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## Our Mission

The Kansas Cooperative Council exists to promote, support and advance the interests, business success and understanding of agricultural, utility, credit and consumer cooperatives and their members through legislation and regulatory efforts, education and public relations.

*Co-op News* is published four times a year by the Kansas Cooperative Council for its members and constituents.

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Don't miss this year's joint Legislative Action Day. There will be many new faces in state government and leadership shifts with the start of a new gubernatorial administration. We need you to help carry the cooperative message to Topeka. New legislators need to know, and returning lawmakers need to be reminded, of the importance of our member businesses to the Kansas economy— ag operations, credit unions, utility providers, and farm lenders. So, make plans now to attend with your board and/or staff.

The day-long activity will include a kick-off luncheon with issue briefings, opportunities to meet with legislators, a chance to attend committee hearings and host your legislators at our evening dinner.

We will be joining with the Kansas Grain & Feed and Kansas Agribusiness Retailers Associations for this event.

A link for registration is

available on the KCC webpage ([www.kansasco-op.coop](http://www.kansasco-op.coop)). It will take you to the KGFA/KARA site so that all registration information can be channeled through one central avenue.

There is no cost for members to attend the event. Lunch, informational materials and dinner for members and legislators/policy makers will be provided. But, it is very important that you register so adequate preparations can be made for meals and materials.

YOU are the key to a successful legislative event. Legislators generally have many events to attend each week. They like to go where they will be meeting with several constituents. So, your attendance plays a crucial role in guaranteeing we have a good number of lawmakers attending.

If you have questions about our joint Legislative Action Day, please call Natalie at 888-603-COOP (2667).

Dave Studebaker, Chairman  
Delphos Cooperative Assn.  
Delphos, Kansas

Ed Taylor, Vice Chairman  
Golden Valley, Inc.  
Rozel, Kansas

Dr. David Barton  
Arthur Capper Cooperative Center  
Kansas State University  
Manhattan, Kansas

Marla Marsh  
Kansas Credit Union Assn.  
Wichita, Kansas

Mike Pesek  
KFSA  
Hutchinson, Kansas

Charles Gabehart  
Nemaha County Co-op Assn.  
Seneca, Kansas

Gary Friesen  
Scott Co-op Assn.  
Scott City, Kansas

Deb Miller  
Farmers Union Mercantile  
& Shipping Assn.  
Stockton, Kansas

Steve Magette  
Dodge City Co-op  
Dodge City, Kansas

Dan Cashier  
Anthony Farmers Co-op Elevator  
Anthony, Kansas

Kevin Kelly  
Two Rivers Consumers Co-op  
Arkansas City, Kansas

Steve Eck  
CHS Business Solutions  
Windom, Kansas

Dennis Blick  
CoBank  
Wichita, Kansas

Mark Anderson  
Farm Credit of Southwest Kansas  
Garden City, Kansas

Stuart Lowry  
Kansas Electric Co-ops, Inc.  
Topeka, Kansas

## Looking Forward to 2011



**By Dave Studebaker**

2010 has been a very busy year as explained in Leslie's newsletter article. Not only busy, but very productive for co-op members. "Thank You" to all of you for your participation and going the extra mile to help out when your voices need to be heard, whether in a legislative battle, regulatory scrimmage or educating others on cooperatives.

At our December board meeting, the Board assigned Leslie a new title – President/CEO of the Kansas Cooperative Council. This designation is important in providing her with an appropriate title. Leslie meets with a variety of people in her work and it is only fitting to give her recognition for what she does for the Council. We also clarified Leslie as a "full-time employee" in December. Leslie has been working full-time on your behalf, but we finally made it "official".

Your Board has contracted for additional staff time from KFSA to provide more administrative support.

We plan to develop informative brochures for legislators and others describing who the Co-op Council is and what role we provide in the state on behalf of Kansas co-ops. A new DVD is also in the works. This can be used at annual meetings, FFA meetings at schools and other get-togethers. These items, as well as others, all take a good deal of time to develop. Thus, we needed the extra administrative time so we can get some of these projects completed and begin to reap the benefits.

Looking forward to 2011, I want to ask for your input on how the Co-op Council can play a more vital role for your cooperative. If you have suggestions, please give me, Leslie or any Council board member a call. Have a Great 2011 !!! We look forward to seeing all of you at the Council's annual meeting March 21-22<sup>nd</sup> at the Wichita Hyatt Hotel.



*Leslie Kaufman speaks to DDP attendees in Manhattan.*

## Record Attendance at DDP

Good weather, clear roads and a great line-up of speakers helped draw what is probably a record crowd to the two, two-day sessions of the KCC's Director Development Program (DDP). More than 134 attendees took part in over 200 courses of instruction between December 13-15 in both the Wichita and Manhattan locations. Out of the 134 attendees, 57 took a course for the first time and 34 were able to complete the program this year.

CoBank, as they have for many years, hosted the Dec. 13-14 sessions in Wichita and we certainly appreciate their cooperation in sharing facility space with us and lending instructors for the program. Frontier Farm Credit, headquartered in Manhattan, sponsored the first day's luncheon for the Manhattan courses. They have generously supported DDP through meal sponsorships over the years, and we were pleased Tammy Birkbeck, Vice President Commercial Finance, could share about FCC and cooperation within the co-op family during the luncheon.

Great participation helps add to the success of the DDP program as attendees are able to learn from each other as they interact throughout the seminar. We thank all of those attending for making director education a priority for themselves and their co-op.

Special appreciation goes to our instructor team, especially the team leaders for each course.

Thanks to our presenters:

Course 1 – Scott DeWeese (ProValue), team leader; Terry Bertholf (KCC/KFSA); and Leslie Kaufman (KCC).

Course 2 –Dr. David Barton (ACCC), team leader; and Brad Stephens (CoBank).

Course 3 –Vern May (CoBank), team leader; Dennis Landis (Landis Ag Consulting); and Alan Woodard (CoBank).

Course 4 – Dennis Blick (CoBank), team leader; and Steve Eck (CHS Business Solutions).



*Dennis Landis speaks to attendees during Course 3 in Manhattan*

## 2011 Hall of Fame Inductees Selected

The KCC Hall of Fame Committee met in early December to select the 2011 Hall of Fame Inductees. The committee elected to induct Norbert Gerstenkorn, Ray Hutson, and Dale Bruce (posthumously).

Norbert is the former general manager of Farmers Cooperative Grain, Conway Springs. Pat Lies, the present general manager nominated Norbert.

Our inductee from the REC community is Ray Hutson of Lyon-Coffey Electric Co-op. Ron Dickey of Bluestem Electric Co-op nominated Ray.

Representing the financial cooperatives is Dale Bruce. Dale was an attorney for many credit unions and their organizations. Marla Marsh, President/CEO of KCUA nominated Dale.

All three deserving inductees will be honored at a reception the evening before the joint KFSA/KCC annual meeting in March.

The Hall of Fame is important for recognizing those who have gone “above and beyond the call” in advancing the cooperative philosophy. The Kansas Cooperative Hall of Fame display is located in the Pride of Kansas building on the Kansas State Fairgrounds in Hutchinson. Information on the Hall of Fame and past inductees is available on the KCC webpage at [www.kansasco-op.coop](http://www.kansasco-op.coop).

# 2010 Director Development Program Completions

*Congratulations to the following people who will receive a certificate for completing all four courses in KCC's Director Development Program in December 2010*

Dennis Ablard  
Delphos Cooperative Assn.  
Delphos, KS

Joe Allen  
Farmers Co-op Grain Assn.  
Conway Springs, KS

John Askew  
Right Cooperative Assn.  
Wright, KS

Karl Ballard  
Farmers Cooperative Co.  
Haviland, KS

Larry Biehler  
Agri Producers, Inc.  
Tampa, KS

Tom Bose  
Central Plains Co-op  
Smith Center, KS

Dan Brubeck  
The Farmers Co-op Elevator  
Sabetha, KS

Matt Cantrell  
O.K. Cooperative Grain  
Kiowa, KS

Glenn Carlson  
Agri Producers, Inc.  
Tampa, KS

Dave Carver  
Delphos Cooperative Assn.  
Delphos, KS

John Cook  
O.K. Cooperative Grain  
Kiowa, KS

Kent Dunn  
Cropland Co-op, Inc.  
Ulysses, KS

Kyle Eberle  
Right Cooperative Assn.  
Wright, KS

Brian Fischer  
The Pawnee County Co-op Assn.  
Larned, KS

Brandon Gatton  
Valley Co-op, Inc.  
Winfield, KS

Curt Guinn  
Farmers Cooperative Grain Assn.  
Wellington, KS

Ron Hansen  
O.K. Cooperative Grain  
Kiowa, KS

Jim Hern  
Cairo Cooperative Equity Exchange  
Cairo, KS

Alan Hines  
Right Cooperative Assn.  
Wright, KS

Barry Hittle  
Cropland Co-op, Inc.  
Ulysses, KS

Terry Hobbs  
Frontier Ag, Inc.  
Oakley

Butch Irsik  
Pride Ag Resources  
Dodge City, KS

Dennis Jacobs  
Central Plains Co-op  
Smith Center, KS

Pat Janssen  
Right Cooperative Assn.  
Wright, KS

John Kohake  
The Nemaha County Co-op  
Seneca, KS

Kevin Mages  
Right Cooperative Assn.  
Wright, KS

Nicki McLain  
Sublette Cooperative, Inc.  
Sublette, KS

Mike Meyer  
Cropland Co-op, Inc.  
Ulysses, KS

Stan Moore  
Famers Cooperative Assn.  
Manhattan, KS

Bart Parks  
Skyland Grain, LLC  
Johnson, KS

Jerald Ratliff  
Central Plains Co-op  
Smith Center, KS

Craig Robl  
The Great Bend Co-op Assn.  
Great Bend, KS

Charles Schletzbaum  
Jackson Farmers, Inc.  
Holton, KS

Stan Utting  
Agri Producers, Inc.  
Tampa, KS

## Reflecting Back/Looking Forward



2010 was a busy year for the KCC. New Hall of Fame members were inducted. Our joint Legislative Action Day was a success. Co-op Cottage was remodeled and re-dedicated. We began a cooperative education outreach with the Kansas Agricultural Rural Leadership (KARL) program. We took a team to the National Institute for Cooperative Education (NICE). There was a host of election-year activities. Co-op goals for the next farm bill are being developed with the National Council of Farmer Cooperatives (NCFC). We had record attendance at DDP...

It was a big year legislatively, as well. State-level recognition of the federal 1099 deduction and the warehouse exemption were preserved. Funding for the state grain warehouse program was included in the budget. Key fee funds were protected from sweeps.

The KCC filed comments on numerous regulatory issues during 2010. State-level testimony focused on the Kansas Dept. of Agriculture's pesticide containment regulations and support for KDHE granting Sunflower's air quality permit. It was a significant year for federal regulatory comments. We logged an increased number of submissions in 2010 over previous years. We raised concerns with EPA's proposals

on pesticide spray drift. The KCC supported efforts to grant non-regulated status to Round-up Ready alfalfa. We also commented on USDA's Value Added Producer Grant program (VAPG) and raised concerns with USDA's Grain Inspection Packers and Stockyards Administration (GIPSA) proposed changes to the Packers and Stockyards Act.

In all of our work and programming, the KCC strives to benefit our cooperative members across the state. Whether we are recognizing your accomplishments or protecting your interests, the focus is always on YOU. Your partnership with, and participation in, the KCC benefits the whole cooperative family. Taking part in events, getting to know policy makers, responding to action alerts...all of YOUR efforts in these activities help strengthen the KCC.

Calendar year 2010 is a great year to build upon. The New Year will undoubtedly bring many challenges. Legislative battles will ensue, new regulations will be advanced, new policy makers will need to be introduced to the Council and educated about our member industries. But, by working together, we can make positive impacts for cooperatives. We look forward to working for you and most importantly, with you, in 2011.

## IRS Field Attorney Issued on PURPIMs

**(Information courtesy of NCFC)**

In field attorney advice, the IRS has concluded that a marketing and supply cooperative may not reclassify past-year payments to members as per-unit retains paid in money (PURPIMs) for purposes of calculating its Section 199 deduction. The field attorney advice is the latest informal guidance interpreting and implementing the Section 199 deduction. The IRS also has issued numerous private letter rulings in which it determined that payments made to members are PURPIMs qualifying for the add-back treatment for purposes of calculating the Section 199 deduction.

The National Council of Farmer Cooperatives' (NCFC) Legal, Tax & Accounting Committee is following developments on section 199 issues. NCFC has prepared a summary memo on the latest field attorney advice and it includes a copy of the IRS advice

document. It is available for KCC member review, in the "Members Only" section of our webpage at [www.kansasco-op.coop](http://www.kansasco-op.coop).

### **Kaufman Named President/ CEO**

The KCC Board of Directors has named Leslie Kaufman President/CEO. Kaufman has been with the Council since 2004 and has most recently been serving as the KCC's Executive Director. She will continue to oversee the association's administrative functions and lead both state and federal advocacy efforts for the Council.



PO Box 1747  
Hutchinson, KS 67504  
Leslie Kaufman, President/CEO

## **NCFC 82nd Annual Meeting—San Antonio**

Join farmer cooperative leaders from around the country in Texas on February 9-11 for the National Council of Farmer Cooperatives' 82nd Annual Meeting.

This meeting will focus on the pressing business issues that co-ops and their members face and will provide an exclusive look at how farmer cooperative leaders from across the nation are preparing for the future.

By tradition, the Annual Meeting also features the Legal, Tax & Accounting (LTA) Conference and the National Directors Education Conference. The LTA will feature a discussion on IRS Section 199 developments.

For more information, you may go to the NCFC website ([www.ncfc.org](http://www.ncfc.org)) and click on the "Events" tab.

## **UPCOMING EVENTS**

### January 2011

- 10 Legislative Session Begins
- 14 Registration Deadline for Joint Legislative Action Day
- 19 Joint Legislative Action Day – Topeka
- 18-20 Land O'Lakes CEO/General Managers' Leadership Conference - Nassau, Bahamas

### February 2011

- 9 National Conference of State Co-op Councils Meeting-San Antonio, TX
- 9-11 NCFC Annual Meeting - San Antonio, TX

### March 2011

- 21 KCC BOD Meeting -Wichita, KS
- 21 KCC Education Committee Meeting - Wichita, KS
- 22 KCC Annual Meeting - Wichita, KS
- 22 KFSA Annual Meeting -Wichita, KS
- 22-23 CoBank Customer Meeting -Wichita, KS