



Virginia Cooperative Council

www.virginia.coop

VIRGINIA COOPERATIVE COUNCIL'S OFFICIAL NEWSLETTER

Spring 2017

The Virginia Cooperative Council Held its 55th Annual Meeting in Staunton, VA. Here are Excerpts of the Meeting

Agriculture Economics Program Continues to Grow

The Virginia Cooperative Council supports both high school and college students with scholarships, and those funds are going to good use at Virginia Tech, according to Dr. Kimberly Morgan, assistant professor of agricultural and applied economics at the Kohl Center.

“We have seen a lot of growth in the department in the past year,” Morgan said at the VCC annual meeting March 8. “We had 160 students majoring in ag econ in 2012. This year we have 267 students majoring in the department, many with a focus on international trade or applied economics. 137 of them are agriculture majors.”

VCC provides eight \$2,000 scholarships to ag econ majors at Tech each year, and in a video presentation those students thanked council members for helping fund their educations.

Students in the program are traveling to meetings around the country like the National Agri-Marketing Association, the Governor’s Conference on Agricultural Trade and the USDA’s annual Outlook Conference, Morgan said.

Students at the Kohl Center are also putting their newly-learned skills to work assisting producers in selling their crops directly to the public. The Virginia Market Ready

project helps train producers to address the challenges of price, promotion, distribution and food safety when selling their products to restaurants,

farmers’ markets or the general public. Part of that training was conducting interviews with producers to learn precisely what knowledge was needed, then holding two Market Ready Farm-to-Restaurant Extension seminars in Winchester and Harrisonburg last November.

“They also, as part of this team, created a portal for all the direct marketing resources available on the Virginia Cooperative Extension website,” Morgan said. They also wrote blog posts based on their interviews with successful direct marketing producers as well as the restaurants that buy from them. “They did all that themselves, I don’t go with them,” she said.

To learn more about the Market Maker program, visit their web page at <http://www.kohlcentre.aaec.vt.edu/using-market-maker-to-connect-virginia-meat-producers-and-processors/>



Matt Lohr, Virginia Cooperative Council president.

Everyone’s Invited to VICE!

The 2016 version of the Virginia Institute on Cooperative Education had a strong program and positive reviews from the 32 high school students who attended, according to Allen Melton, Virginia Cooperative Council executive secretary. It just would have been nice to have more students.

“Youth today are so involved in so many activities, it’s

hard to pull them in,” Melton said during his comments at the 55th annual VCC meeting March 8. “Sixty to 64 students is our maximum, so yes, it was a low year. So we are consciously reaching out to new groups to recruit participants” for the annual VICE conferences, he said.

“We invite each and every one of you when we’re having a conference to drop in and see what’s going on.

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Financial Statements for 2016

Virginia Cooperative Council, Inc.

(Note: this is only a summary)

Starting asset balance Jan. 1, 2016	\$203,526
Income from dues and contributions	\$48,574
Investment portfolio balance Dec. 31, 2016	\$132,521
Expenses, VICE, NICE and other	\$58,702
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Total Asset balance Dec. 31, 2016	\$206,229

Virginia Foundation of Cooperation, Inc.

(Note: this is only a summary)

Starting asset balance Jan. 1, 2016	\$611,405
Investment interest plus change in market value in 2016	\$27,211
Expenses (scholarships and fees)	\$26,992
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Total Asset balance Dec. 31, 2016	\$611,624

Cooperatives...continued from page 1

I'm telling, it only takes one time. It's like eating a Lay's potato chip, you'll want more. And the more that you come in and the more that you see what's going on, I think you'll be very pleased at the impact we're having on these young people's lives."

Each year students fill out a program evaluation, and the food at Graves Mountain Lodge always gets high marks, Melton said. And he joked that the students are full of suggestions on ways to avoid walking up the steep hill to their dorms. But they also truly enjoy the fellowship and learning about the cooperative business model and the businesses that support it.

To help recruit more participants in coming years the council is reaching out to individual teachers and sponsors of Future Business Leaders of America, 4-H and FFA, Melton said.

"This year we have youth coming from the Eastern Shore because they found out about our program from an electric co-op over there. And we have individuals coming from a homeschool academy, they're sending two young people. I read the resumes for those students, and it's unbelievable all that they're involved with, but they heard about this program and this particular parent wanted her sons to come because she had heard so many positive things" about VICE, he said.

But members of the council are still the best contacts for encouraging students to come, Melton added. "So we encourage you to spread the word about VICE! And do so early, because kids are so busy today that they lock up their calendars months in advance our programs. Sixteen to 19 years of age is our target range."

Information and the necessary forms to attend both conferences can be easily found on the VCC website, www.virginia.coop.

After five years at Virginia Tech, NICE will be at the University of Kentucky this summer, from June 27-29, Melton said. The staff at Virginia Tech have been wonderful to work with over the years, but folks at Kentucky are eager to take their turn, Melton said. In past years Virginia has sent up to eight students to NICE to compete, and they always do well thanks to the sound foundation in cooperative principles they learned at VICE, he added.



Dr. Kimberly Morgan and Allen Melton discuss Virginia Tech's Ag Economic program.

Dr. Megan Seibel, Virginia Asst. Secretary of Agriculture & Forestry, shares a story with Chandler Vaughan, former Virginia FFA state president and Matt Lohr, VCC president.

Virginia in the Age of Trump

If you enjoyed the political roller coaster of 2016 you'll love what's coming up in 2017, according to Dr. Bob Holsworth, political analyst and managing partner of DecideSmart, a consulting firm on public service issues. He told members of the Virginia Cooperative Council at their annual meeting March 8 that cooperative members and managers can look for even more turmoil as the political landscape in Virginia moves from red to blue to purple.

President Donald Trump succeeded in capturing the Republican electorate by running "not just against Hilary Clinton and President Obama, but also against the Washington establishment," Holsworth said. But despite winning up to 80 percent of the rural vote in Virginia, Trump did not take the Old Dominion in last fall's election.

"Over the past 35 years the rural vote has been completely transformed in Virginia," he explained. "There are no conservative Democrats left in the General Assembly anymore." For example, in 1996 Democratic candidate Bill Clinton won Southwest Virginia in the presidential race. But in 2016 Hilary Clinton lost the great Southwest. And while urban Virginia has remained reliably Democratic in voting habits, suburban Virginia has been swinging blue over the past decade.

"You'll note that Trump's campaign promise to 'drain the swamp' in Washington didn't go over very well in Northern Virginia," home to a large part of the federal government's workforce, Holsworth said. "Suburban Democratic voters are now overwhelming the incredible support of rural Republican voters."

Looking ahead to the first year of the Trump administration, Holsworth said it could offer a mixed bag of opportunities for rural Virginia businesses. Revising the Affordable Care Act will be "one long war," he said, "and there will be winners and losers" even if Congress approves a new health insurance plan sometime before the end of the year.

Deregulation and tax reform are policy areas where Trump and the Republican Congress stand a better chance of success. Trump wants to reduce environmental regulations, and "that's where the administration can do a lot" because so many regulations are interpreted by federal agencies, Holsworth said.

"As for tax reform, the big issue is that Trump wants to put a border tax onto goods coming into the country," he



Dr. Bob Holsworth (standing) talked politics with VCC members at the annual meeting March 8.

said. "The challenge is whether they really keep this idea of a border tax adjustment on imports. Some Republicans won't like it just because it's a tax increase. Meanwhile, what's the largest company in Arkansas? Walmart. And they get most of their goods from overseas."

Meanwhile, rural Virginia lost out when Trump cancelled the Trans-Pacific Partnership trade deal that President Obama helped negotiate but couldn't get through the Senate before he left office. "TPP would have been good for Virginia agriculture" by opening up more overseas markets for farmers, he said.

And Virginians will get no break from the political wars this year. That's because Virginia is one of only two states that elect a governor the year after the presidential race, so this campaign will be viewed as the first political referendum on the Trump presidency.



From left, the 2017-2018 VCC Board: Allen Melton of Virginia Cooperative Council; Jim Belfield, Colonial Farm Credit; David Lipscomb, Mecklenburg Electric Cooperative; J.T. Anderson and Matt Lohr, Farm Credit of the Virginias; Allen Taylor, Front Royal Cooperative; Chandler Vaughan, FFA; Jimmy Graves, Graves Mountain Lodge; Justin Cruise, Rappahannock Electric Cooperative; Brad Brown, Augusta Cooperative; Eric Paulson, Virginia Dairyman's Association; Jim Hunsberger, Culpeper Farmers Cooperative.

VICE Alive and Well in 2017

Contributed by Mary Howell, Old Dominion Electric Cooperative

Forty-five high school students from across the Commonwealth gained insights into running a successful co-op March 31 to April 2 during the Virginia Institute for Cooperative Education (VICE) at Graves Mountain Lodge in Syria.

Delegate Bobby Orrock provided an inspirational keynote address, followed by Dr. Kim Morgan from Virginia Tech's Department of Agriculture and Applied Economics, who led a discussion on personality types and how to work as a team with different people.

"Participants had a chance to put what they learned to the test right away in managing a fictional cooperative," said VCC Executive Secretary Allen Melton.

Students were split into seven teams that competed in "Who's Minding the Store," an agribusiness management simulation developed by Purdue University. Each team received background information and the current net worth of a struggling cooperative business, then selected a general manager and decided which team members would handle various functions, including personnel, inventory, credit policy and marketing.

"Then, at the end of five quarterly decision periods, we see which business has the highest net worth," explained Melton. This exercise not only taught students how to evaluate operating statements and balance sheets, but also to how to consider the cause and effect of various business decisions.

Students were scored throughout the weekend, with the top six scorers given the opportunity to attend the National Institute on Cooperative Education in June at the University of Kentucky. In addition, the three highest-scoring students earned college scholarships in the amounts of \$1,000, \$1,500 and \$2,000.



Adam Shiflett explains an aspect of a co-op business simulation to one of the VICE student teams.