



National
Farmers
Union



2017

ANNUAL REPORT

FROM THE PRESIDENT

The principles of education, organization, legislation and cooperation remain the North Star of National Farmers Union 116 years after our founding in 1902.

As we've fought for these principles and worked to advance many of the ideals that they represent, we've learned that perhaps today more than ever, there remains a real need for a seasoned, rational and social justice-minded voice for the nation's farm families here in Washington, D.C.

We remain a very grassroots driven farm organization in the national debate. This report offers insight into the many fingers of the national organization, and demonstrates how we continue to use the many avenues and opportunities available to advance the causes we hold dear.

Over the past 12 months we've continued to expand the reach and diversity of NFU, tapping into the knowledge and skills of farm women and men of all ages, backgrounds and political philosophies. We have worked tirelessly to promote common sense public policy that would benefit family farmers and working Americans, while facing new legislative and communications challenges that test our mettle on a daily basis.

If you are not currently a Farmers Union member, please pick up this book, familiarize yourself with our culture and the issues we hold dear, and consider becoming part of the NFU family.

The very best ideals and possibilities of America are embodied in the family farmers we represent. We are committed to preserving an



environment where family farmers continue to be the backbone of our great nation, advancing the promise of America for all to see.

Sincerely,

Roger Johnson
President

NFU BOARD OF DIRECTORS

Roger Johnson, President

- Executive Committee
- Budget/Audit Committee
- Education/Co-Op Committee
- Legislative Committee
- Membership Committee

Donn Teske, Vice President (Kansas)

- Executive Committee
- Budget/Audit Committee
- Education/Co-Op Committee
- Legislative Committee
- Membership Committee

Darin Von Ruden, Secretary (Wisconsin)

- Executive Committee
- Budget/Audit Committee
- Membership Committee

John Hansen, Treasurer (Nebraska)

- Executive Committee
- Budget/Audit Committee
- Legislative Committee

Bob Shumaker, Alaska

- Education/Co-Op Committee
- Membership Committee

David Coker, Arkansas

- Budget/Audit Committee
- Membership Committee

Joaquin Contente, California

- Legislative Committee
- Membership Committee

Vincent Mina, Hawaii

- Education/Co-Op Committee
- Membership Committee

Norbert Brauer, Illinois

- Budget/Audit Committee
- Membership Committee

Jim Benham, Indiana

- Legislative Committee
- Membership Committee

Aaron Heley Lehman, Iowa

- Education/Co-Op Committee
- Membership Committee

Bob Thompson, Michigan

- Legislative Committee
- Membership Committee

Gary Wertish, Minnesota

- Budget/Audit Committee
- Membership Committee, Vice Chair

Richard Oswald, Missouri

- Budget/Audit Committee
- Membership Committee

Alan Merrill, Montana

- Executive Committee
- Education/Co-Op Committee, Chair
- Membership Committee

Roger Noonan, New England

- Membership Committee, Chair
- Legislative Committee

Mark Watne, North Dakota

- Executive Committee
- Budget/Audit Committee, Chair
- Legislative Committee

Kent Wright, Northwest

- Education/Co-Op Committee
- Membership Committee

Joe Logan, Ohio

- Executive Committee
- Legislative Committee, Chair
- Membership Committee

Terry Detrick, Oklahoma

- Executive Committee
- Education/Co-Op Committee
- Legislative Committee

Heidi Secord, Pennsylvania

- Legislative Committee
- Membership Committee

Dale McCall, Rocky Mountain

- Budget/Audit Committee, Vice Chair
- Legislative Committee

Doug Sombke, South Dakota

- Executive Committee
- Education/Co-Op Committee
- Legislative Committee, Vice Chair

Wes Sims, Texas

- Education/Co-Op Committee, Vice Chair
- Membership Committee

Kent Bushman, Utah

- Education/Co-Op Committee
- Membership Committee

NFU STAFF MEMBERS

Rob Lawew, VP of Public Policy & Comms

Ethan Whitmore, VP of Operations

Martha Van Dale, Director of Finance

Tom Driscoll,

Director of NFUF & Conservation Policy

Barbara Patterson, Dir. of Gov't Relations

Zack Clark, Director of Gov't Relations

Matt Perdue, Government Relations Rep.

Andrew Jerome, Director of Comms

Hannah Packman, Comms Coordinator

Melissa Webster, Director of Education

Chelsea Matzen, FSMA Project Coordinator

Tom Bryant, Director of Membership

David Thews, Assistant to the President

Sue Arends, Assistant to the Board

Dave Velde, Chief Counsel

Alexis Dunnum, Executive Assistant

Skylar Schneider, Executive Assistant

CONSULTANTS

Chris Kircher, Insurance

Anne Steckel, Biofuels Advisor

HONORARY

Tom Giessel, Farmers Union Historian

COMMUNICATIONS

NFU's communications team works to strengthen the collective voice of Farmers Union and America's family farmers, ranchers, and rural communities. The team builds relationships with key audiences in order to better the organization's brand influence and reputation, both in Washington, D.C., and across the country. These audiences include lawmakers and government officials, top influencers in agricultural policy, members of the media, educators and farmers and ranchers.

The communications department amplifies NFU's priority messages through earned media, continuous outreach, coalition building, and a strong presence on new media communities. Through these venues, the organization has been able to broaden its impact, influence public policy, and foster positive conversation around issues that are important to its family farmer and rancher members.

Traditional Media

NFU is a progressive organization with the most pro-family farm agenda in the public policy space. This makes much of its messages unique to their respective conversations inside the beltway and out in the countryside. The organization ensures its policy priorities are always in the public arena through consistent distribution of press releases, audio news releases and publications, placement of

opinion editorials, and proactive outreach to broadcasters and print journalists.

New Media

New media platforms, such as social media and blogs, allow NFU to both maintain its public image and interact with large swaths of its target audiences—members, potential members, politicians, thought leaders and consumers—at one time. The importance of ensuring a strong new media presence for policy and membership goals is already just as important as maintaining a presence in the traditional sphere, and it is vital to the long-term success of the organization.

United Media

As the national voice for both the federation of Farmers Union state organizations and smaller family farm groups across the country, NFU has the responsibility of leading, advising, and promoting its partner organizations. In doing this NFU can serve as the progressive leader in agriculture and maintain consistent messaging for the good of progressive public policymaking. That's why the NFU communications team coordinates meetings and prepares briefs and communications materials for the Farmers Union Media Association (FUMA) and its partner organizations across the country.

NFU PRESS QUOTES FROM 2017

"Ask a farmer what her primary concerns are, and you'll almost certainly get "healthcare costs" among the answers. As their health insurance premiums rise and the marketplace becomes more unstable, farmers need Congress to make fixes to the current system. What they don't understand is how some in Congress have chosen to support policies that would pull their healthcare out from under them. So when lawmakers head home for their July 4 recess, they are sure to hear from family farmers and ranchers about the healthcare debacle happening on Capitol Hill."

- Roger Johnson, June 29, 2017, Op-Ed in The Hill, "An ObamaCare repeal will leave American farmers without options"

"If Congress passes legislation that increases the deficit, they will subsequently be forced to cut federal spending. In the case of the tax bill, current law could require 100 percent sequestration of all commodity program payments and other farm bill programs. Tax cuts for the highest income brackets should absolutely not come at the expense of programs that protect our nation's family farmers and ranchers."

- Roger Johnson, November 14, 2017, News Release, Congressional Tax Plans Jeopardize the Farm Safety Net, CBO Analysis Says

DRIVING THE MESSAGE

67%

Increase in social media followers

161%

Increase in NFU E-News subscribers

510

Radio stations featured Roger Johnson's release on the Tax Reform Debate

3,400+

Media stories mentioned NFU relating to the health care debate

GOVERNMENT RELATIONS

2017 was a year of political transition with a new congress and White House. A new administration requires over a thousand senate-confirmed political appointments. A year on and agencies like the USDA are still operating with few confirmed members of leadership. But problems facing family farmers don't bend to a political calendar and neither has NFU's advocacy efforts. This year has been dominated by issues of trade, farm bill, healthcare, the environment, and tax reform.

Due to the difficulties in the farm economy, negotiations around the farm bill started well ahead of the 2018 reauthorization. In July, President Johnson testified before the Senate Agriculture Committee on the importance of building farm bill programs that fit the needs of farmers instead of budget calculations. Statements for the record were submitted to the House Agriculture Committee during farm bill hearings to ensure NFU policy was represented. President Johnson and NFU staff traveled across the country in a series of farm bill listening sessions that concluded with President Johnson delivering a list of priorities to the Chairmen and Ranking Members of the Agriculture Committee.

Significant congressional efforts have focused on the repeal of the Affordable Care Act. NFU has opposed repeal efforts in favor of comprehensive repairs to the existing system. NFU has warned congress in a series of letters and lobbying efforts of the harm that could impact rural America if markets and premiums are not stabilized. NFU, in conjunction with coalition partners from across the economy successfully halted repeal efforts, but are still focused on improvements to the ACA. Farmers Union Partnered with Farm Bureau as part of an in-depth and comprehensive effort to combat the ravages that the opioid epidemic is having on our country through our

Farm Town Strong program.

Trade pacts have received attention at the highest levels of our government. NFU throughout the presidential campaign and the transition lobbied to withdraw from the Trans Pacific Partnership. On January 23, President Trump signed an executive order removing the U.S. from negotiations. NAFTA, trade with Cuba, and beef imports have also been central to NFU's trade lobbying. NFU has provided a list of reforms to improve NAFTA, endorsed legislation supporting liberalizing trade with Cuba, opposed executive actions against Cuba, and advanced the interest of American beef producers.

As new leadership has taken control of the Environmental Protection Agency (EPA), NFU has stood fast in defense of its environmental and biofuel policies. NFU opposed withdrawal from the Paris Accord, abdicating U.S. leadership and reducing the constructive role American farmers could have in this space. NFU has extensively lobbied the White House, EPA, and Congress on expanding the Renewable Fuel Standard for advanced feedstocks and higher ethanol blends such as E30. Many have viewed maintaining the RFS status quo as a victory, but NFU continues to lean in for additional growth.

Tax reform has monopolized the last part of the 2017 congressional calendar. Throughout the summer and fall, NFU lobbied congress on necessary inclusions for the benefit of family farmers in an eventual tax package. When the bills were released and debated, NFU coordinated an opposition campaign individually and with coalition partners opposed to lopsided reform.

The challenges of 2017 will continue into 2018. NFU will continue its sustained advocacy across the government on behalf of its members and armed with its grassroots-passed policy.

LEGISLATIVE IMPACTS

2

Congressional Testimonies

5

Testimonies for the Congressional Record

12

Comments submitted to the Federal Register

36

Field Meetings on the Farm Bill & Farm Crisis

101

Letters to the Administration and Congress

320

Farmers Union Members participated in the legislative fly-in

BEGINNING FARMERS INSTITUTE

20 PARTICIPANTS | 11 STATES

Growing for
the future
BEGINNING FARMER & RANCHER
ONLINE VIRTUAL CONFERENCE

1,256 PARTICIPANTS
50 STATES

ONLINE
COMMUNITIES

908
Beginning Farmer Forum Members

792
Climate Leaders Members

EDUCATION OUTREACH

37
All-States Campers

45
Attendees at
Women's Conference

82
College Conference on
Cooperatives attendees

LFSC

The Local Food Safety Collaborative (LFSC) is a collaboration between National Farmers Union Foundation and the Food and Drug Administration (FDA) to provide training, education, and outreach to local producers and processors to enhance the fundamental knowledge of food safety, and to help these local producers and processors comply with applicable Food Safety Modernization Act (FSMA) regulations. This work began in September 2016 and will run through August 2019.

In year 1 LFSC had 15 subrecipients with funding to help provide this education, outreach, and training on FSMA across the country. 10 of these organizations were Farmers Union state organizations and the remaining included: National Young Farmers Coalition, Cornell University, Deep South Food Alliance, Florida Organic Growers, and Midwest Organic and

Sustainable Education Service. These groups along with National Farmers Union Foundation are responsible for the below outlined metrics.

NFUF is involved with this work because the FDA estimates that 26,737 small and very small businesses will be covered by the Produce Safety Rule. And while this regulation has positive consumer end goals it does pose an additional barrier to these growers trying to comply with requirements. By providing outreach and education at little to no cost it is our hope to keep farmers in business producing safe food for our country.

In the last year LFSC has conducted 23 trainings, trained 53 trainers and 546 growers, attended 174 conferences, engaged 5,917 stakeholders through various outreach activities, created 98 pieces of original outreach materials, and distributed 91,536 pieces of outreach materials to growers.

PROGRAM OVERVIEW:

WORLD FARMERS' ORGANISATION

The World Farmers' Organisation (WFO) is an international organization that aims to strengthen farmers' positions within value chains, with a particular focus on smallholder and family farmers. Farmers Union regularly participates in WFO sessions to advance the interests of family farmers across the globe. NFU Chief Counsel Dave Velde serves as Vice President of the WFO Board of Directors.

BIOFUELS

The National Farmers Union biofuels initiative is focusing on promoting legislative and regulatory solutions for expanding markets for higher blends of ethanol, like E30, and advanced biofuels. The initiative also addresses increased education about climate change and agriculture. These efforts were spearheaded by special orders at the NFU 2017 convention.

As part of this initiative, NFU ramped up our education and advocacy efforts by educating Congress, the Administration and the White House about the importance of increased use of higher level blends of ethanol, like E-30 and advanced biofuels.

NFU supports regulatory changes that would promote use of higher blends of ethanol, like E30. Doing so would dig into the corn surplus, put rural America to work, improve motor vehicle engine efficiency, and significantly reduce greenhouse gas emissions. NFU submitted comments to EPA as the agency is reconsidering emissions standards

for motor vehicles model year 2022-2025.

NFU will continue its avid support of the RFS and pursue innovative policy solutions that expand renewable energy demand, development, and infrastructure. NFU actively supported the RFS by filing two sets of comments supporting the increased use of biofuels, wrote two letters to the President supporting the RFS and met with Administration officials.

NFU partnered with the Governors Biofuels Coalition to advocate for using higher level blends of ethanol in state vehicle fleets. We are making progress in working with EPA on an approval for a pathway process for the use of higher blends in state fleet vehicles.

NFU also coordinated outreach and advocacy efforts with New Energy America, a newly formed coalition that advocates on behalf of a broad cross-section of renewable energy sources, such as biofuels, wind and solar. Roger Johnson was named as an advisor to the coalition.

FINANCIAL UPDATE

THE FARMERS' EDUCATIONAL AND CO-OPERATIVE UNION OF AMERICA AND AFFILIATES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
CURRENT ASSETS		
Cash and Equivalents	\$ 546,204	\$ 810,675
Accounts Receivable - Other	406,988	242,562
Accounts Receivable - Use of Name Fees	173,787	131,246
Prepaid Expenses and Deposits	60,877	138,927
Notes Receivable	4,000	4,000
Total Current Assets	1,191,856	1,327,410
NOTE RECEIVABLE	2,531,902	2,132,048
PROPERTY AND EQUIPMENT, NET	580,244	573,702
LONG-TERM INVESTMENTS	18,415,988	20,126,189
Total Assets	\$ 22,719,990	\$ 24,159,349
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 54,662	\$ 89,926
Accrued Expenses	134,808	140,260
Life Member Earnings Payable	7,469	7,360
Deferred Dues	7,144	55,471
Deferred Grant Revenue	147,398	118,823
Deferred Convention Revenue	70,000	79,100
Accrued Pension Obligation	262,500	211,600
Total Current Liabilities	683,981	702,540
NON-CURRENT LIABILITIES		
Accrued Expenses	54,679	69,188
Life Memberships Payable	643,470	645,820
Accrued Pension Obligations	1,354,288	1,391,560
Deferred Lease and Improvement Allowance	318,080	359,665
Loan Payable	-	2,064,056
Total Non-Current Liabilities	2,370,517	4,530,289
Total Liabilities	3,054,498	5,232,829
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	19,623,071	18,877,099
Temporarily Restricted	42,421	49,421
Total Net Assets	19,665,492	18,926,520
Total Liabilities and Net Assets	\$ 22,719,990	\$ 24,159,349

THE FARMERS' EDUCATIONAL AND CO-OPERATIVE UNION OF AMERICA AND AFFILIATES CONSOLIDATED STATEMENTS OF ACTIVITIES (AUDITED) DECEMBER 31, 2016 AND 2015

CHANGE IN UNRESTRICTED NET ASSETS REVENUE	2016	2015
Membership Dues	\$ 1,754,911	\$ 1,739,250
Convention	425,575	353,011
Use of Name Fees	801,953	839,381
Crop Insurance Advocacy Fees	123,007	123,840
Contributions and Grants	582,774	616,076
Commissions and Fees	36,494	40,928
Bailey Center Rent	106,508	105,500
Newsletter Subscriptions	5,371	7,695
Interest and Dividends	644,367	846,360
Earnings in Midwest Agency, LLP	185,543	108,369
Registration Fees	22,065	28,025
Insurance Initiatives and Other	25,039	7,107
Grant Admin Fee	4,073	-
Net Assets Released from Restriction - Contributions and Grants	7,000	-
Total Unrestricted Revenue	4,724,680	4,815,542
EXPENSES:		
Program Services:		
Membership	866,132	1,122,282
Convention	386,327	364,605
Foundation Educational Programming	540,583	587,768
WFO	172,357	151,798
Government Relations	842,887	818,268
NATFARMAC	40,000	10,250
Total Program Services	2,848,286	3,054,971
Supporting Services:		
General and Administrative	1,304,184	1,086,933
Organization and Board	361,796	521,546
Total Supporting Services	1,665,980	1,608,479
Total Expenses	4,514,266	4,663,450
CHANGE IN UNRESTRICTED NET ASSETS BEFORE OTHER ITEMS	210,414	152,092
OTHER ITEMS:		
Net Unrealized and Realized Gains on Investments	549,185	(1,468,683)
Pension Liability Adjustment	(13,627)	(534,904)
Total Other Items	535,558	(2,003,587)
CHANGE IN UNRESTRICTED NET ASSETS	745,972	(1,851,495)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Released from Restriction - Contributions and Grants	(7,000)	-
Change in Temporarily Restricted Net Assets	(7,000)	-
CHANGE IN NET ASSETS	738,972	(1,851,495)
Net Assets - Beginning of Year	18,926,520	20,778,015
NET ASSETS - END OF YEAR	\$ 19,665,492	\$ 18,926,520

NFUSA

The National Farmers Union Service Association (NFUSA) engages in business activities to serve NFU members and generate revenue for the operations of the NFU organization. Business investments range from various insurance initiatives to restaurants.

NFUSA is a shareholder of Midwest Regional Agency, an insurance agency headquartered in Lincoln, NE. Midwest Regional Agency is the exclusive marketer for Farmers Union Insurance in Nebraska and Kansas.

NFUSA's share of ownership in Arkansas Farmers Union Mutual Insurance was sold to North Dakota Farmers Union Mutual Insurance.

The business relationship between Hastings Mutual Insurance, NFUSA and six state Farmers

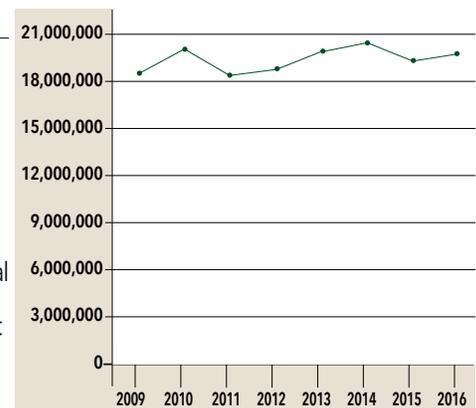
Union organizations continues to expand. This initiative has generated over \$190,000 in revenue to state Farmers Union organizations and NFUSA since 2012. Farmers Union members have saved over \$1.7 million on their premiums through the discount provided by Hastings Mutual to Farmers Union members. The program operates in Illinois, Indiana, Iowa, Michigan, Ohio and Wisconsin.

NFUSA continues to work closely with Farmers Union Insurance and its parent company, QBE. Expansion of products and sales territory, marketplace competitiveness, and improved customer service are mutual goals that are being pursued.

The "Farmers" brand restaurant investments operated by Agraria, LLC – an entity of North Dakota Farmers Union – continues to perform very well.

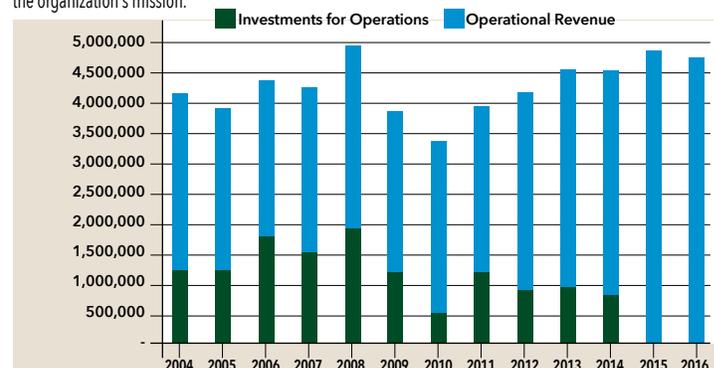
NET ASSETS

NFU continues to strategically grow and expand the scope of its activities, while strengthening the organization's underlying financial foothold. NFU has steadily decreased its dependence on the principal of the investments for general operational support and steadily increased its financial reserves.



SOURCE OF FUNDS FOR OPERATIONAL EXPENSES

The continued upward trend in net assets and a commitment to sound financial management provides NFU with a strong foundation to further enhance its capacity to administer and execute programs that advance the organization's mission.



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NFU MISSION

Advocate for family farmers and their communities through education, cooperation, and legislation.

NFU VISION

A world in which farm families and their communities are respected, valued, and enjoy economic prosperity and social justice.

COME

FARM

Volunteer with farmer community

Turn your in

COME

EAT

Buy our the Market at Wednesday

COME

LEARN

FOR MORE INFO