



Co-op News

“Advancing Cooperative Business Success”

Summer 2008 Vol. 40, No. 2

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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.

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Co-op Leaders Converge on Capitol Hill

More than 100 cooperative leaders carried the co-op message to Capitol Hill the week of June 9, 2008. Hill visits were just part of the agenda for participants in the National Council of Farmer Cooperatives’ (NCFC) annual summer conference in Washington, D.C.



In June, Executive Director Leslie Kaufman attended the NCFC annual summer conference in Washington, D.C.

General sessions on important issues such as climate change legislation and the farm bill, political outlooks and a visit to the USDA for a briefing from Secretary Ed Schafer filled the agenda. Participants were also treated to dinner at Mount Vernon and a tour of the recreated George Washington farm.

Meeting with Congressional members and staff was a key portion of the trip. These visits allowed cooperative leaders to discuss specific impacts of proposed legislation or regulations on cooperatives. Kansas Cooperative Council Executive Director Leslie Kaufman had the opportunity to visit with Congressman Jerry Moran and meet with his staff.

Moran was personally thanked by Kaufman for his efforts to amend the farm bill to allow certain acres enrolled in a Conservation Reserve Enhancement Program (CREP) to continue in agricultural production. He also was thanked for helping to secure

an alternative to the CREP program that allows producers to receive payments for switching to dryland farming. These provisions are part of the agricultural water enhancement program under the ‘08 farm bill.

Kaufman also met with staffers for Senators Pat Roberts and Sam Brownback and Congressmen Todd Tiahrt and Dennis Moore.

Consolidation in the cooperative industry has sometimes resulted in a co-op being headquartered in one state and having facilities in another. This has been the case along the Kansas-Oklahoma border, so it was only fitting that Kaufman joined R.J. Gray, executive director with the Oklahoma Agricultural Cooperative Council, for meetings with the Oklahoma delegation. These visits included Sen. James Inhofe, and staff for Sen. Tom Coburn and Congressmen Frank Lucas and Dan Boren.

(continued on back page)

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Notes from the Chairman

Co-ops Enhance Members' Lives



By Steve Magette

Cooperatives are special! Cooperative people are special! There is no other business model

in which the customer has such a direct voice in the operations of the business, or shares in the economic success of the business.

My first experience with cooperatives happened when I was a child. I opened an account at a credit union by depositing the money for a load of wheat sold at the local farmers' co-op. As a boy and young man, I remember my father and grandfather talking about certain grain companies—how they might or might not buy grain on any given day and how the market would vary depending on who you were.

Our forefathers knew there had to be a better way to enhance their marketing opportunities and farming operations. Hence, the formation of grain co-ops and credit unions as well as RECs and rural telephone companies. Those people who pooled their resources to organize cooperatives knew that they could enhance their livelihood by forming member-owned/member-controlled cooperative businesses. Time has proven that they were correct. Cooperatives in Kansas have been successful for more than 100 years.

Co-ops are just as important today as when they were first formed. Most of the cooperatives in Kansas are still governed by the tried and true principle of one member, one vote, thereby giving every member a voice in co-op governance.

Also today, the co-ops still are a valuable business, and sometimes the only business in their communities. The property and sales taxes generated are significant for the communities; the jobs created provide local people with a livelihood and are the lifeblood of rural Kansas. And the cooperatives have been successful in providing the services needed in our rural communities.

One of the biggest benefits is that the profits of the cooperative are returned to the members who own and use the co-op. Kansas cooperatives return thousands, hundreds of thousands, and in some cases millions of dollars back to the patrons in the form of patronage refunds and equity retirements.

I am very proud to be associated with cooperatives. The people involved in cooperatives are special. We can look at cooperators that have been inducted into the Kansas Cooperative Hall of Fame as an example of leaders who helped the cooperative system evolve into what we see today. By no means, however, are they the only people who have had an impact on the development and growth of cooperatives. Every member and every employee has played a part in the cooperative growth that we have seen in our lifetime.

The purpose of co-ops has not changed and still, today, co-op members know that they can do together what would be difficult to accomplish individually. Granted, today most co-ops are much more complex and sophisticated, and look entirely different than they did decades ago when I first opened that credit union account, but their purpose is still to enhance the livelihood of their members.

NICE Scholarship Winners Heading to North Carolina

Four Kansas high school students will travel to Asheville, N.C., July 27-30 to participate in the 80th National Institute on Cooperative Education (NICE).

Chelsey Quiett of Rossville High School, Amber Kriley of Stockton High School, Leaton McClelland of Holcomb High School and Tyler Jolliff of Newton High School will join more than 130 youth and adults from 11 states around the country for the four-day youth leadership event.

Quiett, Kriley and McClelland were eligible to attend after receiving the highest test scores in their Kansas districts on a cooperative test administered by their local vocational agriculture instructors. Jolliff, the first runner-up in his district, will attend as an alternate, in place of Colby Brownrigg, who earned the highest score in his district.

All five students received certificates for outstanding achievement on the Cooperatives Basic Test on May 29, 2008, during the Kansas State FFA convention in Manhattan.

Quiett is the daughter of Kenny and Janie Quiett of Delia. McClelland is the son of John and Melody McClelland of Holcomb. Kriley is the daughter of Chris and Julie Kriley, Stockton. Jolliff is the son of Jay and Faye Jolliff, Newton. Brownrigg is the son of Scot and Garie Jean Brownrigg, Welda.

The students will be accompanied by Shane Austin, FFA teacher from Stockton High School, and Natalie Nickel of Hutchinson, a Kansas Cooperative Council staff member. While in Asheville, they will stay on the University of North Carolina–Asheville campus.

Director Spotlight: Edward Taylor, Golden Valley, Inc.

WHAT HE DOES: Edward Taylor is the general manager of three full-service locations: Rozel, Burdett and Sanford.

FIRST CO-OP JOB: 1985—he drove the tire truck and worked in the Rozel Co-op service station. *“I’d worked for my dad at the feedyard and on the farm, but needed more stability and better benefits.”*

OTHER JOBS AT ROZEL CO-OP: Ran the elevator at Rozel and was a Sanford branch manager. Became general manager in 1997. *“At that point, the co-op was struggling, and they were looking for change,” he says. “They wanted to hire me even though I had no experience.”*

AG BACKGROUND: Has lived in and around Rozel since the early 1970s. His family has always been involved in agriculture. *“Dad built and operated the local feedyard between Hanston and Burdett, a 40,000-head lot. He ran the elevator at Russell—it was Evans Grain back then. He also was a feed salesman for a couple of different feed companies.”*

FAMILY: Taylor and his wife have four kids and three grandchildren who live close to home.

CHANGES HE’S SEEN IN THE LAST 25 YEARS: Consolidation—Rozel Co-op’s merger with Sanford to become Golden Plains. Golden Plains’ merger with Burdett to become Golden Valley. *“With only three locations we were not large, but it’s a lot larger than we thought it*

could be. We sure have accomplished a lot.”

CO-OP COUNCIL INVOLVEMENT: Elected to the Kansas Cooperative Council board in March 2008. *“I think everybody in the business has heard about the co-op council and what they do. I think we’re all aware of the importance of having the organization.”*



Edward Taylor became the District 3 director of the Kansas Cooperative Council in March.

WHAT HE BELIEVES ABOUT CO-OPS: *“I don’t know of a better system. This is the best marketing system a farmer has. People in this area have a lot of advantages by participating in their co-ops.”*

WHAT HE THINKS THE CO-OP COUNCIL GIVES HIM AND OTHERS, AS MEMBERS: “There seems

to be a really intelligent structure of people out there that you can take advantage of, from CoBank, the Arthur Capper Cooperative Center and Kansas Grain and Feed Association, to KFSA and Terry Bertholf. If you’ve got a problem, there are people there who are always willing to help. It makes you sleep better at night, knowing you’ve got some help.”

New Co-op Month Theme: “Stronger Together—Go.coop!”

The National Co-op Month Committee anticipates a great deal of buzz surrounding Co-op Month 2008. This year’s new message of “**Stronger Together—Go.coop!**” presents the idea that, when together, among each other or with consumers, cooperatives become an attractive and viable force in today’s global marketplace.

To help support this year’s theme, the National Co-op Month Committee has created these special items:

- A special “group” page on **Facebook**, the world’s most popular social networking site, to educate the Millennial Generation (20-somethings) about Co-op Month and the cooperative business.
- Co-op themed **Web site banners/headers/patches** that will be included on social networking sites, Web sites (including yours, if you’d like) and e-mails.
- Various **advertisements** for directing traffic to the Go.coop site, including online and print newsletters and direct mail pieces.
- **Coupons** for retail cooperatives to distribute to consumers as a call to action. These coupons will allow the national committee to track and evaluate the effectiveness of all Co-op Month direct mail pieces.



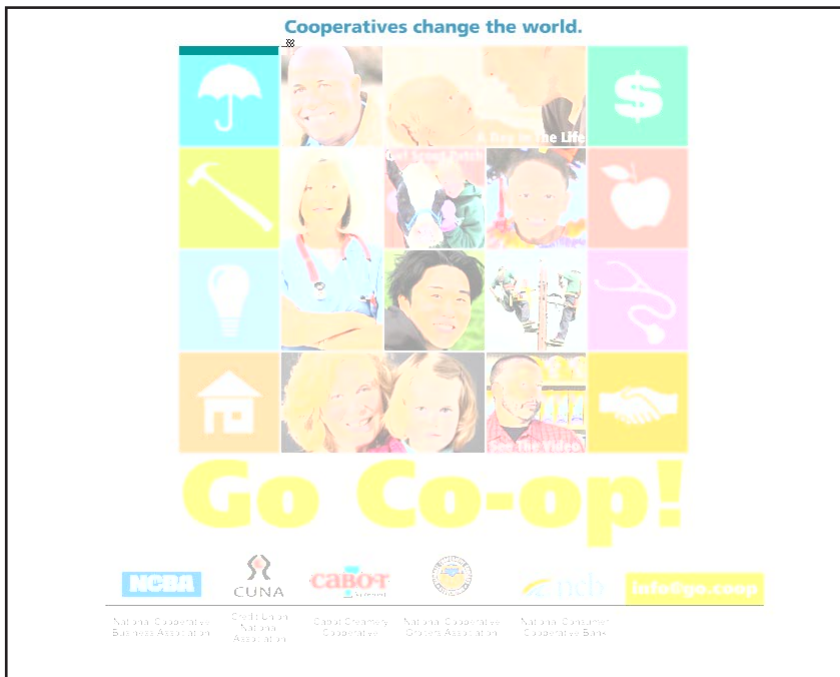
How can your co-op get involved in this year’s campaign?

Using the National Co-op Month’s newly created collateral and marketing tools, here are some ways that you can build awareness in your area during the month-long celebration this October:

- Participate in a special one-hour **Web-based meeting online** that will help co-ops like yours maximize Co-op Month marketing materials for the best co-op month event ever (date to be determined).
- Ask your members to send their non-co-op member friends a **link to the Go.coop Web site** (www.go.coop) to help educate them about co-ops.
- Place specially designed **Co-op Month advertisements** in your own newsletter and in local community publications.
- Insert a short but powerful message about Co-op Month into your **phone answering system** to promote to consumers and vendors who call you.
- Hold a **contest** to promote both your own cooperative and Co-op Month.
- Check out the **toolkit** on <http://www.coopmonth.coop> for even more tips and ideas.

Seventy-eight years, and counting!

The National Co-op Month Committee plans to make Co-op Month 2008—which marks the **seventy-eighth year** as a nationally recognized event across the United States—the most memorable ever. Working together as a unified front, we can bring greater awareness that cooperatives are the best business model and truly change our communities for the better!



This year’s new Co-op Month marketing materials include a new Web site (www.go.coop) where non-co-op members can learn about cooperatives and their role in our world.

Critical Political Times Ahead for Campaign Season '08



The 2008 Kansas legislative session has drawn to a close. Now, the political focus turns to campaign season '08. The decisions voters make this year will have far-reaching and significant impacts for our state and our nation.

In Kansas, 165 Senate and House of Representative seats are up for election. Four senators—two Republicans and two Democrats—will not have any major party opposition. In the House, 24 Republicans and 20 Democrats are uncontested by a major party opponent. Thus, barring independent candidates or write-in campaigns, about one-third of the House seats are essentially decided.

In reviewing candidate profiles, key issues for those seeking legislative office include energy policy/Holcomb, immigration, gambling and education. Co-op council members will remember that two of our key issues for 2008 were advancing sound energy policy for the state that includes coal-fired electric generation, and ensuring state attempts to regulate “illegal immigration” do not impose onerous or impractical

burdens on employers. These issues will not be going away. Leaders elected in 2008 will shape policy on these and many other critical issues.

There are still several weeks until the August primary and the November general election is more than four months away. We encourage cooperative leaders and members throughout Kansas to use this time to visit with candidates, ask direct questions on specific issues, and really understand a candidate's policy positions.

Fair and honest questioning is not “out of line.” It should be expected by a candidate. But, **always be courteous when discussing issues with candidates.** You don't have to agree with them, but you do need to be polite.

Many of you may want to do more than just educate yourself. You may want to become actively involved in a campaign or party process. There are numerous ways to be involved. You may want to contribute financially to a political action committee, candidate or party.

Maybe you want to do the actual “legwork.” You can get started simply by contacting the candidate or local party officials. It's a great way to learn more about grassroots politics and advance a cause you believe in.

Commit to “Five for Five” and Help Secure the Future

The Kansas Cooperative Council (KCC) and Arthur Capper Cooperative Center (ACCC) Development Campaign region meetings for 2008-2009 were a big success.

David Barton, professor and ACCC director, and Michael Boland, professor and ACCC associate director, traveled to nine locations around Kansas to meet with the leaders in the co-op community. Educational programs, the future of the cooperative system and support for the development campaign were key agenda topics.

We would like to encourage cooperatives to support the “Five for Five” campaign, which is a donation of \$5 per member for five years, or a total of \$25 per member over five years. The KCC local cooperatives' team is asking each co-op to commit to as much as possible to sustain high-quality education programs and help secure a future for the ACCC.

Those co-ops who have already committed to “Five for Five” include MKC, Moundridge; Garden City Co-op, Garden City; Farmway Co-op, Beloit; Farmers Cooperative Grain Association, Conway Springs; Farmers Cooperative Association, Manhattan; AgMark, Beloit; and Midland Marketing Co-op, Hays. For more information, visit the ACCC Web site at www.agecon.ksu.edu/accc/accccampaign.htm.



Thank you to Dave Christiansen, John McClelland, Brad Cowan, Stan Stark,

Vance Westhusin, Marvin Lynch, Terry Kohler, Mitch Williams and Darin Marti for hosting the region meetings. Thank you to all of the cooperative leaders who were able to attend. And, thank you to the cooperative community for your support and commitment to cooperative education.



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Leslie Kaufman, Executive Director

Capitol Hill from p. 1

Transportation was a key topic during the Hill visits. The impacts of the Federal Motor Carrier Safety Administration's proposed increase in training requirements for entry-level CDL applicants and interstate vs. intrastate transport were discussed. Co-op concerns with climate change legislative proposals were also on the table.

Climate change legislation and energy policy are sure to be major issues for cooperatives in the coming months. Potential impacts go far beyond simply securing agriculture's place in a carbon offset program. Broad climate change policy has the potential to increase energy costs, impact fertilizer price/availability and significantly influence the economy in multiple ways.

Representatives from the Kansas, Oklahoma, South Dakota and Texas

state cooperative councils took time during the conference to meet with staff at USDA Rural Development-Cooperative Programs. During the visit, the councils discussed types

of assistance from cooperative programs that would benefit state council services and positively impact the cooperative community.

UPCOMING EVENTS

Aug.
4-6
11

NSAC National Convention, St. Louis
Cranor Memorial Golf Tournament, Dodge City

Sept.
1
5-14

KCC Office Closed for Holiday
Kansas State Fair, Hutchinson

Oct.
1-31

Co-op Month

Nov.
19-20

Agribusiness Expo, Wichita

Dec.
15-17

KCC Director Development Training
(Locations to be determined)