



Iowa Institute for
Cooperatives

CO-OPVIEWS

News and information for the benefit of Iowa cooperatives.

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ISU Students Explore Cooperative Supply Chain

*With Bobby Martens, Iowa State University Associate Professor of Economics
Iowa Institute for Cooperatives Endowed Economics Professor*

How do you excite college students about cooperatives? Show them - up close and personal. And that's just what Iowa State University (ISU) Associate Professor, Bobby Martens, did.

"We are always looking for ways to help students be more engaged in what they are learning and do it in a meaningful way," shares Martens. Recognizing the challenge of comprehending cooperatives solely through lectures, Martens organized a week-long trip to unveil the intricacies of cooperative operations.

During the December 2023 holiday break, 14 ISU graduate and undergraduate students studying agribusiness witnessed with their own eyes the journey soybeans take after they leave the farm gate and enter the cooperative supply chain.

"Even though many of our students grew-up on the farm, and may have even dropped grain at their local elevator, they never considered much about what happens to that grain afterwards," states Martens. "Our trip enabled them to get up close and personal."

Due to the crop's potential and constant evolution in the industry, the trip followed the path of the soybean and its processing. With the sponsorships from regional cooperatives CoBank, CHS, Inc. and Ag Processing, Inc. (AGP), the class adventure began at GoldEagle Cooperative to view initial receipt of the soybeans, next they headed to AGP's soybean crush facility in Eagle Grove followed by a tour of AGP's biodiesel plant in Algona where the group viewed the process of creating renewable energy with soybean oil.

Soy oil is a great option for renewable diesel. When refined like petroleum, "It's almost indistinguishable from traditional petroleum, yet reduces the amount of carbon and qualifies for

government subsidies," states Martens.

After Algona, the group moved to a CHS soybean processing plant in Mankato, Minnesota. There, students witnessed another leg of the soybean journey in processing and distribution while receiving insights into the global soybean market for soy commodities such as soybean meal, flour and oil.

At CHS headquarters in Inver Grove Heights, the students delved deeper into global soybean trade and supply chain innovation. Jay Debertin, CHS President and CEO, emphasized the evolving nature of the agricultural sector, underscoring the diverse career opportunities it presents.

The next section of the trip included longer travel for the group - all the way to the Pacific Northwest and TEMCO, a grain export terminal at Kalama, Washington. Here, students were able to explore, gaining even more insights into the global dimension of soybean supply chains.

For the students, the trip proved transformative. Witnessing soybeans move through the supply chain illuminated concepts far more vividly than classroom instruction. The trip also broadened career perspectives for the students. Many now contemplate incorporating supply chain education into their future studies.

The success of this educational trip has laid the groundwork for future trips. Martens plans to offer similar courses focused on different agricultural supply chains, in order to continue bridging the gap between classroom learning and real life experiences.

Martens also encourages cooperatives to consider providing these kinds of exploratory trips for their members. "Once I share with individuals about our class, they will often exclaim,

'I would love to take a trip like that!' Providing this kind of educational experience with your cooperative members is a great way to get members more engaged with their co-op."

14 ISU students saw up close and personal the enormity of the soybean supply chain. Here, in the left photo, students stand next to a cargo ship at Grays Harbor in state of Washington. The image on the right shows soybeans being loaded into a ship at TEMCO, a grain export terminal at Kalama, Washington.



*Bobby Martens,
Iowa State University
Associate Professor of
Economics*



Small Entities Must File New Beneficial Ownership Information Reports in 2024

Kristine A. Tidgren, Director, Iowa State University Center for Agricultural Law & Taxation, Dolezal Adjunct Associate Professor, Agricultural Education



Kristine A. Tidgren, Iowa State University Center for Agricultural Law & Taxation

Beginning January 1, 2024, most small entities—including single member LLCs—must file online reports with the federal government, disclosing information about the beneficial owners of the entities. This new reporting requirement—estimated to impact at least 32.6 million entities in 2024—was created by the Corporate Transparency Act (CTA).

BACKGROUND

The CTA was enacted as part of the Anti-Money Laundering Act of 2020 in the National Defense Authorization Act for Fiscal Year 2021, Public Law 116–283. The CTA was enacted to prevent money laundering, corrupt financial transactions, and financial terrorism. It requires the Financial Crimes Enforcement Network (FinCEN) (a bureau of the U.S. Treasury) to establish and maintain a national registry of beneficial owners of entities that are otherwise not subject to disclosure regulations.

WHO MUST FILE A REPORT?

Generally, the following entities must file reports: corporations, limited liability companies (LLCs), or any entities created by the filing of a document with a secretary of state. This generally means that limited liability partnerships, limited liability limited partnerships, and most limited partnerships are required to file reports if they are not otherwise exempted from the reporting requirement. Single-member LLCs, disregarded for tax purposes, are subject to BOI reporting requirements.

EXCEPTIONS TO REPORTING

The law exempts 23 types of entities from reporting. Most of these are entities that are otherwise disclosing relevant information through other law. The most widely applicable exemption is for large operating companies. These are entities with at least 20 full-time employees, more than \$5,000,000 in gross receipts or sales, and an operating presence at a physical office within the United States.

WHO ARE BENEFICIAL OWNERS?

In general, beneficial owners are individuals who:

- directly or indirectly exercise “substantial control” over the reporting company, or
- directly or indirectly own or control 25% or more of the “ownership interests” of the reporting company.

WHAT MUST BE REPORTED?

A reporting company must disclose:

- Its full legal name and any trade name or DBA
- A complete address, including the street address of the principal place of business
- The State, Tribal, or foreign jurisdiction in which it was formed or first registered; and
- Its Taxpayer Identification Number (TIN).

Additionally, for each beneficial owner, the company must provide the individual’s:

- Full legal name
- Birthdate
- A complete address
- The residential street address of the beneficial owner; and
- An identifying number from a non-expired driver’s license or passport, as well as an image of the document from which the document was obtained.

WHEN MUST REPORTING COMPANIES FILE REPORTS?

Companies created or registered before January 1, 2024, must file their first BOI report no later than January 1, 2025. Companies created on or after January 1, 2024, but before January 1, 2025, must file their first BOI report within



Co-op Day Under The Dome

Co-op members from across the state gathered in Des Moines on February 7, for our Co-op Day at the Capitol to meet with legislators and make the co-op voice heard. Top issues discussed included central filing, the Iowa Grain Indemnity Fund, and ensuring Iowa co-ops are able to continue serving their members and supporting their communities. Thanks to those who made the trip to the capitol!

90 days of creation. Companies created on January 1, 2025, or later must file their initial reports within 30 days. Companies will have 30 days to report any changes to their information.

HOW ARE REPORTS FILED?

All BOI reports must be filed electronically through the FinCEN online portal: boiefiling.fincen.gov/fileboir.

WHAT ARE THE PENALTIES?

The CTA authorizes civil reporting failure penalties of not more than \$500 (inflation adjusted to \$591) for each day that the violation continues or has not been remedied and criminal penalties up to \$10,000. The statute also calls for possible imprisonment of up to two years. The final rule clarifies that a person is considered to have failed to report complete or updated BOI if the person causes the failure or is a senior officer of the entity at the time of the failure.

IS THIS LAW CONSTITUTIONAL?

On March 1, 2024, in the case of National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.), a federal district court in the Northern District of Alabama, Northeastern Division, entered a final declaratory judgment, concluding that Congress exceeded its constitutional authority in passing the Corporate Transparency Act. FinCEN has stated that it will follow this ruling as it applies to the plaintiffs. All others must continue to comply with the CTA's reporting requirements absent further developments.

To read the full detailed article by Kristine about filing the new Beneficial Ownership Information Report, scan this QR code.



Brian Zahnle, General Manager at Two Rivers Cooperative; Tracy Gathman, former Two Rivers Cooperative General Manager; and Bryce Arkema, Key Cooperative Board President, shared conversation with Representative Barb Kniff McCulla (pictured second from left).



The opportunity for co-op members and staff to connect with state legislators face-to-face remains a strong asset to securing policy that supports our cooperative members. Left, Reuben Skow, NuWay-K&H Cooperative, joins Representative Michael Burgen. At right, Senate President, Amy Sinclair and her staff share in a story with Liz Hobart, Growmark, and Bryce Arkema, Key Cooperative.

Below, Senator Jesse Green (second from left) and Representative Heather Hora (third from left) discussed current issues and needs of Iowa cooperatives with Dave Holm, IIC; Dave Huper, Nexus Cooperative and Bryce Arkema, Key Cooperative.



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Holm to Retire

Dave Holm, who has dedicated 29 years to the organization, will be retiring as the Executive Director at the end of this year. His contributions have undoubtedly left a lasting impact.

The Iowa Institute for Cooperatives (IIC) will be embarking on a search for a new executive director. Their aim is to have the position filled by the end of 2024. This transition

represents an opportunity for fresh leadership and continued growth for the organization.

As they seek candidates, the IIC board will collaborate with an executive search firm to identify individuals who can effectively lead and serve the cooperative community. The next executive director will play a crucial role in ensuring that the IIC continues to provide valuable services and information to its members.

Welcome New Director of Development

Iowa Institute for Cooperatives is proud to announce the addition of Matthew Eddy as the newly appointed Director of Cooperative Development.

Eddy brings with him a wealth of experience in leadership and education, with over 25 years in the field. Matt's most recent role was at the Iowa Department of Education, where he served as Iowa's Agriculture Education Consultant and State FFA and PAS Education advisor. Prior to joining the DOE, he spent two decades as an Ag Ed Instructor and FFA advisor in central Iowa.

We eagerly anticipate Matt's valuable contributions to IIC's education programming and member development. His extensive background and passion for agricultural education make him a valuable asset to our team.

Welcome Matthew!

