



REGIONAL & FEDERAL

Cooperative Network urges strengthening of pension system for co-ops

Last week, Cooperative Network signed onto a letter initiated by the National Council of Farmer Cooperatives (NCFC) urging Congress to pass the Charity/Cooperative pension provision of the “Retirement Enhancement and Savings Act of 2018” (RESA/H.R. 5282).

The Charity/Cooperative provision addresses the overcharging of premiums by the Pension Benefit Guaranty Corporation (PBGC) for rural cooperative “multiple-employer” pension plans in which more than 400 farmer cooperatives across the country today participate. The legislative proposal will have a significant impact on the ability of many smaller farmer-owned cooperatives – the vast majority of which have less than 100 employees – to prevent the unnecessary diversion of scarce investment and operating capital to pension requirements intended for other types of plans.

The *Cooperative and Small Employer Charity Pension Flexibility Act of 2014* recognized that rural cooperative “multiple-employer” plans were different than other types of plans, and by their nature pose virtually no risk of default to the PBGC. As such, adjusting PBGC premiums to better reflect the low risk of Cooperative and Small Employer Charity (CSEC) plans would provide additional stability for those cooperatives that provide these retirement benefits to their employees. The letter urged Congress to assist those farmer cooperatives, their employees and retirees by including the Charity/Cooperative pension provision in any year-end legislative package.

Cooperative Network has weighed in on this issue several times over the past few years with the Minnesota and Wisconsin Congressional delegations. We indicated that passage of this legislation would have a significant impact on the ability of cooperatives to prevent the unnecessary diversion of scarce investment and operating capital to pension funding requirements.

Dairy Situation and Outlook

Bob Cropp, Professor Emeritus UW-Madison, recently released his most recent Dairy Situation and Outlook. He indicated in his report that it appears as if farm milk prices will end the year at a low level. In addition, he stated that the forecast is for higher milk prices in 2019, but not to the level dairy producers are hoping for. [Click here](#) to view Cropp’s podcast, which also features Mark Stephenson, the Director of Dairy Policy Analysis at UW-Madison.

MINNESOTA

House DFL Caucus announces committee structure and chair assignments

Just before the Thanksgiving holiday, House Speaker-designate Melissa Hortman (DFL – Brooklyn Park) and her leadership team unveiled the committee structure for the 2019-20 biennium. Several members will be in charge of

Calendar of Events

December 12, 2018:

[Cooperative Network/UWCC Co-op Directors Forum](#)

Organic Valley, Cashton, Wis.

January 9-10, 2019:

[Minnesota Cooperative Leadership Program](#)

Jackpot Junction Casino, Morton, Minn.

January 29-31, 2019:

[Leadership Institute](#)

Madison College, Madison, Wis.

January 15, 2019:

WI Farm Credit Legislative Day

Madison, Wis.

February 12, 2019:

WI Co-op Day at the Capitol

Madison, Wis.

February 21-22, 2019:

Co-op Communicators Conference

Eau Claire, Wis.

March 4-5, 2019:

Co-ops Yes! Youth Leadership Conference

Eau Claire, Wis.

March 19, 2019:

MN Co-op Day at the Capitol

St. Paul, Minn.

committees they have chaired in previous legislative sessions, while a host of members will be assuming chair duties for the first time. Among the key committees and chairs Cooperative Network will be working with in the upcoming session are as follows:

- Agriculture and Food Finance and Policy Division – Rep. Jeanne Poppe (DFL – Austin)
- Capital Investment Division – Rep. Mary Murphy (DFL – Hermantown)
- Commerce – Rep. Laurie Halverson (DFL – Eagan)
- Energy and Climate Finance & Policy Division – Rep. Jean Wagenius (DFL – Minneapolis)
- Environment & Natural Resources Finance – Rep. Rick Hansen (DFL – South St. Paul)
- Environment & Natural Resources Policy – Rep. John Persell (DFL – Bemidji)
- Greater Minnesota Jobs – Rep. Gene Pelowski (DFL – Winona)
- Taxes – Rep. Paul Marquardt (DFL – Dilworth)
- Transportation Finance & Policy – Rep. Frank Hornstein (DFL – Minneapolis)

While the power structure did not change in the Senate, two committees will have new chairs in the upcoming session due to Sen. Jeremy Miller (R – Winona) being elected Senate President. This includes Sen. Eric Pratt (R – Prior Lake), who will assume Miller's duties as Chair of the Jobs & Economic Growth Finance and Policy Committee. Also, Sen. Paul Anderson (R – Plymouth) will now hold the gavel for the Higher Education Finance and Policy Committee that Pratt formerly chaired. Cooperative Network looks forward to working with the Legislature in the upcoming session, which will start in January 2019.

Minnesota Rural Broadband Coalition presents Governor-Elect Walz with 2019 priorities

Members of the Minnesota Rural Broadband Coalition (MRBC) recently shared their [2019 legislative priorities](#) with Governor-Elect Tim Walz. When he begins his term in January, his first job will be to present his priorities for the state's 2019-2020 biennial budget to the Legislature. Among the MRBC's priorities are as follows:

- **Base funding for the Border-to-Border Broadband Grant Program**
\$70 million per biennium is required to fully fund the grant program and allow providers to extend and improve networks in the hardest to reach places in Minnesota.
- **Continue to support the Office of Broadband Development**
The Office of Broadband Development provides a critical link between communities and providers, documenting successful infrastructure project design and management.
- **Continuation of the Governor's Broadband Task Force**
The Task Force provides an opportunity for community members, advocates, providers, consumers, and others to have input and make recommendations on broadband policy in Minnesota.

Cooperative Network participates as a member on this coalition and will remain engaged on this issue that is important to a host of our cooperative sectors and their member-owners.

The next meeting of the coalition is scheduled for January 30, 2019 at the State Capitol, Room 316 at 9:30 a.m. For cooperatives who are interested in joining the Minnesota Rural Broadband Coalition or attending a future meeting, please contact [Patrick Murray](#) or call (651) 280-4901 for more information.

Cooperative Network participates in truck safety briefing

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Last week, Cooperative Network participated in a truck safety briefing hosted by the Minnesota Trucking Association at their Brooklyn Center offices. Representatives from the Federal Motor Carrier Safety Administration and the Minnesota State Patrol presented an overview of truck safety statistics over the past several years. Attendees also discussed ideas for potential priorities for the 2019 legislative session. Among one of these priorities was support for the passage of legislation limiting the use of cellphones to hand-free only while driving. This topic was recently discussed by the Cooperative Network Resolutions Committee during the recent Annual Meeting in La Crosse. The proposed resolution was adopted by our full membership and it is anticipated there will be efforts to advance such legislation this upcoming session.

40 Square Cooperative Solutions meetings continue as Dec. 19 open enrollment deadline approaches

Community informational meetings for 40 Square Cooperative Solutions will continue throughout the state in the upcoming weeks. These thirty minute meetings for existing and prospective members provide information regarding the co-op and their health plan offerings for Minnesota's agricultural community. Open enrollment began on Nov. 1 and will run through Dec. 19. [Click here](#) for a list of upcoming meetings or for more information.

WISCONSIN

Agricultural Producer Security Council meets

The Agricultural Producer Security (APS) Council met at the Department of Agriculture, Trade and Consumer Protection headquarters on November 29 to hear updates on the proposed permanent rule draft and the program's annual report. Trade Practices Bureau Chief Jeremy McPherson thanked the Council for its support of the 3-year process that has resulted in the proposed final draft rule, which makes changes to the grain and dairy portions of the program. During the September 10 hearing on the proposal, Cooperative Network submitted input, in support of the proposed rule.

The rule modifies ATCP 99 to align grain warehouse keeper assessment reduction and exemption thresholds with the statutory changes that were enacted through 2017 Wisconsin Act 155, which combined grain dealer and grain warehouse keeper subaccounts. The rule also modifies ATCP 100 to establish an annual assessment rate for milk contractors that contribute to the APS Fund and enter into deferred payment contracts with producers to procure milk.

The DATCP Board is scheduled to take final action on the rule at their December 20 meeting. The Council passed a motion that requests that DATCP Secretary Sheila Harsdorf ask Governor Scott Walker to expedite his final approval of this rule after anticipated DATCP board approval, as well as a proposed rule that has been on his desk for some time. That other rule would decrease milk contractor assessments by 20%, decrease grain dealer assessments due to their subaccount balance, and increase vegetable contractor assessments.

Cooperative Network government relations consultant John Manske continues to represent Cooperative Network on the APS Council.

New session begins in January

January 7, 2019 will not only begin the start of Governor Evers administration, it will mark the start of the 2019-20 legislative session. The Cooperative Network government relations team has been busy providing input to the Evers transition team on issues of importance to cooperatives. In addition, Cooperative Network is meeting with key legislators outlining our priorities for the upcoming session.

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