

NCC Cooperation in Nebraska - May 2025 issue

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Date Thu 5/8/2025 9:57 AM

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May 2025

Cooperation in Nebraska bringing you up to date on the activities of your Nebraska Cooperative Council in 2025.

Director Education Grows in 2025

DIRECTOR CERTIFICATION PROGRAM / DIRECTOR GROWTH FORUM

Directors from cooperatives across the state gathered in Kearney on January 7-8 for Phases 3 & 4 of the Council's Director Certification Program (DCP) and its Director Growth Forum (DGF).

DCP is a 4-phase program covering all aspects of the roles and responsibilities of directors. Phase 3 took place on January 7th and was facilitated by Dr. Keri Jacobs, Associate Professor of Ag & Applied Economics in the College of Agriculture, Food, and Natural Resources at the University of Missouri and Brook Stromer, a Vice President with CoBank's Regional Agribusiness Banking Group. Directors learned about capitalizing a cooperative and understanding financial statements.

The beginning of Phase 4 was facilitated by Amy Ryan, Senior Compensation and HR Consultant with Foundations Consulting, the consulting arm of Farm Credit Foundations. Directors learned about managing the CEO, including goal setting, communication, and evaluation. Then directors were joined by Neil Stedman, Chair of Frontier Cooperative's Board of Directors, and John McClelland, retired General Manager of Garden City Cooperative in Garden City, KS. Neil and John drew from their experiences to offer insights on manager/board interactions and answered questions from the directors.

This year, 34 directors finished Phases 3 and 4 of DCP. The group was actively engaged with the content and participated well in conversations with the facilitators.

DGF is designed for directors to continue learning about important issues facing their boards and growing as leaders for their local cooperatives. The first day of DGF 2025 focused on Stategic Leadership. Eric Coet from Peak Solutions dove into how leaders determine whether or not something is urgent, what high performance takes, how to make your brand stick out, how to build a culture, and how to build a cohesive team.

DCP and DGF participants networked over dinner and drinks after the first day. Former Nebraska Cornhusker star and current sports media personality Adam Carriker was the keynote speaker for the evening. Carriker offered inspirational and entertaining stories about his journey from being an unrecruited quarterback for a losing high school team to an All-American defensive lineman and NFL standout. Carriker then fielded questions about Nebraska football.

For Day 2, several experts joined DGF to discuss carbon intensity scoring, practices, and policy. Michael Dolch and Nate Nolte from AGP gave an overview of the policy and regulatory landscape for carbon intensity scoring. Then Dr. Alejandro Plastina from the University of Missouri discussed costs and benefits to producers of carbon intensity scoring. Finally, Dr. Matthew Elliott from South Dakota State University discussed carbon intensity scoring and how advances in various technologies can be utilized by cooperatives.

There were 42 directors in attendance for DGF, which is a 50% increase in attendance from the previous year. DCP, DGF, and the keynote speech were all well received by attendees, receiving positive feedback from evaluations.

ONE-RED VIRTUAL PROGRAM

On January 23rd, the Council offered a complimentary virtual program on "ONE RED: Opportunity for Nebraska - Reducing Emissions and Decarbonization" from Andrew Dunkley, Deputy Director of Government Affairs and Public Policy for the Nebraska Department of Environment and Energy (NDEE). 46 individuals joined the program.

Nebraska is receiving \$307 million from the Environmental Protection Agency to tackle climate pollution as outlined in the state's Priority Climate Action Plan. The NDEE is identifying voluntary measures and financial incentive programs to achieve short-term and long-term emissions reductions in all economic sectors, including agriculture. Over \$160.4 million of the grant will be focused on agriculture in the areas of carbon intensity scoring, regenerative ag incentives, precision ag incentives, and transitioning diesel engine irrigation pumps to electric motors. Andrew presented the Department's plan for administering the ONE RED grant and fielded questions.

BOARD LEADERSHIP SEMINAR

The 2025 Board Leadership Seminar took place on March 3rd in Omaha. Rocky and Bill Kutilek, attorney at Crosby Guenzel, facilitated a robust, wide-ranging conversation with 42 directors in attendance. This program continues to be well attended and well received.



Above: Director Certification Program participants - Jan 2025

2025 Legislative Session

January 2025 saw the start of the 109th Nebraska Legislature. The 2025 Session is the long 90-day session in which the primary task of the Legislature is to adopt a biennial budget for the state. That did not stop legislators from introducing 744 bills and resolutions in the 10 days of bill introduction in January 2025. Council staff reviewed 93 bills.

LEGISLATIVE ADVISORY COMMITTEE

The Council's Legislative Advisory Committee (LAC) met in Lincoln on January 27th. They reviewed 74 bills and agreed the Council should take a position on 22 of them.

Following the committee meeting, the LAC hosted a cocktail reception for senators. With the Council's LAC, members of the NCC Board of Directors, PAC Committee, managers and staff, a total of 15 cooperative representatives participated in this event. We were joined by 18 senators and 2 spouses. This attendance is much higher than in previous years, giving the LAC a chance to meet, hear from, and share co-op information with over one third of the Legislature. The committee also had an opportunity to discuss an important bill that was coming up for a committee hearing with senators sitting on that committee, which helped bring about the Council's preferred outcome.

LEGISLATIVE HIGHLIGHTS

The first session of the 109th Legislature will not adjourn until June 9th, but already it has been a successful session for the Council. The Council worked with Senator Brandt to bring LB 568 to create permanent license plates for commercial fertilizer trailers, rather than getting and applying new stickers every year and new plates every 6 years. This would save thousands of hours of labor each year for local cooperatives, who collectively own more than 16,000 fertilizer trailers. As of this newsletter, the language from LB 568 has been included in LB 398, which is a priority bill of the Transportation and Telecommunications Committee. The bill has advanced to Select File without opposition and should become law this session.

LB 372 from Senator McKeon included a section that would have eliminated the Agricultural Suppliers Lease Protection Act, which provided an administrative procedure for resolving disputes between railroads and lessees of a railroad right of way on the terms and conditions of a right of way lease renewal. Though the administrative avenue has not been frequently used, the existence of the Act alone is sufficient for ensuring fair negotiations. The Council and its LAC discussed this with senators and the Governor, leading to an amendment that ensured the Act will stay in place before the bill even had its hearing.

LB 525, brought by Senator Jacobson on behalf of the Governor, would create the Agricultural Data Privacy Act. The Council was neutral but had concerns about what the bill would mean for its members

and their farmer-owners. The Council recognizes the importance of data security for farmers, but for such a large and complex issue, more time and conversations are necessary before a new law is passed. Senator Jacobson and the Governor's Office agreed and have decided to conduct an interim study on the topic. The Council will be actively engaged in the process, forming a committee to offer insights and recommendations.

Senator DeKay introduced LB 245 with support from the Department of Agriculture. As introduced, it would have placed extremely steep increases on weights and measures fees for inspections, in many cases more than doubling them. While the Council took no position on the bill, it sought and received data from its membership on how significantly this would affect their bottom lines. This data was shared with members of the Agriculture Committee, and a compromise was reached with more reasonable fee increases being put in place. This bill became law on April 29 with provisions effective on May 1, 2025.



Above: Allan Zumpfe, CEO of Farmers Cooperative headquartered in Dorchester testified at the LB 563 hearing before the Transportation & Telecommunications Committee.

GROUNDWORK

The 2nd class of young producers participating in GROUNDWORK met in Lincoln on February 23-24 for a Unicameral Day. The evening of the 23rd, Adam offered a presentation on the policymaking process in Nebraska and what makes it unique.

Following the presentation, Senators Tom Brandt of Plymouth and Myron Dorn of Adams joined the group for a panel on their work and successful advocacy. The senators did a wonderful job of sharing

their experiences and what they have learned in their time. They told stories and answered questions for more than an hour, then joined the class for dinner.

The morning of February 24th, Sean Kelley and Julia Plucker met with the group to discuss lobbying in Nebraska and offered their insights into the 2025 session.

The young producers then went to the Capitol and went to the balcony to view debate. They were able to see how bills are discussed by senators on the floor, and they also saw a committee go into executive session to the side of the floor while debate was ongoing. Senator Brandt announced GROUNDWORK'S attendance, and members received a welcome from the entire Legislature.

The young producers then started meeting with their senators in the Rotunda. They each had meaningful conversations about legislative priorities for the Council and issues important to them. Multiple senators the class spoke with serve on Ag Committee, and the young producers had the chance to advocate for a less aggressive fee increase in LB 245. One senator even took multiple participants to his office for additional conversation.

Over lunch, Rocky and Adam offered an overview of bills with hearings before committees, with special attention given to LB 477. This was a bill introduced by Senator Fredrickson that would have the unintended consequence of making workplace apps utilized by several cooperatives illegal. The class went to the committee hearing for this bill, where they had the chance to see Taylor Collins from Farmers Cooperative in Dorchester and Adam testify in opposition to this bill.

The GROUNDWORK Unicameral Day successfully offered a chance to both learn about the policymaking process and get engaged in it for these future leaders.

On March 28th, the class had the opportunity to join a virtual presentation by Jessica Rudolph, Ecosystem Manager with the Combine. The Combine is part of Invest Nebraska that serves as an ag tech startup incubator. GROUNDWORK producers learned about the exciting work being done in Nebraska to advance ag tech and some of the companies they are helping incubate.

The final event for this group will be a trip to Washington DC from June 23-26 to learn about the federal legislative process. The itinerary includes meetings with each member or staff of Nebraska's congressional delegation. Also planned are a tour of the U.S. Capitol and visits to the House and Senate Chambers while those bodies are in session followed by a luncheon meeting with the agricultural cooperative lobbyists in Washington representating NCFC, Farm Credit Council, CoBank, CHS Inc, and Land O'Lakes. This session will include discussions on current issues the ag cooperative lobby is working on as well as how to successfully advocate on national ag policy. The group also plans on touring the Arlington National Cemetary and will have a walking tour of the National Mall visiting the monuments and memorials located along the Mall.

NCFC Section 199A Washington DC Fly-In

On March 24-26, NCFC held a fly-in to Washington DC to meeting with as many senators/congressmen as possible about the importance of Section 199A to farmer owned cooperatives. Immediately preceding the fly-in, NCFC circulated a <u>letter to the House and Senate leadership</u> urging Congress to permanently extend the expiring provisions of Section 199A of the Tax Cuts and Jobs Act of 2017. That letter was signed by 268 entities. Nebraska participation on this letter was significant. Of the NCC membership, 11 local cooperatives members, 8 participating members and 2 out of state members were signatories on this correspondence.

Participating in the 199A fly-in with NCC President Rocky Weber were NCC Board Chairman Dean Thernes from Farmers Pride, Frontier Co-op Board Chairman Neil Stedman, and Farmers Cooperative-Dorchester CEO/President Allan Zumpfe.

Over 50 cooperative representatives from across the country attended this national fly-in and spent two days on Capitol Hill visiting approximately 100 member offices. Targeted in this effort were

members of the House and Senate Agriculture Committees, the House Ways and Means Committee, the Senate Finance Committee, and a variety of freshman member offices.

Representatives of NCC Participating Member AGP also participated in the event, including, in addition to Dean Thernes, who also chairs the AGP Board, Iowa based directors Hank Van der Waal and Jim Wagner as well as AGP Director of Government Affairs and NCC Legislative Advisory Committee member Michael Dolch.

There was generally a positive response to the proposition of making Section 199A permanent. We were fortunate to meet with 3rd District Nebraska Representative Adrian Smith following the Nebraska Breakfast on Wednesday, March 26. Congressman Smith is a member of the House Ways and Means Committee which has a significant control over tax matters coming before the House of Representatives. The Nebraska participants also met with the staffs of Senator Deb Fischer and Congressman Don Bacon. Additional visits by the Nebraska participants included Senators or Congressmen from Georgia, Pennsylvania, Alabama, Texas, Arkansas, and Kansas.

The House of Representatives are currently working on the reconciliation tax package that will be the vehicle for any extension of Section 199A. The value of the Section 199A deduction taken in Nebraska in 2022 was approximately \$100 million. This tax provision, in existence for over two decades, has had significant benefits to farmer owned agricultural cooperatives, farmer members of cooperatives and rural communities that have benefitted from the ability of farmer cooperatives to take Section 199A tax savings and reinvest in property, plant and equipment as well as maintain locations and employment.

We will keep the Council membership advised of further developments impacting Section 199A as they occur.



Above (left to right): Stan Stark, Alliance Ag & Grain CEO, Pratt KS; Michael Dolch, AGP; Neil Stedman, Frontier Cooperative; Congressman Adrian Smith; Farmers Cooperative CEO Allan Zumpfe; Farmers Pride CEO Dean Thernes; and NCC President Rocky Weber.

Youth Education Updates

Co-op 101

This spring semester, the Council completed 5 Co-op 101 presentations for 105 students. The Council would like to thank Taylor Collins from Farmers Cooperative and Jeff Krejdl and Bryce Roberts, both from Ag Valley Cooperative for offering their expertise as a part of these presentations.

The Council has been working to expand its reach to additional universities, and this spring marked the first time giving a Co-op 101at Concordia University in Seward. In addition to a presentation to an entry-level ag class and participating in a panel for upper-level students, Adam is one of a group of industry members helping shape the Uzziah Scholars program at Concordia.

The Council has expanded the types of presentations it offers students, creating opportunities to speak to different classes and students nearing graduation. Presentations offered at Midland, an upper-level UNK class, and an upper-level Concordia class have included information on agricultural policy in addition to teaching about the cooperative business model. Previously, presentations at UNK and NCTA were once a year for new students, but the interest in ag policy opened the door for multiple presentations each year.

The Council recently hosted a UNK Ag Economics class at our office for lunch and a Co-op 101 with a federal and state Ag Policy presentation before they visited their senator at the Capitol. The Council and staff from Ag Valley were able to speak to an Ag Marketing class at NCTA about the cooperative model, ag policy, and grain marketing. The Council has also been working to bring a data expert from a cooperative to a class focused on the subject at Wayne State to bring information about cooperatives and the careers available to additional students.

FFA

The Nebraska State FFA Convention took place April 2-4 in Lincoln. The Council sponsors the cooperative speaking competition, and there were 35 competitors who qualified for the state competition this year. Six speakers advanced to the Finals, with each giving excellent speeches about the importance of cooperatives in Nebraska. Placing first was Suhani Chaudari from O'Neill FFA, second was Ava Hoffman from West Holt FFA, and third was Addison VonRentzall from Osmond FFA. Congratulations!

Intern Retreat

The Nebraska Cooperative Council's 2025 Intern Retreat is set to take place on June 12th at the Younes Conference Center-South in Kearney from 11am to 4pm (CT). Registration materials were forwarded earlier this month - linked here are the <u>registration form</u> and <u>agenda</u>. The program will feature a Coop 101 presentation, producer panel, and CEO roundtable.



Co-op 101 at NCTA - Feb 26, 2025



UNK Ag Economics class at Lincoln - April 1, 2025

Foundations Consulting

Amy Ryan, Principal Consultant at Foundations Consulting, has led training sessions at the Council's Director Certification Program - Phase 4 in 2023 and 2025. The presentations have focused on helping directors set goals, communicate effectively, and evaluate business results. Foundations Consulting, which is a part of Farm Credit Foundations, collaborates with rural cooperatives to deliver practical, data-driven HR solutions that drive measurable success. They understand the cooperative business model and the challenges co-ops face. They offer these cost-effective and best practice HR consulting services:

- Compensation Specializing in compensation analysis for entire organizations, executive teams, and key roles. They work with leadership and boards of directors to evaluate CEO compensation, ensuring pay structures are competitive, fair, and aligned with business objectives.
- **Performance Management** Creating processes to track, evaluate, and improve workforce performance. They provide training and education for effective goal setting, feedback, and evaluation at all levels of the organization.
- **HR Compliance** Helping organizations navigate complex HR regulations and mitigate risks. They review/create policies to ensure alignment and provide related expertise through education.
- **Board and Leadership Training** Designing training programs for boards and leadership teams to enhance their skills and effectiveness. They focus on all aspects of HR strategy with particular emphasis on CEO compensation and performance.

Foundations Consulting understands the unique challenges rural cooperatives face. As a cooperative themselves, their expertise in HR and compensation helps co-ops build strong teams, optimize operations, and plan for the future. For more information, visit: https://www.coophrconsulting.com

Calendar of Upcoming Events

- May 29, 2025 Credit Workshop (virtual) led by Bill Kutilek from Crosby Guenzel LLP (<u>flyer</u>, registration form)
- June 12, 2025 NCC Cooperative Intern Retreat Kearney, Younes Conf Center-South (<u>agenda</u>, <u>registration form</u>)
- June 23-26, 2025 NCC GROUNDWORK Washington DC Fly-in
- July 10, 2025 NCC Board meeting Lincoln, Hruska Law Bldg
- July 31, 2025 NCC Hall of Fame nominations due (nomination form)
- July 31, 2025 NCC Board of Director Nominations due
- Nov. 19, 2025 NCC Board and LAC-PAC Committee meetings, Annual Meeting, Hall of Fame Induction Ceremony and Membership Reception Kearney, Younes Conf Center-North
- Nov. 20, 2025 Director/Manager Workshop Kearney, Younes Conf Center-North
- Dec. 2025 Leadership Luncheon Series (virtual) dates TBD
- Jan. 7-8, 2026 Director Certification Program Phases 1 & 2 Kearney, Younes Conf Center-North
- Jan. 7-8, 2026 Director Growth Forum Kearney, Younes Conf Center-North
- Jan. 26, 2026 NCC Legislative Advisory Committee meeting & Legislative Reception Lincoln, Hruska Law Bldg
- March 2, 2026 Board Leadership Seminar Omaha, Hilton



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