

# 2021/22 Annual Report of the Nebraska Cooperative Council



# NCC Member Cooperatives by the Numbers (Annual)

(as of 8-31-22)

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

## NCC Member Supply/Marketing Co-op Stats:

- 59,058** total voting members
- 5,140** employees (full and part-time)
- \$9.4 billion** total sales
- \$4.8 billion** total assets
- \$169.2 million** net savings
- \$388.4 million** employee payroll with benefits
- \$182.8 million** investment in new equipment and facilities in past year
- \$66.7 million** total patronage refunds in past year
- \$37.3 million** equity/estate redemption in past year
- \$20.4 million** property taxes paid in past year
- \$3.5 million** federal/state income taxes paid in past year
- \$2 million** total charitable, scholarship & community support donations

## Inside this Report:

- NCC Member Co-ops by the Numbers **2**
- Message from the President & Chairman **3**
- Leadership **4**
- State Legislation - 2022 Session **5**
- NCC Political Action Committee **10**
- Federal & State Government Relations **11**
- Retirement of Ed Woeppel **12**
- Director Education **13**
- Youth Education **14**
- Annual Meeting / Hall of Fame **16**
- Financials **18**
- Membership **19**

# Message from the President & Chairman



Rocky Weber  
President



David Briggs  
Board Chairman

These words: “**To defend, protect, and enhance the agricultural cooperative movement.....**” are the foundation of your Nebraska Cooperative Council’s mission statement. Each year as we undertake legislative, regulatory and educational activities on behalf of the Council’s membership we are guided by this goal. Putting these words into action in 2021-2022 included:

The Council **defending** the statutory framework of cooperative corporations when a group of Lincoln state senators introduced legislation that would have prohibited electrical cooperatives from any lobbying or political activity of any kind, even spending money on gas to drive to Lincoln to meet with a state senator. The underlying claim was that electric cooperatives were using “public funds” to lobby and be involved in elections.

During the hearings on the bills, it became apparent that there was confusion over the difference between a rural public power district, which is a political subdivision of the state, and an electrical cooperative that is privately owned and operated like an agricultural cooperative. Because the Council is focused on cooperative issues, we were able, through our testimony and in responding to questions from senators on the committees, to make clear the public/private distinction between public power district funds and electric cooperative funds and keep the bills from advancing.

It is a short distance and slippery slope from the statutes that govern electric cooperatives and those that govern our agricultural cooperatives. The Council was the first line of **defense** in clarifying for the legislative committees that cooperatives are private companies.

The Council in 2022 also undertook, as the only state-wide trade association representing members with Nebraska Grain Warehouse and/or Grain Dealer licenses, an effort to advocate that the Nebraska Public Service Commission (“NPSC”) raise its grain storage rates for the first time since 2015. The Council gathered data from its Nebraska grain warehouse members and coordinated the testimony of member representatives at a public hearing before the Commission. At the Council’s request, the NPSC increased grain storage rates by 50% effective in mid-August. This **enhanced** the ability of member cooperatives holding such licenses to cover their rapidly increasing fixed costs

As this is written the NPSC and the Nebraska Legislature’s Agriculture Committee are reviewing other potential changes to Nebraska’s grain warehouse and grain dealer statutes. The Council is actively engaged with both entities on this process to **protect** the member cooperatives holding these licenses.

The rural labor crises is, according to the membership, the biggest challenge you face. On a federal level, your Nebraska Cooperative Council engaged partners at the National Council of Farmer Cooperatives and Land O’ Lakes who, working with a coalition of other agricultural groups on the Farm Workforce Modernization Act, drafted an amendment to that Act that would significantly re-

move regulatory difficulties that presently exist for farmer cooperatives to easily employ H-2A temporary workers. This amendment, if adopted as part of the Farm Workforce Modernization Act, will **enhance** the ability of our cooperative members to find solutions to the rural labor crises. The Council has arranged a virtual meeting with U.S. Senator Deb Fischer on November 15, to address this legislative proposal.

2022 was also a year of legislative engagement and relationship building to **enhance** our member cooperatives influence at the Legislature. This started with 13 state senators (including five committee chairs) joining our Legislative Advisory Committee for a luncheon roundtable on January 24. This process continued with the NCC-PAC conducting 25 legislative candidate interviews over a three day period in July in Lincoln, followed by an endorsement of one candidate and campaign contributions of \$51,250 to 31 candidates in 22 races.

In the legislative debate on the electric cooperative bills referred to above, one state senator publicly recalled her NCC-PAC interview and what she had learned about cooperatives in the process. This demonstrates that the NCC-PAC process remains a critical tool in **defending, protecting and enhancing** agricultural cooperatives.

On the education front, the Council sought to **protect and enhance** our cooperative membership by exposing management and directors to the ESG movement gaining ground in the financial arena through a series of Leadership Luncheon virtual workshops in December 2021 led by Dr. Richard LeBlanc, a leading scholar in cooperative governance. We believe we also **enhanced** the cooperative movement by continuing to offer, in cooperation (the 7th principle of cooperation.....cooperation) with four other state cooperative councils, a multi-state webinar which in 2022 brought to our members nationally recognized geo-political strategist Peter Zeihan who addressed the global conflicts, demographic challenges and political environment in which our cooperatives must operate to be successful. Over 100 Nebraska cooperative directors and management personnel attended this webinar.

We encourage you to review the rest of this Annual Report for more details on the Council putting its mission statement into action in FYE 2022. For your active membership and all who serve on the Council’s Board of Directors, committees and who volunteer their time and talent to be involved on various issues, or simply provide the Council with input, Thank You! For 77 years we have cooperated together, to **defend, protect and enhance** Nebraska’s agricultural cooperatives.



# Council Leadership

## Board of Directors



pictured left to right: Mike Hechtner, CoBank-Omaha; Galen Kuska, Farmers Cooperative-Dorchester; Dean Thernes (Vice Chair), Farmers Pride-Battle Creek; Evan Brandes, Aurora Co-op Elevator Co.; Bart Moseman, Farmers Co-op Elevator Co.-Hemingford; Rocky Weber, President; David Briggs (Chair), Westco-Alliance; Jeremy Wilhelm, Frontier Co-op-Lincoln; Tim Rowe, Country Partners Co-op-Gothenburg; and Dave Beckman, CVA-York

## Staff

Rocky Weber  
President & General Counsel

Ed Woeppel (retired 6.30.22)  
Education & Program Director

Deb Mazour  
Office Manager & Program  
Coordinator

## Committees

### Legislative Advisory Committee

Rocky Weber .....Nebraska Cooperative Council (Co-chair)  
Dean Thernes .....Farmers Pride, Battle Creek (Co-chair)  
Dave Beckman....CVA, York  
Evan Brandes.....Aurora Co-op Elevator Co  
Matt Caswell.....AGP, 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 Briggs.....WESTCO, Alliance (ex-officio)

### NCC-Political Action Committee

Dean Thernes .....Farmers Pride, Battle Creek (Chair)  
Tod Clark.....Country Partners Co-op, Gothenburg  
Carl Dickinson.....CVA, York  
Galen Kuska.....Farmers Co-op, Dorchester  
Mary Kay Lyon....CHS Inc, Holdrege  
Douglas Olsen.....Panhandle Co-op Assn., Scottsbluff  
Bill Schuster.....Aurora Co-op Elevator Co.  
Jeremy Wilhelm ..Frontier Co-op, Lincoln  
David Briggs.....WESTCO, Alliance (ex-officio)

### Excellence in Cooperative Education Committee

Tim Rowe.....Country Partners Co-op, Gothenburg (Chair)  
Carl Dickinson.....CVA, York  
Chad Fehringer...Farmers Pride, Battle Creek  
Jay Geu.....Frenchman Valley Farmers Co-op, Imperial  
Jeff Krejdl.....Ag Valley Co-op, Edison  
Bart Moseman ....Farmers Co-op Elevator Co, Hemingford  
Neil Stedman .....Frontier Co-op, Lincoln  
Brook Stromer.....CoBank, Omaha  
David Briggs.....WESTCO, Alliance (ex-officio)  
Adam Feser .....Nebraska Cooperative Council

### Hall of Fame Committee

Bruce Favinger....Minden (Vice Chair)  
Galen Kuska.....Exeter (Chair)  
Jay Larson.....Kearney  
Doug Nuttelman .Stromsburg  
Dale Piper.....Springfield  
David Briggs.....WESTCO, Alliance (ex-officio)  
Rocky Weber .....Nebraska Cooperative Council (ex-officio)

# State Legislation - 2022 Session

The 2022 Nebraska Legislature convened on January 5 and adjourned the 60-day session on April 20.

A total of 148 bills became law. Full descriptions of the status of the bills affecting cooperatives were emailed out to members in the form of Legislative Updates during the session.

The Council tracked 206 bills and resolutions that could impact cooperatives. Listed here are some of the more significant bills we followed. The Council's position, if any, is indicated in parentheses (S=support, O=oppose, N=neutral, M=monitor).

## SIGNED INTO LAW

### **LB 596-Nebraska Higher Blend Tax Credit Act (S)** portions amended into LB 1261 and signed into law 4.20.22

LB 596, as introduced in 2021, sought to enact the Nebraska Higher Blend Tax Credit Act, allowing any retail gasoline dealer to receive income tax credits for selling E-15 or higher blends. The credit for E-15 would be 3¢/gal sold and for E-25, 5¢/gal sold. These numbers were increased by AM2760 to LB 1261, bumping the tax credit from 3¢/gallon to 5¢/gallon of E-15 sold and from 5¢/gallon to 8¢/gallon of E-25 or higher sold. For calendar year 2022, the cap on tax credits is \$2 million. For calendar year 2023 and forward, the annual limit is calculated by multiplying the annual limit from the prior calendar year by 200% if the amount of tax credits approved in the prior calendar year exceeded 90% of the annual limit or multiplied by 100% if the amount of credits approved in the prior calendar year did not exceed 90% of the annual limit. In no case shall the annual limit exceed \$4 million. No new applications may be filed after December 31, 2026. Tax credits may be claimed beginning in tax year 2022. Ethanol production is a critical economic component to Nebraska agriculture, and one that struggled due to the impacts of Covid-19. The success of the Legislature in passing the Nebraska Higher Blend Tax Credit Act supports the ethanol industry by encouraging retailers to make higher blends of ethanol available to consumers, benefitting those farmers who rely upon that industry for markets for their corn production.

### **LB 703-Ag Innovation Facility at the University of Nebraska (S)** portions amended into LB 1011 and passed into law 4.7.22

LB 703 sought to appropriate \$25 million in American Recovery Plan Act funds to establish an agricultural innovation facility for the University of Nebraska-Lincoln at the Nebraska Innovation Campus. This language was inserted into LB 1011 via AM1999 and passed into law, helping to address the greatest challenge faced by Nebraska's farmer-owned cooperatives - lack of a sufficient workforce. There is a lack of population in rural Nebraska to fill the hundreds of job openings at cooperatives. Technological innovation will be necessary to address labor shortages. This funding will help ensure there is an educated and trained human workforce to support the digital evolution of agricultural production. At the request of the University, NCC Board Member Jeremy Wilhelm testified in support of LB 703.

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.

### **LB 758-Nebraska Farm-to-School Program Act (M)** signed into law 3.3.22

LB 758 was passed by the Legislature, approved by the Governor on March 3rd, and became effective on July 21. The bill provides an added definition to the Nebraska Farm-to-School Program Act, which was adopted last year, to cover elementary and secondary public and non-public schools. Under LB 758, early childhood education programs would be added as well as any licensed program under the Quality Childcare Act.

### **LB 788-Nebraska Rural Projects Act (S)** portions amended into LB 1011 and passed into law 4.7.22

LB 788 looked to change appropriations language and matching fund provisions for the Nebraska Rural Projects Act. The portion that sought an additional \$50 million for the Rural Projects Fund was included in AM1999 to LB 1011 and passed. Rural infrastructure development in rural Nebraska is essential to maintaining Nebraska's dominate economic activity, agriculture. Our member cooperatives rely on rail as much today as ever before in their ability to not only ship grain but to also accept deliveries of crop nutrients, chemicals, and other agricultural inputs which they obtain and hold for the benefit of their farmer mem-

(Continued on page 6)

## State Legislation

(continued from page 5)

bers. A robust rural Nebraska Rural Projects Fund will open the door to significant upgrades and efficiencies within the agricultural stream of commerce in Nebraska.

### **LB 873-Tax Relief**

**signed into law 4.13.22**

Signed into law on April 13th, LB 873 reduces individual and corporate income tax top rates over five years to 5.84%, which by year five will offer \$434.2 million in income tax relief and year five corporate income tax savings of \$84 million when fully phased in. LB 873 further offers income tax credits for property taxes paid to community colleges, which are estimated to provide tax relief in the amount of \$195 million by 2026, boosts total income tax credits available for property taxes paid to local schools to \$548 million for 2022 and \$567 million for 2023, and completely phases out income taxes on social security income, an estimated \$70 million tax savings in year 2025. LB 873 clearly is the largest tax relief provision ever to be passed by the Nebraska Legislature.

### **LB 977-Expanding Electrical System Capabilities**

**signed into law 4.18.22**

Signed into law April 18th with the emergency clause, provisions of LB 977 became effective April 19, 2022. As passed, the bill transferred \$15 million from the Cash Reserve Fund to the Site and Building Development Fund and expanded eligibility to include grants to second class cities (those with a population between 801 and 5,000 residents) that partner with public power utilities to expand electrical system capacities and enhance redundancy and resilience.

Eligible grantees are required to secure a minimum commitment of half of a project's total cost before state dollars will be released.

### **LB 998-Municipal Inland Port Authority Act (S)**

**signed into law 4.18.22**

Signed into law April 18th with the emergency clause, provisions of LB 998 became effective April 19, 2022. The bill amended the Municipal Inland Port Authority Act (created by LB156 as passed in 2021) to allow a non-profit economic development corporation to create an inland port authority. Prior to passage of LB 998, only cities or counties could create an inland port authority. LB 998 provides flexibility in the creation of inland ports and could be used as an economic development tool in areas along I-80 with access to rail to develop terminal shipping opportunities for agricultural inputs and grain.

### **LBs 1011, 1012, 1013-Budget Appropriations Bills**

**all passed into law 4.7.22 notwithstanding Gov's objections**

The package of budget bills were all passed by the Legislature on March 29th. While the Governor approved the bills with line-item vetoes in each, the Legislature ultimately overrode nearly all of them. Senators reinstated \$51.8 million in health care provider rate increases (LB 1011), \$15 million for community correction programming

(LB 1012), and \$20 million for middle income workforce housing (LB 1013).

**LB 1011** was the main-line budget bill to adjust appropriations for state operations, aid and construction programs in the current and next fiscal year. The bill, as advanced by the committee with AM1999, closely reflects the Governor's proposal with only a few significant changes made by the committee, including lowering the requested \$400 million Cash Reserve transfer for the Perkins County Canal project to \$53.5 million. The committee proposal also set aside \$175 million to be released to the Nebraska Capital Construction Fund for a potential new state penitentiary but would not appropriate those funds. AM1999 was adopted which included language from several other bills including the following with the Council's position stated:

- LB 703 - Appropriate federal funds to the University of Nebraska for an agricultural innovation facility (S)
- LB 788 - Change appropriations intent language and matching fund provisions under the Nebraska Rural Projects Act (S)
- LB 1015 - Adopt the Perkins County Canal Project Act (S)
- LB 1071 - Appropriate funds for the workforce housing grant program (S)

**LB 1012** provided for fund transfers and changed provisions governing the administration and use of funds. The original bill was replaced by committee amendment AM2000 which included the provisions of several other bills including the following with the Council's position stated:

- LB 1074 - Create the Surface Water Irrigation Infrastructure Fund and provide for a transfer from the Cash Reserve Fund (S)

**LB 1013** changed provisions relating to the state's Cash Reserve Fund. Committee amendment AM2001 included the provisions of 13 other bills including the following with the Council's positions stated:

- LB 703 - \$25 million to the University of Nebraska for an agricultural innovation facility at Innovation Campus (S)
- LB 788 - \$50 million to the NE Rural Projects Fund (S)
- LB 1015 - \$53.5 million to the Perkins County Canal Project Fund (S)
- LB 1071 - \$30 million to the Rural Workforce Housing Investment Fund (S)
- LB 1074 - \$50 million to the Surface Water Irrigation Infrastructure Fund (S)

### **LB 1014-American Rescue Plan Act (M)**

**signed into law 4.13.22**

Signed into law on April 13th, LB 1014 distributes just over \$1 billion in ARPA funds for approximately 40 projects or focus areas. As a result of the passage of the American Rescue Plan Act of 2021 (ARPA), Nebraska will receive just over \$1 billion to allocate as the Legislature determines for projects to alleviate the impacts of the Pandemic.

### **LB 1015-Perkins County Canal Project Act (S)**

**signed by Gov 4.18.22, portions also amended into LB 1011 and passed into law 4.7.22**

Signed into law April 18th, provisions of LB 1015 became effective July 19, 2022. The bill originally sought \$400 million from the state's cash reserve fund and \$100 million from ARPA funds, but the final number the Legislature approved was \$53.5 million from the Cash Reserve Fund. This bill gives authority to the Department of Natural



Resources to develop, construct, manage, and operate the Perkins County Project. The purpose of the project is to protect Nebraska's full entitlement to flow of the South Platte River under the 1923 Nebraska/Colorado compact. The agricultural cooperatives that comprise the membership of the Council strongly support public policy that protects Nebraska's water rights and that supports surface water infrastructure, making those resources available for irrigation and other purposes that serve rural Nebraska.

#### **LB 1016-Transportation Innovation Act / Public-Private Partnerships (S)**

**signed into law 4.18.22**

Signed into law April 18th, provisions of LB 1016 became effective July 19, 2022. As passed, the bill eases the ability of public/private partnerships to allow for progressive design build projects contracting in addition to design-build or construction manager-general contractor methods for contracting public projects. Nebraska's highway transportation system is an essential infrastructure for the safe and efficient transportation of agricultural inputs and farm commodities that transit to and from farmer owned cooperatives on a regular basis. LB 1016 is a positive step in hastening the development of the many road projects that have been proposed but are unfinished.

#### **LB 1023-Lake Development Act and Water Recreation Enhancement Act (M)**

**portions amended into LB 1011 and passed into law 4.7.22**

Originally dubbed the Lake Development Act and the Water Recreation Enhancement Act, LB 1023 as amended would be known as the Jobs and Economic Development Initiative Act ("JEDI" following the original "STARWARS" committee's recommendations). LB 1023 provides the Department of Natural Resources the necessary power to purchase, sell, or lease land and construct a 3,600 acre lake in Sarpy County in the Platte River basin. This would not be a dam on the Platte River but rather a lake/reservoir to help with flood control and provide recreation. This lake would not impact the city of Ashland. This project would be in addition to substantial infrastructure and recreation enhancements at Lake McConaughy, Lewis and Clark Lake and Niobrara State Park.

#### **LB 1069-Rural Workforce Housing Investment Act (S)**

**signed into law 4.18.22**

Signed into law April 18th with the emergency clause, provisions of LB 1069 became effective April 19, 2022. It provides grants to nonprofit development organizations in eligible communities for the construction of workforce housing in counties with fewer than 100,000 people. The bill extends the grant program, which was set to expire at the end of this fiscal year, through FY26-27. The maximum allowable cost to construct an owner-occupied housing unit is increased from \$275,000 to \$325,000 and for rental housing units from \$200,000 to \$250,000. The bill removes the current \$2 million cap that a nonprofit development organization can receive under the program and replaces it with an amount set by the director of the state Department of Economic Development. In addition, LB1069 reduces the required local matching grant from a one-to-one match to 50%. Projects that receive funds from the National Housing Trust Fund are ineligible for the program. A lack of

housing in rural communities exacerbates the labor shortage for Nebraska's farmer-owned cooperatives. LB 1069 is an important step in addressing this challenge.

#### **LB 1071-Dept of Economic Development's Program 601 (S)**

**portions amended into LB 1011 and passed into law 4.7.22**

LB 1071 sought to appropriate \$30 million from the General Fund to the Rural Workforce Housing Investment Fund. Nearly \$30 million was allocated to this fund as part of AM1999. Rural Nebraska suffers from an acute labor shortage, in large part due to a lack of rural housing. This funding is part of a robust effort by the Legislature in 2022 to address this shortage.

#### **LB 1074-Surface Water Irrigation Infrastructure Fund Grants (S)**

**portions amended into LB 1012 and passed into law 4.7.22**

LB 1074 would have provided a one-time appropriation of \$50 million from the Cash Reserve Fund to create the Surface Water Irrigation Infrastructure Fund. Under the bill, the Department of Natural Resources would establish procedures and criteria for awarding grants to irrigation districts from the Fund to be used for repair or construction of any headgate, flume, diversion structure, check valve, or any other physical structure used for irrigation projects. The Department may award grants up to \$5 million to an irrigation district that applies to the Department based on criteria and procedures established by the Department. In order to receive a grant under this section, a grant applicant shall provide matching funds equal to 10% of the grant amount awarded for such project. Irrigation, including surface water irrigation, has been a major source of making Nebraska the agricultural power-house that it is today. We understand that much of Nebraska's surface water irrigation infrastructure is nearly a century old and badly in need of modernization. This funding is critical to keeping these invaluable water sources available to Nebraska's farmers.

#### **LB 1144-Broadband**

**signed into law 4.19.22**

Signed into law April 19th with the emergency clause, provisions of LB 1144 became effective April 20, 2022. The bill contains modified provisions related to discontinuance of service in a local exchange area and retirement of copper lines. It also allows the Public Service Commission to grant more extensions of time and to decrease the required match in high-cost areas under the Broadband Bridge Act. The bill also incorporates a number of other related bills, including LB1214, that updates the application scoring, evaluation and ranking under the Broadband Bridge Act; LB 914 that allows the PSC to create and maintain a Nebraska location fabric broadband access map; LB 1234 that provides for an expedited wire-crossing permit process for telecommunications companies wishing to cross railroad rights of way; and LB 761 that provides up to \$2 million in annual grant funding to provide precision agriculture connectivity of at least 100 megabits per second download speed and 20 Mbps upload speed to accelerate rural

(Continued on page 8)

## State Legislation

(continued from page 7)

economic development and provide high-speed internet connectivity to farm sites in unserved areas of the state.

### KILLED UPON SESSION ADJOURNMENT

#### **LB 344-One-Call Notification Act / Creation of Committee (N with AM1880)**

LB 344, introduced by Senator Friesen, was carried over from the 2021 session and as originally drafted would have amended the One-Call Notification Act to create the Underground Evacuation Safety Committee comprised of the State Fire Marshal, 2 reps of operators appointed by the Governor, and 2 reps of excavators appointed by the Governor, and 2 locators as added by AM83. This committee would have made recommendations to the Attorney General. AM1880 did away with the committee proposal and created an administrative procedure putting complaints for violations of the One-Call Act under the jurisdiction of the State Fire Marshal. AM1880 was an improvement,

#### **LB 512-Critical Infrastructure Utility Worker Protection Act (S)**

LB 512 would have adopted the Critical Infrastructure Utility Worker Protection Act with the purpose of providing protection of critical utility workers in the event of a civil defense emergency or disaster. The bill would have provided priority access to personal protective equipment, medical screening, testing, medical treatment, and vaccinations in the event of an emergency involving a severe threat to human health.

#### **LB 801-Imagine Nebraska Act (S)**

LB 801 would have added a definition to the Imagine Nebraska Act. Under the bill "the capture, transport, or geologic storage of carbon dioxide from anthropogenic sources" would have been eligible for incentives of the Act. After the Legislature's adoption of LB 650 in 2021, LB 801 was an important tool in making Nebraska a leader in the sequestration of carbon dioxide from, among other sources, the processing operations of Nebraska's ethanol and bio-fuel plants.

#### **LB 827-State Income Tax/Depreciable Expenditures (S)**

LB 827 would have allowed taxpayers to fully expense certain depreciable expenditures in the year the items were put into service beginning in 2022. This would have applied to state income tax. Federal law was changed allowing full expense in the year the asset was put into service, and LB 827 would have further continued with full expense in year one, even when the federal provision is phased out if the deduction was not taken to determine federal taxable income. Decoupling the full expensing of investments in business machinery and equipment and deductions for research and experimentation from the federal tax code would keep these important tools that support investment by industry fully available in Nebraska regardless of changes to the federal tax code.

#### **LB 904-Artificial Intelligence, Cybersecurity, and Holland Computer Center Facility at University of Nebraska (S)**

LB 904 would have appropriated \$50 million in federal funds to the University of Nebraska for the purpose of establishing an Artificial Intelligence, Cybersecurity, and Holland Computer Center facility at the Nebraska Innovation Campus of the University of Nebraska.

#### **LB 935-County Minimum Wage Option Act (O)**

LB 935 would have adopted the County Minimum Wage Option Act which would have allowed counties to set by ordinance a minimum wage for employees within their county that is higher than the minimum wage in the Wage & Hour Act.

#### **LBs 1185, 1134, 1139-Electric Cooperative Corporation Act; Rural Electric/Telephone Cooperative Bills (O)**

LB 1185 would have changed provisions relating to the powers of an electric cooperative corporation under the Electric Cooperative Corporation Act. The bill would have restricted electrical cooperatives formed under the Act from any activity other than the retail distribution of electricity. This would have included removing statutory language providing for other general powers that other corporate and business entities enjoy in Nebraska. The bill was introduced along with LB 1134 and LB 1139 in an effort to block the Nebraska Electric Generation & Transmission (NEGT) Cooperative (a purchasing cooperative used to purchase energy from NPPD by nearly two dozen rural electric districts and a rural electric cooperative) from participating in campaigns of those running for election to the Board of Directors of NPPD.

The problem with all three of these bills was that the restrictions meant to restrict those activities of NEGT would have negatively impacted existing statutory rights and powers that our rural electric cooperative members currently enjoy. The Council appeared and testified in opposition to each of these bills to stop what could have been a slippery slope of restricting the ability of all cooperatives from participating in the political process.

#### **LB 1274-Right of Ways for Four-Lane Highways (S)**

LB 1274 would have required the Nebraska Department of Roads to plan, design and purchase right of way for the completion of a four-lane highway on Hwy 81 from the South Dakota border to Norfolk and from south of Columbus to York. The Department would have done the same for Hwy 20 from the intersection of Hwy 81 to the Iowa border. These transportation corridors are home to numerous farmer owned cooperative locations that would have benefitted from this legislation.

#### **LR18CA-Change Legislative Term Limits (S)**

LR 18CA was a constitutional amendment for the November 2022 General Election ballot to change state legislative term limits from two consecutive terms to three consecutive terms.

#### **LBs 719, 967, 1062 - Workers Compensation**

The Council is a member of the Nebraskans for Workers Compensation Equity & Fairness (NWCEF) coalition. The



following bills were introduced this session. All were killed at adjournment of the 2022 session:

LB 719 - Benefit Increases (O thru NWCEF)

Changes sought under LB719 - a) an employer would be responsible for the costs associated with providing an interpreter if the employee needs, including for examination by a physician; b) allow an employee to select any physician of his or her choice if the employee does not have a physician with a documented history of treatment for the employee or an immediate family member of the employee prior to sustaining an injury; c) would increase total disability benefits from 66 2/3% to 80% of wages received at the time of the injury; would increase partial disability benefits from 66 2/3% to 75% of the difference between wages received at the time of the injury and the earning power of the employee thereafter; would increase the maximum duration of such benefits from 300 weeks to 500 weeks; and would increase benefits for scheduled member injuries from 66 2/3 % to 75% of daily wages; d) would, beginning in 2023, provide for the adjustment of weekly income benefits lasting longer than 12 months to account for increases in the cost of living (increase equal to the greater of 1% or the percentage change in the consumer price index for urban wage earners and clerical workers for the most recent 12-month period); e) would increase the maximum weekly income benefit from 100% of the state average weekly wage to 200% of the state average weekly wage; f) would increase minimum weekly income benefits from \$49 to 50% of the state's average weekly wage; g) would increase benefits for widows and children in cases involving the death of an employee; and h) would provide for a \$25,000 benefit to the personal representative of the estate of a deceased employee if there is no spouse, child, or other dependent entitled to benefits.

LB 967 - Hearing Process (O thru NWCEF)

LB 967 would have required a notice of hearings regarding workers' compensation court rules or regulations to be provided at least 14 (currently 30) days prior to by publication on the official website of the Nebraska Workers' Compensation Court and the public meeting calendar on the state's website (publication currently required in a newspaper having general circulation in the state). The bill would also have required return of service of summons following the filing of a workers' compensation petition to be made within 14 (currently seven) days after the date of issue. Finally, the measure would have authorized any hearing or trial before the Compensation Court to be conducted by telephone, video conference or similar equipment at any location within the state as ordered by the trial court (currently limited to non-evidentiary hearings and any evidentiary hearings approved by the Compensation Court and by stipulation of the parties).

LB 1062 - Total Disability Benefits (S thru NWCEF)

LB 1062 would have provided for termination of total disability benefits at age 72, unless an employee was injured after age 67, in which case total disability benefits shall cease after five years from such compensation having been paid. The measure would have exempted spinal cord injuries and severe brain or closed-head injuries and total or industrial blindness from the limitations on total disability benefits.

## **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 policymakers.

In July 2022, the NCC-PAC conducted its candidate interviews. Following the interviews, the NCC-PAC provided campaign donations to 31 candidates in 22 legislative races. Throughout the 2021-22 fiscal year, the NCC-PAC contributed in 26 instances to incumbents holding fundraisers or a post-election contribution to successful candidates. The NCC-PAC contributed \$54,200 in total to legislative candidates in the 2021-22 election cycle.

Contributions by Council members to the NCC-PAC totaled \$29,900 for the 2021-22FY. This included \$29,402 from 26 Local Members, 2 Participating Members, and 4 Supporting Members, and \$498 from 3 individuals. At the end of the fiscal year on August 31, 2022, NCC-PAC maintained a balance of \$65,051 which combined with contributions in the 2022-23FY will be available for use in the next election cycle.



*In July 2022, the NCC-PAC interviewed 29 state senator candidates for the November 2022 General Election including District 24 candidate Jana Hughes (in blue) of Seward. The committee spent 45 minutes with each candidate educating them on issues that are important to cooperatives and sharing the impact that cooperatives have on Nebraska's economy.*

In order to provide state senators and other policy makers with the most current information regarding cooperatives, in early January 2023, the Council will prepare and distribute a Legislative Reference Guide booklet. The Guide will contain (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 2021-22 fiscal year:

Alliance - Panhandle Rural Electric  
Alliance - WESTCO  
Aurora Co-op Elevator Co  
Battle Creek - Farmers Pride  
Clarkson - Farmers Union Co-op Supply  
Dodge - Co-op Supply Inc N/S  
Dorchester - Farmers Co-op  
Edison - Ag Valley Co-op N/S  
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  
O'Neill - Niobrara Valley Electric  
Pilger - Farmers Co-op  
Scottsbluff - Panhandle Co-op Assn  
Sidney - Crossroads Co-op Assn  
Talmage - Farmers Co-op Co  
York - CVA

Brandon SD - CHS Inc  
Holyoke CO - CHS/Grainland Co-op  
Ag Processing Inc  
CHS Inc  
Capital Recovery Inc  
EBM Construction  
Milliman  
ProValue Insurance

# Federal & State Government Relations

## Covid-19 OSHA ETS Vaccine/Testing Mandate

No regulatory issue generated more interest or Council response in FYE 2022 than that of the Occupational Safety and Health Administration (“OSHA”) issuing an Emergency Temporary Standard (ETS) requiring employers with 100 or more employees to require mandatory weekly Covid-19 testing or proof of vaccination from all employees.

The Biden Administration first announced its intent to order this vaccine mandate on or about September 10, 2022. From that point through the United States Supreme Court striking down the ETS on January 13, 2022, the Council provided members with 14 substantive updates on the impact and status of the vaccination/testing mandate, communicated regularly with NCFC and communicated with Nebraska’s Congressional Delegation on behalf of members affected by the Vaccine/Testing Mandate.

- Sept 10, 2021: Notice of Biden Administration Executive Orders
- Sept 10, 2021: Correspondence of Nebraska U.S. Senators and Congressmen
- Sept 16, 2021: OSHA Enforcement and Employee Opt-Out Requirements
- Oct 8, 2021: 4th Circuit Court Stays ETS Implementation
- Oct 14, 2021: Vaccination and Testing ETS
- Oct 27, 2021: EEOC Guidance on Religious and Medical Exemptions
- Nov 4, 2021: Issuance of ETS
- Nov 7-9, 2021: Attend NCFC Government Affairs Conference including presentation by Eric Conn, OSHA legal expert
- Nov 8, 2021: 5th Circuit Stays OSHA ETS Implementation
- Nov 10, 2021: Status of Federal Court Action—Further Definitions and ETS Requirements, Compliance Deadline Extension
- Dec 2, 2021: 6th Circuit Appeal Status, Notice of NCFC/DOL/OSHA Webinar
- Dec 20, 2021: 6th Circuit Lifts Stay/Are Co-ops Federal Contractors
- Dec 21, 2021: Supreme Court Order Briefing On OSHA ETS
- Jan 13, 2022: Supreme Court Stays Enforcement of OSHA ETS

## FBI Warns of Specific Threats to Nebraska Cooperatives/NE Follow Up

On October 12, 2021, the Council was contacted by the Cyber Task Force unit of the Federal Bureau of Investigation regarding threats it had uncovered specific to Nebraska agricultural cooperatives. This followed two similar ransomware attacks against Iowa and Minnesota agricultural cooperatives and a total of five such attacks nationwide.

(continued on page 12)

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.

## Cooperative Principles

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



## Federal & State Government Relations

(continued from page 11)

The Council distributed a Private Industry Notification from the FBI that contained best practices for defending against such attacks and mitigation efforts that industry should consider.

On October 14, 2021, the Nebraska Department of Agriculture asked us to share a bulletin that the Cybersecurity & Infrastructure Security Agency, Region 7 was seeing a significant increase in ransomware attacks impacting numerous critical infrastructure sectors.

### PSC Changes Grain Warehouse Storage Rates at the Request of NCC

After gathering information from member cooperatives regarding storage rates, the Council filed a request for a grain storage rate increase with the Nebraska Public Service Commission on April 28, 2022. The grain storage rates for Nebraska licensed warehouses had not been increased since 2015. The Council is the only statewide trade association that has licensed grain warehouses and grain dealers as members.

Affected members were universal in requesting an increase due to substantial increases in costs of labor, insurance, construction, and maintenance that grain warehouses have incurred in the last several years. On behalf of its members, NCC requested a 50% increase in the grain storage rates for all standard grain crops.

NCC coordinated testimony and hearing preparation and appeared at the public hearing before the NPSC on May 10, 2022. Gary Brandt, CPI; Jeff Krejdl, Ag Valley; and Rocky Weber all testified in support of a 50% rate increase.

In August 2022, the PSC entered an order increasing grain storage rates the full 50% as requested by the Council

### NE Department of Agriculture Product Bulletins

The Council serves as liaison for the membership with the Nebraska Department of Agriculture and regularly sends out applicator licensing and product application bulletins issues by the Department including:

- Jan 20, 2022: Continued Use of Dicamba & Enlist One and Enlist Duo Labels
- Feb 23, 2022: Driftwatch
- May 12, 2022: Guidance Documents for Enlist Products



### Ed Retires After 23 Years as Education & Program Director



On June 30, 2022, Ed Woepfel, Education & Program Director, retired after a 23-year career with Nebraska Cooperative Council. In his long tenure, Ed provided a generation of cooperative leaders with education programming to develop strong management teams and Boards of Directors. Council President, Rocky Weber, said: "While we congratulate Ed on his retirement, we will miss his quiet, steady leadership and support for our cooperative members." Ed has retired to enjoy "the good life" with his wife, Lisa, on their acreage south of Lincoln and is enjoying time with his children and grandchildren.

# Director Education

For 21/22, our educational programs reflected a more normal offering, as we returned most programs to in-person delivery. After conducting the 20/21 programs virtually, we surveyed members, and the overwhelming response was to return to in-person programming when possible.

## Director/Manager Workshop (DMW)

This year's program was held in November in Kearney with 83 participants and was titled "The Great Reset". Charlie Arnot, Nebraska native and CEO of The Center for Food Integrity, kicked off the session with a look at the multitude of social, cultural, financial, and investment issues that have quickly risen to the top. He discussed how these factors are impacting business and particularly agriculture.

Steve Cubbage, Vice President of Farmobile, then addressed the Wild, Wild West that currently exists within the carbon markets and how data impacts carbon markets.

The closing morning session was a deep dive into the discussion of how the cooperative will fit into this reset, including the carbon markets. Ken Zuckerberg, Lead Analyst for CoBank's Knowledge Exchange, led a discussion on how cooperatives can adapt to these new forces driving the market place.

Closing out the day's program was Kelsey Billings, Director of Government Affairs & Sustainability, with the National Council of Farmer Cooperatives. She updated us on the current status of federal legislation regarding carbon markets.

## Leadership Luncheon Series

For the first time, the Council offered a Leadership Luncheon Series which was three 1-hour virtual programs offered during December. With 31 individuals participating, this year's LLS focused on ESG from the Board perspective. Dr. Richard Leblanc, International Recognized Professor of Governance, Law and Ethics at York University in Toronto, Canada, led the three sessions on December 8, 15, and 22. The session dates and topics were an introduction to ESG: The "E" (Environmental) in ESG; an introduction to the "S" (Social) in ESG; and the "G" (Governance) in ESG including governance application.

## 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 8,452 phases have been completed. Over 1,695 individuals have graduated from the four-phase program. CoBank cosponsors DCP with the Council.

Phases 1 and 2 were conducted this year in January 2022 with 22 phases completed. Instructors for Phase 1 were Ed Woepel and Rocky Weber, and for Phase 2 were Brook Stromer, CoBank, and Dr. Keri Jacobs, University of Missouri.

## Multi-State Program

The Council partnered again with the State Councils in Iowa, Kansas, Oklahoma and South Dakota to offer a webi-

nar for our members. It was held on January 12, 2022. With generous financial support from CoBank, we were able to utilize nationally recognized thought leader Peter Zeihan. Peter specializes in geopolitical strategies and addressed the following issues in his 75-minute webinar:

- \* How the continuing pandemic has and will continue to affect supply chains
- \* What de-globalization and de-population will mean for U.S. agriculture
- \* The internal changes occurring in China and how that will impact U.S. agriculture
- \* Commodities, bio-fuel and animal protein outlooks
- \* Risk management post "Just-In-Time"
- \* How to navigate the next 12-24 months as well as the broader agriculture implications in the 5-10 year range

Peter's presentation was very riveting and generated considerable discussion from those who participated in the webinar.

In Nebraska, 111 individuals from 13 cooperatives participated.

## 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, 39 individuals attended GDS which was held the afternoon/evening of February 2 and the morning of February 3, 2022. Probably the single most important task of the board is to determine the future plans/vision for the cooperative. This year's GDS focused on a full understanding of the financial picture of the cooperative. The first session focused on balance sheets, sources and uses of funds, and a balance sheet predictor. Since the last time we offered this program, much has changed with grain prices and input pricing. The example used reflected on those changes. The session also incorporated situational analysis using financial acumen to analyze situations that

(continued on page 14)



*Charlie Arnot with The Center for Food Integrity, kicked off the 2021 Director/Manager Workshop with 80+ individuals in attendance.*



## Director Education

(continued from page 13)

boards of directors may encounter as well as assessment of ongoing profitability of the cooperative. Dr. Keri Jacobs of the University of Missouri and Cary Sandell of CoBank led this session.

The evening reception and dinner was once again sponsored by CoBank. Matt Davison, Associate Athletic Director for Football at UNL, then addressed the topic of leadership in organizations.

The morning session on February 3rd focused on what makes a good board member and board succession. Dr.

Brian Briggeman from Kansas State University began the discussion with his recently completed research focusing on "What Makes a Good Board Member." This session was followed up by a discussion led by Dr. Briggeman and Rocky Weber discussing board succession.

### Board Leadership Seminar (BLS)

The Board Leadership Seminar was held on February 16th in Omaha with 36 in attendance. We hold this seminar right before the start of CoBank's Customer Meetings which allows participants to travel one time to attend both programs. This year's session featured the open forum discussion with Attorney Bill Kutilek and Rocky Weber. Evaluations continue to indicate board officers are pleased with this schedule and the open-forum discussion.



*NCC President Rocky Weber and Bill Kutilek with Crosby Guenzel LLP lead the Board Leadership Seminar--our highest rated program which features an open format discussion of topics generated by participants.*



*Graduate Director Seminar participants listened to Brian Briggeman from KSU discuss "What Makes a Good Board Member."*

## 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 150 presentations for 2,714 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.

In the 21/22AY, we provided 13 presentations to 298 college students with presentations at NCC-Norfolk, CCC-Hastings, UNK, NCTA, SCC-Beatrice, and CCC-Columbus for college students, and at The Career Academy Early Ag Experience in Lincoln for 7 high school 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. For the past 3 summers, due to Covid, 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 2023 conference.

### State FFA Cooperative Speaking Contest

2022 marked the 71st 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 cooperative representatives in the ag education process.

Forty-nine (49) students participated in the district contests with 22 students qualifying for the state competition. Claire Woepfel from the Chambers FFA chapter took top honors. For the fourth consecutive year, the NCC Education Foundation provided additional recognition for FFA co-



operative 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.

### Intern Retreat

The Council hosted our fourth Cooperative Intern Retreat on June 15, 2022 in Kearney with 83 interns and 14 other key staff in attendance. The program kicked off with Dr. Keri Jacobs with the University of Missouri providing a Co-ops 101 with fundamental information regarding the cooperative business model, the history of cooperatives,

governance, patronage, equity and current cooperative statistics.

The interns then had the opportunity to visit in small groups with cooperative CEOs in four separate rotations. The CEOs involved in the program were Dean Thernes (Farmers Pride-Battle Creek), Jeff Krejdl (Ag Valley Co-op-Edison), Tod Clark (Country Partners Co-op-Gothenburg), and Allan Zumpfe (Farmers Co-op-Dorchester). In addition to the CEO roundtable discussions, the interns also heard from a panel of young producers which included Jerad Stroh of Juniata (CPI) and Ryan Sukraw of Gothenburg (Country Partners Co-op).

In 2022, the retreat was a joint effort by the Council with financial support from the NCC Education Foundation.



*During our Co-ops 101 presentations, we discuss how the cooperative business model differs from other models. In addition, a local co-op rep participates to talk about job opportunities at cooperatives. In October 2021, we were at NCTA and UNK. Pictured at NCTA (left) is Ag Valley Co-op employee Charles McGreer and at UNK (right) is Country Partners Co-op employee Jake Fairley.*



*Over 80 cooperative interns attended the 4th annual Cooperative Intern Retreat in Kearney on June 15, 2022.*

# Annual Meeting / Hall of Fame

The Council held its 76th Annual Meeting on November 17, 2021, at the Holiday Inn in Kearney. A total of 192 members and guests attended this year's event.

The meeting began by looking back at the Council over the years by showing the 75th Anniversary Video.

The business session followed with the financial report by NCC President Rocky Weber, the Chairperson's report from NCC Board Chair David Briggs, and then Rocky finished up the business session with his President's Report.

Re-elected to the Board for 4-year terms were Evan Brandes (Board Vice Chair of Aurora Co-op Elevator Co) and Bart Moseman (CEO of Farmers Co-op Elevator Co-Hemingford).

The Council recognized Senator Brett Lindstrom of Omaha as a Cooperative Supporter for his legislative work on behalf of Council members. Also recognized as a Cooperative Supporter was Lincoln television channel 10/11's Pure Nebraska and show anchors Jon and Taryn Vanderford for their support of Nebraska's farmer owned cooperatives during Cooperative Month each October.

Participants then enjoyed the meeting entertainer - Curtis the Mentalist.

The final portion of the meeting was devoted to the Hall of Fame induction. This year Dale Piper of Springfield and Gerald Schmidt of Jansen were inducted.

Dale Piper is the retired general manager of Midwest Farmers Co-op which was headquartered in Elmwood. He spent his entire 34-year professional career in the cooperative system. He began as a branch manager at Ponca in 1983. In 1985, he was named general manager at Farmers Cooperative Company in Palmyra.

In 1994, Dale became general manager of Nehawka Farmers Cooperative. Thereafter he successfully led mergers with Nebraska City, Greenwood, and finally Waverly in 2014, creating Midwest Farmers Co-op.

Under Dale's leadership, Midwest developed three greenfield grain storage and agronomy facilities in underserved areas of the trade territory including the shuttle train facility near Syracuse, which improved local markets for member grain and deployed assets to better serve the farmer producers.

Dale also provided significant leadership to a number of cooperative organizations. Dale was a Board member of the NIK Marketing Group, Eastern Nebraska Grain, AGP Grain Board, and the Nebraska Cooperative Council. Dale served on the Council's Legislative Advisory Committee, Political Action Committee, and Educational Advisory Committee as well as serving on the Board of Directors from 1998-2007 including Vice Chair from 2000-2003 and Chair of the Board of Directors from 2003-2007.



*(L-R) NCC President Rocky Weber and Board Chair David Briggs presided over the 2021 Annual Meeting.*

Gerald Schmidt is a retired board member from Farmers Cooperative in Dorchester and Allied Producers Co-op in Westside, IA. He has been a lifelong advocate for the agricultural cooperative system.

In 1983, Gerald was elected to the Board of Directors of Farmers Cooperative Elevator Company in Plymouth and served as Board Chair from 1984-1989. He was re-elected in 1996 and served as Board Chair from 2001-2002. Gerald was instrumental in the successful merger between Plymouth and Dorchester that took place in 2002.

He served on the Board of the newly created cooperative from 2002-2017 and was Board Chair from 2002-2014. His leadership contributed to many strategically planned mergers and acquisitions to better serve the farmer members of the cooperative.

With a strong conviction on the value of vertically integrating farmers into processing, Gerald was instrumental in forming America's Premium Pork in 2000 which led to the formation of Allied Producers Cooperative in 2003. This cooperative provided a means of producer ownership in the Triumph Foods processing plant in St. Joseph, Missouri. Gerald served on the Boards of Directors of both Triumph Foods and Allied Producers Cooperative for nearly two decades.

Gerald has also served on the Board of the NCC Education Foundation since 2006, serving as Secretary, Vice Chair, and Chair of the Board.



# Highlights of the 2021 Annual Meeting, Hall of Fame, and Reception



*Over 190 people attended the 2021 Annual Meeting*



*Dean Thernes provided the NCC Board election results.*



*Cooperative Supporter 10/11 Pure Nebraska and anchor Jon Vanderford*



*Enjoying time for fellowship at the reception*



*Cooperative Supporter Senator Brett Lindstrom*



*Enjoying the membership reception with great food and drinks*



*2022 Hall of Fame Inductee Dale Piper*



*2022 Hall of Fame Inductee Gerald Schmidt*



# Financial Statements - 20/21 & 21/22

## STATEMENTS OF FINANCIAL POSITION August 31, 2022 and 2021

## STATEMENTS OF ACTIVITIES August 31, 2022 and 2021

ASSETS	2022	2021
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents:		
Cash - Unrestricted	\$1,102,045	\$1,102,253
Cash - Restricted - FFE	41,769	20,962
Cash - Restricted - NCC-PAC	65,052	88,964
Cash - Restricted - NACA	60,427	60,295
Cash - Restricted - UNL Tickets	1,443	2,068
Cash - Restricted - Energy Source	13,477	13,473
Cash - Restricted - Legacy Initiative	<u>54,483</u>	<u>17,675</u>
Total Cash and Cash Equivalents	1,338,696	1,305,690
Marketable Securities Investment	584,932	320,292
Mutual Fund Investments - Restricted - FFE	566,099	634,863
KRVN Golden Notes	25,000	0
Certif of Dep - Unrestricted	0	231,966
Deferred Compensation Assets	4,186	4,186
Prepaid Expenses	<u>24,767</u>	<u>11,814</u>
Total Current Assets	2,543,680	2,508,811
<b>INVESTMENTS:</b>		
KRVN Golden Notes - Unrestricted	0	25,000
Certificates of Deposit - Unrestricted	45,751	0
Cash Value of Deferred Compensation Assets	<u>12,559</u>	<u>16,746</u>
Total Investments	58,310	1,746
<b>PROPERTY &amp; EQUIPMENT:</b>		
Furniture & Office Equipment	87,009	87,009
Accumulated Depreciation	<u>(68,903)</u>	<u>(64,945)</u>
Net Property & Equipment	18,106	22,064
<b>RIGHT OF USE ASSET - Operating Lease</b>	<u>173,499</u>	<u>193,401</u>
<b>TOTAL ASSETS</b>	<u>\$2,793,595</u>	<u>\$2,766,022</u>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current Maturities of Long-Term Debt		
Operating Lease Liability	\$ 19,553	\$ 19,098
Prepaid Dues	562,125	485,213
Deferred Compensation Payable	4,186	4,186
Accrued Expenses	<u>26,244</u>	<u>33,106</u>
Total Current Liabilities	<u>612,108</u>	<u>541,603</u>
<b>LONG-TERM LIABILITIES - Net of Current Maturities:</b>		
Notes Payable	0	66,343
Operating Lease Liability	155,284	174,837
Deferred Compensation Payable	<u>12,559</u>	<u>16,746</u>
Total Long-Term Liabilities	<u>167,843</u>	<u>257,926</u>
<b>NET ASSETS:</b>		
Unrestricted	1,247,702	1,128,193
FFE - Restricted	607,868	655,825
NCC-PAC - Restricted	65,052	88,964
NACA - Restricted	60,427	60,295
NCC-UNL Tickets - Restricted	1,443	2,068
Energy Source - Restricted	13,477	13,473
Legacy Initiative - Restricted	<u>17,675</u>	<u>17,675</u>
Total Net Assets	<u>2,013,644</u>	<u>1,966,493</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$2,793,595</u>	<u>\$2,766,022</u>

GENERAL FUND	2022	2021
<b>REVENUE AND SUPPORT:</b>		
Members' Dues	\$565,531	\$579,014
Contributions	50,000	10,000
Participating Members' Dues	89,680	80,600
Meetings	41,638	6,126
Workshops	101,250	46,341
Interest Income	3,909	5,971
Investment Income from Marketable Securities	22,087	20,344
Unrealized Gain (Loss) on Marketable Securities	(55,662)	13,888
Gain on Sale of Equipment	0	400
Miscellaneous	3,537	1,068
PPP Loan Forgiveness	66,343	0
Net Assets Released from Restrictions	<u>97,606</u>	<u>5,245</u>
Total Revenue and Support	985,919	768,997
<b>EXPENSES:</b>		
Salaries	409,125	425,378
Payroll Taxes	24,649	24,504
Employee Insurance	19,174	21,479
Retirement	<u>36,850</u>	<u>36,502</u>
Total Personnel Expenses	489,798	507,863
Accounting Fees	26,525	27,012
Auto	38	0
Books and Magazines	79	135
Consulting Services/Contract Labor	25,950	25,000
Depreciation	3,958	3,089
Directors' Fees	19,584	8,489
Dues/Contributions	5,148	4,513
Equipment Leases	2,476	2,008
Foundation	0	35
Impact Study	13,192	0
Information Technology	18,006	18,086
Insurance	7,962	7,568
Legal Fees	5,249	999
Meetings	38,810	2,127
Moving	0	14,706
Office Supplies	7,461	9,563
Parking	5,614	3,975
Postage	600	1,547
Promotions	293	450
Property Taxes	322	378
Rent	32,427	32,423
Repairs and Maintenance	206	570
Telephone	6,481	5,007
Travel	8,725	2,789
Utilities	1,559	432
Workshops	48,341	20,405
Miscellaneous	0	275
Fund Expenses	<u>97,606</u>	<u>5,245</u>
Total Expenses	<u>866,410</u>	<u>704,689</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	119,509	64,308
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,128,193</u>	<u>1,063,885</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$1,247,702</u>	<u>\$1,128,193</u>

## FUND FOR EXCELLENCE (FFE) FUND

	2022	2021
REVENUE AND SUPPORT:		
Interest Income	\$ 0	\$ 9
Investment Income from Marketable Securities	37,139	22,153
Unrealized Gain (Loss) on Marketable Securities	(85,096)	66,942
Other Income	0	56,985
Total Revenue and Support	(47,957)	146,089
EXPENSES:		
Total Expenses	0	0
INCREASE (DECREASE) IN NET ASSETS	(47,957)	146,089
NET ASSETS - BEGINNING OF YEAR	655,825	509,736
NET ASSETS - END OF YEAR	\$607,868	\$655,825

## NCC-PAC FUND

	2022	2021
REVENUE AND SUPPORT:		
Contributions Received	\$ 29,900	\$ 26,371
Interest Income	138	42
Total Revenue and Support	30,038	26,413
EXPENSES:		
Donations	53,950	2,700
Total Expenses	53,950	2,700
INCREASE (DECREASE) IN NET ASSETS	(23,912)	23,713
NET ASSETS - BEGINNING OF YEAR	88,964	65,251
NET ASSETS - END OF YEAR	\$65,052	\$88,964

## NATIONAL AFFAIRS COOPERATIVE ACTION (NACA) FUND

	2022	2021
REVENUE AND SUPPORT:		
Interest Income	\$ 132	\$ 112
Total Revenue and Support	132	112
EXPENSES:		
Total Expenses	0	0
INCREASE (DECREASE) IN NET ASSETS	132	112
NET ASSETS - BEGINNING OF YEAR	60,295	60,183
NET ASSETS - END OF YEAR	\$60,427	\$60,295

## UNL TICKETS FUND

	2022	2021
REVENUE AND SUPPORT:		
Contributions Received	\$ 42,904	\$ 2,711
Interest Income	7	3
Miscellaneous	120	0
Total Revenue and Support	43,031	2,714
EXPENSES:		
UNL Tickets	19,528	2,545
UNL Contribution	24,000	0
Postage	128	0
Total Expenses	43,656	2,545
INCREASE (DECREASE) IN NET ASSETS	(625)	169
NET ASSETS - BEGINNING OF YEAR	2,068	1,899
NET ASSETS - END OF YEAR	\$1,443	\$2,068

## ENERGY SOURCE FUND

	2022	2021
REVENUE AND SUPPORT:		
Interest Income	4	5
Total Revenue and Support	4	5
EXPENSES:		
Total Expenses	0	0
INCREASE (DECREASE) IN NET ASSETS	4	5
NET ASSETS - BEGINNING OF YEAR	13,473	13,468
NET ASSETS - END OF YEAR	\$13,477	\$13,473

## LEGACY INITIATIVE FUND

	2022	2021
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

# 2021/22 Membership

### SUPPLY/MARKETING COOPERATIVES

Alliance - WESTCO  
Aurora Co-op Elevator Co  
Battle Creek - Farmers Pride  
Clarkson - Farmers Union Co-op Supply Co  
Dodge - Cooperative Supply Inc N/S  
Dorchester - Farmers Cooperative  
Edison - Ag Valley Co-op, N/S  
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  
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  
Brandon SD - CHS Inc

### 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

Associated Benefits Corp  
Associated Milk Producers, Inc  
Austin Mutual Insurance Co  
Berkley Agribusiness  
BNSF Railway  
Campbell, Shaffer & Company  
Capital Recovery, Inc  
CliftonLarsonAllen CPAs  
EBM Construction, Inc  
FCCS Consulting  
Four Points Federal Credit Union  
Gallagher  
Gardiner + Company CPAs  
Inspro Insurance  
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

**Nebraska Cooperative Council**

635 South 14th Street, Suite 125

Lincoln, NE 68508

Ph: 402/475-6555

Website: [nebr.coop](http://nebr.coop)