

TACC NEWSLETTER

TEXAS AGRICULTURAL COOPERATIVE COUNCIL

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Friona Wheat Growers
Friona, Texas

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Tommy Engelke
Executive Vice President

Christy Lewis
Director of Administration and
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Jessica Minter
Administration and
Communications Assistant



TACC EXECUTIVE COMMITTEE TACKLES MANY YEAR END OBLIGATIONS

The Council's Executive Committee of 17 people met in Fredericksburg on September 9 to engage in a number of year - end assignments prior to the September 30 close. Leading the meeting was TACC President **Tony Morton**, CFO of PYCO Industries in Lubbock. The group heard a number of operating reports and also hired the D. Williams & Company CPA firm of Lubbock to audit the Council's October 1, 2020 – September 30, 2021 financials. In addition, the group heard from **Eric Wanjura**, CEO of Farmers Cooperative Compress and chair of TACCs Budget and Finance Committee regarding the proposed budget for 2021 – 22. With a few modifications, the budget was adopted. The meeting also included the performance review of the Council's CEO. Lastly, the group set the date of the next full working board meeting of TACC to be in Lubbock on September 7 – 8, 2022.



A NEW LOOK AWAITS SOUTH TEXAS LEADERSHIP SCHOOL

Coming from those on the planning committee, words like “interactive,” “leading-edge topics,” “engaging,” and “a program like no other,” describe the revamped and enhanced agenda of TACC's South Texas Cooperative Leadership Conference that will be held November 3-4 at the Omni Hotel in Corpus Christi, Texas. As is tradition, this meeting will kick off with a shrimp boil on the night before! With timely topics like worldwide cotton promotion, carbon credit markets, weather & climate patterns, and an interactive case study to take a deeper look at financials, this is a conference you won't want to miss!

A few things to note:

- Meeting information will be sent via email to the membership in the coming days and can also be found on our website at www.texas.coop under the 'Meetings' tab.
- The Omni Corpus Christi Hotel has provided a link to secure rooms at their special \$139/night rate (<https://www.omnihotels.com/hotels/corpus-christi/meetings/2021-tacc-south-texas-coop-11022021>). This link can also be found on our website. Please keep in mind there is a cutoff date of **Tuesday, October 19** to secure a room at this rate!
- Registration will be done online (<https://forms.gle/CgzGRL4KZgRWgffo7>), and this link can also be found on our website. The deadline to register for the conference is **Friday, October 29**.
- The conference fee will be \$215 per attendee (spouses, guests, and/or children are free).

Please direct any questions to our office at christy@texas.coop or by calling (512) 450-0555. You will find a tentative meeting agenda included at the end of this newsletter. We look forward to seeing you there!

TOMMY'S TODDLES

When not on travel, one of the “releases” I enjoy several evenings a week is to hand water the “hot spot” areas of my corner lot front yard in north Austin. Given the lengthy drought of the last 10 – plus years, the city has limited watering lawns by sprinkler to once a week, BUT hand watering is allowed at any time. One day recently while I was hand watering, a citizen of the subdivision was making his routine walk for the evening. We always politely acknowledge one another in his passing. However, this time he stopped and noticed my truck parked in the driveway, decorated with the traditional farm - type bumper stickers whereupon he asked, “After all these years of passing one another several times a week, I noticed you must be a farmer, given all the stickers on your truck ---- are you ---- and if you are, tell me about farm subsidies? I work for Dell Computers, but at night I teach economics classes at Austin Community College.”

Have you ever been hit with that question before? If you are an ag leader, chances are you get that question frequently from an innocent stranger.

In so many words, my answer to him was although many urban people have probably been “conditioned” by the media, since they were toddlers, that farm subsidies are bad --- they really have their place. In reality, the farm subsidy programs of the last century were put in place by your U. S. elected leaders in Washington, D. C. to help preserve a consistent food supply infrastructure in good years and bad; implying that having a consistent food supply mechanism in place allows for increased food security; especially in terms of military defense. Although it took me a while to explain those few words, being he was an economics professor, he easily understood it and was totally taken aback by what I had just said. Talk about a “deer in the headlights” look! Further, I explained, just as the Social Security and Medicare programs were created by U. S. elected leaders too, years ago, most all government programs have their flaws. Some chose to abuse the farm subsidy system, as well.

Later in the discussion, I explained that farmers in the 1920s and 30s further empowered themselves with a new concept to take additional ownership of their farming and ranching destiny. They formed a business structure to where they took ownership for the marketing of their product much further up the food chain. They called this concept --- COOPERATIVES --- and it’s still alive and well today! I spewed out the traditional well known food companies that are owned by farmers & ranchers via the cooperative structure such as Ocean Spray cranberries, Welch’s, Sunkist, Land O’Lakes, Blue Diamond, Florida Natural Pride orange juice, Tree Top apple juice & others. He just stood there on the sidewalk staring at me, with his jaw dropped in total disbelief! Again, that deer in the headlights look. Even as an economics professor, he was totally blown away at the ingenuity of today’s farmers and ranchers!

Can you image what would happen if some of us old hats joined with the increasing number of millennials to tell that similar story ----- where would ag & co-ops be today?

As a side note & after the fact, I failed to tell this neighbor one key part about farming and ranching today ---- how the agricultural industry has taken a leadership & ownership role to improve the “farm subsidy” concept in recent years to where now such programs are more driven by an effective & respected U. S. crop insurance program to protect food security interests of this country! Furthermore, this provision allows farmers to have access to substantial borrowing levels that otherwise bankers would be unwilling to provide in such a high-risk industry. In return for these programs, taxpayers spend only about 8.6% of their income on food, whereas in many developing countries it is near 40 – 50%. That message will be saved to share with him when he stops by next time I’m hand watering the front yard.



"SCIPING" INTO 2022

TACC's 2021 internship program was a true success -- placing four gifted & accomplished interns across the state, showing them the management ropes in Ruidoso, and then seeing, in person, the role of agriculture in Austin. **Cason Hull**, who interned for **Larry Black** at Central Rolling Plains Co-op in Roscoe, has accepted an offer to stay on and work full-time! **Luis Mier-Valderrama** worked with **Jimmy Roppolo** at United Ag in El Campo, and has been extended a full-time offer upon his college graduation in May 2022.

With colleges starting back, it's time for TACC to conduct their annual college visits again and continue recruiting the best and brightest students to the co-op family! Tours will commence the week of October 4 with visits to Angelo State University and Tarleton State University. In the following weeks, TACC's **Tommy Engelke** and **Jessica Minter** will make trips to Texas A&M University, Texas Tech University, and West Texas A&M University. Coinciding with the South Texas Cooperative Leadership Conference, November 3-4, TACC will be making their first-ever in-person campus class visits to Texas A&M University – Kingsville!

The Summer Co-op Internship Program (SCIP) continues to develop and grow to reach more students in spreading the message of cooperatives. However, none of this would be possible without the participation of co-ops to host and cultivate these young people into adept potential co-op employees! If your organization has an interest in hosting an intern during the Summer of 2022, let our office know. We look forward to including more potential locations and diverse opportunities for these students!



TIME AGAIN FOR NSAC TRAINING

The Texas Chapter of the National Society of Accountants for Cooperatives is once again offering a seminar for a variety of cooperative personnel---accountants, bookkeepers, office managers, and controllers. Held virtually and in-person at Plains Cotton Cooperative Association in Lubbock, the day-long meeting will take place on October 8 at 8:00 a.m. The objective of this seminar is to provide information on ransomware and protecting data, and an update on legal, economic and legislative issues of concern to cooperatives. Meeting, registration and hotel information can be found on our website at www.texas.coop. You will earn 8 hours of CPE credits for this meeting. No advanced preparation or prerequisites required to attend. Questions can be directed to christy@texas.coop.

"HELP US CREATE A FARM FRESH GENERATION"

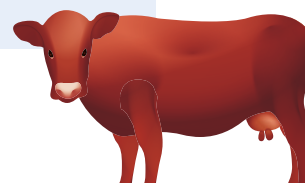
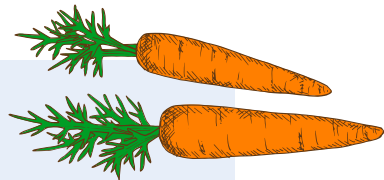
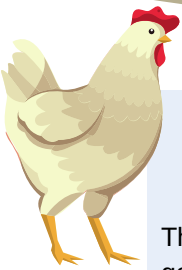
A Message from Texas Department of Agriculture:

The Texas Department of Agriculture is on a mission to ensure Texas is Homegrown & Healthy by creating a generation of students who have access to food produced right here in the Lone Star State. The Farm Fresh Network connects Texas food producers with local school lunch professionals who need to source food for their school's cafeteria. By connecting our Texas schools with local farmers, ranchers, and producers, we are establishing a state-wide grid that connects communities in need of each other's support. The prevalence of food insecurity and childhood obesity is reduced and farmers, ranchers, and producers are provided with sustainable markets that will protect them when crises strike. Our environmental footprint is cut down and communities all across Texas are provided with increased local job opportunities.

When Texans support Texans we all win. Local market opportunities help Texas students be Homegrown & Healthy and keep our economies strong: Join the Farm Fresh Network now!

Texas schools are looking for Texas products.

Join the Farm Fresh Network



OUT AND ABOUT (SINCE MAY 10, 2021):

- Hosted the 2021 TACC Co-op Manager’s Conference on July 14-16 in Ruidoso, NM which garnered nearly 100 attendees!
- Attended the Plains Cotton Cooperative Council Gin Workshop in Ruidoso, NM on July 18-20.
- Attended the 2021 Cotton Board Caucus meeting and Texas Cotton Producers Board Meeting in Austin on July 21.
- Held the 2021 TACC Board Chairmen’s Conference, with around 25 people in attendance, on July 28-30 in Ruidoso, NM.
- Hosted the four TACC Summer Co-op Interns in Austin on August 2-3 for a legislative-focused retreat.
- Was represented at the 2021 Cotton, Inc. Women’s Tour on August 22-24 in Cary, NC.
- Attended the Southwest Council of Agribusiness’ Annual Meeting in San Angelo on August 27-28.
- Aided co-ops on overweight truck permits, personnel hiring for five co-ops, and labor issues.
- Attended a ceremony and dinner honoring former U.S. Congressman Mike Conaway on August 28 in San Angelo.
- Posted daily Facebook and weekly LinkedIn stories of interest.
- Met with the executive staff of Capital Farm Credit in Bryan on August 31.
- Participated in a discussion regarding funding for the rural veterinarian incentive program (H.B. 1259) at the Capitol in Austin on September 1.
- Brought conclusion to a routine IRS audit on the 2017 TACC staff retirement plan in early September.
- Prepared the 2021 – 2022 TACC budget for approval at the Fall executive committee meeting.
- Hosted a meeting of the TACC Executive Committee on September 9 in Fredericksburg.
- Coordinated a TACC Awards Selection Committee Meeting on September 13.
- Taped a segment for a co-op training video at TACC offices on September 14.
- Coordinated registration for the Texas Chapter – NSAC Meeting held at the Plains Cotton Cooperative Association in Lubbock on October 8.
- Confirmed speakers for the November 3-4 2021 South Texas Cooperative Leadership Conference & shrimp boil in Corpus Christi.
- Participated in several virtually-held hearings on proposed redistricting plans / process set to occur during a 30-day Special State Legislative Session beginning September 20.

WILL BE:

- Preparing for the 2021-2022 dues solicitation process to begin October 1.
- Teaching the co-op business model to classes at six universities starting October 4 at Angelo State University in San Angelo, for what is the 13th year of the Summer Co-op Internship Program.
- Holding the 2021 South Texas Cooperative Leadership Conference & shrimp boil in Corpus Christi on November 3-4.
- Continuing to finalize speakers and an agenda for the January 13-14, 2022 Farm Store Summit to be held in Fredericksburg.

CALENDAR OF EVENTS

SEPTEMBER

20 State Legislative Special Session on Redistricting begins – Austin

OCTOBER

8 Texas Chapter-National Society of Accountants for Cooperatives Meeting – Lubbock & Virtual

24-26 Texas Cattle Feeders Association Annual Meeting – Oklahoma City

NOVEMBER

3-4 TACC South Texas Co-op Leadership Conference – Corpus Christi

7 Daylight Savings Time Ends

25-26 Thanksgiving Holiday

DECEMBER

3-5 Texas Farm Bureau State Convention – Corpus Christi

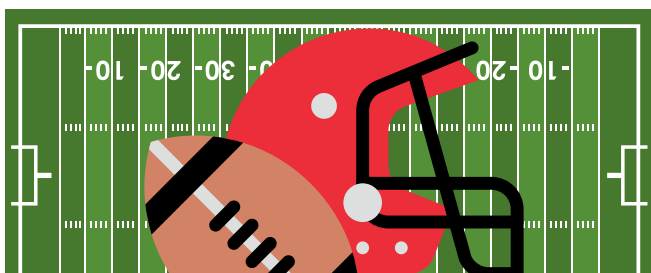
24-27 Christmas Holiday

JANUARY

13-14 TACC Farm Store Summit – Fredericksburg

19-21 TACC Board Chairs Conference – Fredericksburg

28-30 TACC Academy in Cooperative Excellence (ACE) – Fredericksburg



TEXAS AGRICULTURAL COOPERATIVE COUNCIL



"CO-OPS: ELEVATING NORMALCY"
November 3-4, 2021, Omni Corpus Christi Hotel, Corpus Christi, Texas

REVISED AGENDA

WEDNESDAY, NOVEMBER 3

6:30 p.m. Convention Welcome & Shrimp Boil — Bayview Room, Omni Corpus Christi Hotel

THURSDAY, NOVEMBER 4

8:00 a.m. Registration — Corpus A & C Foyer

8:45 a.m. Welcome — Emcee, **Tony Morton**, TACC President & CFO, PYCO Industries, Inc., Lubbock

8:55 a.m. "Texas Agriculture Has An Impact Around the World" — **Bruce Atherly**, Executive Director, Cotton Council International, Washington, D.C.

This guy admits upfront that he does not come from cotton, does not come from agriculture, yet his extensive background makes him prime for his role promoting cotton around the world. In fact, he is making a special trip just to be with us --- coming all the way from Istanbul, Turkey. It was clear from the get - go, the planning committee wanted to raise the bar on the entire conference in 2021 and this gentleman will blow you away! What an honor and treat to have someone of his stature.

9:40 a.m. "Spotlighting the Coming Tax Revisions / Latest Co-op Audit Trends" — **Greg Taylor**, CPA, D. Williams & Co., Lubbock

If you are in co-ops, of which most all of our audience will be, it is comforting to know that our industry has a tax & audit firm that specializes in the business of cooperatives. Not only does this speaker know the business of co-ops, but is also a deeply respected & trusted adviser to directors and general managers. He is back to put his spin on a few COMMON highlights & trends in the industry AND to take specific audience questions.

10:20 a.m. Break

10:35 a.m. "Exposing the Pros & Cons of Carbon Markets" — **Dr. Jennifer Wells**, Senior Account Manager of Sustainability, Truterra - A Division of Land O' Lakes, Minneapolis, MN

Given the renewed political pressure on soil health, carbon capture, & sustainability requirements upon the ag community by large food conglomerates, we have hit a home run with this presenter. She does not try to impress you with her vocabulary on these topics or some superficial academia jargon. We've never seen a person breakdown such a complex subject into easily understandable language and without any political undertones. You are in for a real shocker with this speaker. If you are what some define as an "emerging farmer", this speaker is for you!

11:15 a.m. "Explaining the World Commodity Outlook & Markets" — **Kevin Brinkley**, CEO, Plains Cotton Cooperative Association, Lubbock

Annually, during this conference, one of the most respected cotton marketers in the U.S. gives his take on the pending commodity markets & farm policy direction; especially as farmers and agribusinesses anticipate the 2022 crop year. On this point, Kevin comes with plenty of charts and data exploring what is on the horizon and beyond for the industry in his State of the Union message!

11:55 a.m. Lunch and Program: "Bringing Sanity to Ag Weather Forecasting" — **Brian Bledsoe**, Chief Meteorologist, KKTU, Colorado Springs, CO

There are tv meteorologists & then there are tv meteorologists. This guy is the mother superior of them all. He goes beyond being a local weatherman to the point many label him a climatologist. Above all, he is one of us. He was raised on a farm & ranch (which his parents still operate) in Southern Colorado and thus blends a unique style in his delivery. Just as any good ag person, he shoots straight, tells it like it is, & has a few choice words regarding "climate change". He has created such an impression in ag circles across the U.S. in recent years, that he now has a huge client list including Fortune 500 companies that depend on his long – range calculations. His wife happens to be the news director at the same tv station.

1:15 p.m. "Dynamics At Play: A View From Your Regional Co-op Leadership"

- **Cris Gwinn**, South Texas Division Manager, Plains Cotton Cooperative Association, Corpus Christi
- **Jim Massey**, CEO, Valley Co-op Oil Mill, Harlingen
- **Robert Swize**, CEO, Gulf Compress, Corpus Christi

Over the past 10 – 12 months, leaders of the three South Texas regional cotton co-ops have been conducting a variety of outreach meetings with co-op boards, general managers, board presidents, ag industry representatives and others. These planned and unplanned events each year allows them to continually assess & better serve the co-op community long term. At the same time, during their travels, they have witnessed a rapid explosion of a new landscape, much of it is not only changing land demographics & use, but also the residents within traditional co-op country and the emerging farmers that are beginning to take on leadership roles. In addition, key leadership at a number of destination centers vital to agriculture in South Texas have been a part of that change process. This group will take a few minutes to share six or eight dynamic challenges they foresee in the next few years for cooperatives, but more importantly, engage with the audience on how best for these farmer – owned businesses to adjust, proceed, & operate within this new environment in order to remain relevant to farmers and ranchers.

1:55 p.m. "How Two Co-ops Created Magic & Rewards for Their Membership"

- **Tony Morton**, CFO, PYCO Industries, Inc., Lubbock
- **Jimmy Roppolo**, CEO, United Ag Co-op, El Campo
- **April Graves**, CFO, United Ag Co-op, El Campo

From time to time, you will hear news outlets run a piece giving viewers a behind-the-scenes look at the story, often drawing high ratings. This topic is one of those kind of stories, and was requested by the planning group for this conference. If you have been in cotton circles in the last six or eight months, you are aware of the major expansion made by regional cotton co-op PYCO Industries in Lubbock when they purchased Cape and Sons, Inc. of Abilene, Texas. With this purchase, their cotton footprint extends far beyond Lubbock, Texas to include Abilene and Waco offices, and facilities along the Gulf Coast & the Mississippi River. At the same time, you have been hearing noise out of El Campo for years how United Ag Co-op has added value to local farmer's grain with their corn bagging plant. With this session, you will hear the financial story behind the story --- the challenges, the sweat, the struggles, the talk, and the counter talk that created these new additions. Although the history of these transactions are important, and getting the facts first hand will interest many, the story behind the story is how these two organizations had to position themselves financially over a period of years to handle such a major expansion. The aim of this session is to better understand the key drivers necessary in co-op financials in order for such transactions to occur. Once their story is told, the speakers will delve into the four or five key financial components that had to be in place to make all this happen --- revealing some do's and don'ts so that others can learn from their experience.

2:40 p.m. "The Knowns, Unknowns, and Things You Don't Want to Know About: A Recap of Legal Issues" — **Gary McLaren**, Attorney, McLaren Law Firm, Lubbock

Another area it pays to have a guy who knows the business of co-ops is ag law. Gary is THE guy when Texas co-ops face legal issues -- whether that be with regulatory agencies, employees, or navigating the variety of government orders stemming from the pandemic. He is back to put pertinent legal cases into layman's terms and discuss the impact it has on South Texas co-ops, as well as to take specific audience questions.

3:30 p.m. Summary and Conclusion