clear and convincing evidence as opposed to a preponderance of the evidence and require a finding of gross negligence or reckless disregard rather than simple negligence to assess liability were removed.

LB 139 still provides that a person may not bring or maintain a civil action for any injuries or damages sustained from Covid-19 exposure if the act or omission complained of was in substantial compliance with any federal public health guidance applicable at the time of the alleged exposure or potential exposure. No rights or limitations under the Workers' Compensation Act are impacted by LB 139. Further any OSHA workplace requirements resulting from the Pandemic would not be impacted.

LB 156 - Municipal Inland Port Authority Act (S)

LB 156 was signed by the Governor on May 24. Provisions become effective August 28, 2021. The bill creates the Municipal Inland Port Authority Act with the purpose of creating large shovel-ready commercial and industrial sites for companies looking to expand or relocate operations to the center of the country. The bill allows political subdivisions to create an inland port district which could levy sales and use tax to acquire and develop sites. These sites would need to meet two of the following qualifications: (1) located within 1 mile of a navigable river, (2) located within 1 mile of a major rail line, (3) located within 2 miles of an interstate or 4-lane highway, or (4) located within 2 miles of a major airport.

LB 338 - PSC / Redirect Communications (S)

LB 338 was signed by the Governor on May 5 and since the bill included the emergency clause, provisions became effective May 6, 2021. The bill allows the Public Service Commission (PSC) to redirect telecommunications funding for broadband service in areas that are unserved or underserved. It also allows the PSC to determine where funds are most needed which would require monitoring and assessment of the shortfall of funding and broadband in rural areas.

The bill sets forth the policy of the State of Nebraska that any political subdivision that directly receives federal funds for broadband service enhancement purposes shall ensure that new infrastructure is scalable to 100 megabits per second or greater for downloading and 100 megabits per second or greater for uploading. Federal funds shall not be used to serve locations currently capable of meeting those service thresholds.

LB 388 - Nebraska Broadband Bridge Act (S)

Senator Hilger's priority bill LB 388, introduced by Senator Friesen, was signed by the Governor on May 26. With the inclusion of the emergency clause, provisions became effective May 27, 2021. The bill creates the Nebraska Broadband Bridge Act to provide grants to facilitate and fund development of broadband networks in unserved and underserved areas. The grants can only be used for development costs. In order to qualify, the project is required to provide broadband internet service scalable to 100 megabits/second for both downloading and uploading.

The bill also creates the Nebraska Broadband Bridge Fund, administered by the Public Service Commission, to finance grants for qualifying projects under the Broadband Bridge Grant. This fund consists of both funds appropriated by the Legislature and federal funds received for broadband enhancement purposes.

LB 595 - Ethanol Input Tax Exemption (S)

LB 595 was signed by the Governor on May 25 with most provisions becoming effective October 1, 2021. The bill provides a sales and use tax exemption for the gross receipts from the sale, lease, or rental of and the storage, use or other consumption of all catalysts, chemicals and materials used in the process of manufacturing ethyl alcohol and the production of co-products. It exempts from sales and use taxes all gross income received from the lease or use of towers or other structures used primarily in furnishing internet access. It extends the exemption to include income related to agricultural GPS locating services or certain radio and television broadcasting. The bill also creates a new definition for agricultural machin-

ery and equipment to clarify the sales tax exemption on such equipment. Agricultural machinery and equipment means tangible personal property that is used directly in cultivating or harvesting a crop; raising or caring for animal life; protecting the health and welfare of animal life, including fans, curtains, and climate control equipment within livestock buildings; and collecting or processing an agricultural product on a farm or ranch, regardless of the degree of attachment to any real property. Agricultural machinery and equipment includes, but is not limited to, header trailers, head haulers, header transports, and seed tender trailers. It excludes any current tractor model not permitted for sale in Nebraska.

TO BE CARRIED OVER TO THE 2022 SESSION

- LB 31 - Allowing for Punitive Damages (O)
- LB 82 - Motor Vehicle Taxes (S)
- LB 171 - Employment Security Law / Weekly Benefit Increase (O)
- LB 172 - Employment Security Law / Unemployment Benefits (O)
- LB 176 - State Income Tax Credit for Ag Producers (S)
- LB 242 - County Bridge Incentive Program (S)
- LB 249 - NE Fair Employment Practice Act / Wage History (O)
- LB 257 - Public Power and Irrigation Districts / Board Vacancies (O)
- LB 258 - Healthy and Safe Families and Workplace Act (O)
- LB 266 - Renewable Energy Standards Act (O)
- LB 290 - Paid Family and Medical Leave Insurance Act (O)
- LB 344 - One-Call Notification Act / Creation of Committee (O)
- LB 398 - NE Telecommunications Universal Service Fund / Broadband Speed (S)
- LB 456 - Nebraska Enhancing Broadband Act (S)
- LB 480 - Wage and Hour Act / Increase Minimum Wage (O)
- LB 483 - Petroleum Release Remedial Action Fund / Transfer of Funds (O)
- LB 486 - Two-Person Train Crew (O)
- LB 512 - Critical Infrastructure Utility Worker Protection Act (S)
- LB 539 - Railroads / Limit on Length (O)
- LB 542 - Highway Bonding Proposal (S)
- LB 596 - Nebraska Higher Blend Tax Credit Act (S)
- LB 600 - Broadband Facilities / Bonds and Grants (S)
- LR18CA - State Senator Term Limits (S)

WORKERS COMPENSATION BILLS

Several bills were introduced in 2021 dealing with Workers Compensation. The Council is a member of the Nebraskans for Workers Compensation Equity & Fairness (NWCEF), a coalition of business organizations that seek equitable action on any bills impacting employer-employee relationships.

Passed

LB 256 - Workers' Comp - Approval of Lump Sum Settlements (S)

LB 256 was signed by the Governor on May 21 and became effective August 28, 2021. It expands the circumstances when a claim under the Nebraska Workers' Compensation Act can be paid in lump-sum payments rather than periodic payments. Under the law prior to its passage, when an employer and an injured employee or their dependents agree that an amount due should be paid in a lump-sum payment, the settlement must be submitted for approval to the Nebraska Workers' Compensation Court if the employee is eligible or will soon become eligible for Medicare. LB 256 removes the need to submit a settlement for approval for lump-sum payments if future health care services are not a part of the settlement. Any settlement affected by LB 256 requires all parties to be represented by counsel.

Carried Over to the 2022 Session

LB 207 - Reduce Start Date (O)

LB 441 - Covid-19 (O)

LB 667 - Block Access to Report (S)

Cooperative Principles

1. **Voluntary and Open Membership**
2. **Democratic Member Control**
3. **Member Economic Participation**
4. **Autonomy and Independence**
5. **Education, Training & Information**
6. **Cooperation among Cooperatives**
7. **Concern for Community**

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 Political Action Committee

The NCC Political Action Committee continues to be a significant part of the Council's overall legislative program. The NCC-PAC was established in 1999 to help gain access to legislators from urban and rural areas of the state through voluntary contributions from members.

As the urban areas of the state continue to grow in population, it is important that the Council has access to the state senators serving those areas. Through the NCC-PAC, the Council has the opportunity to communicate with and educate state senators regarding issues that are important to cooperatives and rural Nebraska.

With term limits, the ability to update and educate senators has become even more crucial. As senators move in and out of leadership positions much more rapidly, maintaining open communication has become much more critical. The NCC-PAC actively participates in urban and rural legislative races to help develop a broad base of relationships with policy-makers.

NCC-PAC was one of the few, if not the only Nebraska trade association that conducted all of its candidate interviews in



In July 2020 in a socially distanced setting, the NCC-PAC interviewed 17 state senator candidates for the November 2020 General Election. The committee spent an hour with each candidate educating them on issues that are important to cooperatives and sharing the impact that cooperatives have on Nebraska's economy.

person in July of 2020. Following the interviews, the NCC-PAC provided campaign donations to 31 legislative candidates in 21 legislative races. Throughout the 2019-20 fiscal year, the NCC-PAC contributed in 42 instances to incumbents holding fundraisers or a post-election contribution to successful candidates. NCC-PAC contributed \$46,300 to legislative candidates in the 2019-20 election cycle and an additional \$2,800 since the 2020 election.

Contributions to the NCC-PAC by Local Members and Participating Members of the Nebraska Cooperative Council were \$27,710 for the 2019-20FY and \$26,371 for the 2020-21FY. During this period, 27 Local Members, 2 Participating Members, 7 Supporting Members, and 1 individual voluntarily contributed to the NCC-PAC. At the end of the fiscal year on August 31, 2021, NCC-PAC maintained a balance of \$88,960.02 which combined with contributions in the 2021-22FY will be available for use in the 2022 election cycle.

In order to provide state senators and other policy makers with the most current information regarding cooperatives, in early January 2021, the Council prepared and distributed a Legislative Reference Guide booklet. The Guide contained (1) an overview of the Council and cumulative figures for the impact cooperatives have on Nebraska's economy; (2) a map of the cooperative locations in each legislative district; (3) an individualized Fact Sheet for each cooperative member with the headquarters and all branch locations plus the co-op's total number of employees, voting members, sales, assets, payroll, investment in new equipment/facilities, property taxes paid, federal/state income taxes paid, patronage refunds, and equity/estate redemptions; and (4) a Fact Sheet on the regional cooperatives in Nebraska and their impact on Nebraska's economy.

Thank You!

...to the following members who provided voluntary contributions to the NCC-PAC for the 2019-20 and/or 2020-21 fiscal years:

Ainsworth - Farmers/Ranchers Co-op Assn
Alliance - Panhandle Rural Electric
Alliance - WESTCO
Aurora Co-op Elevator Co
Battle Creek - Farmers Pride
Blue Hill - Glenwood Telephone Membership Corp
Cedar Bluffs - Farmers Union Co-op Assn
Clarkson - Farmers Union Co-op Supply Co
Dodge - Co-op Supply Inc N/S
Dorchester - Farmers Co-op
Edison - Ag Valley Co-op N/S
Elsie - Hi-Line Co-op
Fairfield N/S Co-op Fertilizer

Friend - Farmers Union Co-op Co
Gothenburg - Country Partners Co-op
Grant - Midwest Electric Co-op Corp
Hastings - CPI
Hemingford - Farmers Co-op Elevator Co
Holdrege - CHS Inc
Imperial - Frenchman Valley Farmers Co-op
Lincoln - Frontier Co-op
Lindsay - Farmers Co-op Assn
Pilger - Farmers Co-op
Scottsbluff - Panhandle Co-op Assn
Sidney - Crossroads Co-op Assn
Wausa - CHS Inc

York - CVA
Holyoke CO - CHS/Grainland Co-op
Allied Producers
Ag Processing Inc
CHS Inc
Capital Recovery Inc
McPherson Concrete Storage Systems Inc
Milliman
Nebraska Rural Radio Assn
ProValue Insurance
United Benefits Group
USI Insurance

Federal & State Government Relations

2019-2021

MITIGATING RISK FOR GRAIN STORAGE/DRYING

In 2020, the Iowa Supreme Court upheld the District Court decision in the case of MidWestOne Bank vs. Heartland Co-op. The District Court had previously ruled that the bank's prior perfected security interest in grain was superior to the cooperative's claims for drying and storage charges incurred by the farmer in the usual and customary manner.

After analysis of the Court's decision the Council determined that a comprehensive approach recommending best practices to the membership for mitigating risk was necessary and engaged Crosby Guenzel LLP to provide analysis and recommendations. "Best Practices" packets were provided to all grain cooperative members of the Council.

POLICY MAKERS CONVENE DICAMBA SUMMIT

In early November of 2019, under the leadership of Sen. Steve Halloran, Chair of the Legislature's Agriculture Committee, a meeting was organized that included Senators Halloran, Dorn, Brandt, Slama, and Friesen; Nebraska Secretary of Agriculture Steve Wellman; representatives of Nebraska's agriculture trade associations; and representatives of national farm chemical companies for the purpose of reviewing the status of Dicamba complaints in Nebraska and whether any regulatory or statutory changes should be made regarding use of this product.

Nebraska has stayed with the EPA label recommendations for Dicamba application. Some states, including Illinois, have limited the period of time in which application can be made. At the conclusion of the meeting, the Department of Agriculture indicated that it would explore its current regulatory structure and determine if any changes would be recommended for Dicamba application.

SECTION 199A

The dispute with the Department of Treasury continues on the new regulations for Section 199A. The Treasury's new regulations would prevent cooperatives from taking or passing along any DPAD based upon non-patronage sourced income. Old Section 199 did not distinguish between patronage sourced and non-patronage sourced income for the purpose of calculating DPAD. It is the view of the grain industry that the regulations do not reflect the agreement reached to resolve the "grain glitch" on the finalization of the new Tax Bill in early 2018. We believe the new tax law expressly provided that 199A

The Council continues to work closely with the National Council of Farmer Cooperatives (NCFC) and the Agricultural Retailers Association (ARA) regarding federal legislation and regulations. NCFC has a continuous presence with Nebraska's congressional delegation, their respective staffs, and policy makers which allows the views of farmer owned cooperatives to be held in the forefront of any discussions. NCC President Rocky Weber is an elected state council representative on the NCFC governing council.

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

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



would be applied to cooperatives in the same fashion as old Section 199. Old Section 199 allowed the Section 199 deduction to be applied against both patronage and non-patronage income. The new proposed regulation apparently allows 199A to be applied only to patronage income, excluding non-patronage income, which means a smaller deduction to cooperatives and smaller deductions that can be passed through to the farmers by cooperatives. This will directly impact cooperatives and their farmer patrons.

The Council has worked closely with Congressman Smith's and Senator Fischer's offices with Senator Fischer contacting former Treasury Secretary Mnuchin on this matter. The Council also arranged for a conference call with the Office of Information and Regulatory Affairs (OIRA) which is part of the Office of Management and Budget with Matt Caswell (AGP) and Dawn Caldwell (Aurora) to press the case of negative impacts on Nebraska cooperatives. The Council has maintained close coordination with the National Council of Farmer Cooperatives on this issue. NCFC is actively continuing efforts to repeal these inconsistent regulations.

FARM RELATED CDL LEGISLATION

In May 2021 the Council joined the Agricultural Retailers Association and approximately 50 other agricultural organization in asking Congress to make permanent some of the waivers of CDL licensing requirements that occurred during the early days of the Covid-19 global pandemic. Other priorities the Coalition was seeking was to expand total days allowed to utilize the Seasonal CDL up to 270 days (Nebraska is currently 180 days); start the 12-month season on January 1 to prevent overlap of seasons from the previous year; expand the Seasonal CDL to allow operation of Class A commercial vehicles and eliminate the requirement for in-person renewals. The Council communicated these requests to its congressional delegation by letter and in zoom conferences over the summer. Unfortunately these provisions have not been included in any legislation passed by Congress.

H2-A TEMPORARY AGRICULTURAL WORKER

In 2020 the United States Department of Labor ("DOL") denied the applications of several cooperatives that had been previously approved for sponsoring temporary agricultural workers on the H2-A guestworker visa program. The DOL was very inconsistent in its approach but this change of interpretation resulted in the loss of most of the guest workers that the cooperatives had repeatedly hosted over the last several years. The Council arranged and participated in virtual congressional visits between the affected cooperatives and the offices of Congressmen Bacon and Smith and Senators Fischer and Sasse.

We also engaged with Land O' Lakes and NCFC lobbyists and through these efforts were able to get the Ag Workforce Coalition of a number of agricultural interest groups to include

proposed amendments in a legislative package presented to key Senators as they work on the Farm Workforce Modernization Act. These amendments, if taken up and become law, would clarify farmer owned cooperatives as being eligible for guest workers under the H2-A temporary visa program.

COVID-19 PANDEMIC

Due to the unprecedented challenges presented by the Covid-19 pandemic, much of the Council's regulatory work during the initial phase of the pandemic focused on working with state and federal agencies to determine how cooperatives could conduct business with all the disruption that was happening.

Below is a list of the various pandemic related issues that we worked on in the Spring and Summer of 2020:

State Communications... From late March 2020 through early 2021 the Council participated in weekly communications via conference calls with the Governor's office and Department of Agriculture as well as other agricultural trade associations regarding the impacts of Emergency Health Directives, agriculture being "essential" as an industry and various licensing and regulatory issues resulting from the Covid-19 pandemic.

HR6201 Signed (Families First Response Act)... The Council, working with the National Council of Farmer Cooperatives (NCFC), provided guidance to local cooperatives regarding sick leave and Family and Medical Leave policies.

SBA Payroll Protection Program (PPP) Loans... Working with NCFC, the Council provided guidance to cooperatives regarding PPP. This included issues with applications, how the loan funds could be spent, the length of time to spend the funds, the certification of good faith as to the need for the loan, and repayment/forgiveness of the loan.

CDL Renewals/Hazardous Materials Endorsement... The Council worked with both the Nebraska Department of Ag and the Nebraska Department of Motor Vehicles to clarify CDL renewals and Hazardous Materials endorsements for CDLs. In both cases, the Governor's Emergency Order extended all license renewals due to the pandemic and closure of courthouses and third party testers.

Pesticide Licenses... In April, the Nebraska Department of Agriculture issued an order extending expiring licenses for 60-120 days or until the Governor announced the State of Emergency has ended.

Vaccinations... In late 2020 and early 2021 the Council was identified by the Nebraska Department of Agriculture as the contact for the Nebraska National Guard as it began organizing the number of vaccinations that individuals were requesting in each of the stated health districts. The Council distributed information and contact information to assist cooperative members in providing numbers of those persons requesting vaccinations.

Director Education

2019/20

The Council was fortunate to complete all of our director education programs for 2019/20 prior to the mass cancellations of meetings due to the onset of the Covid-19 global pandemic.

DIRECTOR/MANAGER WORKSHOP

The Director/Manager Workshop was held in Kearney on November 22, 2019, the day following the Annual Meeting. A total of 81 individuals attended the workshop.

Dr. David Kohl kicked off the workshop with his usual interesting and entertaining presentation discussing the current and short-term economic outlook. This presentation is always well received by Council members.

The balance of the day was devoted to a presentation by Brett Sciotto of AimPoint Research. Sciotto's presentation looked at AimPoint Research focusing on the "Farmer of the Future." This presentation was very enlightening and thought provoking. Sciotto also spent time addressing how this information may impact cooperatives in the future.

DIRECTOR CERTIFICATION PROGRAM

DCP was held in Kearney on January 7-8, 2020 with 54 phases completed and 11 graduating after completing all four phases of the program. Over the history of the program, we have had over 1,675 graduates.

DCP is a four-phase program that is designed to help new directors meet the challenges they face as they become decision makers for the cooperative. Through these programs we are able to accelerate the learning curve for directors so they can become active, effective directors.

COOPERATIVES FOR TOMORROW SEMINAR

CFT was held in Lincoln on February 6, 2020 with a total of 64 participants. The program kicked off with a presentation by Dr. Greg McKee from UNL looking at the changing demographics of farmers and ranchers in the state.

This was followed by a presentation by Dr. J. Mark Munoz discussing artificial intelligence and its impact on agriculture and cooperatives.

The final presentation was by Dr. Jayson Lusk with the Ag Economics Department at Purdue. Dr. Lusk discussed how consumer preferences are changing the food chain and production agriculture.



Dr. J. Mark Munoz discussed Artificial Intelligence during the 2020 Cooperatives For Tomorrow Seminar.

GRADUATE DIRECTOR SEMINAR

Forty-eight (48) directors attended GDS held in Lincoln on February 7, 2020. David Parker, Executive Vice President of FLM Harvest, opened the seminar with a challenging presentation focusing on "Executing the Strategic Plan". Parker challenged directors to develop and carry out strategic plans that will move the cooperative forward. He stressed some decisions may be hard to make but they must be done to ensure that the cooperative is viable in the future.

Wade Johannes from Mark Jewell Speaking & Training, presented the second portion of the program. Wade helped directors understand effective communication skills and how to engage patrons and other stakeholders regarding the cooperative business.

BOARD LEADERSHIP SEMINAR

BLS was held in LaVista on February 20, 2020 the day prior to CoBank's Regional Customer Meeting. A total of 36 local cooperative leaders attended the program. Bill Kutilek of Crosby Guenzel LLP in Lincoln and Rocky Weber facilitated the meetings.

As always, this program was highly rated and featured a wide ranging discussion of cooperative issues facing board leaders.

2020/21

The fall 2020/winter 2021 education programs were all conducted virtually due to the Covid-19 global pandemic. Due to travel restrictions for speakers and meeting room restric-

tions for facilities, electronic delivery was the only practical way programs could be provided for our membership.

While virtual formats were not the preferred delivery method of most of our directors, we did have some cooperative directors participate for the first time in many years.

We also were able to spear-head a multi-state program for the Director/Manager Workshop partnering with the councils in Iowa, Kansas, Oklahoma and South Dakota to bring in Brett Sciotto of Aimpoint in a cost-effective manner.

DIRECTOR/MANAGER WORKSHOP (DMW)

Our 2020 workshop titled—"Battlefield Intelligence Update - How Covid-19 and Current Trends Impact the Farmer of the Future and Farmer Cooperatives"—was held December 8, 2020 from 9am-12noon. The facilitator was Brett Sciotto from Aimpoint Research. This program was an update to the program Brett provided in 2019 with special emphasis on how Covid impacted these trends.

There were 187 individuals registered for the program with 83 from Nebraska. In comparison, final attendance for our 2019 and 2018 in-person workshops was 78 and 86 respectively. The strong Nebraska attendance indicates recognition that Aimpoint Research continues to be a thought leader in forecasting agricultural trends that will impact farmer owned cooperatives and the producers they serve.

DIRECTOR CERTIFICATION PROGRAM (DCP)

DCP is a four-phase program covering all aspects of the roles and responsibilities of directors and how these differ from the manager. To date 8,430 phases have been completed. This year's 11 graduates increased the total number of graduates to over 1,695. CoBank cosponsors the program with the Council.

All four phases were conducted in 2021 on January 4th (Ph 1), 5th (Ph 2), 6th (Ph 3) and 7th (Ph 4). Instructors were Ed Woepfel (Phase 1); Rocky Weber (Phases 1, 2 and 4); Tom Houser, CoBank (Phases 2 and 3); Dr. Keri Jacobs, University of Missouri (Phases 2 and 3); and retired manager Rod Schroeder of Ashland and current director Neil Stedman of Frontier Co-op-Lincoln (both for the Phase 4 panel).

A total of 63 phases were completed with 7 directors and 1 Participating Member taking all 4 phases in January 2021. In comparison, we had 54 and 51 phases completed in 2020 and 2019 respectively.

GRADUATE DIRECTOR SEMINAR (GDS)

GDS is for directors who have completed all four phases of DCP and have served on their local cooperative board for several years.

This year, GDS was held on February 3, 2021 from 11am-2pm and focused on serving farmer segments. Dr. Scott Downey from Purdue University facilitated the seminar. During his presentation, he (1) shared the makeup and statistics that describe segments of farmers, (2) discussed what makes each of these groups unique, and (3) identified considerations for how co-ops might bring value for each segment. This program proved to be an excellent follow up to the Director/Manager Workshop presentation in December 2020.

A total of 38 individuals participated. In comparison, we had 48 and 59 in 2020 and 2019 respectively.

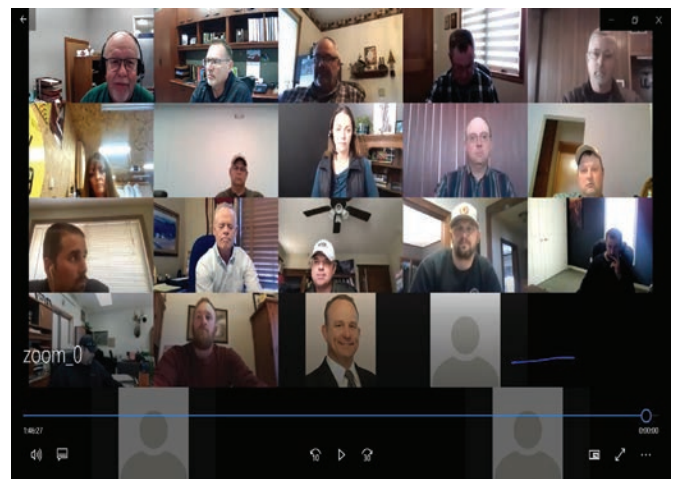
BOARD LEADERSHIP SEMINAR (BLS)

We did not hold our Board Leadership Seminar as we did not feel we could deliver a quality BLS in its present format via zoom. We plan to hold BLS in February 2022 in-person with its ever-popular open discussion format.

DIRECTOR/MANAGER WORKSHOP 2.0 (DMW 2.0)

In place of BLS, we developed a new program--the Director/Manager Workshop 2.0--on "Rising Cooperative Equity and Retained Earnings - An Interstate Comparison and Discussion on Trends and Directions". It was held on February 18, 2021 from 9am-11:30am. Dr. Brian Briggeman from Kansas State University led the program discussing his latest research involving a multi-state comparison of Rising Equity and Retained Earnings for U.S. Farmer Cooperatives.

A total of 57 individuals (including 6 from 2 Colorado cooperatives) participated in the program.



How our DCP looked when delivered via zoom in January 2021.

Youth Education

CO-OPS 101

Since 2011 the Council, through a CHS Foundation Cooperative Education Grant, has been offering Co-ops 101 presentations at community colleges, NCTA, UNL, UNK, Doane, Wayne State, and select high schools.

During that time frame, we have provided 136 presentations for 2,409 students throughout the state. These presentations focus on the difference in the various business models and how the cooperative business model serves agriculture in Nebraska. During the presentations we discuss cooperative governance, patronage, equity and representation, and how these differentiate cooperatives from other business models.

As with all of our other programs this past year, Covid forced us to adapt the Co-ops 101 offerings. Each college campus had different protocols and some even had different course offerings.

Due to these factors, the number of presentations and students reached was down in the Spring and Fall of 2020. On a positive note, we were able to provide a presentation for the first time to the recently created agribusiness program at Wayne State College (WSC).

2019/20 academic year...During the 19/20AY, we provided 9 presentations to 203 students at Doane, UNL, UNK, CCC-Hastings, SCC-Beatrice, and NCTA. Unfortunately due to Covid, we had to cancel presentations at NCC-Norfolk and CCC-Columbus.

2020/21 academic year...In the 20/21AY, we provided 12 presentations to 229 college students with presentations at SCC-Beatrice, NCTA, CCC-Hastings, the University of Nebraska-Kearney, Wayne State College; and Doane. In addition, we provided a presentation at The Career Academy Early Ag Experience in Lincoln for high students.

STATE AG TEACHERS CONFERENCE

In past years, the Council has sponsored a break and had an opportunity to speak at the State Ag Teachers Conference held annually in June. In the summers of 2020 and 2021 due to the pandemic, the Ag Teachers held a shortened virtual conference so we didn't have the opportunity for a presentation. Our hope is to resume the presentation at the 2022 conference.

STATE FFA COOPERATIVE SPEAKING CONTEST

2020 marked the 70th consecutive year that the Council annually sponsored the State FFA Cooperative Speaking Competition which provides an incentive for young people to learn more about the cooperative form of business; to develop speaking and communication skills; and to involve local coop-



During the Co-ops 101 in October 2019, Country Partners Co-op employee Mishayla Freburg, talked to students at the University of Nebraska-Kearney about job opportunities at cooperatives.

erative representatives in the ag education process.

2019/20...58 students participated in the district contests. A total of 11 students ended up competing in the state contest on June 28, 2020 which was conducted via zoom due to the pandemic.

Winner of the 2020 state FFA Cooperative Speaking Contest was Jadyn Burenheide from the Howells Dodge FFA Chapter.

2020/21...Of the 19 competitors, Grace Popken from the Mead FFA took top honors in the 2021 virtual state competition.

For the third consecutive year, the NCC Education Foundation provided additional recognition for FFA cooperative speakers. In addition to the normal ribbons and trophies, the Foundation provided a \$50 cash stipend for each of the twelve district Cooperative Speaking Contest winners. At the state contest, the Foundation provided the medals, trophies, and cash awards of \$250 for 1st place, \$125 for 2nd place, and \$75 for 3rd place.

UNL COOPERATIVES CLASS

2019/20...The Council continued to partner with UNL in offering a Cooperatives class. Dr. Greg McKee taught the class in the fall of 2019 with an enrollment of 29 students. This was the highest enrollment in the six years that the Cooperatives class has been offered at UNL.

2020/21...In the fall of 2020, the Cooperatives Class at the University of Nebraska-Lincoln entered its seventh year. This year, the class was taught by Rocky Weber due to the resignation of Dr. McKee. A total of 28 students completed the class which focuses on the cooperative business model and the value that this model brings to the marketplace. During a portion of the class, Rocky brought in cooperative professionals throughout the semester to allow students to interact with those working in cooperatives.

Intern Retreat

2019/20

For 2020, the Council received a CHS Foundation Cooperative Education Grant which covered any costs for the retreat. Planning was a challenge due to Covid-19. We had changed our original date of June 18th to July 21st in hopes that a face-to-face meeting would be possible. However, ultimately we decided the best course of action would be to offer the retreat virtually. To accomplish this, we held the retreat on three separate dates (each 60-75 minutes long) with each date covering a different topic. UNL graciously allowed us to use their facility and provided a staff member to assist with coordination prior to as well as to oversee each day's retreat.

Retreat dates were July 20, 22, and 24, 2020, respectively with approximately 60 persons participating on each of these dates covering the following topics:

July 20: an overview of the entire Nebraska cooperative system for participants.

July 22: a local cooperative CEO/GM panel to explore the value of farmers earning patronage and holding members equity, of farmers owning and operating cooperative assets, how cooperatives differentiate themselves through member service, and how local cooperatives give back to their respective com-



The Young Producers Panel discuss their needs from the cooperative during the 2021 Intern Retreat.

munities. Carl Dickinson of CVA-York, Tod Clark of Country Partners Co-op-Gothenburg, and Allan Zumpfe of Farmers Cooperative-Dorchester facilitated the group sessions.

July 24: a panel of agricultural producers who sit on local cooperative boards addressing what they need from their local cooperative and how the local cooperative can best serve those needs. We used the same producers that we did in 2019--Jerrad Stroh, Bd Secretary at CPI-Hastings; Chris Beins, Director at the Aurora Co-op, and Ryan Sukraw, Assoc Director for Country Partners Co-op-Gothenburg.

NCC Office Move

After 51 years in the same building in downtown Lincoln, the Council office moved to the Hruska Law Center at 635 S. 14th Street, Suite 125 on December 15, 2020. The new office is immediately across the street from the State Capitol and diagonal from the Governor's Mansion.

In our new space, we have our own Board Room as well as access to a conference room/meeting space for larger meetings that the building tenants share and we can use (on a first come first serve basis). Future LAC, NCC-PAC interviews and other Lincoln events of the Council will be held in this location. We plan on using the space for further relationship building events with legislators and other state policy-makers.

If you are planning a Lincoln meeting, let us know, we may be able to facilitate meeting space for your needs.



2020/21

The Council hosted our third Cooperative Intern-New Hire Retreat in person on June 17, 2021 in Kearney. We had 66 interns, 7 new hires, and 10 other key staff attend. The program kicked off with Rocky Weber and Ed Woeppel providing fundamental information regarding the cooperative business model, the history of cooperatives, governance, patronage, equity and current cooperative statistics.

The interns/new hires then had the opportunity to visit in small groups with cooperative CEOs in four separate rotations. The CEOs involved in the program were David Briggs (Westco), Tod Clark (Country Partners Co-op), Jeremy Wilhelm (Frontier Co-op), and Allan Zumpfe (Farmers Co-op-Dorchester). In addition to the CEO roundtable discussions, the interns/new hires also heard from a panel of young producers which included Jerrad Stroh of Juniata (CPI), Chris Beins of Henderson (Aurora Co-op), and Ryan Sukraw of Gothenburg (Country Partners Co-op).

In 2021, the retreat was a joint effort by the Council with financial support from the NCC Education Foundation.

Annual Meeting / Hall of Fame

2019/20

The 74th Annual Meeting of the Nebraska Cooperative Council was held at the Holiday Inn in Kearney on November 21, 2019 with 208 people attending.

The meeting began with the financial report given by Council President Rocky Weber. Council Chairman David Briggs from Westco in Alliance provided the Chairman's Report. Committee reports were given as follows: Excellence in Cooperative Education by ECEC Chair Galen Kuska with Farmers Co-op in Dorchester, and the NCC-Political Action Committee by Committee Chair Dean Thernes with Farmers Pride in Battle Creek. Rocky Weber then finished up the business meeting with his President's Report.

During the Annual Meeting, four individuals were re-elected to the NCC Board: David Briggs, CEO of Westco headquartered in Alliance, Galen Kuska, Bd Chair of Farmers Co-op headquartered in Dorchester, Bart Moseman, CEO of Farmers Co-op Elevator Co. headquartered in Hemingford, and Jeremy Wilhelm, CEO of Frontier Co-op headquartered in Lincoln.

Officers for the upcoming fiscal year were also elected by the NCC Board. Re-elected were David Briggs as Chair, Dean Thernes (CEO of Farmers Pride headquartered in Battle Creek) as Vice Chair, and Dave Beckman (Bd Chair of CVA headquartered in York) as Secretary.

After a short break, the group reconvened to hear a moving presentation by Michael Benfante. Michael was in the World Trade Center North Tower on that fateful day of September 11, 2001. He and a co-worker carried a wheel chair-bound woman down 68 flights of stairs to safety. His presentation certainly revived numerous memories for all in attendance.



Council President Rocky Weber (left) looked on as Board Chair David Briggs presided over the 2019 Annual Meeting.

The final portion of the Annual Meeting was the Hall of Fame Induction Ceremony. This year we were pleased to induct Dale Johnson, retired general manager of Agland Co-op in Oakland and retired COO of Central Valley Ag Co-op in York.

Following the Hall of Fame ceremony and adjournment of the Annual Meeting, the membership reception was held which provided a great opportunity for cooperative friends from across the state to visit.

2020/21

The Council celebrated its 75th Annual Meeting in November 2020 in a very different manner than we had anticipated. Due to the Covid-19 global pandemic, our planned November 18th face-to-face meeting and evening reception was changed to a virtual format that same afternoon with the entire membership invited to participate. Approximately 100 people attended this virtual meeting. During the meeting, a special video recognizing our 75th anniversary was shown. Incorporated in the video were special comments from retired Council President Bob Andersen, Governor Pete Ricketts, U.S. Senator Deb Fischer, and U.S. Congressman Jeff Fortenberry.

The meeting began with Chuck Conner, President & CEO of the National Council of Farmer Cooperatives, providing an update on the federal election and the DC political climate. The business session followed with the financial report by NCC President Rocky Weber, the Chairperson's report from NCC Board Chair David Briggs; the Excellence in Cooperative Education Committee report by ECEC Chair Tim Rowe from Country Partners Co-op in Gothenburg; and the Political Action Committee report by Committee Chair Dean Thernes. Rocky then finished up the business meeting with his President's Report.

Re-elected to the Board for 4-year terms were Dave Beckman, Board Chair of CVA in York; Dean Thernes, President of Farmer Pride in Battle Creek; and Mike Hechtner of CoBank for a two-year term.

With the move to a zoom meeting, we did not induct anyone into the Hall of Fame in 2020. The Board felt a virtual format would not provide an appropriate recognition and celebration so all current nominations were carried over and will be eligible in 2021.

Financial Statements - 19/20 & 20/21

STATEMENTS OF FINANCIAL POSITION August 31, 2021 and 2020

STATEMENTS OF ACTIVITIES August 31, 2021 and 2020

ASSETS		2021	2020
CURRENT ASSETS:			
Cash and Cash Equivalents:			
Cash - Unrestricted	\$1,102,253	\$953,863	
Cash - Restricted - FFE	20,962	28,391	
Cash - Restricted - NCC-PAC	88,964	65,251	
Cash - Restricted - NACA	60,295	60,183	
Cash - Restricted - UNL Tickets	2,068	1,899	
Cash - Restricted - Energy Source	13,473	13,468	
Cash - Restricted - Legacy Initiative	<u>17,675</u>	<u>17,675</u>	
Total Cash and Cash Equivalents	1,305,690	1,140,730	
Marketable Securities Investment	320,292	306,404	
Mutual Fund Investments - Restricted - FFE	634,863	548,845	
Certif of Dep - Unrestricted	231,966	228,725	
Interest Receivable - Unrestricted	0	866	
Deferred Compensation Assets	4,186	4,186	
Prepaid Expenses	<u>11,814</u>	<u>6,269</u>	
Total Current Assets	2,508,811	2,236,025	
INVESTMENTS:			
KRVN Golden Notes - Unrestricted	25,000	25,000	
Cash Value of Deferred Compensation Assets	<u>16,746</u>	<u>20,932</u>	
Total Investments	41,746	45,932	
PROPERTY & EQUIPMENT:			
Furniture & Office Equipment	87,009	73,565	
Accumulated Depreciation	<u>(64,945)</u>	<u>(65,796)</u>	
Net Property & Equipment	<u>22,064</u>	<u>7,769</u>	
RIGHT OF USE ASSET - Operating Lease			
	<u>193,401</u>	<u>0</u>	
TOTAL ASSETS	<u>\$2,766,022</u>	<u>\$2,289,726</u>	
LIABILITIES & NET ASSETS			
CURRENT LIABILITIES:			
Trade Payables - FFE	\$ 0	\$ 67,500	
Current Maturities of Long-Term Debt			
Operating Lease Liability	19,098	0	
Prepaid Dues	485,213	437,031	
Deferred Compensation Payable	4,186	4,186	
Accrued Expenses	<u>33,106</u>	<u>26,821</u>	
Total Current Liabilities	<u>541,603</u>	<u>535,538</u>	
LONG-TERM LIABILITIES - Net of Current Maturities:			
Deferred Rent	0	1,159	
Notes Payable	66,343	0	
Operating Lease Liability	174,837	0	
Deferred Compensation Payable	<u>16,746</u>	<u>20,932</u>	
Total Long-Term Liabilities	<u>257,926</u>	<u>22,091</u>	
NET ASSETS:			
Unrestricted	1,128,193	1,063,885	
FFE - Restricted	655,825	509,736	
NCC-PAC - Restricted	88,964	65,251	
NACA - Restricted	60,295	60,183	
NCC-UNL Tickets - Restricted	2,068	1,899	
Energy Source - Restricted	13,473	13,468	
Legacy Initiative - Restricted	<u>17,675</u>	<u>17,675</u>	
Total Net Assets	<u>1,966,493</u>	<u>1,732,097</u>	
TOTAL LIABILITIES & NET ASSETS	<u>\$2,766,022</u>	<u>\$2,289,726</u>	

GENERAL FUND		2021	2020
REVENUE AND SUPPORT:			
Members' Dues	\$579,014	\$592,830	
Contributions	10,000	0	
Participating Members' Dues	80,600	97,760	
Meetings	6,126	39,674	
Workshops	46,341	114,394	
Interest Income	5,971	14,016	
Investment Income from Marketable Securities	20,344	20,344	
Unrealized Gain on Marketable Securities	13,888	11,284	
Gain on Sale of Equipment	400	0	
Miscellaneous	1,068	2,436	
Net Assets Released from Restrictions	<u>5,245</u>	<u>179,938</u>	
Total Revenue and Support	768,997	1,072,676	
EXPENSES:			
Salaries	425,378	415,746	
Payroll Taxes	24,504	25,672	
Employee Insurance	21,479	19,061	
Retirement	<u>36,502</u>	<u>38,550</u>	
Total Personnel Expenses	507,863	499,029	
Accounting Fees	27,012	17,472	
Auto	0	90	
Books and Magazines	135	401	
Consulting Services/Contract Labor	25,000	25,200	
Depreciation	3,089	2,304	
Directors' Fees	8,489	17,265	
Dues/Contributions	4,513	6,298	
Equipment Leases	2,008	1,963	
Foundation	35	0	
Information Technology	18,086	12,766	
Insurance	7,568	7,422	
Legal Fees	999	7,793	
Meetings	2,127	46,110	
Moving	14,706	0	
Office Supplies	9,563	4,255	
Parking	3,975	4,694	
Postage	1,547	480	
Promotions	450	1,310	
Property Taxes	378	325	
Rent	32,423	30,738	
Repairs and Maintenance	570	0	
Telephone	5,007	6,475	
Training	0	50	
Travel	2,789	5,964	
Utilities	432	0	
Workshops	20,405	72,443	
Miscellaneous	275	276	
Fund Expenses	<u>5,245</u>	<u>179,938</u>	
Total Expenses	<u>704,689</u>	<u>951,061</u>	
INCREASE (DECREASE) IN NET ASSETS	64,308	121,615	
NET ASSETS - BEGINNING OF YEAR	<u>1,063,885</u>	<u>942,270</u>	
NET ASSETS - END OF YEAR	<u>\$1,128,193</u>	<u>\$1,063,885</u>	

FUND FOR EXCELLENCE (FFE) FUND

	2021	2020
REVENUE AND SUPPORT:		
Interest Income	\$ 9	\$ 45
Investment Income from Marketable Securities	22,153	17,825
Unrealized Gain on Marketable Securities	66,942	7,166
Other Income	56,985	0
Total Revenue and Support	146,089	25,036
EXPENSES:		
Professor Expense	0	90,998
Total Expenses	0	90,998
INCREASE (DECREASE) IN NET ASSETS	146,089	(65,962)
NET ASSETS - BEGINNING OF YEAR	509,736	575,698
NET ASSETS - END OF YEAR	\$655,825	\$509,736

NCC-PAC FUND

	2021	2020
REVENUE AND SUPPORT:		
Contributions Received	\$ 26,371	\$27,710
Interest Income	42	241
Total Revenue and Support	26,413	27,951
EXPENSES:		
Donations	2,700	46,300
Office Supplies	0	5
Total Expenses	2,700	46,305
INCREASE (DECREASE) IN NET ASSETS	23,713	(18,354)
NET ASSETS - BEGINNING OF YEAR	65,251	83,605
NET ASSETS - END OF YEAR	\$88,964	\$65,251

NATIONAL AFFAIRS COOPERATIVE ACTION (NACA) FUND

	2021	2020
REVENUE AND SUPPORT:		
Interest Income	\$ 112	\$ 444
Total Revenue and Support	112	444
EXPENSES:		
Total Expenses	0	0
INCREASE (DECREASE) IN NET ASSETS	112	444
NET ASSETS - BEGINNING OF YEAR	60,183	59,739
NET ASSETS - END OF YEAR	\$60,295	\$60,183

UNL TICKETS FUND

	2021	2020
REVENUE AND SUPPORT:		
Contributions Received	\$ 2,711	\$42,889
Interest Income	3	9
Total Revenue and Support	2,714	42,898
EXPENSES:		
UNL Tickets	2,545	18,510
UNL Contribution	0	24,000
Postage	0	125
Total Expenses	2,545	42,635
INCREASE (DECREASE) IN NET ASSETS	169	263
NET ASSETS - BEGINNING OF YEAR	1,899	1,636
NET ASSETS - END OF YEAR	\$2,068	\$1,899

ENERGY SOURCE FUND

	2021	2020
REVENUE AND SUPPORT:		
Interest Income	\$ 5	\$ 20
Total Revenue and Support	5	20
EXPENSES:		
Total Expenses	0	0
INCREASE (DECREASE) IN NET ASSETS	5	20
NET ASSETS - BEGINNING OF YEAR	13,468	13,448
NET ASSETS - END OF YEAR	\$13,473	\$13,468

LEGACY INITIATIVE FUND

	2021	2020
REVENUE AND SUPPORT:		
Total Revenue and Support	0	0
EXPENSES:		
Total Expenses	0	0
INCREASE (DECREASE) IN NET ASSETS	0	0
NET ASSETS - BEGINNING OF YEAR	17,675	17,675
NET ASSETS - END OF YEAR	\$17,675	\$17,675

2019/20 & 2020/21 Membership

SUPPLY/MARKETING COOPERATIVES

*Ainsworth - Farmers/Ranchers Co-op Assn
Alliance - WESTCO
Aurora Co-op Elevator Co
Battle Creek - Farmers Pride
Cedar Bluffs - Farmers Union Co-op Assn
Clarkson - Farmers Union Co-op Supply Co
Dodge - Cooperative Supply Inc N/S
Dorchester - Farmers Cooperative
Edison - Ag Valley Co-op, N/S
*Elmwood - Midwest Farmers Co-op
Elsie - Hi-Line Co-op Inc
Fairfield N/S Co-op Fertilizer Assn
Friend - Farmers Union Co-op Co
Gothenburg - Country Partners Co-op
Hastings - CPI
Hayes Center - Hayes County Farmers N/S Co-op
Hemingford - Farmers Co-op Elevator Co
Holdrege - CHS Inc
Imperial - Frenchman Valley Farmers Co-op
Lincoln - Frontier Co-op Co
Lindsay - Farmers Co-op Assn
Pilger - Farmers Co-op
Ravenna - Farmers Co-op Assn
Scottsbluff - Panhandle Co-op Assn
Sidney - Crossroads Co-op Assn
Talmage - Farmers Co-op Co
Wausa - CHS Inc.
York - CVA

RURAL ELECTRIC COOPERATIVES

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

TELEPHONE COOPERATIVE

Blue Hill - Glenwood Telephone Membership Corp
***Hemingford Co-op Telephone Co

OUT-OF-STATE SUPPLY/MARKETING COOPERATIVES

Holyoke CO - CHS/Grainland Co-op
Seneca KS - Ag Partners Co-op, Inc
***Great Bend KS - Great Bend Co-op

OUT-OF-STATE RURAL ELECTRIC COOPERATIVE

**Torrington WY - Wyrulec Company

LIVESTOCK MARKETING

AGENCIES

Allied Producers Co-op
Producers Livestock Marketing

PARTICIPATING MEMBERS

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

SUPPORTING MEMBERS

AON Risk Solutions
Associated Benefits Corp
Associated Milk Producers, Inc
Austin Mutual Insurance Co
Berkley Agribusiness
BNSF Railway
***Campbell, Shaffer & Company
Capital Recovery, Inc
CliftonLarsonAllen CPAs
Continental Western Group
EBM Construction, Inc
Farm Credit Counseling Services
Four Points Federal Credit Union
Gallagher
Gardiner + Company CPAs
Inspiro Inc
Lincoln Inspection Service
Lockton Companies
Marsh McLennan Agency
McPherson Concrete Storage Systems
Milliman, Inc
Nationwide Agribusiness Insurance Co
Nebraska Corn Board
Nebraska Ethanol Board
Nebraska Rural Radio Assn
Olsson
ProValue Insurance
Stone X Group
The Cooperative Finance Assn
United Benefits Group

*member in 2019/20 then merged
**member in 2019/20 only
***member in 2020/21 only



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