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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.

Commitment to Community... Cornerstone of Co-op’s Resilience



Photo courtesy of The Wichita Eagle

The Farmers Grain and Supply, Inc., in Greensburg, Kansas, was founded in 1909 and has been serving producers and the local community ever since. Now a part of Southern Plains Cooperative, the Greensburg branch suffered extreme damage in the Friday, May 4, EF-5 tornado that wiped out most of the town. The concrete grain storage survived the storm, but the office, feed mill, fertilizer storage, all the outbuildings, trucks and applying equipment were reduced to rubble. Four employees and two employees from neighboring Farmers Co-op Company in Haviland also lost homes.

It would be hard to find anyone in the state, likely even the nation, that hasn’t seen at least one photo of what is left of Greensburg. In the midst of all the devastation, two physical landmarks stood out — the old brick courthouse and the concrete towers of the local co-op. Those solid storage facilities have stood firm. So too, has the cooperative spirit.

The cleanup is continuing. Tons of debris have been cleared out, but much still remains. Through all of the aftermath of the storm, Southern Plains has continued to provide agribusiness services to their patrons and support to the local townsfolk. One of the first businesses to begin reconstruction was the local cooperative. The co-op served as the backdrop for Governor

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Piqua, Kansas

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Dodge City, Kansas

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Gary Friesen

Scott Co-op Association
Scott City, Kansas

Notes from the Chairman...

by Marvin Lynch



Sometimes people may question or wonder what they're getting for the dues they pay to the Kansas Cooperative Council. I can remember asking myself the same question when I received my dues notice. While Leslie Kaufman, or any Board member, could tell me what the Council does for cooperatives with the legislators, I did not fully appreciate the Co-op Council until I became involved with the Board. By becoming more involved with the KCC and its activities you will feel as I do, that your dues are money well invested.

One of my duties as chairman of the Kansas Cooperative Council is to serve on the Arthur Capper Cooperative Center Advisory Council. After attending the Advisory Council meeting, I gained a greater appreciation for the Arthur Capper Foundation. The faculty and staff of ACCC are well recognized and respected by their peers. The Foundation's programs not only support student education and related programs, they promote special projects including symposiums, financial planning and case studies, to name a few.

Sustaining a program such as this comes with an ever-increasing cost. You already have, or will be, contacted as part of a fundraising drive by the Arthur Capper Cooperative Center. I encourage organizations and individuals to contribute what they can.

In addition to our work with the Capper Center, the Kansas Cooperative Council is collecting donations for disaster relief for Greensburg and the surrounding area through June 30. Your generosity reflects the spirit that the founders of the cooperative system envisioned: the spirit of helping others and working together.

Board Member Spotlight Dave Studebaker



Dave Studebaker
Delphos Cooperative Association
Delphos, Kansas

Dave Studebaker has served cooperatives for more than 33 years, ever since he graduated from Fort Hays State University. Currently, he is the general manager of the Delphos Cooperative Association, the oldest grain and farm supply co-op in the state of Kansas. He and his wife, Susan, have four children and five grandchildren. They make their home in Delphos, Kansas.

Dave previously served as the general manager of the Farmers Grain Co-op in Walton, Kansas, and also was the general manager for Farmers Grain Co-op in Haven, Kansas.

Co-op Leaders Take Messages to the Hill

More than 100 cooperative leaders met in the nation's capital on June 12-14 for the annual National Council of Farmer Cooperatives' Washington Conference. The Kansas Co-op Council was represented by Executive Director Leslie Kaufman.

Attendees were briefed on issues important to agricultural cooperatives by Congressional leaders including co-chairs of the Congressional Farmer Cooperative Caucus, Congressman Earl Pomeroy (D-ND) and Senator Larry Craig (R-ID); Agriculture Committee staff; USDA representatives; and NCFC staff. Much of the formal commentary focused on the Farm Bill.



The Second Amendments played the final evening and featured Congressmen Collin Peterson, Thaddeus McCotter, Dave Weldon, Jon Porter and Kenny Hulshof.

The U.S. House is moving more quickly than the Senate on the Farm Bill. Four of the titles had been worked in House Agriculture Subcommittees by the time NCFC gathered in D.C. The rest of the subcommittee work was expected to wrap up the week of June 18. Consideration of all the Farm Bill titles by the full House Agriculture Committee was anticipated to begin the week of June 25.

NCFC made changes to this year's conference format. The re-designed agenda provided attendees with ample opportunity to meet with their individual senators and representatives while in D.C. Leslie Kaufman, KCC staff, met with legislative aides in all six of our Kansas Congressional offices. She was joined on the visit to Congresswoman Boyda's office by John Johnson, Plains Cotton Cooperative Association, also a member of the Kansas Co-op Council.

During the Hill visits, the Council's support for Congressman Jerry Moran's amendment allowing dryland farming on certain Conservation Reserve Enhancement Program (CREP) acres was a key discussion topic. The KCC, along with a dozen other Kansas associations, have communicated support for such an amendment in a joint letter to the Chairman of the House Ag Committee, Collin Peterson (D-MN).

We also raised concerns over the recently released report by the Antitrust Modernization Commission recommending sunseting important legislation granting antitrust exemptions to cooperatives including Capper-Volstead and reaffirmed the importance of sustaining this act. Additionally, the KCC shared our support for Farm Credit's HORIZONS initiatives and the important relationship Farm Credit has with rural Kansas.

The final evening of the conference, participants were treated to dinner and a performance by *The Second Amendments*. This all-Congressional band, led by House Ag Chair Collin Peterson on guitar and lead vocals, delighted the crowd. Joining Chairman Peterson were Congressman Thaddeus McCotter (R-MI) on lead guitar, Congressman Dave Weldon (R-FL) on bass, Rep. Jon Porter (R-NV) on keyboards and Rep. Kenny Hulshof (R-MO) on drums.

The band covered a wide variety of tunes from the Beatles, the Eagles, Roy Orbison, George Strait and many more. It was a great reminder that our country is truly represented by citizen legislators that share the same hobbies and interests that many of us enjoy.



Mark Your Calendars

October is National Cooperative Month and the KCC will continue to recognize co-ops that best represent and promote the selected theme. Remember, this is your chance to inform your community of the contributions your cooperative makes to the local and state economy and your community.

Once again, the theme this year is “*Owned by Our Members. Committed to Our Communities.*” We will keep you updated as new materials are posted to the Co-op Month Web site, accessed online at www.coopmonth.coop. We encourage you to check the site regularly for updates and ideas.

Manager Meetings Foster Cooperative Spirit

KCC proudly sponsored the Western Kansas Managers’ golf tournament reception May 31, 2007. Leslie Kaufman, KCC executive director, attended on behalf of the Council and even played through the rain on the last four holes the next day.

Nicer weather was on-tap for the Northeast Kansas Managers’ gathering the first week in June. These meetings and social events are excellent opportunities for co-op leaders to network, gather ideas and foster friendships within the cooperative family. We encourage members to include such events in their schedules and thank those that take part regularly.

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Kathleen Sebelius as she signed the state’s disaster relief package. Surrounded by soon-to-be-walls that were just being framed, seated on a folding chair, she authorized the up to \$25 million assistance package. On the table, beside the bill she would sign, was a simple sheet of paper with a message that read “Southern Plains Co-op – we never left.”

There are cooperatives all over our state that daily demonstrate the core cooperative principle of “Commitment to Community.” The sheer breadth of the damage to Greensburg and the media attention focused on the town has placed a spotlight on Southern Plains. They are facing their individual challenges and extending hands to the community to help in recovery and rebuilding efforts. These are some of the big ways our cooperative members live out their mission. There are countless other ways, big and small, in which other cooperatives demonstrate “Commitment to the Community.” Some have provided help and assistance to their neighbors in Greensburg. Huge events often bring big opportunities to help. But every day, there are opportunities to help our members and our communities.

As cooperative members and leaders, are we meeting the challenge to stay committed to our local co-op and our community? Do we see the chances to help out, or do we overlook them? As individuals and as business entities, the local cooperative and its member-owners can have a profound impact on those around them. Let’s take advantage of those opportunities to extend a hand and make good things happen.

KCC Awards NICE Scholarship

KCC is proud to announce the student winners of the annual National Institute for Cooperative Education (NICE) scholarships: Sarah Poland, Chapman High School; Rachel Kinsey, Stockton High School; and Katelyn Wolken, Anderson County High School. The Stockton FFA advisor, Shane Austin, had the highest student average for all schools competing and was awarded the opportunity to attend the conference. Additionally, Lacy Bangert, Chapman FFA advisor, will accompany the students as an adult sponsor.

These individuals will attend the 2007 NICE conference in Shippensburg, Pennsylvania, in July. The conference emphasizes the strengths of the cooperative system and teaches about the unique features of the co-op business model.

Each August the KCC sends the cooperative curriculum to Kansas FFA advisors and asks them to include this unit in their vo-ag program sometime during the school year. When they have completed the unit, students take a test over the materials. The student with the highest score from each KCC district is awarded the opportunity to participate in NICE.

Many schools are able to offer the cooperative unit to students, thanks to the generosity of their local co-op. We want to thank all of our KCC members who have supported this program in the past. We encourage members to contact their local schools to see if the cooperative education module is in use in their local districts. If not, please consider partnering with your school’s vo-ag instructor to see that cooperative education is offered in your area. Your help is appreciated!

'07 Legislature Session A Success

Kansas cooperatives and cooperative member-owners will benefit from legislation passed during the 2007 Kansas Legislature. Working together, Kansas Cooperative staff, KCC members and co-op leaders across the state helped influence positive action at the Statehouse. A brief review of the major issues the Council worked on this session is listed below:

Conservation Reserve Enhancement Program (CREP) – Pressure from dryland farming advocates like the KCC helped spur the introduction of **SCR 1611** by Senator Carolyn McGinn (R-Sedgwick) and the rest of the Kansas Senate. The resolution encouraged USDA Secretary Johanns to permit dryland farming on CREP acres. The joint resolution passed both chambers unanimously and is an “official” statement on behalf of the legislature. The KCC supported the initiative and believes Secretary Johanns has the ability to act administratively to allow dryland farming on certain CREP acreages.

The budgetary compromise on CREP was largely contained in the mega budget bill, then clarified in omnibus budget negotiations. The conferees agreed to fund a limited CREP for 2 years. One million dollars will be appropriated for FY '07 for enrollment of up to 20,000 acres. This money will be available through the end of calendar year '07. Another \$1 million/20,000 acre appropriation is also approved for FY 2008 (July 1, 2007 - June 30, 2008). The appropriations are conditioned under the same terms as the full Senate approved in SB 123. The SB 123 framework includes:

- Limit CREP enrollment based on expiring CRP acres – 2 regular CRP acres must come out before 1 acre of CREP can go in. If a dryland component is ever approved at the federal level, that swap will go to 1-1.
- Program participants cannot be subject to an enforcement action for over-pumping and be eligible to participate in CREP.
- Total CREP acres that can be enrolled in one single county are capped.
- Annual reporting on CREP enrollment and impacts shall be provided to legislative committees each session.

Underground storage tank fund – SB 190 brings Kansas into compliance with federal EPA requirement on storage tanks. The bill also provides additional cost share availability for meeting these requirements. EPA has extended their compliance deadlines so the bill updates timeframes contained in the Kansas Essential Fuels Trust Fund act to match the EPA dates.

Propane Safety Education – Governor Sebelius signed **HB 2294** into law, eliminating duplicative educational and licensing requirement for H/VAC professionals holding certain certifications. Essentially, the new H/VAC exemption under the Kansas Propane Safety Act recognizes H/VAC training as consistent with the Act's educational goals. The KCC supported this change as a means of streamlining agency processes and avoiding regulatory duplication.

Precision ag sales tax exemption – The sales tax exemption for precision agriculture equipment was contained in the Conference Committee Report for **HB 2171**. The exemption applies to equipment, as well as the hardware and software required to operate the devices.

Franchise tax – The conference committee report on **Sub. HB 2031** contains a 5-year phase-out of the franchise tax. The threshold will be increased to \$1 million the first year. For those over the threshold, the tax is paid on total net worth. The first \$1 million is not exempted. During years two through five, the franchise tax rate will be cut by 25% per year, eventually going away.

Renewable fuels/ethanol – Tax incentives for expanding ethanol infrastructure were passed this session. The package aims to increase the number of ethanol outlets, especially for E85, and increase the availability of biodiesel. Under the bill, the state will implement renewable fuel standards for both ethanol and biodiesel beginning in 2009.

Ammonium Nitrate Procedures – The conference report on **HB 2487** sets forth procedures retailers must follow to safeguard the sale and distribution of ammonium nitrate. The statutory parameters are based on a voluntary model advanced by the fertilizer industry. They include dealer registration and record keeping at the point of sale.



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Leslie Kaufman, Executive Director

UPCOMING EVENTS IN 2007

July

- 4 - KCC Office Closed for Holiday
- 9 - KCC Education Committee Meeting, Hutchinson
- 10 - KCC Board of Directors' Meeting, Hutchinson
- 19-22 - NICE Conference, Shippensburg, PA
- 22-25 - KFSA Summer Managers Conference, Broomfield, CO

August

- 6-8 - Natl. Society of Accountants of Cooperatives, Minneapolis, MN

September

- 3 - KCC Office closed for Holiday
- 7-16 - Kansas State Fair, Hutchinson
- 20-22 - National Conference of State Co-op Councils Meeting, Ames, IA

October

Co-op Month

November

- 12 - KFSA Directors/Managers Meeting, Hutchinson
- 14-15 - Kansas Agri Business Expo, Overland Park