

# CO-OPS COMMIT

COOPERATIVE NETWORK ANNUAL MEETING  
NOVEMBER 14-15, 2017

## Cooperative Network Calendar

**Oct. 18: Wisconsin Co-op Day at the Capitol**, Madison, Wis.

[Learn More...](#)

**Oct. 25: Federal Dairy Issues Forum**, Rochester, Minn.

[Learn More...](#)

**Nov. 1-3: 20th Annual Farmer Cooperatives Conference**, St. Paul, Minn.

[Learn More...](#)

**Nov. 14-15: Cooperative Network Annual Meeting**, St. Paul, Minn.

[Learn More...](#)

**Jan. 11-12: Minnesota Director's Workshop**, Morton, Minn.

[Learn More...](#)

**April 30 - May 1, 2018: SCH Conference**, Minneapolis, Minn.



## Cooperative Network News

### Regional & Federal

#### Dairy Situation and Outlook

On Sept. 18 Bob Cropp, Professor Emeritus, UW-Madison released his monthly Dairy Situation and Outlook. Cropp reported that forecasted milk prices for the remainder of the year have softened from what was expected earlier, and it will take a rally in cheese prices to strengthen the Class III price October through December. He attributed the lower prices due to higher production, slower growth in sales and higher stock levels. A podcast of Cropp and Mark Stephenson, Director of Dairy Policy Analysis at UW Madison can be found [here](#).

#### Federal Dairy Issues Forum

Learn how Canada's influence, the changing landscape for dairy and the 2018 Farm Bill may affect the dairy industry in Minnesota and Wisconsin at Cooperative Network's Federal Dairy Issues Forum on Oct. 25 in Rochester, Minn. Top industry leaders will be on hand to provide insight on these issues and to answer your questions. For more information or to register, click [here](#).

### Wisconsin

#### Governor signs budget bill

Governor Walker signed the biennial budget bill into law Thursday as 2017 Wisconsin Act 59. He made 99 vetoes of provisions that had been approved by the legislature. The one veto item of greatest interest to Cooperative Network was the extra \$100,000 that the legislature added each year of the budget to support livestock premises identification. That extra money was to come from the Agricultural Chemical Management fund. In his veto, Walker stated "I am vetoing these sections because I object to the use of Agricultural Chemical Management funds for purposes for which they are not intended. The revenues from the fund are

## Link of the Week

### CO-OPS COMMIT

Co-op Month 2017

Cooperative Network teamed up with NCBA CLUSA this year to co-lead the National Co-op Month initiative – an effort to bring together representatives from all sectors of cooperatives across the country to develop a cohesive National Co-op Month theme and educational materials.

This year's theme, "Cooperatives Commit" was designed to be used on its own, or extended with sub-themes.

With support from participating cooperatives and funding from the CHS Foundation, the committee created a Co-op Month toolkit (available at [coopmonth.coop](http://coopmonth.coop)) containing a variety promotional and educational materials, such as the new Co-op Month logo, posters, print and radio public service announcements, a sample press release, social media resources, and activity ideas, among others.

generated from feed, fertilizer, and pesticides, and are used for the regulation and oversight of those programs. Finally, there is not evidence that additional funds are necessary to manage this program. The department believes it can manage this program with existing funds."

### Hearing on cooperative modernization legislation Wednesday

The Assembly Committee on Financial Institutions has announced that they will be holding a hearing on Wednesday, Sept. 27 beginning at 11 a.m. on AB 353 and three other bills currently in their committee. AB 353, authored by Rep. Gary Tauchen (R – Bonduel) and Sen. Patrick Testin (R – Stevens Point) was drafted and introduced on behalf of Cooperative Network. It would make several changes to Chapter 185 of the statute that governs cooperatives. None of the changes would be required of cooperatives, but they would be available to cooperatives if their members choose to implement any of them, such as adding appointed directors with voting rights, who would be a minority of any board of directors. Questions about the legislation or the hearing should be directed to Cooperative Network.

### Farm Supply committee meeting Wednesday in Madison

The quarterly meeting of the farm supply committee will be held this Wednesday at Cooperative Network's Madison office, 1 S. Pinckney Street, Suite 810. This is within the U.S. bank building on the capitol square and parking is available in the ramp under the building, with entrance from S. Webster Street. The meeting will begin at 10:30 a.m. The agenda includes the following presenters: Jeremy McPherson on the Agricultural Producer Security rulemaking and draft legislation; Lori Bowman on RevEx and bureau reorganization; Jim Chiolino, Department of Workforce Development, on overtime regulations; and State Rep. Keith Ripp, on transportation funding and spring road weight enforcement. All farm supply members of Cooperative Network are welcome to attend this meeting.

### DATCP board advances agricultural producer security rule

The DATCP Board approved a final draft rule pertaining to the Agricultural Producer Security (APS) program at their meeting Thursday at Organic Valley Cooperative in Cashton. Cooperative Network asked the board for approval, pointing to the provisions that will reduce assessment fees for grain dealers and milk contractors. The Midwest Food Products Association, representing vegetable processors, opposed the rule which will increase fees on their industry. The rule will need final approval of Governor Walker and review, including possible public hearings by legislative committees, prior to becoming a part of the administrative code.

### PSC approves innovative bioenergy project in Brown County

Wisconsin's Public Service Commission (PSC) recently announced that it has approved a conditional \$15 million Focus on Energy grant to BC Organics, LLC for an innovative bioenergy system in Brown County. The system will produce renewable natural gas from dairy farm manure and other waste. The project will reduce the need to land-spread raw manure, protect sensitive groundwater and surface waters in northeastern Wisconsin and provide positive economic benefits to participating farms.

At the direction of Governor Walker, the PSC, Department of Natural Resources, and the Department of Agriculture, Trade and Consumer Protection collaborated to develop a request for proposals (RFP) on innovative anaerobic digester systems that could produce renewable

energy, remove nutrients from manure, protect water quality and reduce pathogens.

The project's proposed location is northeast of Holland, near Green Bay, is co-located with a proposed landfill owned by Brown County. It has commitments from nine Wisconsin farms with over 22,000 animal units, with the capability to expand to include additional farms in the future. The facility is expected to begin operations by Jan. 1, 2019.



**CO-OP STATS**

- ▶ Co-ops provide more than 2.1 million jobs nationwide.
- ▶ Co-ops create annual wages of more than \$75 billion.
- ▶ For every \$1,000 spent at a food co-op, \$1,600 is generated in the local economy.
- ▶ Co-ops generate \$650 billion in revenue.

**CO-OP MONTH | OCTOBER 2017**

## Minnesota

### **Mediation fails between Governor Dayton and legislative leaders**

Despite efforts by retired Hennepin County Judge Rick Solum, mediation efforts between Gov. Mark Dayton and legislative leaders failed last week in the dispute over the governor's line-item veto of funding for the legislative branch. Citing mediation was at an impasse, Solum indicated to the Minnesota Supreme Court that the views of both parties were irreconcilable. The ball is now back in the hands of the highest court in the state which had ruled on Sept. 8 that Dayton's veto was constitutional. That determination was counter to a Ramsey County judge's earlier interpretation that the governor had violated the Separation of Powers clause of the Minnesota Constitution. This latest development means a decision may need to be rendered by the Supreme Court afterall. House Speaker Kurt Daudt (R – Crown) and Senate Majority Leader Paul Gazelka (R – Nisswa) have stated throughout the course of the legal battle that their goal is to restore funding for the legislative branch and to not renegotiate budget bills that the governor has previously signed into law. The governor contends his line-item veto was done to bring legislators back to the bargaining table to discuss fiscal and policy differences that he feels could jeopardize Minnesota's future.

### **Minnesota Agricultural Credit Issues Conference held in St. Cloud**

Approximately 40 attendees gathered in St. Cloud last week to participate in the 2017 Minnesota Agricultural Credit Issues Conference. CEOs, general managers, finance and credit professionals from Farm Credit, farm supply and fuel cooperatives gathered to hear the latest on policy, trends and developments in member lending, covering topics including strategic lending issues, economic updates and forecasts, mitigating risk, a Farm Service Agency update, and debt collections. The conference

concluded with a best practices panel featuring representatives from United Farmers Cooperative, NuWay Cooperative, Genesis and New Vision cooperatives. The topics and issues addressed at the conference were designed to assist credit managers and others by facilitating presentations on relevant credit topics and broader, related issues in order to help build a stronger, more effective credit program that will lead to a stronger cooperative. Cooperative Network would like to thank all of those who attended the conference, the presenters and panelists, and CoBank, CliftonLarsonAllen and Dorsey for their sponsorships.

### **Border-to-Border Broadband grant program "challenge period" closes on Oct. 16**

With the deadline for applications to the Border-to-Border Broadband grant program having closed on Sept. 11, the "[challenge period](#)" recently began on Sept. 14 and will run until Oct. 16. In 2016, the ability to challenge applications was added by law to the Border-to-Border Broadband grant review process. According to the Minnesota Department of Employment and Economic Development (DEED), the office that administers the grants, challenges will only be considered from providers that submitted broadband mapping data to Connected Nation for the 2017 data collection. These providers must include in their challenge information documentation to support that they will provide broadband service at or above the state speed goals to the full project area. The challenge must also identify the broadband speed(s) that will be available throughout the challenged portion of the project. According to DEED, challenges that contain detailed information will be more likely to be found credible than challenges that rely on general information. The Minnesota Legislature appropriated \$20 million for this round of grants during the 2017 session, which was supported by Cooperative Network. DEED expects to announce grant awards by the end of the year.

### **2018 Minnesota Director's Workshop announced**

Cooperative Network is proud to partner with the University of Minnesota and Dr. Michael Boland, who will be hosting the [Minnesota Director's Workshop](#) on Thursday and Friday, Jan. 11-12, 2018 in Morton, Minn. Topics will include a finance topic with a look at internal controls and a case study; a governance topic with a panel of directors and attorney sharing some information on a topic; and several other governance topics. Registration information will be forthcoming.

### **State Fair Poll shows strong support for 10 cent-per-gallon gas tax increase**

The Minnesota House of Representatives recently released the results of their annual State Fair Poll and one of the questions posed gauged support for a ten-cent-per-gallon gas tax increase. Those in support numbered 60.6 percent, those opposed were 32.2 percent, while those who were undecided or had no opinion totaled 7.2 percent. While this poll is not scientific, it indicates a public appetite for additional revenue to fund the state's transportation system. During the 2017 legislative session, the transportation finance bill included \$300 million in new funding without raising the gas tax or through the implementation of a gross receipts tax. Cooperative Network has successfully opposed the imposition of a gross receipts tax proposal on motor fuels for the past several years and did once again this past session. We will continue to voice our opposition to any transportation funding proposal that includes the gross receipts tax in future legislative sessions.

## **Featured Event**

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