

MAY 2017

news

Texas Agricultural Cooperative Council

TACCs Only *Remaining* Full Board Meeting is Set for Next Week in Austin

Given action taken by the Council's board of directors in 2016, in 2017 a new direction will begin where only one full board meeting will be held and it will be next week --- May 10 - 11 at Holiday Inn Lady Bird Lake at 20 North IH-35, Austin, Texas, 78701 (*the Northwest quadrant of I-35 and the lake / river in downtown Austin*) 512-472-8211.

Council's action spells out that the lone full board meeting each year will either be in Austin in odd - numbered years to coincide with the State Legislative Session and in even - numbered years, in Lubbock. TACC will still hold a board meeting on Sunday afternoon at the Joint Cooperative Meeting every mid-March.

The TACC Executive Committee of 17 people will meet in May at the full board meeting (*Austin*), in early September at the site of the forthcoming Joint Cooperative Meeting (*San Antonio*) and in mid-December in Lubbock to reflect the harvest.

Guest speaker on the second day of the upcoming Austin meeting will be R) **Lynn Stucky** of Denton, who is carrying the controversial HB 3451 dealing with the use of chemicals in feral hog control. Stucky is a new state representative and has a veterinary practice in the Denton area. Both he and his wife grew up on farms in Kansas and attended Kansas State University. Better yet, they are very proud members of the super large Mid - Kansas Cooperative Association in Moundridge, Kansas, a grain and farm supply co-op.

In addition, divisions and committees of the Council will meet to give direction to programs and activities. Also, the Council's 2017 Directory and Handbook will be released during the meeting. This meeting will be the beginning of the new administration with **Curtis Stewart** of Spade Co-op serving as TACC president; along with three new members to the Executive Committee. As is annually done, an orientation meeting for new directors of TACC will also be held from 8 - 10 a.m. on May 10.

Given the new administration, new committee and division leadership, and the action plan spelled out in the new TACC strategic plan, makes this meeting a rather involved meeting. Should you need hotel accommodations, please call Christy in TACC's office.

New directors of the council include:

- ◆ **Marcelo Aguilar**, Texas Ag Co-op Trust, Amarillo
- ◆ **Lance Bradford**, Farmers Co-op Association, O'Donnell
- ◆ **Tyler Cross**, Smith Gin Co-op, Odem
- ◆ **Dennis Flowers**, Ag Producers Co-op, Sunray
- ◆ **Sam Hemphill**, Uvalde County Farmers Co-op, Knippa
- ◆ **Emmy Kipphen**, Texas A&M AgriLife Extension Service, College Station
- ◆ **Jay Sprabeary**, Calcot, Inc., Bakersfield, CA
- ◆ **Bryce Thornton**, Triangle Insurance, Enid, OK

TEXAS AGRICULTURAL COOPERATIVE COUNCIL

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OFFICERS

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CURTIS STEWART
Spade Cooperative Inc.
Spade, Texas

Vice President

JAMES MASSEY
Valley Co-op Oil Mill
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Brownfield Farmers Co-op Station
Brownfield, Texas

Immediate Past President

GARY HOLCOMB
Ag Producers Co-op
Sunray, Texas

STAFF

TOMMY ENGELKE
Executive Vice President

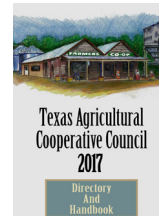
CHRISTY LEWIS
Director of Member Services

WHITNEY CURRY
Manager of Marketing and
Communications

TACC Directory and Handbook Released.....

2017

During the May 2017 Board of Directors Meeting, the 18th edition of the TACC Directory and Handbook will be released. A HUGE thanks to Associate Members and friends is in order for supporting this publication through advertising.



Director Development Programs: Where the *Road* to Success is Paved with TRAINING!

The 2017 Director Development Programs brought together 86 managers, directors, and other industry folks from 35 different co-ops and organizations.

The Amarillo Director Development Program was held at the Holiday Inn Amarillo West Medical Center on February 6 with 36 participants in attendance from 17 different locations. The Lubbock Director Development Program was held at the USDA-ARS Plant Stress Lab in Lubbock on February 9 where 50 participants from 18 different locations attended.

Some topics of discussion included:

- ✔ “The Cooperative International Influence and Why It Matters”,
- ✔ “Bringing Technology Into the Board Room: A Demonstration”,
- ✔ “Measuring and Assessing Board Performance”,
- ✔ “Expanding the Board Capability to the Next Level”,
- ✔ “Key Financial Signals Unspoken in The Board Room”,
- ✔ “The Good, The Bad, and The Unusual: Simplifying Your Written Will”,
- ✔ “CEU Laws and Regulations Course---Pesticide and Applicator License”,
- ✔ “A Forum for Legal Case Studies in Cooperatives”, and
- ✔ “Positioning Your Financials and Tax Structure to Remain Competitive”.

In addition, TACC continues to offer on-site, one-on-one board training at the local level, along with co-op attorney **Gary McLaren**, provide a 120-page “Co-op Resource Manual,” provide training as a portion of a strategic planning exercise, and hold standard educational meetings statewide throughout the year.

TACC is *Mobile* --- Are you?

March 2017 was an exciting time for TACC after months of researching and preparing --- TACC went mobile by launching an app --- one of the first ag commodity groups in Texas to do so! The launch was well-received and has seen an overwhelming response with the number of downloads. Since the inception, other organizations have reached out to TACC regarding the development of the app and how to go about developing an app for their organization. To continue this effort, TACC is offering banner ads beginning this year. For more information regarding the app or the banner ads, contact **Whitney Curry** at whitney@texas.coop.

**Texas Agricultural
Cooperative Council
Goes Mobile!**

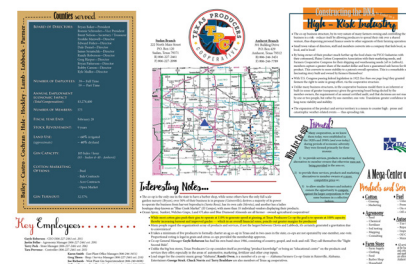
Download the TACC app!
(Available in the Apple Store and
Google Play)



Must be a TACC Member to access the
Directory --- Contact Whitney
(whitney@texas.coop) for the password)

Membership Marketing on a *Rise!*

After the August 2016 board retreat, TACC was asked to place an emphasis on assisting cooperatives with their membership marketing efforts. **Guyle Roberson** of Texas Producers Cooperative in Amherst asked TACC to create a placemat noting the advantages of the merger between Amherst and Sudan for their annual meeting on April 20. TACC will be creating a placemat for **Rick Timmins** at Flower Grove Co-op in Ackerly for their annual meeting in September.



Summer Internship Program Looking to be a *Promising* One!

The months of January – April are a busy time for TACC between meetings, Legislative Session and the summer internship program. This year thousands of miles were driven, seven colleges were visited, approximately a thousand students were reached, resulting in 35 applicants interviewed for the program. We are in the final stages of placing interns for the summer and are hoping to have 5 – 7 summer intern placements.



TACC *Revamped* THEIR COMMUNICATION EFFORTS

on the Council's Facebook page with daily postings beginning in December 2016. With these new efforts, 65 new people are following the TACC page and the most viewed posting was March 13, 2017 regarding the Joint Cooperative Meeting Award Winners which had 2,219 views.



BASED ON A TACC STRATEGIC PLAN CONDUCTED IN AUGUST 2016, LEADERSHIP HAS APPOINTED TWO MAJOR TASK FORCES to help set long term direction of the Council. One task force, referred to by many as the "Membership Task Force", chaired by Plains Cotton Cooperative Association CEO **Kevin Brinkley**, has two major focus points: to better determine and define who can be a regular member of TACC and secondly to accurately determine who can be an associate member of the Council. As time as evolved over the years, business models have become less distinctive as in the past and co-ops have not been immune to these changes.

The second task force assigned by the strategic plan was to examine the governance of the Council to see if the current structure is adequate, workable and useful in today's environment. This task force is headed by TACC Past President and CEO of Central Rolling Plains Co-op, **Larry Black** of Roscoe. Secondly, the group has been assigned to work with co-op attorney **Gary McLaren** of Lubbock to completely overhaul and suggest revisions to the Council's bylaws.



THE COUNCIL HAS BEEN TRACKING AROUND 35 MAJOR PIECES OF LEGISLATION this State Legislative Session, and depending on the measure, has had varying degrees of involvement. Two that have garnered some attention have been **HB 338** by R) State Representative **Dustin Burrows** of Lubbock, which better defines cotton acreage and quantity contracts, a producer, and a purchaser --- with most of the direction and input coming from Plains Cotton Growers.

A second and very involved piece of legislation has been **HB 3063** by R) State Representative **Kyle Kacal** of College Station dealing with ag liens. Although TACC and TACC Past President **Gary Holcomb** of Ag Producers Co-op in Sunray have been quite connected to this legislation, the bulk, heavy workload and majority of the direction to this bill has been by TACC Director **Marc Adams** of CoBank in Lubbock. He has totally immersed himself both in time and outside financial resources to this measure. TACCs approach on this legislation has been to rely on CoBank for proper direction since they are clearly the largest grain and commodity lender in the state.

TACCs most active involvement has been with **HB 3969** by R) State Representative **Ken King** of Canadian dealing with central filing, an issue last defeated in the late 1980s when they joined forces with the Texas Cattle Feeders Association and the Texas Grain and Feed Association. Commercial bankers are once again trying to get the state to move from direct notification to central notification --- especially on commodity sales --- citing that as time has passed, technology has evolved to the point that there is a more efficient system to handle commodity sales.

On this issue, TACC, the Texas Grain and Feed Association, Texas and Southwestern Cattle Raisers Association and Texas Farm Bureau counter that: 1) they should not be held accountable for receivable issues on behalf of banks and 2) the purchaser's liability exposure drastically increases under central notification. Although bankers led a hard charge within the last several weeks, the groups noted above were able to steer the effort to an interim study until the 2019 State Legislative Session, thereby delaying action and allowing for greater study.

CALENDAR OF EVENTS

2017

May

10-11: TACC May Board of Directors Meeting - Austin
29: Memorial Day Holiday

June

8-9: Plains Cotton Cooperative Association Agents School - Rockport
18-20: Texas Cotton Ginners' Association Summer Meeting - Fort Worth
21-23: Independent Cattlemens' Association Annual Meeting - San Marcos

July

4: Independence Day Holiday
12-14: TACC Co-op Managers Conference - Ruidoso, New Mexico
17-18: Plains Cotton Cooperative Association Agents School - Ruidoso, New Mexico

August

2-4: TACC Board Chair Conference - Ruidoso, New Mexico
22-24: National Society of Accountants for Cooperatives Annual Meeting - Madison, Wisconsin



2017 Joint Cooperative Meeting: A New Location with a Stellar Line-Up and a Dash of Fun

The 2017 Joint Cooperative Meeting at the Westin Stonebriar in Frisco, Texas was a great success! Well-over 350 attendees; including spouses, guests and children representing nearly 100 co-ops and associate members were in Frisco.

TACC delivered an informative and entertaining program including **Dr. Mark Whitacre**, the highest-ranked executive of a Fortune 500 company to ever become a whistleblower in U.S. history; **Mo Russell**, the nation's leading agricultural economist, and **Steve Ford**, former U.S. President Gerald Ford's youngest son. **Kathleen Jackson**, Commissioner of the Texas Water Development Board, discussed important issues involving water policy at the TACC-PAC breakfast. In addition, the Spouses Program featured **Lisa Whelchel**, best known for her starring role as Blair Warner on NBC's *The Facts of Life* for nine years and as a contestant on *Survivor: Philippines* (CBS) where she finished in the final three. Participants also enjoyed the annual golf tournament, premier shopping and dining, and the 13th annual Silent Auction that raised \$5,420 for TACC-PAC.

TACC also recognized four distinguished leaders at the Awards Luncheon on Monday, March 13: Cooperator of the Year, Ginner of the Year, and two Distinguished Service Award Winners.

We are proud to announce this year's Cooperator of the Year, **Rex Ford**, General Manager, Farmers Co-op of Stamford in Stamford, Texas. Rex grew up on his family's farm in Lueders, Texas. He worked the family farm, in banking, and at a John Deere dealership in Stamford before beginning his co-op career in 1991 when he became manager of Farmers Co-op Society of Stamford. Rex has served that co-op for over 25 years—and served it well. Rex sets an example in his local and statewide cooperative community that deserves the recognition of this award and the appreciation of this organization.



TACC was honored to name **Larry Black**, General Manager of Central Rolling Plains Co-op in Roscoe, Texas as the 2017 Cooperative Ginner of the Year. Larry was born in Wichita Falls, Texas, but graduated from Eldorado High School in Eldorado, Oklahoma. Immediately after high school, he went to work at Quanah Farmers Co-op. In 1986, he became assistant general manager of the co-op and in 1988 became general manager. In May 2002, he heard about an opening at the Roscoe Co-op Gin, which is now Central Rolling Plains Co-op, and was named General Manager. His loyalty and support of the cooperative principles is unsurpassed and, in the spirit of a true cooperator, works for the good of the entire membership. TACC received pages and pages of recommendation letters from the board, co-op members, and employees singing Larry's praises. He is truly an asset to his community, a devoted husband and father, and strong in his faith. TACC was honored to present him with this award.

This year, TACC named two Distinguished Service Award winners for their extensive involvement in agriculture and cooperatives in Texas: **Dr. Phillip Johnson**, Professor and Charles Thompson Chair, Agricultural and Applied Economics and Director of the Agricultural Finance Institute at Texas Tech University and **Dr. John Park**, Roy B. Davis Distinguished Professor in Agricultural Cooperation at Texas A&M AgriLife Extension Service.

Dr. Johnson has been a farmer and has lived cooperatives, both as member of a cooperative and as an academic doing research and teaching about cooperatives. In fact, Plains Cotton Cooperative Association is proud to call him a long-time member-owner! He has a diverse background in agriculture that makes him a true asset to TACC and our members.



Dr. Park has dedicated his career to teaching college students about the co-op business model in an effort to build tomorrow's co-op leaders and, in applied research, to train today's co-op directors and managers. In addition, he has been a valuable resource to TACC and member co-ops for many years.



TACC: OUT & ABOUT (for the past few months)



- ✔ In March, TACC saw 10 directors retire from the board and 8 were added.
- ✔ Assisted with the Cooperative Conference for Accountants, Bookkeepers, and Controllers hosted by the Texas Chapter of the National Society of Accountants for Cooperatives held in Lubbock on November 11 and again in San Antonio on February 23-24.
- ✔ TACC conducted its annual dues solicitation process with all members in South and Central Texas, regional co-ops, and grain / farm supply co-ops in October 2016 and West Texas cotton gins in January 2017.
- ✔ Took a new and an additional approach to recognize many sponsors of TACC programs and events by building a huge 12-foot by 5-foot sign displaying names and logos of all who took part during the 2015-16 fiscal year.
- ✔ Conducted a planning meeting for the July 12-14 Co-op Managers' Conference on April 6 in Lubbock.
- ✔ Conducted strategic plans for:
 - ◇ **Midkiff Farmer's Co-op** in San Angelo, September 22-23, 2016 and a follow-up on March 23, 2017
 - ◇ **Farmers Cooperative Elevator Association** in Levelland on January 24-25, 2017
- ✔ Prepared an economic footprint placemat for **Texas Producers Cooperative**, Amherst, Texas in April.
- ✔ For those individuals giving \$100 or more into TACC-PAC, TACC used the caricaturist from the San Antonio Livestock Show and Rodeo to assist in drawing a special calendar depicting an old mercantile farmers co-op.
- ✔ For the 2016 January 1 - December 31 fiscal year, TACC-PAC has gained 5 100% Club members, 8 Charlie Award members, 21 Capitol Solo members, 151 total individual members and 33 of the 155 TACC board members (22%).
- ✔ At the urging of the Executive Committee, assembled a meeting of TACC President and CEO to visit with the President and CEO of the Texas Farm Bureau in their legislative offices on January 18, 2017 so as to keep positive relations between the two groups as they headed into the January 2017 State Legislative Session.
- ✔ TACC Director **GARY HOLCOMB** of Ag Producers Co-op in Sunray, continues to serve on the State Grain Indemnity Fund Board since January 1, 2013. The issue was taken to a second producer referendum in December 2016 and again was defeated with more than 82% vote. HB 3952 is currently walking through the State Legislative Session to suspend the Grain Indemnity Fund board.
- ✔ Attend weekly meetings of the Texas Agricultural Council during the 85th Legislative Session.
- ✔ Along with five other commodity groups, helped showcase cotton's importance at "Cotton Day at the State Capitol" on March 2, 2017 where goodie bags were distributed to over 200 government leaders.
- ✔ For the 5th consecutive State Legislative Session, joined with Land 'O Lakes to host a Cooperative Legislative Dinner at the State Capitol on February 22 with 58 people in attendance. Out of the 17 policymakers in attendance, 10 were committee chairs or vice chairs. In addition, for the first time ever, the event also featured inclusion of the board of directors of the Texas Association of Dairymen.
- ✔ Assisted Producers Cooperative Association of Bryan and CEO **JAMES DEATHERAGE** in hosting their board and management to the State Capitol on April 12 where they also taped their weekly TV show "From the Ground Up." Eight legislative leaders appeared before the group in 30-minute intervals throughout the day, including the State Supreme Court Chief Justice and State Comptroller. This was the 8th consecutive State Legislative Session where TACC assisted in the event---16 years!
- ✔ Developed a nine-page Legislative Bill Summary paper noting all the bills being followed by TACC and it was distributed to the membership and key publics several times during the state legislative session, but also assisted the co-op Welch's Grape to secure a franchise tax exemption since more and more grapes are being grown in Texas.
- ✔ Per the request of the August 2016 TACC strategic plan, organized a "Co-op Legislative Day" preceding the Land O' Lakes / TACC Co-op Legislative Dinner on February 22, which consisted of a Texas Ag Council meeting (*representing all ag lobbyists*) and a tour the Capitol and nearby state agencies.

Will Be:

- ◇ Hosting, along with 65 Texas ag commodity groups, a "Taste of Texas" luncheon for all policy-makers at the State Capitol on May 16;
- ◇ Hosting Tarleton State University students to the Texas Department of Agriculture on May 16th to show them how state government works and also tentatively hosting Ag Workers Insurance interns to the State Capitol on June 12-13 to learn more about state government;
- ◇ Finalizing plans for the July 12-14 Ruidoso Co-op Managers' Conference;
- ◇ Attending a Texas A&M Gin Engineering Chair Advisory Board Meeting in College Station on June 2-3, **JIMMY ROPPOLO** chairs the group but is also represented by TACC, PCCA, and **PAUL WILSON**;
- ◇ Attending PCCA Agents School in Rockport, June 8-9 and Ruidoso, NM, July 17-18;
- ◇ Making final placement arrangements for TACC summer co-op interns and monitoring their progress throughout the summer. 35 interns were interviewed for placement;
- ◇ Facilitating a strategic plan for Floydada Co-op Gin during the summer of 2017;
- ◇ Working to coordinate speakers for the Co-op Managers' Conference with Parmer County Cotton Growers in July 2017;
- ◇ Preparing an economic footprint placemat for Flower Grove Co-op Gin of Ackerly during the summer of 2017;
- ◇ Working to determine a new lease contract for TACC offices, which expires December 2017 and;
- ◇ Assisting in hosting the House Ag & Livestock Committee to a session-ending special dinner on May 16.