



2016 ACCOMPLISHMENTS AND ACTIVITIES

MEMBERSHIP

519,119 Total Member Families

617 Member Family Gain

135 Counties Gaining

87.84% Retention

52 counties participated in "Bootin' Up" and signed 696 new members. 24 counties were "Bootin' Up" qualifiers.

"VOICE OF AGRICULTURE"

Public Relations

Social Media: Through social media networks, TFB Public Relations drives timely issues important to agriculture and promotes an open discussion. Facebook has grown to more than 67,100 followers. Engagement, or "daily talking about", has reached more than 19,000 interactions during several months this year. A total of 127 CFBs have started Facebook pages. A weekly Facebook "tip" sheet is sent to all CFBs. Twitter has grown to 16,300 followers, and engagement increased by about 40 percent. In one year, TFB has doubled our followers on Instagram to more than 2,800. It's one of the largest state Farm Bureau Instagram accounts. A TFB "Linked In" account has been created and managed on a weekly basis.

Blogs: *Your Texas Agriculture Minute* (a TFB weekly commentary in both print and audio form) has appeared more than 100 times in newspapers around the state and is followed heavily in social media. YTAM is also part of the radio program, *Farm Bureau Roundup*. *Texas Table Top* remains a successful product to communicate with the consumer audience.

Electronic Communications: *The Friday Report*, a leadership electronic newsletter, continues to be a popular venue with over a 40 percent open rate—stellar for industry standards.

Texas Food Connection Week: TFB Public Relations conducted Texas Food Connection Week activities—primarily in support of CFBs as the major media event of the year—providing support materials that included.

- A local proclamation for city and or county officials to declare an event
- Speech materials
- Fill in the blank news releases
- How to information on how to work with local media
- Prepared advertising and radio copy for advertisements
- Talking points

More than 70 CFBs participated in Food Connection Week (FCW) activities, with many using TFB materials and traditional media or ad placement to promote their events. Most of them used their Facebook pages to cover and publicize the event. The "farmers share" meal events remain the most popular. Innovative ideas like "barrel painting" contests for local fairgrounds' use, canned food drives, and others were implemented. There were many contributions to local food pantries. CFBs were encouraged to have a FCW activity at any time during the year.

U.S. Farmers and Ranchers Alliance: TFB PR continued to work with USFRA on uniform messaging. TFB PR promoted the nomination and successful selection of Jeremy Brown of Dawson CFB as a new member of USFRA's Faces of Farming and Ranching program. USFRA research was monitored and utilized in TFB's own messaging and communications activities. Staff attended the USFRA Annual Meeting/Board Meeting in Kansas City, MO.

Texas Agriculture Challenges Team: The number of TACT participants has grown to over 200 individuals.

CFB Services: Nearly 190 of the 206 CFBs used the newsletter service this year to give notice of CFB meetings and key CFB activities.

Public Relations staff provided monthly "fill-in-the-blank" news releases that have appeared more than 2,850 times this year in newspapers across the state.

TFB Radio Network: Reached the most affiliates in its 14-year history. From a start of 6 stations in January 2002, it has grown to 73 affiliates in November 2016. With a talent line-up of Curt Lancaster, Tom Nicolette, Gary Joiner, Dr. Bob Judd, and solid proven programming, TFB Network has forged a dominant lead over every state competitor and has been the statewide leader now for the last four AMR ratings in 2009, 2011, 2013, and 2015.

Videos Produced:

101 - Total number of video products produced this year:

- 32 – Agricultural news stories
- 12 – TFB News
- 6 – Voices of Agriculture
- 4 – Texas Ag Facts
- 4 – TFB Summer Meeting videos
- 7 – Convention videos
- 8 – Meet a Farmer
- 16 – Texas Neighbors videos
- Vernie Glasson video
- Golden Spur – Dave Edmiston
- 10 – Other videos
- Various Media Trainings

Statistics (January 1 – November 15):

- Voices of Agriculture | RFD-TV: 477,000 viewers (68,000 average viewers per show week)
- Vimeo: 12,651 video views
- Facebook: 5,528,250 video views
- YouTube: 334,116 video views
- Brightcove: 796 video views

Educational Programs

Summer Agriculture Institute: Conducted the 22nd annual Institute at Tarleton State University. 14 teachers attended; 12 CFBs provided scholarships for teachers to attend the Institute, with some counties sponsoring multiple teachers. Each teacher attending received a Celestron Digital Microscope for use in her classroom, along with AITC resources. Field trips and exposure to experts in the field helped teachers make the connection between real world agricultural experiences and the classroom. Teachers attending this year's institute have direct impact to more than 1,085 students.

Teacher Workshops: Conducted 10 one-day workshops. 265 teachers registered, with 234 in attendance. One teacher at each workshop received a Celestron Digital Microscope for use in the classroom. These science-based workshops provide Ag in the Classroom materials and hands-on lessons that blend agricultural concepts with current teaching standards. Teachers in attendance have a direct impact to greater than 13,600 students.

AITC Matching Grant: Matching Grants were made to a record 51 counties. TFB awarded more than \$10,820 to CFBs who sponsored Ag in the Classroom activities. These efforts by counties impacted 19,200+ individuals. This has been a record school year for county involvement over \$45,460 spent in promoting agriculture across the state.

AITC Outstanding Teacher Award: Presented to Michele Knauf of Cooke County. She was recognized at the annual meeting of Texas Farm Bureau in San Antonio and the National Agriculture in the Classroom Conference in Phoenix, AZ. Michele received an additional honor at Phoenix as a winner of a CHS Scholarship at the National Ag in the Classroom level.

School Visit Program: TFB's school visit program, *Planting the Seed* began in January with pre-registered elementary schools. In addition to TFB staff, 10 trained presenters delivered the 40 to 50-minute science-based lesson on the vital role of farmers and ranchers. 10,860+ students in grades K-5 took part in the hands-on lessons. This outreach provided TFB opportunity to distribute Ag in the Classroom curriculum and news of other TFB programs to more than 620 teachers. Program areas this year were: Amarillo/Lubbock, DFW, and Waco/Austin. Plans are underway for 2017's expansion into all 13 TFB Board Districts.

Garden Grant: The 2nd grant cycle for our *Learning from the Ground Up* grants was launched this fall. With CFB's acting as the point of contact, schools or other organizations that directly impact students are encouraged to apply for our \$500 grants, which may be used for the construction of or improvements to gardens or greenhouses. With emphasis on the benefits of taking student learning outside, this program seeks to draw a connection between small scale gardening and the larger scale efforts of farmers and ranchers. To date, 46 grant applications have been received.

Mobile Learning Barn Trailers

Showed to 36,782 school children in 96 days.

Showed to 94,736 people in mixed groups of adults/children in 67 days.

Planet Agriculture displayed at the following shows across the state, exposing more than 575,000 visitors to how agriculture impacts their lives daily. Planet Agriculture exhibits at seven stock shows throughout Texas each year.

- Fort Worth Stock Show and Rodeo
- San Antonio Livestock Show and Rodeo
- Rio Grande Valley Livestock Show
- West Texas Fair and Rodeo
- East Texas State Fair
- State Fair of Texas
- Heart of Texas Fair and Rodeo

84 CFB leaders from 36 counties worked a total 278 shifts staffing the exhibit during the 102 days Planet Agriculture was active at stock shows during 2016.

Urban Relations/Planet Agriculture

Planet Agriculture displays were also exhibited successfully at two new venues in 2016: Earth Day at Fair Park in Dallas, and at the Texas Motor Speedway NASCAR AAA Texas 500 in conjunction with the Texas Corn Producers Association.

For the second consecutive summer, elements of Planet Agriculture were loaned to the Bayer Museum of Agriculture. Wildlife, Beef, Pork, Corn and seed survivor displays were delivered and set up at the museum mid-April and remained until early August.

Planet Agriculture's Harvest Experience trailer registered more than 10,000 hits on its digital counter in 2016 which equates to approximately 40,000 visitors during the 2016 Planet Agriculture stock show tour and other locations. The Harvest Experience was displayed at the following venues: Fort Worth Stock Show and Rodeo, Earth Day, Texas, Texas FFA Convention, West Texas Fair and Rodeo, State Fair of Texas, and The Texas Motor Speedway for the NASCAR AAA Texas 500 in conjunction with the Texas Corn Producers Association.

Planet Agriculture debuted a new wildlife display at the 2016 Fort Worth Stock Show and Rodeo. The 10' x 20' interactive display includes taxidermy-style wildlife common to Texas. The display uses activation buttons corresponding with the wildlife within the exhibit to provide a video and audio educational message. The short clip explains how wildlife species throughout Texas interact and impact Texas agriculture.

TFB Legal Defense Fund

Water Cases:

The rule for "Waters of the United States" litigation

TFB along with AFBF, the Matagorda CFB and other agricultural and industry groups filed suit against the U.S. Environmental Protection Agency's (EPA) new rule under the Clean Water Act for the definition of "Waters of the United States". The suit was filed on July 2, 2015, in federal district court in Galveston, Texas. The group also filed protective complaints in the federal appellate court. The suits challenge the vagueness and the constitutionality of the new Rule, and are requesting the courts to vacate the Rule and enjoin EPA from enforcing it. The Rule has been stayed by the U.S. 6th Circuit while the court decides the merits of the case. An appeal also has been filed to the United States Supreme Court on September 2, 2016, contesting the jurisdictional determination that the Rule must be first challenged at the appellate court instead of the district court.

Duarte v. EPA

TFB made a contribution to the California Farm Bureau's Duarte Litigation Fund to assist in efforts to fight the enforcement action by the US Army Corps of Engineers over the plowing of farmland as a violation of the Clean Water Act. The case appears to be a test case over the scope of the statutory exemptions that protect "normal farming and ranching activities" from the Clean Water Act regulation.

Texas Farm Bureau v. Texas Commission on Environmental Quality (TCEQ)

TFB filed suit against TCEQ in December 2012 to stop implementation of new drought rules that exempt municipalities and power generators from curtailments during water priority calls. A Travis County district court heard the case in June 2013 and ruled in TFB's favor. The court found the new TCEQ rules violated the Water Code priority doctrine and took away vested property rights without compensation. The case was appealed to the Corpus Christi Court of Appeals, and on April 2, 2015, the court sided with TFB and affirmed the trial court ruling. TCEQ appealed to the Texas Supreme Court, and on February 19, 2016, the Court denied their appeal, and TCEQ was ordered to pay the court costs of the appeal.

Eminent Domain Cases:

Bragg v. Edwards Aquifer Authority

This case involves the loss of water rights through regulation by an underground water district. The key legal questions are how to value that loss, whether the loss was a physical taking because it involved an endangered species, and whether the loss should be paid for by the water district or the state. TFB filed a

brief in the San Antonio Court of Appeals addressing these issues. The appeals court concluded there was a taking and remanded the case to the trial court for valuation. The case was appealed to the Texas Supreme Court, and on May 1, 2015, the Court denied the appeal leaving the Court of Appeals' decision final on the following: a taking of the Braggs' property occurred, the EAA rather than the State of Texas is liable for the taking, and the method for valuing the taking is the "parcel as a whole" test. The case was remanded to the trial court to determine the amount of compensation but the parties settled the case in the spring of 2016 with the EAA paying the Braggs \$4.5 million in damages for a takings.

Endangered Species Act Cases:

The Pacific Legal Foundation – Endangered Species Downlisting

TFB along with Arizona rancher Jim Chilton, New Mexico Cattle Growers' Association, New Mexico Farm & Livestock Bureau, and New Mexico Federal Lands Council joined with the Pacific Legal Foundation and filed to downlist five species on the endangered species list. The petition proposed delisting Gypsum Wild-Buckwheat (New Mexico) and downlisting the Black-Capped Vireo (Texas), Kuenzler Hedgehog Cactus (New Mexico), Lesser Long-Nosed Bat (Arizona and New Mexico), and Tobusch Fishhook Cactus (Texas) from endangered to threatened. TFB worked with PLF and filed in New Mexico Federal District Court to compel United States Fish and Wildlife Service (USFWS) to downlist these species. USFWS responded by publishing an initial positive finding on downlisting in September 2013. The USFWS was supposed to issue a final finding by September 2014. TFB and the other groups filed suit against USFWS because the final determination was not made. USFWS has made a settlement offer to make the findings by December 30, 2016, and the payment of \$4500 in attorneys' fees.

Defenders of Wildlife v. Jewel (Department of Interior: Lesser-Prairie Chicken)

The Lesser-Prairie Chicken (located in Texas, Oklahoma, Kansas, Colorado and New Mexico) was listed under the Endangered Species Act as a "threatened" species in March 2014. Along with the listing USFWS included a 4(d) exemption that allows the continuation of most of agriculture activities. Several suits have been filed and one particular suit brought by environmental groups challenges the listing as not going far enough. They think the listing should be at the most stringent level of "endangered" and they also believe the 4(d) exemption for agriculture should not be allowed. TFB along with Kansas Farm Bureau, New Mexico Farm and Livestock Bureau, Colorado Farm Bureau and AFBF intervened in that suit that is in Oklahoma federal district court to oppose the challenge to agriculture exemptions. A separate suit in Midland federal district court has invalidated the listing. The USFWS dropped its appeal in the Midland suit leaving the listing invalidated and because the chicken is no longer listed, our suit in Oklahoma (as well as the other suits) has been dismissed.

Property Rights Cases:

The City of Lubbock v. Coyote Lake Ranch

The City of Lubbock owns the groundwater rights to the Coyote Lake Ranch property and plans to develop a well field. The landowner sued the city arguing that the Accommodation Doctrine, the duty to reasonably accommodate existing surface uses whenever possible, should apply to groundwater severed estates. TFB filed an amicus brief in support of the Accommodation Doctrine being applied in the same manner in groundwater development as it is applied in mineral cases. The Texas Supreme Court ruled on May 27, 2016, that the Accommodation Doctrine does apply in conflicts between the severed groundwater estate and the surface estate when there is no agreement to the contrary.

Jefferson v. Texas State Board of Veterinary Medical Examiners

This case involves the Texas State Board of Veterinary Medical Examiners, a state agency, prosecuting a veterinarian for actions taken under the "owner exemption" that prohibits the Board from regulating those actions. This exemption also is used in agriculture by producers for the care of farm animals. TFB filed an amicus brief to the Austin Court of Appeals arguing for the right of agriculture owners to manage the care and treatment of their animals free of state regulation under the Veterinary Licensing Act. The court of appeals found the Board's actions were invalid on February 26, 2016.

Regulatory

Continued an aggressive lobby program to influence state and federal agencies as they implemented their statutorily mandated programs, and took opportunities to assist on emerging issues.

Water:

- Continued public outreach regarding the impacts of the WOTUS Rule on Agriculture - including separate testimonies before both the state House Natural Resources Subcommittee on Private Property and the Senate Committee on Natural Resources and Economic Development
- Communicated with the TCEQ and irrigators selected to serve on the steering committee for the Brazos River Watermaster Program.
- Communicated with LCRA and ag irrigators regarding LCRA's Water Management Plan and water availability for the 2016 growing season.
- Served on the Water Conservation Advisory Council as chair the Agricultural Subcommittee. Assisted in drafting and reviewed the 2017 WCAC Report to the Texas Legislature.
- Worked with Jackson CFB to effectively block a water quality permit seeking to land apply grease and grit trap waste under a "beneficial use" designation, as per newly-amended TFB policy.
- Coordinated with the Texas Water Conservation Association, Rio Grande irrigation interests, and the TCEQ to change recently amended water accounting practices deemed harmful to irrigators in the Lower Rio Grande Valley.
- Reviewed and provided comments to the Texas Water Development Board regarding the 2016 State Water Plan opposing the continued use of unique reservoir designations in the plan.

Endangered Species:

- Continued to lobby U.S. Fish and Wildlife Service, Department of Interior and NRCS staff for an increase of agriculture's interest of marketable credits for Lesser-Prairie Chicken.
- Worked with other state Farm Bureaus, state and national governmental agencies, and conservation organizations to develop, promote, and implement the Recovery Credit System, thus helping landowners with endangered species habitat to receive payments for term contracts for conservation practices.
- Worked with the National Fish and Wildlife Foundation to grant funds for mitigation of Monarch Butterfly habitat.
- Participated in the NRCS State Technical Advisory Subcommittee on Wildlife to develop mitigation income to landowners providing conservation for endangered or threaten species.

Risk Management/Profitability:

- Worked in concert with National Cotton Council in the effort to have Secretary Vilsack designate cottonseed as another oilseed.
- Served on the American Farm Bureau Farm Bill Working Group to examine current farm program policy and develop white papers for membership to use for policy development.
- Worked with Texas Corn Producers and Congressman Thornberry's office regarding ARC-CO payment disparities.
- Worked with membership and grain producer organizations to develop and coordinate an educational effort for the Texas Grain Producers Indemnity Fund.

- Served on the USDA-NRCS State Technical Advisory Committee; therefore, gaining the opportunity to help direct implementation of conservation title programs in a manner that can increase producer profitability through adoption of programs that fit their operations.
- Worked with RMA on crop insurance products such as SCO and Prevented Planting that affected our members.

Crop Protection:

- Coordinated with EPA, TDA, Texas A&M AgriLife Extension Service, and other agricultural organizations to inform agricultural employers of EPA's new Worker Protection Standards.
- Led a statewide effort to oppose sweeping changes to the Certification and Training rules for pesticide applicators proposed by EPA. Staff also met with Ron Carlton, EPA Agricultural Advisor, in Washington, D.C. to discuss possible changes to the proposal.
- Successfully petitioned EPA for a Section 18 for sulfoxaflor, and submitted comments on the Section 3 Label for sulfoxaflor.
- Submitted comments opposed changes to the chlorpyrifos label.
- Submitted comments opposed to EPA's Ecological Risk Assessment of Atrazine, Propazine, and Simazine, which would render these crop protection tools useless.
- Submitted comments to support the continued use of imidacloprid.
- Discussed pollinator protection with a number of agricultural industry groups, AgriLife, TDA and Texas A&M's Apiary Inspection Service.

Animal Health:

- Met with USDA and Mexican officials along with other industry representatives to deliver concerns and requested action on traceability of Mexican feeder cattle entering the U.S. These meetings are influential in holding the two governmental agencies accountable for progress on disease prevalence and eradication efforts. Staff particularly argued the value of keeping the "M" firebrand on all imported live cattle from Mexico, upgrading to electronic ID, and the need for enhanced control of Tuberculosis in Mexico.
- Staff has worked diligently with the Texas Animal Health Commission to communicate disease control and eradication efforts for Cattle Fever Ticks, Tuberculosis and other diseases in Texas.
- Coordinated outreach efforts with communication staff and AgriLife Extension to deliver Veterinary Feed Directive information to stakeholders.
- Participated in developing the Cattle Fever Tick Working Group in cooperation with the Texas Animal Health Commission.
- Worked with AFBF and Livestock Marketing Association to develop supporting language for modernizing GIPSA.

Commodities and Regulatory Miscellaneous:

Staff and select commodity chairmen participated in 2nd National Commodity Conference in Des Moines, Iowa.

Maintained memberships and been active in the **U.S. Grains Council** and the **U.S. Meat Export Federation**.

Staff coordinated the development of a state beef quality assurance steering committee with AgriLife Extension, the Texas Beef Council and all beef cattle stakeholder organizations in Texas.

Staff successfully worked with the Texas Sheep and Goat Raisers Association to notify sheep and goat producers of the Predator Management Control Board referendum to increase the assessment. The referendum passed with 84% support.

Submitted comments as follows on issues of key interest to TFB members:

- To EPA supporting the approval of new pesticides that give farmers another tool to help fight herbicide resistant weeds.
- To TDA supporting the development of the East Texas Management Area for the Boll Weevil Eradication Program.
- To TPWD regarding the emergency rules that addresses the CWD outbreak in white tail deer.
- To USDA-APHIS opposing new Tuberculosis and Brucellosis rule changes
- To U.S. House of Representative asking they oppose efforts to end FSIS inspection of domestic and imported catfish.
- To Agriculture Marketing Services in opposition to harmful changes to the National Organic Program
- To USF&WS regarding new ESA species listings.
- To USF&WS regarding proposed rule changes dealing with ESA mitigation and landowners.
- To USF&WS regarding proposed rule changes dealing with Candidate Species Conservation Agreements with Assurances (CCAA).

State Chemist: Continued to work with the State Chemist office by encouraging elevators to adopt the aflatoxin one sample strategy program and to continue improving the procedures and accuracy of the testing kits.

State Comptroller: Served on the State Comptroller's Business Tax Advisory Group to look at tax policies of the state and how they are collected by the state.

Staff worked with the Comptroller's Staff in updating the States Ag Use Property Tax Manual.

TXDOT: Staff continued to serve on the Texas Department of Transportation's (TXDOT) Texas Freight Advisory Committee, which will develop priorities for the comprehensive multimodal transportation plan that focused on the state's freight transportation needs.

Staff concluded final year of serving on a transportation committee coordinated by the University of Texas, Arlington Engineering *Department* exploring underground transportation to help relieve future congestion.

Crop Insurance: Contacted verbally and by email requesting information from RMA about what are the requirements to qualify for organic crop insurance and how t-yields are figured.

POLITICAL ACTION

State Legislative Accomplishments

2016 Interim Studies of the Texas Legislature- TFB addressed multiple interim study charges in the Texas House and Senate to ensure the recommendations of these studies complied with our state policies. TFB's advocacy resulted in invitations to testify on our policy regarding several major issues, including eminent domain, water rights, and rollback taxes. President Boening testified in both the House and Senate Committees in regards to the ongoing frustrations of low-ball offers to private property owners when their land is condemned.

TFB Vice President Michael White was asked to testify on the proposed rollback tax legislation that was filed in the 84th Legislative Session. Many of the recommendations presented by House and Senate Committees will ultimately turn into proposed legislation. As the process moves forward we will continue to engage.

Stiles Farms Ag Field Day – Legislative staff, in conjunction with Williamson, Hays and Travis CFBs, organized an Ag Field Day for legislative staff and state legislators. It was held at the AgriLife Extension Stiles Farm Foundation outside of Taylor, TX in May 2016. TFB staff made more than four direct contacts with all legislative and executive offices to ensure a great turnout. “Save the Date” emails were distributed, legislative staff hall leaders were contacted in person, each office received a printed invitation by hand, and two separate emails including the invitation were sent to all offices. We had upwards of 40 legislative staff in attendance who were able to learn about dairy, beef cattle, corn, cotton, water law, private property rights, and hunter safety. House Agriculture Chair and member, Tracy King and Mary Gonzalez respectively, opened the event with comments regarding the importance of agriculture.

State Affairs Awards Trip - TFB hosted the 3rd Biannual State Affairs Awards Trip on September 14-16. This trip provided CFBs, who are active in state legislative and political activities, an opportunity to send a young farmer or rancher to Austin. While in Austin, these young men and women were exposed to the work TFB does on behalf of agriculture and rural communities at every level of state government. Sixteen young farmers and ranchers from 13 counties attended this year’s trip. They had the opportunity to meet members of the Supreme Court, 3rd Court of Appeals, State Senators and State Representatives. The biggest eye-opener was their chance to meet CFB Members who are currently serving in the Texas House.

Eminent Domain Reform – TFB helped form a coalition with Texas and Southwestern Cattle Raisers Association and Texas Wildlife Association to prepare for an eminent domain over haul in the 85th Legislative Session. In preparation for our eminent domain reform effort leading into the next legislative session, TFB has helped produce a website and property owner survey that will help strengthen and promote our legislative proposals. The website is intended to be utilized by our membership, legislators, legislative staff, and the general public to help educate and inform them on the issue, and promote our efforts at the Capitol. The survey will be one of various methods utilized to collect information from Texas property owners about their experience with the eminent domain process. This information is needed in order to demonstrate to the Texas Legislature the critical need for change. All Texas property owners who have had property sought out by entities with the power of eminent domain are encouraged to participate. Seven meetings were held across the state to help encourage participation.

(See also "Grassroots" for State Affairs Awards Trip to Austin)

National Legislative Accomplishments

National Affairs Awards Trip: TFB successfully completed another National Affairs Awards Trip for our CFB leaders to Washington D.C. 165 CFB leaders attended representing 68 CFBs. Our members were successful in visiting with every congressional office in the Texas delegation, including every member of the U.S. House that had a constituent on the trip. And, Senator John Cornyn met with the entire group.

Roberts-Stabenow GMO Labeling Bill: S. 764 was amended by the U.S. Senate to pass a compromise on GMO labeling negotiated by Senators Roberts and Stabenow. Unlike the U.S. House bill, the Senate bill requires labeling on products. However, the label may be a QR Code that will take the consumer to a website for more information about the product, including if it includes any GMO ingredients. The goal of preventing a state-by-state patchwork of regulations was accomplished, and the label does not mislead consumers regarding the safety of GMO-based foods.

Tax Extenders: Congress passed the *Protecting Americans from Tax Hikes Act* in late December. Far from the usual end-of-year "extender" bill we have become accustomed to, many tax treatments were made permanent and others were extended for five years (rather than the usual one-year extensions). Several Farm Bureau priority items were made permanent: Section 179 expensing (at the \$500,000 per year level with a \$2 million phase-out), tax deductions for conservation easements, and the unrelated business income tax (UBIT). Bonus depreciation was extended through 2019, as well.

Truck Weight Limits: Included in the House-passed surface transportation reauthorization bill was an amendment (sponsored by Reps. Blake Farenthold, Brian Babin, and Gene Green) that would allow for trucks currently legal under state-granted overweight permits on several existing highways to continue running legally once those roads are converted to Interstate 69. This is an issue of importance to South Texas grain and sugar farmers and East Texas timbermen, alike. These provisions were part of the highway bill passed on December 3.

Mandatory Country of Origin Labeling: Repeal of mandatory COOL for beef and pork (whole muscle cuts and ground product) was included in the omnibus appropriations bill (signed into law December 18). Chicken was removed from COOL in legislation that was passed by the House in the summer; it was reinstated in negotiations with the Senate, as chicken was not part of Canada's and Mexico's successful WTO cases. While the repeal passed, our trading partners will closely watch USDA for dismantling of beef and pork COOL as they retain the right to impose retaliatory tariffs for a period of years.

FSIS Catfish Inspection: Groups opposed to the authority for USDA to inspect catfish imports tried to use congressional authority to repeal unauthorized agency rules stop these inspections. USDA was given this authority under the last Farm Bill. TFB communicated with our members of Congress that we support USDA's authority to ensure catfish imports are safe. While, S.J.R. 28 did pass the U.S. Senate, the leadership in the U.S. House did not bring it up for a vote. Therefore, authority to inspect imports will continue.

(See also "Grassroots" for National Affairs Trip to Washington, D.C. and District Congressional Meetings)

Political Programs and Activities

AGFUND continued to have success for the third consecutive election cycle in supporting TFB leaders running for office. CFB Board Members and State Representatives Kyle Kacal, DeWayne Burns, and Andrew Murr all were re-elected to the Texas House of Representatives. In addition, CFB board member Ernest Bailes became the fourth volunteer leader to be elected to the Texas House, when he was elected to fill an open seat in Texas House District 18.

AGFUND was successful in helping to elect State Representative Brian Hughes and Dr. Dawn Buckingham to open seats in the Texas Senate. And, Jodey Arrington will to succeed Representative Randy Neugebauer in U.S. House District 18. These were candidates in very competitive races that received the AGFUND endorsement as a result of our leaders' recommendation through the CEC process and grassroots efforts.

AGFUND candidates were successful in winning 91% of the Primary Election races and 95% of the General Election races.

Friends of Agriculture Fund (AGFUND), Inc.

The AGFUND Cabinet continues to be a successful addition to fundraising for the PAC—raising almost \$112,643 this year. The number of AGFUND Cabinet members increased to 600. AGFUND ended the membership year with approximately \$1,179,880 cash on hand.

The ability to pay the \$2 AGFUND membership contribution on credit card payments was implemented in June. The percentage of members contributing to AGFUND increased 2% over that same time period in 2015.

LEADERSHIP TRAINING/DEVELOPMENT/EDUCATION

New CFB Presidents Orientation

Hosted 24 new CFB Presidents for orientation in Waco.

CFB Board Training

Hosted 34 Board members from 8 CFBs for training sessions.

AgLead and FarmLead

The 11-member AgLead XII class successfully completed its 2016 curriculum with sessions in Houston, Washington, D.C. (with FarmLead V), Chicago/Midwest, and Cuba.

The 13-member FarmLead V class successfully completed its 2016 curriculum with sessions in Washington, D.C. (with AgLead XII), and California.

The AgLead XIII and FarmLead VI classes were selected through an application process. The 12-member AgLead XIII class and 14 member FarmLead VI class successfully completed their first session in Waco.

AgLead XII and AgLead XIII are supported in part by John Deere through an established agreement.

LeaderLink

There are currently 175 counties participating and we have 3,113 email addresses in our Leader Link contact list.

Master Marketer Program

Contributed \$10,000 to Texas A&M's Master Marketer Program designed for agriculture producers to enhance their marketing skills.

Commodity Advisory Committees and Issues Committees

Held meetings for 25 advisory committees in January and during the 2016 Summer Conference in Horseshoe Bay.

Conferences

Conducted 3 statewide meetings for Farm Bureau leaders covering topics as follows:

YF&R Leadership Conference:

- Using parody to advocate for Agriculture
- Market Update
- Web design for farms and ranches
- Farm Family Financial Planning and Management
- Legislative Update
- Tour of LBJ Ranch

Summer Leadership Conference:

- Endangered Species in Texas
- Feral Hogs in Texas
- New Frontiers-Crucial Conversations in Uncomfortable Places
- Technology in Agriculture-Unmanned Aerial Vehicles
- Grain Indemnity Fund
- Pesticides
- Wildlife & Livestock Health Issues
- State Legislative Issues and Eminent Domain Update

County Farm Bureau Presidents' Conference (three sessions repeated):

- Focus on the Legislative Future
- Membership...We Need You!
- The Challenge of Change-Farm Bureau's Future

Global Agriculture Education Program

Conducted Board tour of agriculture and commodity interests in Midwest (Missouri, Illinois, and Iowa). Visited and toured Monsanto Corporation facilities in Saint Louis, Missouri in conjunction with GAEP.

Other Meetings

Statewide CFB Presidents Conference and Summer Commodity Conference – 133 CFB Presidents, 6 CFB Vice Presidents, and 340 other CFB leaders from 144 counties attended these conferences held in Horseshoe Bay, Texas.

YOUNG FARMER AND RANCHER COMMITTEE ACTIVITIES

Conducted 17 district meetings across the state to promote TFB, YF&R contests/activities, and AgLead XIII interest.

Conducted fund-raising activities and scholarship programs awarding \$19,000 to college students.

Young Farmer and Rancher Programs

Conducted the Outstanding Young Farmer & Rancher Contest (19 applicants); the Excellence in Agriculture Contest (10 applicants); and the Discussion Meet Contest (14 applicants).

2015 State winners competed at the 2016 AFBF annual meeting in Orlando, FL.

Conducted a Collegiate Discussion Meet Contest, (9 participants from 3 universities)

Conducted a YF&R Leadership Conference in Kerrville (67 attendees)

Conducted the YF&R Fall Tour in Rio Grande Valley (70 attendees).

YOUTH ACTIVITIES

S.M. True, Jr Agricultural Scholar Award

Awarded scholarship valued at \$20,000.

53rd Annual Youth Leadership Conference

Conference held at Tarleton State University with 304 students attending from 137 counties.

17 Junior Counselors were selected from 40 applicants. 22 TFB staff members chaperoned.

Youth Organizations

Exhibited TFB youth programs and scholarships at the Texas 4-H Roundup in College Station, where approximately 1,000 students visited the booth.

Also exhibited at the Texas FFA Convention in Dallas, where approximately 11,000 FFA members attended. The Harvest Experience trailer was displayed and attracted approximately 1,500 students. An additional 2,000 students visited the booth receiving youth programs and scholarship promotional materials.

Supported 4-H in Texas as a major sponsor of the Texas 4-H Livestock Ambassador program.

Hosted FFA Chapters to the State Office for contest training and preparation.

Hosted FFA Ford Scholars for a tour and briefing of the TFB Headquarters.

Supported FFA in Texas as a Four Star Corporate Sponsor. TFB staff made a presentation to the Agriculture Teachers LEAD Class.

Youth Contests and Scholarship Programs

TOTAL OF \$137,100 STATE-LEVEL SCHOLARSHIPS AWARDED + \$3,500 IN CASH AWARDS

Completed a District Scholarship Program in all 13 districts. 37 scholarships valued at \$1,000 and 13 memorial scholarships valued at \$1,200 were awarded. A total of 154 applications were received.

Free Enterprise Speech Contest awarded 13 state contestants \$27,500 in scholarships. 49 young people entered the Free Enterprise Speech Contest across the state.

Dick Mitchell Scholarship awarded in the amount of \$1,000. (78 applicants)

Presented 2/\$4,000 scholarships to members of Texas 4-H.

Presented a \$4,000 Scholarship to the outgoing Texas FFA President, and at his request, split the scholarship with the outgoing Texas FFA 1st Vice President.

Presented a \$4,000 scholarship to the selected Texas FCCLA area/state officer.

YF&R Committee sponsored and awarded 13/\$1,000 scholarships for high school students. (147 applicants)

YF&R Committee sponsored and awarded 3/\$2,000 scholarships for enrolled college students. (29 applicants)

YF&R Committee sponsored the Collegiate Discussion Meet and presented \$1,500 cash award to winner; \$500 to 3 finalists; and \$500 to the winner's university.

Hosted an educational trip to Washington, DC. for 5 of the 6 eligible finalists in the 2015 Free Enterprise Speech Contest.

Youth Hunting Programs

Staff participated in the annual Youth Wildlife Camp (sponsored by the Texas Chapter of the Wildlife Society) by promoting sponsorships with CFBs and providing students with a fajita cookout.

TFB made a \$2,500 contribution to the Texas Youth Hunting Program.

GRASSROOTS ACTIVITIES

Legislative Affairs

National Affairs Awards Trip: TFB successfully completed another National Affairs Awards Trip for our CFB leaders to Washington D.C. 165 CFB leaders attended representing 68 CFBs. Our members were successful in visiting with every congressional office in the Texas delegation, including with every member of the U.S. House that had a constituent on the trip. And, Senator John Cornyn met with the entire group

District Congressional Meetings: Conducted district congressional meetings with the following members of the Texas delegation: Brian Babin, Joe Barton, Kevin Brady, John Carter, Mike Conaway, Henry Cuellar, Blake Farenthold, Bill Flores, Louie Gohmert, Jeb Hensarling, Will Hurd, Pete Olson, John Ratcliffe, Roger Williams, Mac Thornberry, and Lamar Smith. These meetings provided an opportunity for CFB leaders from a large portion of the state to meet with their member of Congress and discuss issues of importance to farmers and ranchers.

State Affairs Awards Trip - TFB hosted the 3rd Biannual State Affairs Awards Trip on September 14-16, with 16 young farmers and ranchers from 13 counties attending. This trip provided CFBs, who are active in state legislative and political activities, an opportunity to send a young farmer or rancher to Austin. While in Austin, these young men and women were exposed to the work TFB does on behalf of agriculture and rural communities at every level of state government. They had the opportunity to meet members of the Supreme Court, 3rd Court of Appeals, State Senators, and State Representatives.

Policy Development

Held 13 District Policy Development Meetings around the state prior to CFB conventions to encourage county participation in the policy development process. Approximately 906 county leaders from 171 counties attended.

799 voting delegates from 152 counties registered for the 82nd Annual Convention held in Arlington, Texas, with a total attendance of 954.

CFB PROGRAMS AND ACTIVITIES

Ag Days

Held 79 Ag Days with CFB Leaders involvement.

CFB Board Functions

Field Operations staff attended 1,545 CFB Board Meetings

Field Operations staff assisted with 201 CFB Budget Preparations

CFB Office Secretaries Appreciation and Information Functions

437 secretaries from 179 counties attended functions held in each district.

CFB Office Secretaries Conference

232 secretaries from 124 counties attended the statewide conference held in the TFB Conference and Training Center in Waco, Texas.

39 secretaries from 27 counties attended the regional conference in Amarillo.

38 secretaries from 16 counties attended the regional conference in Kingsville.

Membership Mailing Service

Provided savings of over \$450,000 to CFBs for membership mailing activities.

BENEFITS AND SERVICES FOR MEMBERS

Discount Programs for Members

Since the program's inception in the fall of 2011, more than 40,000 members have taken advantage of the \$500 discount on **GM** vehicles. This program has collectively saved TFB members more than \$20 million on new vehicle purchases.

The **VerifID** agreement has been enhanced to provide Tri-Bureau credit monitoring and recovery services to members for a nominal yearly fee of either \$6.50 for family resolution services only, \$70 for individual plan for monitoring and recovery services, and \$110 for family monitoring and recovery services.

OTHER

Membership Appreciation Calling Program

28,541 calls were placed to randomly-selected members.

14,840 calls were placed to delinquent members with over ten (10) years of continuous service.

Volunteer Fire Department Membership Program

1,486 fire departments from 200 counties participated in the Volunteer Fire Department Membership Program. Each fire department that participated received a complimentary membership, a \$100 donation and a metal TFB membership sign.

American Farm Bureau Federation Awards

TFB received the following AFBF Awards of Excellence and will be recognized during the 2017 AFBF annual meeting.

- Education & Outreach
- Leadership Development
- Member Benefits
- Membership Initiatives
- Policy Development & Implementation
- Public Relations & Communications

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