

GROWING AGRICULTURE, GROWING OUR ECONOMY



2018
ANNUAL
REPORT



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AFAN AND WSA: GROWING AGRICULTURE, GROWING OUR ECONOMY

2018 has been an exciting growth year for AFAN and WSA. We grew our staff, our programs and our capabilities. We continue to push forward with our vision of being the premier resource and leader in livestock and related industry development in Nebraska, as well as advocating for policies that facilitate this development.

With the growth in our staff at AFAN we are ready and able to provide a range of services and programming related to livestock development and economic development. If someone is looking to start or expand in livestock, AFAN is here for them. If a business is looking for livestock or processing growth opportunities in Nebraska, AFAN is here for them. If a community or county wants to grow through livestock and related industries, AFAN is here for them, too.

Our presence at the legislature through WSA is being felt, as well. We cultivated relationships and showcased our expertise on livestock issues to accomplish our legislative goals. WSA also reached beyond traditional partners to solve big issues around livestock hauling, and engaged on workforce and rural housing.

I can assure you opportunities in livestock development, agriculture and food processing abound for the State of Nebraska and AFAN/ WSA are committed to serving producers, communities and the state to make those opportunities a reality. The partnership that exists when agriculture, the state and rural Nebraska are all pulling for projects based on what we do best—livestock and row crops—is truly still in its infancy and it is exciting work to be in.

I would encourage you to join us and support our efforts. Your financial commitment is essential to moving our work forward. The work that we do is offered at no cost to producers, to businesses or to communities. Visit us at www.becomeafan.org or www.wesupportag.org to find out more.

I hope you will never hesitate to call, email or stop by the office if we can be of assistance. I can be reached at 402-440-7371, kristenh@a-fan.org or kristenh@wesupportag.org.



Kristen J. Hasselbrock

THE CHASE COUNTY CASE STUDY: HOW AFAN FACILITATES RELOCATION/EXPANSION PROCESSES

AFAN continues to be one of the highest quality resources for individual producers as they look to site, expand or modernize a livestock operation. Local county zoning is a unique process in Nebraska and while an important tool for siting livestock facilities, it is often complex and can vary county by county making it difficult to comprehend. Working with communities and counties to ensure the right projects are successful is equally important to AFAN. During 2018, an excellent case study demonstrated the full suite of tools AFAN can bring to the table.

In late 2017, conversations began with a group looking to site a new dairy in Chase County. AFAN provided a summary of zoning regulations and met in person as well as via conference call.

When AFAN learned the community was apprehensive about both the new dairy operation as well as a beef feedlot expansion happening at the same time, we moved quickly to meet with key local leaders to address their concerns. AFAN pulled together a panel comprised of the local planning and zoning chair, an environmental engineer, and leaders from both the dairy and feedlot that were expanding. To help solidify the local involvement, AFAN reached out to Nebraska State Senator Dan Hughes who gladly served as moderator. Over 125 community members attended, and the dialogue and feedback helped answer questions, assuage fears and bolster support for the projects.

From there AFAN got down to something we do best—working with individual producers to navigate local county zoning regulations, helping them develop strategies for engaging with neighbors and researching

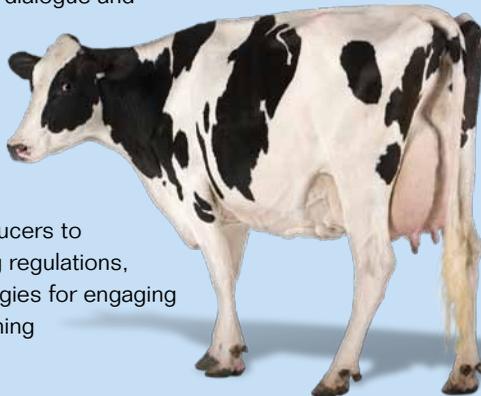
site specific information so the livestock producers could answer any and all questions from stakeholders with confidence.

Both the dairy and feedlot successfully obtained their county conditional use permit. Upon completion of these permits, Chase County felt they needed to review their existing regulations to make sure they were updated to reflect modern animal agriculture. They asked AFAN to participate in the process, and the result was updated provisions that livestock producers and community members alike felt they could support.

“We could not have done this without AFAN,” said Dr. Juan Velez, Chief Agricultural Officer, Aurora Organic Dairy. “They were extremely helpful in explaining the county zoning regulations, how the process would unfold and working with us to successfully obtain our permit.”

AFAN’s work in Chase County is an excellent example of how AFAN provides full circle, all-encompassing tools and resources to further livestock development in Nebraska. AFAN’s focus is always favorable toward livestock development, but we want the right projects in the right places and we work to make sure communities and counties are confident livestock is right for them.

“Working with AFAN really made a difference in how the county approached the two livestock projects,” said Senator Hughes. “AFAN brought insight and resources to the table we did not have locally. And AFAN was truly a partner to both the livestock industry and the local community in making these projects a success.”



CONSUMER OUTREACH

Growing Consumer Awareness with “Pure Nebraska”



In 2018, AFAN continued to partner with KOLN-TV's daily program, “Pure Nebraska,” that highlights the state's agriculture industry. The program also features a guest from AFAN every Monday. The 3-to-4-minute segments provide AFAN partners the opportunity to reach 10,000 Nebraska consumers each week.



Each AFAN segment begins with an introduction explaining that AFAN has connected the station with the guest and identifies them as members of AFAN. In addition to reaching more than 10,000 Nebraskans on television, each interview is recorded and utilized on social media and on AFAN's website. The AFAN segment, which has been a regular feature, is hosted by the station's popular anchors, Jon and Taryn Vanderford.



Growing Consumer Confidence in Nebraska Farmers

Hundreds of people enjoyed a free breakfast and great conversation Saturday, October 20 at a Consumer Appreciation Tailgate Party at Super Saver/Fallbrook in Lincoln.

AFAN worked with its partners and other Nebraska agriculture organizations to put on this event that showed appreciation to the consumers who enjoy the food from Nebraska farmers and ranchers. Consumers were able to visit with farmers and ranchers from across the state, including producers of beef, pork, poultry, dairy, corn, soy, wheat and hops.

The tailgate party once again proved to be an excellent way to bring Nebraska's food producers and food consumers together for an enjoyable breakfast and great conversation. Thanks to our sponsors and everyone who tailgated with us for making this a successful event.

Husker Food Connection Continues to Grow and Connect

Husker Food Connection was held on April 17 on UNL's city campus. Together with numerous agricultural clubs, AFAN re-established the event that began seven years ago. Husker Food Connection was designed to help students gain a better knowledge of agriculture within the State of Nebraska. Over 40 volunteers donated their time to help encourage discussion about modern food production. Over 2,500 lunches were served, consisting of BBQ beef, pork or chicken sandwiches, sweet potato chips and milk.

Student organizers include representatives from campus groups such as Collegiate Farm Bureau, Agricultural Communicators of Tomorrow, Block and Bridle, Agricultural Economics/Agribusiness Club, Rodeo Club, and the Tractor Restoration Club.



AFAN CONSULTATIONS BENEFIT INTEGRATORS, PRODUCERS AND THEIR COMMUNITIES

In 2018, AFAN continued to work closely with integrators in both the poultry and pork sectors as they plan for future expansion in Nebraska. We have seen an influx of new barns being built across the eastern half of the state. As balance sheets continue to tighten for those primarily involved in row crop production, AFAN encourages consideration of contract feeding of livestock as a way to diversify farm income while negating the marketing risk associated with fully independent production. AFAN has worked closely with such integrators as Cactus Farms, The Maaschoffs, Lincoln Premium Poultry, and others to build a

pipeline of potential contract growers in Nebraska. In 2018, we partnered in both one-on-one and in large group settings with producers and ag financial institutions throughout the state to discuss the benefits of becoming part of the dedicated grower networks for these strong companies.

Not only do we see these opportunities as an avenue for diversification of farm income, but also an entry way for young or beginning farmers to get involved in agricultural production. Many of the contract production scenarios available work well within the confines of FSA and/or SBA guarantees.

We have seen young producers with limited capital (who are otherwise credit sound) be successful in financing these facilities when working with lending institutions willing to use these guarantees to shore up what otherwise could be a deficiency in the loan.

Looking forward to 2019, AFAN will continue to work with producers and companies considering livestock production opportunities within Nebraska. AFAN has the resources, knowledge, and connections to assist with every step of the process from the initial planning phase to securing zoning/regulatory approval, as needed. If you know of an existing or beginning farmer in your community who may be interested in livestock production, AFAN would love the opportunity to consult with them.

AFAN IS PROUD TO PARTNER WITH AND PRESENT THE FOLLOWING CONTRACT FEEDING OPPORTUNITIES CURRENTLY AVAILABLE IN NEBRASKA.




Lincoln Premium Poultry

About the company:
Lincoln Premium Poultry is a Nebraska company established in 2016 for Costco in collaboration with Costco to serve as the poultry management company for their new poultry complex in Fremont, NE. Our mission is simple: to process and produce high-quality poultry by developing a network of responsible, ethical local growers. We look forward to the establishment of our state-of-the-art poultry processing complex and the development of a local grower network. Thank you for visiting our website and for your interest in our company.

Opportunities available:
The key to Lincoln Premium Poultry's success is our partnership with our growers around the region. Willow Holoubek serves as our Grower Engagement Manager and is available to meet with potential growers who are interested in establishing a partnership with Lincoln Premium Poultry. Willow Holoubek can be contacted at willhoubek@lincolnpremiumpoultry.com or by calling 402-704-2200.

Regions targeted:
Eastern Central/SE Nebraska

The Maschoffs (Swine)

About the company:
The Maschoffs are a family owned hog production company headquartered in Carlyle, IL. With production facilities located throughout the Midwest, The Maschoffs are the 4th largest hog production company in North America.

Opportunities available:
We are always looking for Production Partners who want to grow a new barn. The Maschoffs provides a long term contract that will match the length of your loan. Production Partners are paid a monthly base rate for the use of their barn. In addition to this base rate, we have a number of incentive programs that provide an opportunity to boost your overall compensation. Our overarching goal is to ensure family farms and rural economies continue to be viable long into the future. John Csukker is the Great Plains Business Development Manager and can be reached at john.csukker@pigerus.net

Regions Targeted:
Eastern/Central/ South Central Nebraska

Cactus Family Farms (Swine)

About the company:
Cactus Family Farms (CFF) is a pork production company based in Webster City, Iowa. Originally established in 1982 as a swine production records and feed company, CFF eventually grew to include farm management, production consulting, veterinary services and production research. In the 1980's, our focus was providing pork production services to over 350 independent farmers across the United States and Canada. In 1991, CFF began moving away from a business services model toward wholly owned pork production. In just sixteen years, from 1991 through 2006, our business grew twelve fold. Today CFF owns more than 25,000 sows in Iowa and 9,000 sows in South Carolina.

Opportunities available:
Contracting with local farmers has been, and will continue to be, an integral part of CFF's success. Cactus Family Farms is actively seeking production partners interested in growing their family operation. Rod Leman serves as the Vice President of Business Development and can be contacted via email at rod.leman@cactusfeeders.com

Regions Targeted:
Northeast/East Central Nebraska

Haverkamp Brothers (Swine)

About the company:
Haverkamp Brothers is a leading producer of high quality pork headquartered in Bern, Kansas with operations spread throughout Kansas, Nebraska, and Iowa. With over 30 years of experience in the swine industry we are dedicated to providing high quality pork to families around the world. Haverkamp Brothers is able to do this by constantly trying to improve using the latest technology and the best management practices while employing quality care providers throughout the organization.

Opportunities available:
Haverkamp Brothers is based in northeast Kansas and has operations spread throughout Kansas, Nebraska, and Iowa. Our family based organization consists of four sow farms that provide the foundation for the company. In order to maximize efficiency and manpower, we utilize over 30 contract growers to help us provide the best care possible to our animals. They are some of the most knowledgeable in the industry and have a true passion for raising and caring for pigs. We are committed to finding the best growers in the industry. Haverkamp Brothers offers our contract growers a chance to build equity in their farm, and stabilize revenues, maintain ownership in their farm, and lock in long term income. If you have a barn you are looking to lease or are interested in building a barn, email Curt Haverkamp at curth@haverkampbrothers.com or Roy Winkler at roy@haverkampbrothers.com

Regions Targeted: Southeast Nebraska

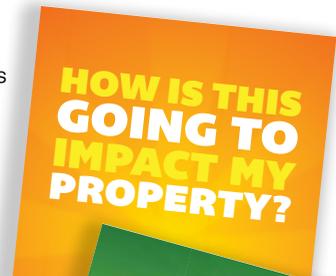


Becomeafan.org

TOOLS AND RESOURCES MODERNIZE AND EXPAND

Producer Empowerment Workshops

Producer Empowerment Workshops have been offered across the state. Targeted at individuals who have made the decision to site or expand livestock, this half-day seminar goes over the basics of county zoning, how to build grassroots support, how a livestock facility operates, and how it is regulated to protect natural resources. Workshop attendees receive many valuable worksheets and a set of flash cards that will help them communicate with community leaders and neighbors. This workshop and materials are also available individually. AFAN is happy to set up a time to sit down with you and individually and work through these resources with you personally.

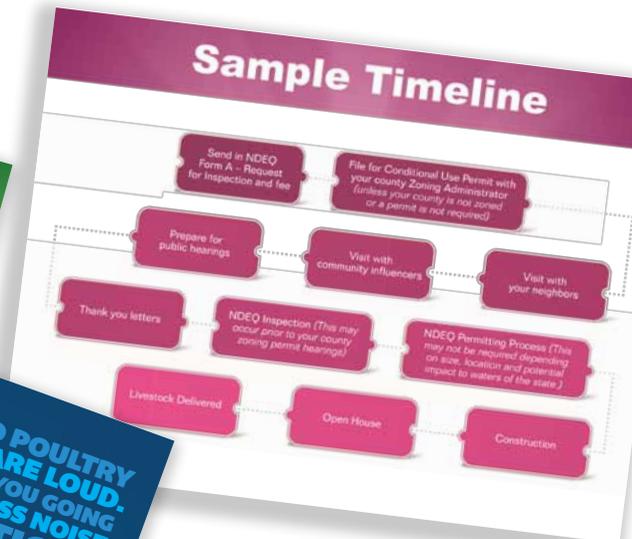


One to One Service



AFAN offers One to One service with Will Keech, Director of Livestock Development. Through this service, he will assist producers throughout the process, from opening discussions to the necessary paperwork. AFAN

offers guidance on site selection, financing and construction. Keech will help producers open lines of communication with state agencies, agriculture groups, and the communities in which producers are interested in building. And AFAN can be an advocate for producers throughout the entire county planning/zoning approval process.





GROWING ALLIANCES: LIVESTOCK HAULING WORKING GROUP

Numerous head of livestock and poultry are transported across Nebraska on a daily basis. It is critically important for livestock and poultry haulers to obey transportation laws to ensure the safety of drivers, animals and others on the road. Occasionally, circumstances arise that may require the livestock or poultry to be escorted and/or off-loaded. This could occur because of an accident that incapacitates the vehicle, or it could be the result of an out-of-service violation after an inspection.

One such instance in the state of Nebraska prompted We Support Agriculture to establish a Livestock Hauling Working Group comprised of Nebraska's livestock industry, Nebraska State Patrol, Nebraska Department of Agriculture and Nebraska Extension. This group came together to create resources and materials that would be helpful in these types of situations.

On October 15, this working group announced the development of a Livestock Hauler Standard Operating Procedure (SOP) that Nebraska State Patrol and Nebraska Department of Agriculture adopted to harmonize procedures when these situations arise. SOP established preferred communication channels

between the State Patrol, Department of Agriculture, local resources and the livestock owner. The SOP also put forth protocols to ensure animal welfare, such as the opportunity to be escorted up to 30 minutes from where a hauler is stopped to accommodate offloading the livestock or poultry.

In addition to an SOP, the group published best practices for handling different species of livestock and poultry, and a livestock hauler checklist that will help the livestock industry be a good partner in implementing the SOP. Each of these pieces will be incorporated into law enforcement and livestock industry training efforts.

This working group also found other ways to collaborate and share information. Access to Livestock Emergency Response Plan training is being coordinated through this group. So far, more than 25 individuals in Nebraska

have been trained, many who were law enforcement officials. Moving forward, the working group has identified an opportunity to apply for federal grants to purchase and supply livestock emergency response trailers that could be positioned throughout the state and made available when an emergency arises.



WSA BOARD MEMBERS

Nebraska Cattlemen

Pete McClymont

Nebraska Farm Bureau

Rob Robertson

Nebraska Pork Producers

Al Juhnke

Nebraska Poultry Industries

Kathi Schildt

Nebraska State Dairy Association

Doug Temme



Al Juhnke with NPPA addressing the attendees at one of the AG 101 events.

WSA IMPACTS UNICAMERAL ACTION IN 2018

We Support Agriculture made an impact in 2018. The establishment and coordination of a Livestock Hauling Working Group is a major advancement in relationship building for the parties involved and WSA looks forward to that group providing many future opportunities for collaboration. The Nebraska legislative session was a challenging one as little legislation moved overall. A couple of highlights for the WSA year were our work on LB907 *Change Provisions Relating to a Sales and Use Tax Exemption*, and LB892 *Prohibit Tethering Animals During Severe Weather Events*.

Last winter it was brought to WSA's attention that the Nebraska Department of Revenue was changing its interpretation of what qualified as agriculture machinery and equipment and was likely to begin a new tax on many types of equipment in confinement livestock barns. WSA moved quickly to introduce a bill, LB907 *Change Provisions Relating to a Sales and Use Tax Exemption*, to clarify that these types of equipment were intended to qualify for the existing exemption. While LB907 did not advance WSA is maintaining pressure and continuing to dialogue with the department and legislature to make sure no new taxes on agriculture result in 2019.

LB892 *Prohibit Tethering Animals During Severe Weather Events* was a bill introduced in the wake of Hurricane Harvey to protect pets; however, the language set an unfortunate precedent WSA could not support. The bill was also entirely unnecessary because Nebraska has adequate animal abuse and neglect statutes. WSA testified on behalf of the livestock industry and LB892 did not advance out of committee.

WSA also made an effort to engage with state Senators, their staffs and legislative candidates more directly. WSA hosted two Agriculture 101 sessions at the Nebraska State Capitol where we brought in industry representatives to talk about important current agriculture issues. We covered timely topics around property taxes, farm ownership, agriculture financing, and more. The legislative staff especially enjoyed this program and WSA is looking to continue it next year.

In July, WSA hosted Legislative Candidate Dialogues. Over the course of several days, WSA met with 28 Nebraska legislative incumbents and candidates seeking election in 2018. Topics discussed included property tax relief, education funding, economic development for rural Nebraska, property rights, food labels, and much more. WSA published a summary of these dialogues for all of its partners.

O'ROURKE FAMILY: THE 2018 LEOPOLD CONSERVATION AWARD WINNER

Famed conservationist Aldo Leopold wrote that a land ethic was “an evolutionary possibility and an ecological necessity.” The award named after him recognizes farmers and ranchers who exemplify the concept of land conservation, doing well by their land and for their land. In Nebraska, the Sand County Foundation presents the Leopold Award each year to a deserving individual or family that has shown dedication in leaving their land better than they found it. The award includes a \$10,000 monetary award, a Leopold Crystal, and appearances at many venues across the state to showcase their achievements among their peers.

AFAN is proud to support the Leopold Conservation Award in Nebraska. The award highlights the amazing stewardship of agriculture and livestock producers on private lands. The award gives AFAN the opportunity to celebrate the recipients and continue telling the story of how agriculture and conservation truly go hand in hand.

The winners of the 2018 Leopold Conservation Award are the O'Rourke family of Chadron, Nebraska. The RuJoDen Ranch was formed in 1950 by Jim O'Rourke's grandparents, Frank and Jerene. Jim, his

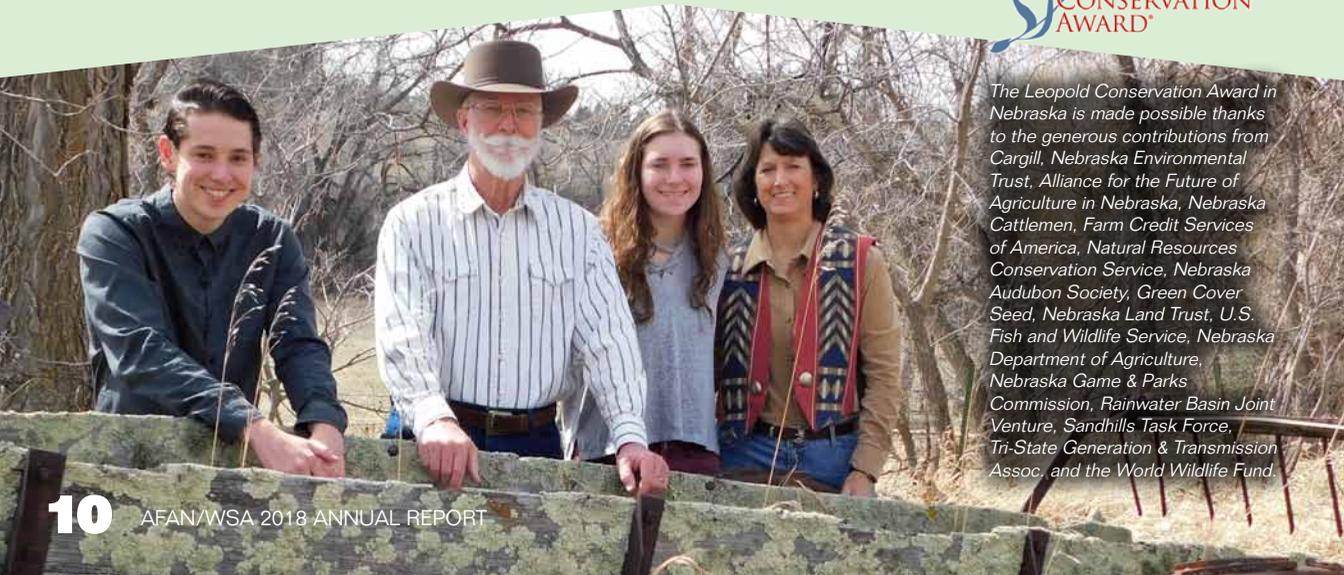
wife Lora and their children now steward the land with an array of conservation techniques that include:

- Grazing management along the Chadron Creek resulting in increased tree and shrub diversity and river bank stability
- Removing invasive cedar trees and thinning a pine forest to improve tree health and reduce fuel loads, as well as saving the majority of the timber stand during the wildfire of 2012
- Controlled burns to improve rangeland health (with the help of Chadron State College Range Management students)
- Using a short duration high intensity livestock grazing system allowing for improved rangeland health and livestock weight gains
- Experimenting with 90 species of trees and plants providing increased mast food and providing erosion control.

Through multiple generations, the O'Rourke family carries on a land ethic guided by the wisdom that all systems are connected and must work together to achieve true land conservation.



The Leopold Conservation Award in Nebraska is made possible thanks to the generous contributions from Cargill, Nebraska Environmental Trust, Alliance for the Future of Agriculture in Nebraska, Nebraska Cattlemen, Farm Credit Services of America, Natural Resources Conservation Service, Nebraska Audubon Society, Green Cover Seed, Nebraska Land Trust, U.S. Fish and Wildlife Service, Nebraska Department of Agriculture, Nebraska Game & Parks Commission, Rainwater Basin Joint Venture, Sandhills Task Force, Tri-State Generation & Transmission Assoc. and the World Wildlife Fund.



WE'RE HERE TO HELP YOU GROW



Kristen Hassebrook

Executive Director

Cell: 402-440-7371

Email: kristenh@a-fan.org or
kristenh@wesupportag.org

- Grew up in the farming and beef industry.
- Attorney
- Served as Nebraska Cattlemen, Legal and Regulatory Affairs
- Served as University of Nebraska Foundation, Director of Development for Institute of Agriculture and Natural Resources
- Married to husband, Ryan, and they have two daughters. Ryan and Kristen live outside Lincoln where we raise sheep.



Will Keech

Director of Livestock Development

Cell: 402-326-8232

Email: willk@a-fan.org

- Native Nebraskan
- Actively involved in his family's diversified farming operation
- Manages his own nationally competitive show goat herd near Hickman
- Community banker and business development professional
- Served as vice president of agricultural lending for Omaha-based Premier Bank
- Served as agricultural and business relationship manager with Wells Fargo in McCook



Judy Stauffer

Administrative Assistant

Phone: 402-421-4472

Email: judys@a-fan.org

- Born and raised in Roland, Iowa (population 800).
- Received my BA in Communications from Iowa State University.
- Married to Brad for 32 years. Brad works for the University of Nebraska–Lincoln.
- Though my parents didn't farm, all of my grandparents and several uncles did. One of the things I love about working for AFAN is that I learn something new about agriculture every day.



AFAN and WSA websites have been updated with new content and resources for you!

Partner-only resources are available in the AFAN Partner section. The WSA website has a new look and updated contact list for the Nebraska Legislature. We hope you visit each site often and take advantage of the resources that are available for you. Additional content and resources are planned for 2019. Visit Becomeafan.org and WeSupportAg.org often!

NEBRASKA AGRICULTURE AFFILIATED ORGANIZATIONS



**NEXT ANNUAL MEETING:
NOVEMBER 25, 2019**

