



Iowa Institute for
Cooperatives

CO-OPVIEWS

News and information for the benefit of Iowa cooperatives.

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Osage Co-op's Tom Herres Finds a New Home in Iowa

Osage Co-op in Osage, Iowa, welcomed Tom Herres as the new General Manager in April. With 14 years of cooperative experience and most of that time at CHS, Tom appreciates the cooperative structure. "We don't work for a large corporate company, we work for our members," says Tom. "Our job is to run an efficient co-op to be able to extract a margin. Then at the end of the year, any profit goes to benefit the many members within our communities, unlike a private company where it only benefits few."

Tom grew up on his family's farm growing wheat and raising cattle in his home state of Washington. A graduate of Washington State University, the family farm was unable to support several families so Tom looked for other opportunities. "I worked for a neighbor on his farm through high school and college," Tom explains. "I ended up farming with him for a few years before I decided to take my career in a different direction."

Tom joined CHS in 2005, which led him and his family to Idaho, followed by Colorado where he found himself at another juncture in his career. He accepted the position of General Manager at Seibert Equity Cooperative Association located in Eastern Colorado and while he enjoyed his time at the cooperative, the location was not ideal for his young family. "The area was so remote you had to drive at least 45 minutes to an hour just to pick up groceries," he stated. "It was so dry and windy, we couldn't even have patio furniture! It would have ended up in Oklahoma with the way the wind blew."

Tom began to look for different opportunities and, since his wife, Danielle, had family in Iowa, this search eventually led him to Osage Co-op. "Osage Co-op had everything I

was looking for in a co-op. They were the right size with financial stability, an exceptional and involved board, dedicated employees, and engaged members," Tom says appreciatively.

His future plans for Osage Co-op includes looking at existing operations and working with employees to fine-tune them, to run the co-op as efficiently as possible. Tom's philosophy, take what you have and make it even better, comes from an old mentor. "He always said the trick was to find a good, strong co-op, then get to work on continual improvement," he explains.

Tom also is ready to tackle this year's obstacles, with a focus on supporting their customers and members through the volatility of the markets. "Our success is based on our customers' success, so when they face a challenging year, so do we," he emphasizes.

As for how Tom, Danielle, and their daughters, Madison and Teagan, are settling right into their new community, "We have been enjoying the decent weather lately. We're actually able to sit out on our deck in the evenings, and our neighbors just stop by to chat," he confirms. "In Iowa, you interact so much more with your neighbors, which is very different than what we were used to, being from the Northwest." And if you're wondering what Tom's favorite part of his new Iowa home is, "It is so peaceful and not near as windy. We get to have patio furniture and spend time outside as a family."



2020 IIC SCHOLARSHIP APPLICATION DEADLINE

The Iowa Institute for Cooperatives will award at least eight \$2,000 scholarships this summer. The awards will be given to students who had an internship or work experience program at an Iowa Institute for Cooperatives member

cooperative. These scholarships are open to all IIC member cooperatives regardless of industry sector or location. The application deadline is August 14, 2020.



A Noteworthy Session in Unprecedented Times

The 2020 Legislative Session was quite unusual with the mid-session pause related to COVID-19. When session resumed on June 3, the legislators treated the first three days back as the second funnel. Bills that don't make it past the second funnel are effectively dead.

The 2020 Session was completed on the afternoon of Sunday, June 14. Legislation impacting our members is listed below:

BILLS IMPACTING COOPERATIVE MEMBERS THIS YEAR:

1. **Future Ready Iowa: HF 2629**
 - Apprentice training programs, establishes K-12 computer science requirements and increases last-dollar scholarship program.
2. **Omnibus Tax Bill: HF 2641**
 - Exempts broadband grants from taxation
3. **Broadband Expansion: SF 2400**
 - \$5 million
 - CARES Act funds for broadband - used to cover costs incurred between March 1, 2020 and the end of the year. In July, it was announced that Gov. Reynolds allocated \$15 million dollars.
4. **IDALS Department Bill: SF 2413**
 - o Includes ag trespass stipulations, which was a hot topic earlier this year and last.
 - o An amendment was added stating that any trespasses onto food operations would be charged as an aggravated misdemeanor for a first offense and a Class D felony for a second offense.
 - o Designed to provide increased penalties to further discourage extremist groups from trespassing and causing damage on livestock farms.
5. **RIIF Budget/Ethanol Infrastructure: HSB 712**
 - \$3 million standing appropriation held *(was originally written to expand the infrastructure fund to \$5 million, but with COVID-19 that was reduced).*
6. **Ethanol Tax Differential, Higher Blend Incentive: SF 2403**
 - Promotes the use of E15 and higher blends; did not extend the expiring incentive on E10 blends.
7. **Grain Indemnity Fund Study: SF 2367/HF 2566**
 - Did not survive the second funnel.
8. **COVID-19 Liability (Medical Tort Liability): SF 2338**
 - Summary from Association of Business and Industry (ABI) states: This bill provides for product liability protections, healthcare provider liability protections, premises owner liability protections, and a safe harbor for businesses that substantially comply with regulations, orders, and public health guidance related to COVID-19.

COVID-19 IMPACT AND WORK

Concerns IIC Worked on with State Decision-Makers:

1. Overweight and Hours Of Service (HOS) exemptions to keep our trucks moving to minimize exposure and supply chain disruptions.
2. Credit unions worked to implement e-notary ahead of the original timeline to continue serving members through the pandemic.
3. Livestock and Agronomy Issues
 - IIC participated in calls with IDALS, two times a week, to discuss livestock and agronomy concerns and the potential impact on cooperatives.
 - Also, held weekly calls with RECs, Credit Unions, and telephone sectors to discuss statewide impacts.
4. Worked with Gretchen Paluch, Pesticide Bureau Chief, to set up a meeting with our members to discuss the current process and improvements.

Concerns IIC Worked on with Federal Decision-Makers:

1. 199A(g) rule change proposed by Treasury/Sec. Mnuchin
 - A proposed regulation by the Treasury Department will have a negative impact on cooperatives. This regulation will change the way your cooperative calculates their DPAD deduction by disallowing non-patronage sourced income to be included. When Section 199A(g) was included in the Tax Cuts and Job Act of 2017 after the grain glitch the intent was to replicate the previous Section 199 deduction which included both patronage and non-patronage sourced income and related deductions. IIC has been working with NCFC on weekly calls to address this issue.
 - Neal Keppy, Board Member for River Valley Co-op, submitted an opinion article to the Des Moines Register, which was published at the end of June.
2. PPP eligibility for cooperatives.
3. Participated in a conference call with Secretary of Agriculture Sonny Perdue on CFAP and contract applicability for farmer members.

If you would like to be added to our **Call to Action** mailing list, please send your name and e-mail address to khall@iowainstitute.coop, or text at 712-269-9838.

Adapting to Forge Ahead

Updates on Upcoming Iowa Institute Events

Over the past few months, IIC staff and board members have kept a watchful eye on the COVID-19 situation. We have stayed up to date with the latest Centers for Disease Control (CDC) guidelines and weighed options that ensure the safety of both staff and members. Although this has impacted our regular programming, we have tapped into our creativity to find new and innovative ways to overcome these obstacles in an effort to continue to serve our member co-ops.

In March as COVID-19 was first impacting our member operations, we partnered with employment and labor attorney Mary Funk with Nyemaster Goode to guide us

through the new employment rules being issued. Her 90-minute webinar was attended by over 90 cooperative employees. In April, we partnered with the Center for Agricultural Law and Taxation (CALT) Director Kristine Tidgren for an update on COVID-19 legislation impacting small business. Over 50 cooperative employees joined us for this update. Both presentations are available on our COVID-19 Resource page, along with links to state and federal government websites with coronavirus regulations, information, and guidance. We will continue to monitor the current environment and partner with industry experts to bring issues impacting Iowa cooperatives to your attention.

2020 INTERN DAY

In June, our annual Intern Day was revamped into four weekly hour-long webinars on:

- » **Foundations of Cooperatives** – presented by Dr. Keri Jacobs, ISU Extension Economist and IIC Endowed Economics Professor
- » **Cooperative Career Perspectives** – a conversation with Hollee McCormick, General Manager at Allamakee Clayton Electric Cooperative and Mike Schon, General Manager at Archer Co-op Grain Co.
- » **Financial Literacy** – presented by Abbie Cross and Jordyn Henry, Branch Managers with Financial Plus Credit Union
- » **Value of a Cooperative** – a conversation with Rick Brand, Board President of Land O' Lakes; Steve Henry, Board Chairman of Farm Credit Services of America and Dan Schurr, Board President of CHS, Inc.

Over 25 cooperative interns joined us live each week and the videos have been viewed over 200 times on our YouTube channel. Links are available on our website's Events page.

UPCOMING EVENTS

We are evaluating ways to present our educational programs in ways that are informative and productive. Some programs lend themselves very well to an hour-long webinar format, other programs are very interactive and are best done in person. For example, Stacey is currently working with other state councils on a CFO webinar series that we will present this fall. We will be looking at similar opportunities for each of our programs.

While we recognize that in-person meetings are the preferred option, current events require us to adapt and find new ways to connect. Our highest priority is the safety and health of IIC staff and our members.

ANNUAL MEETING

As with many of our cooperative members, we do not know what our annual meeting will look like this year. In fact, in March we had so many inquiries on annual meetings requirements that we sent out recommendations from our legal counsel on this topic to our membership. The IIC Board will decide at the September board meeting if our annual meeting will be held in person on November 24. There are many factors that play into this decision including pandemic status, facilities restrictions, and member participation policies to name a few. Look for information on our annual meeting in September.

The Hall of Fame nominations are still being accepted this year. The deadline is Friday, August 21. If we do not hold the annual meeting in person this year, we will not induct any new members into the Hall of Fame. We will hold applications for the 2021 Annual Meeting and extend the eligibility for all current applications an additional year.

Our Legislative Committee will meet virtually Friday, November 6 to review current resolutions and make recommendations on additional resolutions for the 2021 legislative session. More information on the ratification process will be sent to the Legislative Committee and the IIC membership this fall.

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MEET THE CANDIDATES

We will hold our biannual Meet the Candidates events virtually this year. These events give you the opportunity to hear from candidates and current legislative representatives. We have asked them to give a brief introduction and share their legislative priorities. We have also included IIC member concerns on the Invest in Iowa Act, improving broadband in Iowa and the stresses and challenges of COVID 19 that they may address. It is important that we engage with our elected representatives and communicate the importance of cooperatives in Iowa.

To register, please visit the Events page on the IIC website. The meetings will open at 11:45 am, begin promptly at 12 pm and last for an hour. You may register for any session, but we strongly encourage you to attend the meeting in your region; representatives like to hear from their constituents. After registering, you will receive login information.



REGIONAL MEET THE CANDIDATE DATES

August 11 - Northwest Iowa

August 12 - North Central Iowa

August 13 - Northeast Iowa

August 18 - Southeast Iowa

August 19 - South Central Iowa

August 20 - Southwest Iowa