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**To:** Deb Mazour  
**Subject:** NCC - Cooperation in Nebraska - August 2024

## Nebraska Cooperative Council's Newsletter



# Cooperation in Nebraska

*August 15, 2024*

### SECTION 199A

Through 2024 the Council has continued to participate in efforts to educate members of Congress, their respective staff members, and the public about the importance of not allowing Section 199A to sunset at the end of 2025 as is currently scheduled.

Following the Washington Fly-In sponsored by the Council in March, the Groundwork24 cohort flew to Washington DC in June for their capstone federal legislative experience. As part of the groups meeting on the Hill that day, we again had the opportunity to discuss Section 199A with each member of Nebraska's federal delegation as well as staff members.

In August, Rocky attended the Washington Conference of the National Council of Farmer Cooperatives and the meeting of the governing Council of NCFC. The main focus of the conference was both the lack of movement on a farm bill as well as having conference attendees blanket the Hill with the message that Section 199A is critical to rural America.

Rocky participated as a panelist on an NCFC briefing for a Ways and Means Committee members' staff on Section 199A and how it benefits agricultural cooperatives, farmer owners of cooperatives and rural communities.

In July, Congressman Adrian Smith's office asked NCC and AGP to assist in coordinating a

listening session between local eastern Nebraska and western Iowa and members of the Republican Ways and Means Committee Rural America and Main Street Tax Teams. On August 15, 2024, AGP hosted this listening session at its headquarters in Omaha. Members of Congress attending were Congressman Adrian Smith, Congressman Mike Flood, Iowa Congressman Randy Feenstra and NY Congresswoman Nicole Malliotakis and members of their respective staffs.

Ag Processing Inc. (AGP) CEO Chris Schaffer kicked off the presentation highlighting AGP, its cooperative structure and what Section 199A has meant to AGP and its membership. Local cooperative CEOs and representatives made the case for the significant impacts Section 199A have had on their respective agricultural cooperatives, the farmer owners and rural communities, and further laid out what will happen if this important tax deduction is allowed to sunset.

We were able to invite representatives of NCC's participating members to attend and observe the session. Representatives of CHS, Land O' Lakes, Growmark, CoBank, Farm Credit Services, AMPI and, of course, AGP were in attendance.

The National Council of Farmer Cooperatives continues to seek written submissions from agricultural cooperatives and farmers as to the "success" stories resulting from the Section 199A tax deduction. Success stories can be submitted with this [link](#).

The House Ways and Means Committee Tax Teams will be taken written comment from interested parties on Section 199A and as well as other provisions of the Tax Cuts and Jobs Act of 2017 that have or will expire by the end of 2025 including research and development deductions and immediate expensing provisions that have provided value to cooperatives.

Comments must be submitted by **OCTOBER 15, 2024**. The Ways and Means Committee has a web page describing the Tax Teams and has also launched a comment portal: [RepublicanTaxTeams@mail.house.gov](mailto:RepublicanTaxTeams@mail.house.gov). The directions for use of the portal include:

#### How to Submit Written Comments to the Tax Teams

- Any person(s) or organization(s) wishing to submit comments may e-mail [RepublicanTaxTeams@mail.house.gov](mailto:RepublicanTaxTeams@mail.house.gov)
- In the subject line or body of the e-mail, please indicate: "Tax Teams Comment on [name of relevant Tax Team(s)]." Section 199A is under the jurisdiction of the Main Street Tax Team, but also of interest to the Rural America Tax Team. Congressman Adrian Smith chairs the Rural America Tax Team, and is a member of the Main Street Tax Team
- Please attach the written submission as a Word document

- In the attachment or body of the e-mail, please include a contact name and phone number or e-mail address
- For questions or technical assistance, please call 202/225-3625

NCC will be providing comments writ large on the impacts of Section 199A to Nebraska's farmer owned cooperative and their members. I am available to provide any assistance to you in preparing or submitting your comments.

It will take all NCC members that have used Section 199A to weigh in and participate in these efforts to maintain this important tax provision.



During the August 15, 2024, AGP-hosted listening session at its headquarters in Omaha, members of Congress listened to Nebraska CEOs and producers about the importance of Section 199A to the ag sector. Pictured above (L-R) are Congressman Adrian Smith, Farmers Pride CEO Dean Themes, CPI CEO Gary Brandt, and Frontier Co-op CEO Jeremy Wilhelm.

## COOPERATIVE INTERN RETREAT

The Nebraska Cooperative Council hosted 98 interns on June 6th at the Younes Conference Center South in Kearney. We want to thank our members for sending the next generation of Nebraska ag to learn more about the importance of cooperatives and have some fun.

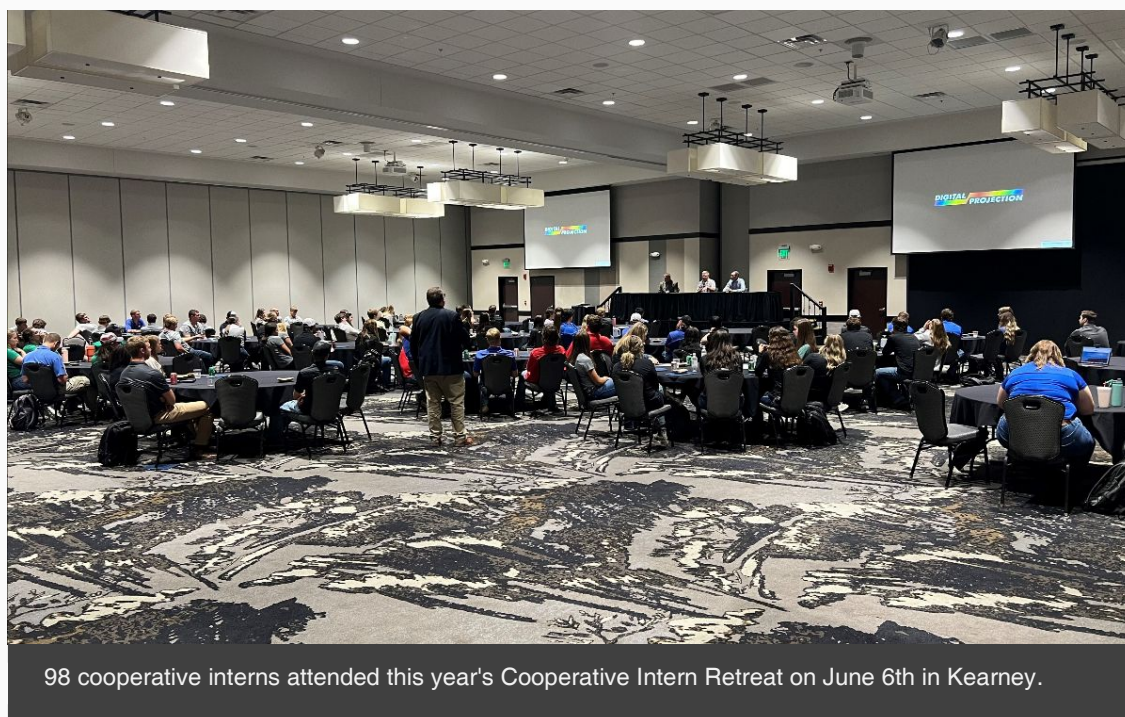
Rocky and Adam opened the day by covering the history of agricultural cooperatives and why the model is so important for farmers, as well as the cooperative landscape in Nebraska.

After lunch, the interns broke into groups and had the opportunity to ask cooperative CEOs

questions in a small-group setting. A special thank you to Dean Thernes from Farmers Pride, Jeff Krejdl from Ag Valley, Allan Zumpfe from Farmers Cooperative-Dorchester, and Chris Wagner from Country Partners for spending time with the interns.

Producers Jerrad Stroh (CPI), Zach Herz (CPI), and Ryan Sukraw (Country Partners) participated in a panel to discuss cooperatives from the perspective of farmers and board members. The interns appreciated their insights and had several great questions.

Thank you again to everyone that helped make the 2024 Intern Retreat a success.



98 cooperative interns attended this year's Cooperative Intern Retreat on June 6th in Kearney.

## GROUNDWORK

The inaugural GROUNDWORK cohort finished their first year with a trip to Washington DC from June 10-13 to learn about federal policymaking and meet Nebraska's Congressional delegation.

Lisa Van Doren from NCFC, Skylar Sowder from the Farm Credit Council, Lauren Sturgeon from CoBank, Garreth Hubbard from Land O'Lakes, and Dan Mauer and Will Stafford from CHS Inc. discussed "Lobbying on Capitol Hill" with the group. They shared invaluable insights on the process and how they represent the interest of cooperatives and agriculture on the Hill. They also talked about current issues like the Farm Bill and SAF and took questions.

On the 12th, GROUNDWORK attended the weekly Nebraska Breakfast, which is the longest running gathering of its kind on Capitol Hill. Nebraskans in DC are invited to attend to hear from

their Congressional delegation.

After the breakfast, the group spent the day meeting with the delegation to discuss ag issues and learn more about effective advocacy. Senator Ricketts, Congressman Smith, Congressman Flood, and Senator Fischer were able to meet with the cohort in person. Congressman Bacon was in a vote, but his staff in charge of ag issues welcomed GROUNDWORK to their office. Our young producers and future leaders asked important questions and had interesting conversations in each office. The Council appreciates that Nebraska's delegation recognizes the importance of cooperatives and is willing to spend time with our GROUNDWORK cohort.

In addition to the work learning about policymaking and advocacy at a federal level, participants received a guided tour of the Capitol, was able to attend a session of the House of Representatives with gallery passes arranged by Congressman Flood's office, toured the White House, and visited several of our country's monuments along the Washington DC Mall.



The 12 members of the GROUNDWORK24 cohort pictured in front of the U.S. Capitol in Washington DC.

## 108TH LEGISLATURE

### REGULAR SESSION

The Legislature adjourned on April 18th after completing 60 working days. This session was focused much more on meaningful policy debate than the previous one, and was therefore a

productive one. There were 196 bills signed by the Governor, 2 vetoed, and 2 that became law without his signature, with 1,134 being indefinitely postponed at the end of the 108th Legislature 2nd session.

This session was also a successful one for the policy goals of the Nebraska Cooperative Council and its membership. Two carryover bills from the long session, LB 262 and LB 139, passed and were signed by the Governor. LB 262 included LB 305, a bill to deregulate grain storage and handling rates, which was introduced by Senator Halloran on behalf of the Council. LB 139 was introduced by Senator Brandt on behalf of the Council and the final version passed increased the Small Claims Court jurisdictional amount to \$6,000 on July 1, 2024 and increases it again to \$7,500 on July 1, 2025.

LB 1084, the Nebraska Shortline Rail Modernization Act, was supported by the Council. A smaller version of this bill was included in LB 937 and passed, offering a nonrefundable tax credit for 50% of maintenance expenditures up to \$1,500 per mile of track. The program is capped at \$500,000 in FY 2025-26 and \$1 million each year thereafter until December 1, 2033. That bill also contained versions of legislation supported by the Council that offer \$500,000 in tax credits for SAF through 2035 and extending the sunset on the Biodiesel Tax Credit Act from 2028 to 2029 and increasing the amount of the credit by \$500,000 for years 2024 and 2025.

Programs promoting investments in workforce housing, internship grants, and infrastructure investments that were supported by the Council were signed into law. A change to the NE Advantage Act to ensure Sustainable Beef is able to retain its tax credits through the program was passed. The Governor's bill to ban foreign ownership of land near military installations passed, but the work of the Council and other ag advocates helped secure an amendment to the bill to keep a Syngenta manufacturing facility that produces ag products used by our membership is able to stay open.

LB 1368, the Nitrogen Reduction Incentive Act, was opposed by the Council. A smaller version than was introduced passed, with \$1 million from the Water Resources Cash Fund being used to offer incentives for farmers to limit nitrogen fertilizer use. The conversation focused largely on use of biological fertilizer, and there was very little mention of other practices producers use to reduce nitrogen use. The Council was concerned that the program will pick winners and losers and that the program is not targeted to areas with a nitrogen problem. As the rules and regulations for the program are rolled out, the Council will remain involved in the process.

### **SPECIAL SESSION**

Governor Pillen called a special session of the Nebraska Legislature on July 25, 2024 to address property tax reform. After 3 days of bill introduction, there were 81 bills and 24

constitutional amendments proposed, and a hearing was held for each within 5 days of being referred to a committee.

The Governor's main plan was to generate revenue through removing sales tax exemptions, increasing sales tax on certain products, and creating taxes on various services to offset a property tax reduction, along with some spending cuts. This plan did not generate sufficient support to pass.

The Revenue Committee worked on a compromise bill that would keep the sales tax exemptions in place. It would have generated some revenue and called for state funding of county jails, NRDs, district county clerks, and schools. This plan also did not garner sufficient support.

It seemed like there was yet another compromise that had garnered sufficient support to pass, which bolstered an existing property tax relief program. Then as floor debate continued, support for this idea also wavered.

As of the writing of this newsletter, it is the 14th day of the special session and the body continues to debate the correct path forward for property tax reform, with no consensus developing. The Council will be sending a legislative update once the senators have agreement on the path forward. Or, just as likely, will send an update when it becomes clear there is no agreement on the path forward.

### **NCC-PAC INTERVIEWS STATE SENATOR CANDIDATES**

From July 9th to July 11th, the Nebraska Cooperative Council PAC Committee welcomed 33 candidates for the Legislature to our conference room for PAC interviews. This is an opportunity for candidates to explain why they are running and share a bit about themselves. The interviews also offer an important opportunity for the Council and its members to educate candidates on the importance of cooperatives to Nebraska's economy and the issues that are important to our members. This is particularly important with urban candidates that might not have an ag background.

Overall, the PAC Committee was extremely pleased with the quality of the candidates running for the Legislature. Many had a strong understanding of and connection to cooperatives. Several candidates that were less familiar with cooperatives were interested and demonstrated a willingness to learn more and work with the Council.

Following the interviews, the NCC-PAC contributed a total of \$69,000 to candidates committees for the 2024 election cycle. This election cycle resulted in a larger total contribution due to a larger number of open seats than normal and to keep the NCC-PAC contributions to candidates relevant because legislative race costs have increased

substantially over the last several election cycles. Contributions to the NCC-PAC are voluntary and are not part of membership dues to NCC. The NCC-PAC will be soliciting annual PAC contributions from members in September.

The PAC Committee did an excellent job of educating candidates and asking them important questions to help gauge what our support should be for each campaign. These days become extremely long, and your efforts are very much appreciated. Thank you to David Briggs, Galen Kuska, Jeff Krejdl, Mary Kay Lyon, Paul McHargue, Douglas Olsen, Dean Thernes and Jeremy Wilhelm for your great work in the interviews.



*District 47 candidate Paul Strommen of Sidney (center) with the NCC-PAC following his interview.*

### **RATE CHANGE - NEBRASKA CORN CHECKOFF**

NCC Supporting Member the Nebraska Corn Board has asked NCC to remind members that in April, Governor Pillen signed LB 262 which amended the statutes of the Nebraska Corn Resources Act. One of the amendments included a rate change of the Nebraska corn checkoff which effective October 1, 2024 will now be \$.01 per bushel.

### **FOUR POINTS FEDERAL CREDIT UNION OFFERS NEW PROGRAM**

Four Points Federal Credit Union in Omaha is a Supporting Member of the Council and they have asked us to share information about their new Cooperative Rewards



Program. Cooperative employees are eligible to be members of Four Points and use their services. More details on the program are in their attached flyer which is [linked here](#) and in the bullets below. Please share with your employee group. For cooperative employees to sign up for the program or if you have any questions, please contact Four Points at 800/323-2786. Features include:

#### Cooperative Rewards Program

- Cooperative Checking - a free, dividend earning checking account that pays you dividends on balances in your account over \$100
- Cooperative Line of Credit up to \$10,000, competitively priced below credit card rates
- Discounted origination fees on any new Real Estate Loan or Consumer Loan
- Premium Pricing on all standard certificate rates
- Cooperative Scholarship program available to members attending any higher education program
- Credit and debt counseling services through our partner, GreenPath
- Periodic specials specifically for Cooperative members
- Early access to direct deposit funds
- Free debit card
- Free Online & Mobile Banking, including Bill Pay
- Free eStatements
- Free Co-op ATMs withdrawals nationwide
- Free upgrade (if you choose) to Premier Checking or Purchase Rewards checking where you can earn even more back on your checking account monthly.

### CALENDAR OF UPCOMING EVENTS

- *October 2024* - Cooperative Month
- *November 20, 2024* - NCC Board and PAC/LAC Committee meetings and lunch prior to the start of Annual Meeting - Kearney, Younes Conference Center North
- **November 20, 2024 - NCC Annual Meeting, Hall of Fame, and Evening Reception - Kearney, Younes Conference Center North. Speaker:**
  - *Annual Meeting Keynote Speaker - Chuck Conner, NCFCA President and CEO, "Impact of 2024 Election on Ag"*

- **November 21, 2024 - Director/Manager Workshop - Kearney, Younes Conference Center North. Speakers:**
  - *"Unbiased: How to Manage Risk in the Gray Zone" - Andrew Fastow, Former CFO - Enron Corp.*
  - *"How Digital and AI are Transforming Food & Ag" - Teddy Bekele, SVP & Chief Technology Officer - Land O'Lakes*
  - *"The Rise of AI: Understanding the Accelerating Impact of AI on Agri-Food" - Brett Sciotto - CEO of Aimpoint Research*
  - *"Ag Economic Update" - Ty Kreitman, Economist - Federal Reserve Bank of Kansas City - Omaha Branch*
- *November 21-22, 2024- Groundwork25 Kick-Off Workshop-Kearney, Younes Conference Center North*
- *December 2024 - Leadership Luncheon Series (virtual)*
- *January 7-8, 2025 - Director Certification Program Phases 3 and 4 - Kearney, Holiday Inn*
- *January 7-8, 2025 - Graduate Director Seminar - Kearney, Holiday Inn*
- *January 27, 2025 NCC-Legislative Advisory Committee Meeting and NE Senators Reception- Lincoln*
- *March 3, 2025 - Board Leadership Seminar - Omaha, Hilton*

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