

DECEMBER



2016

news

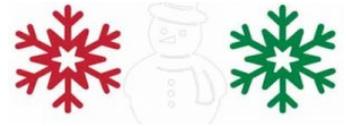
TACC Set to be Confronted with **Several** Key Issues for the January – May State Legislative Session

Every other year (*during odd – numbered years*) the state legislature convenes beginning on the second Tuesday of January for 140 days to conduct business of the state and there is only one action they are required by law to conduct ---- pass a two-year state budget. However, for TACC this is a most unusual session that significantly impacts cooperatives.

TACC will coordinate or assist in several traditional legislative events; namely the February 22 TACC / Land O’Lakes State Capitol Legislative Dinner, the Bryan, Texas Producers Cooperative Association Day at the State Capitol and taping of their weekly television show “From the Ground Up” on April 12, “Cotton Day”, and the “Taste of Texas” celebration orchestrated by all ag commodity groups in May. However, four major issues will be on their plate for 2017.

- ◆ The Grain Indemnity Referendum ... This issue has been on-going for several years, but went to a second producer vote in the last two years on December 5 – 9. The results of that vote will be released later in December and will likely generate some follow-up action.
- ◆ H.B. 338 has already been pre-filed by R) State Representative **Dustin Burrows** of Lubbock. This legislation was filed to bring remedy to occasional confrontation between cotton producers and cotton merchants regarding acre and bale contract estimates.
- ◆ Central Notification ... For years, it has been common place and the responsibility of a bank to notify an ag commodity purchaser, such as a grain elevator, if a lender has a lien on a producer’s crop as it is brought to the elevator. That has been called “direct notification”. They do this usually by sending the purchaser a letter OR supplying a booklet listing all the attached liens. The Texas banking community says that with today’s advancements in technology, there may be a more efficient means to provide this service via “central notification”. Two issues are at stake if you are a grain elevator: 1) where will the RISK reside if a move is made toward central notification (*today it is primarily with banks*) and 2) who is going to pay for this central notification service should it become law (*today it is the responsibility of banks*)?
- ◆ Ag liens ... The entire issue was first raised during the collapse of a guar facility in Brownfield, Texas a number of years ago, where producers brought their product to the plant, but were not paid and had no financial protection when it failed. An initial bill to remedy this situation was filed two years ago by R) State Representative **Dustin Burrows** of Lubbock, but did not result in any substantial changes in the law. It has now returned for 2017 and although TACC leadership is involved from the “cooperative” standpoint, **Marc Adams** of CoBank in Lubbock is leading the co-op effort on behalf of grain elevators.

•••••
• If you are a curious one, check out the •
• interesting posts this week on TACCs •
• Facebook page! •
•••••



TEXAS AGRICULTURAL COOPERATIVE COUNCIL

1210 San Antonio Street; Suite 101
Austin, Texas 78701
512-450-0555 - Phone
512-450-0655 - Fax
www.texas.coop

OFFICERS

President

GARY HOLCOMB
Ag Producers Co-op
Bushland, Texas

Vice President

CURTIS STEWART
Spade Cooperative Inc.
Spade, Texas

Secretary

JAMES MASSEY
Valley Co-op Oil Mill
Harlingen, Texas

Immediate Past President

CRIS GWINN
Plains Cotton
Cooperative Association
Corpus Christi, Texas

STAFF

TOMMY ENGELKE
Executive Vice President

CHRISTY LEWIS
Director of Member Services

WHITNEY CURRY
Manager of Marketing and
Communications



Nuts and Bolts Focus Brings **Great** Reviews To South Texas Co-op Conference.....

TACC held its 21st anniversary South Texas Co-op Manager / Director Conference once again in Corpus Christi with over 100 people in attendance. It was held on November 2-3 with the conference theme of “Co-ops: Separating Economics from Superficial”. The laid-back atmosphere of the meeting attracted co-ops and industry representatives from all along the Texas Gulf Coast and a few from West Texas. As usual, the famous Shrimp Boil captivated the kick-off of the school, receiving the usual high marks. Head chef for the Shrimp Boil once again was **Lawrence Weber** of Harlingen, with **Jim Massey** of Valley Co-op Oil Mill in Harlingen coordinating much of the activity. A huge thank you to **Lee Tiller**, Smith Gin Co-op Manager of Odem, for coordinating the golf tournament ahead of the conference.

Joining the conference in Corpus was crowd favorites **Gary McLaren**, co-op attorney of Lubbock and co-op CPA tax specialist, **Greg Taylor** also of Lubbock. Keynoter for the conference was **Brad Perry** of Omaha, Nebraska, who brought a new and creative way to rethink about how to conduct business.

Another key feature to the program was the joint arrangement with **Kevin Brinkley** and Plains Cotton Cooperative Association, where they highlighted the outlook for cotton in the foreseeable future. Enlightening the crowd and bringing awareness to farm safety was **Kristi Ruth** from Dubois, Wyoming, who spoke at the luncheon and told her personal story of a 10-year recovery from a farm accident. Emceeding the conference was TACC President **Gary Holcomb** of Ag Producers Co-op in Bushland and Jim Massey.

The conference included \$1,400 in door prizes and 16 sponsors with sponsorships totaling nearly \$13,000.

..... **First-Ever South Texas Co-op Board Chair Conference Surpasses Expectations!**

For the first time in history, TACC hosted a South Texas Co-op Board Chairmen’s Conference in Corpus Christi. The idea grew from a number of key co-op managers along the Texas Gulf Coast during the May 2016 TACC Board Meeting in Austin. The conference brought eleven board chairmen and five speakers from across the state to discuss various topics.

The topics included:

- ◆ Two long-time co-op leaders (*a co-op CEO and a former board president*) provided some tools and tips to better working relationships, how they fed off one another, and how they used one another as a “messenger” between management and the remainder of the board (**Larry Black and Larry Williams** of Central Rolling Plains Co-op in Roscoe),
- ◆ Heard of the lessons learned from a co-op board chair and what he would do if he could do it all over again (**Ronnie Hopper** of Petersburg, Texas),
- ◆ A recognized, premier co-op manager that gave their view on what they think the model co-op board chair looks like (**James Deatherage** of Producers Cooperative Association in Bryan),
- ◆ Got down to the “nuts and bolts” of the conference by learning how to manage the board and its varied personalities (**Tommy Engelke** of Austin); and
- ◆ The conference would not have been complete without focusing on challenging and legal issues occurring within co-op board rooms (**Gary McLaren**, co-op attorney from Lubbock).

The conference received high praise and still has people buzzing about it. This may be the result of the conference having more of a roundtable, nuts and bolts, conversational-style approach. TACC will be looking at ways to continue to improve the conference for years to come.

2015 **National** Co-op Numbers Recently **Released**.....

USDA recently released a summary of numbers regarding the use of the cooperative business model by farmers and ranchers across the U. S. Like other businesses, mergers and economies of size still rule, with there being 2,047 ag co-ops in the U. S. ---- a drop of 73 from the prior year, HOWEVER, 14 new co-ops were created around the country. In addition, producers held 1,921,023 memberships and these organizations had a total of 136,285 employees. Five states have more than 100 ag co-ops with Texas being second nationally; followed by North Dakota, Wisconsin, and California. Minnesota has the most ag co-ops BUT Iowa has the most co-ops in the “Top 100” category by size.

Record Engagement in Political Action from Ag Co-ops Across the State

TACC – PAC has always held a prominent role in assisting ag-friendly candidates get elected to office, but engagement and action to further their influence made an abrupt upward trend this fall. A number of key Council leaders stepped forward to hand – deliver a contribution or better yet, had their local legislator come by their facilities to get to know them better AND to receive a PAC contribution.

- ◆ **Larry Black**, TACC past president and manager at Central Rolling Plains Co-op in Roscoe had his newly-elected R) State Representative **Stan Lambert** of Abilene come by for a brief visit at the co-op and to retrieve his contribution.
- ◆ **Marc Adams**, a TACC director and CoBank’s regional vice president in Lubbock, paid a visit to R) State Senator **Charles Perry** in Lubbock recently to present him a contribution. Perry chairs the Senate Ag Committee.
- ◆ **James Deatherage**, TACC past president and manager of Producers Cooperative Association in Bryan had two candidates come by for a visit and to receive a contribution: R) State Senator **Charles Schwertner** of Georgetown and R) State Representative **Kyle Kacal** of College Station. Deatherage and one of his directors also met with another in their own hometown to hand – deliver the check: R) State Representative **Leighton Schubert** of Caldwell.
- ◆ TACC President **Gary Holcomb** of Bushland, hand – delivered a check to R) State Representative **John Frullo** in Lubbock, who chairs the House Insurance Committee and also one to Texas Ag Commissioner **Sid Miller**.
- ◆ In addition, TACC past president **David Fields**, CEO of Gulf Compress in Corpus Christi, paid a visit to R) State Representative **Todd Hunter** in Corpus Christi with a contribution. Hunter chairs the House Calendars Committee, which decides what bills eventually make it to the House floor for a vote and --- more importantly --- those that do not.

Council staff also attended numerous fundraisers to deliver PAC contributions.

..... TACC – PAC Continues to Make a **Splash** in Support of **Ag-Friendly** Candidates

The state co-op political action committee known as TACC – PAC, started by former D) U. S. Congressman **Charlie Stenholm** in the late 1970s, left its mark once again on the statewide political landscape by **winning all of the 37 races it participated in** during the November 8, 2016 General Election. The PAC cannot give to federal candidates. Stenholm was from Stamford, Texas at the time and is a former high school ag teacher and a former electric co-op CEO, spending most of his retirement years today in Granbury, Texas.

Of those winning with TACC – PAC contributions during the November 8 General Election, three were new to the state legislature: R) State Representative **Stan Lambert** of Abilene who is involved in the public school system, R) State Representative **Lynn Stucky** of Sanger (near Denton) who was raised on a farm near Wichita, Kansas and is a member of the large grain and farm supply co-op in Moundridge, Kansas known as Mid-Kansas Cooperative Association, and R) State Senator **Dawn Buckingham** of Lakeway (near Austin) who is a doctor. There were several other new state legislators who won during the March 1 Primary Election, that had no opposition in the November General Election.

All total, TACC – PAC contributed \$38,750 to 70 races in this election cycle of which \$14,700 was donated in the March 1 Primary Election and \$24,050 during the November 8 General Election. In the past nine election cycles (since 1998), TACC – PAC has contributed \$292,500 to 504 campaign races!

Joint Efforts Bring **Congressman Conaway** to Corpus Christi

The Texas Agricultural Cooperative Council joined with the Texas Grain and Feed Association in Fort Worth for a special and celebrated fundraiser reception in Corpus Christi for U.S. Congressman **Mike Conaway** on November 3; raising thousands for the champion that represents the agricultural industry in Washington D.C. Around 35 key ag leaders in South Texas attended the event.

Congressman Conaway is serving his sixth term in the U.S. House of Representatives and represents 29 counties in Texas’ 11th congressional district. In the House, Congressman Conaway is the chairman of the House Committee on Agriculture and also serves on the House Armed Services Committee and the Permanent Select Committee on Intelligence.

Native to Texas, Congressman Conaway earned his Bachelor of Business Administration degree in accounting from Texas A&M University-Commerce in 1970. Conaway believes in lower taxes, smaller government, and a secure nation. With a background as a CPA, he has a unique perspective on fiscal responsibility and ensures every taxpayers dollar is spent wisely.

Chairman Conaway made special mention of how impressed he was with the recently – released TACC-PAC Special Edition Newsletter highlighting where most all of the ag PACs in Texas placed their money on the November 8 General Election.

TACC: OUT & ABOUT (Since October 19, 2016)

- ✓ Attended fundraisers for State Comptroller **Glenn Hegar** on October 26, State Senator **Dawn Buckingham** on November 17, Texas House Speaker **Joe Straus** on November 30, and Texas Governor **Greg Abbott** on December 6 --- all in Austin.
- ✓ Coordinated TACCs South Texas Board Chairmen's Conference on November 2 and TACCs South Texas Co-op Manager / Director Conference in Corpus Christi on November 2-3, and hosted a joint fundraiser with the Texas Grain and Feed Association for U.S. House Ag Committee Chair, **Mike Conaway** on November 3 in Corpus Christi.
- ✓ Assisted **D. Williams and Company** with the TACC FYE September 30 audit in Austin November 7-8.
- ✓ Coordinated registration and participated in the Texas Chapter, National Society of Accountants for Cooperatives meeting on November 11 in Lubbock.
- ✓ Participated in the national co-op governmental affairs committee meeting in San Antonio November 14-16.
- ✓ Attended an ag commodity group meeting on November 17 in Austin to discuss the results of the General Election and the impacts on the industry.
- ✓ Wrote, published and distributed a TACC-PAC Special Edition Newsletter announcing where most ag PACs placed their contributions in the November 8 General Election and to inform members on activities of TACC-PAC.
- ✓ Along with TACC President **Gary Holcomb** and CoBanks' **Andy Martin**, attended a proposed legislation meeting on central filing in Lubbock on October 24 and a second meeting of the 28-member group on November 17th.
- ✓ Along with TACC President **Gary Holcomb** and CoBanks' **Marc Adams**, attended a proposed legislation meeting regarding ag liens in Austin on October 25th.
- ✓ Continued laying groundwork for the development of a TACC app to be launched in early 2017.
- ✓ Made a more concerted effort to make TACCs Facebook page more engaging.
- ✓ Developed the TACC 2016 Christmas Card.
- ✓ Began initial plans to carry out TACCs newly - adopted strategic plan.
- ✓ Moved the Council's banking relationship to greater automation and efficiency.
- ✓ Developed TACC "monthly" budgets.
- ✓ Initiated plans to develop a TACC-PAC "gift" for those who contribute \$100 or more into TACC-PAC during the January 1 – December 31 fiscal year.
- ✓ Initiated plans for intern visits to seven different ag universities in the Winter/Spring of 2017.

Will Be:

- ◇ Coordinating and hosting a TACC Executive Committee Meeting in Lubbock on December 15.
- ◇ Conducting a hotel site visit for the March 12-14, 2017 TACC Joint Cooperative Meeting at the Westin Stonebriar Hotel and Golf Club in Frisco, Texas on December 21 – 22.
- ◇ Making preparations for the TACC Director Development Programs that will be held February 6 (Amarillo) and February 9 (Lubbock).
- ◇ Firming plans for the approaching January 10, 2017 State Legislation Session in Austin.
- ◇ Conducting on-site visits and speaking to ag classes for co-op internship opportunities at Angelo State University on February 8 and Tarleton State University on February 13.
- ◇ Coordinating plans for the TACC / Land O' Lakes Co-op Legislative Dinner at the State Capitol on February 22.
- ◇ Attending the National Cotton Council Annual Meeting in Dallas on February 10-12 and the National Co-op Convention on February 15-17 in Florida.

CALENDAR OF EVENTS 2016

December

- 15: TACC Executive Committee Meeting - Lubbock
- 23-26: Christmas Holiday

2017

January

- 2: New Years Day Holiday
- 4-6: Beltwide Cotton Conference - Dallas
- 10: State Legislative Session begins - Austin

February

- 6: TACC Director Development Program - Amarillo
- 9: TACC Director Development Program - Lubbock
- 10-12: National Cotton Council Annual Meeting - Dallas
- 15-17: National Co-op Convention - Ft. Lauderdale, Florida
- 22: TACC / Land O' Lakes State Capitol Legislative Dinner - Austin
- 26-27: Land O' Lakes Annual Meeting - Minneapolis / St. Paul, MN

March

- 12-14: TACC Joint Cooperative Meeting - Frisco
- 12: Daylight Savings Time Begins
- 31-2: Texas and Southwestern Cattle Raisers Association Annual Meeting - San Antonio

April

- 4-5: CoBank Customer Meeting - San Antonio
- 6-7: Texas Cotton Ginners Association Gin Show - Lubbock
- 26-27: Texas Grain and Feed Association Annual Meeting - Galveston