

November 6, 2017

Federal Election Commission  
Office of General Counsel  
999 E Street, N.W.  
Washington, DC 20463

Re: Advisory Opinion Request

Dear Commissioners:

On behalf of National Sorghum Producers (“NSP”), and National Sorghum Producers Political Action Committee (“Sorghum PAC”) and pursuant to 11 C.F.R. §§ 112.1 - 112.6, we respectfully request an advisory opinion concerning the application of the Federal Election Campaign Act (“FECA” or the “Act”), as amended, in establishing a voluntary contribution or "checkoff" plan for NSP sorghum producer members to the Sorghum PAC with NSP and NSP’s state affiliates serving as collecting agents.

### **FACTS**

NSP is a trade association incorporated in the State of Texas as a nonprofit, non-stock corporation with members. (Copies of NSP's charter and bylaws are attached.) NSP has been recognized as an organization exempt from federal income tax under §501(c)(5) of the Internal Revenue Code. NSP was organized, among other things, to promote and protect the interests of U.S. sorghum producers. Sorghum is grown primarily as a grain and forage crop on approximately six million acres in the U.S. NSP's membership as per the bylaws is composed of two classes: producer members and associate members.

#### **Producer Members:**

Approximately 5,000 U.S. sorghum producers are NSP producer members. Producer members are defined as individuals or other legal entities engaged in the production of sorghum and paying dues as determined by the Board's current dues structure.

#### **Associate Members:**

Associate members are defined as individuals or other legal entities not engaged in the production of sorghum and paying dues as determined by the Board's current dues structure. NSP has approximately 60 associate members.

In addition to NSP, U.S. sorghum producers are represented by various state nonprofit sorghum organizations. These organizations are affiliated with NSP in several ways. These including sharing of membership dues, membership in NSP leading to membership in the applicable state affiliate, official recognition of affiliated state organizations by NSP and in certain instances, management of the affiliated state organization by NSP. See attached for the list of affiliate state organizations as provided on the NSP website. Also attached are bylaws for the state organizations from Kansas, New Mexico and Oklahoma. Note dues provisions for Kansas refer explicitly to a relationship with NSP, and the executive staff provisions for New Mexico and Oklahoma refer explicitly to NSP providing staffing. NSP has similarly close affiliations with other state organizations. Finally, also attached is the cooperative agreement between NSP and Kansas and a letter to Texas E-Members from the Texas executive director.

Both these documents outline the way in which dues are shared with NSP (20 percent of total collections from E-Members are shared with the applicable state affiliate).

Please note that this request seeks an opinion only concerning the activities of sorghum producer members in contributing to Sorghum PAC and collecting those contributions. NSP does not seek an opinion with respect to associate members. NSP operates as a trade association which is a membership organization as contemplated by 11 C.F.R. § 114.7.

Sorghum PAC is the separate segregated fund established and administered by NSP pursuant to 11 C.F.R. § 114.5(b). NSP and Sorghum PAC propose to raise money through a variation of the Deduct-A-Buck program instituted by the Credit Union National Association ("CUNA") and the Credit Union Legislative Action Committee ("CULAC") and approved by the Commission in **Advisory Opinion 1998-19** by establishing a voluntary checkoff system for sorghum producer members with NSP as the collecting agent. NSP and Sorghum PAC propose to use the NSP E-Member program as the primary vehicle for this checkoff system.

The NSP E-Member program enables grain elevators to serve as remitter institutions for NSP producer member dues. Participating elevators on behalf of their producers remit to NSP \$0.0028 per bushel of sorghum sold in the form of producer dues (except in the state of Texas, where participating elevators remit \$0.0056 per bushel). NSP currently has approximately 45 E-Members who facilitate producer membership for sorghum producers responsible for approximately 20 percent of U.S. sorghum production. See NSP's most recent E-Member recruitment flyer (attached) for more information.

Under the checkoff system, Sorghum PAC would solicit individual sorghum producer members who sell their sorghum to NSP E-Members to make voluntary contributions to Sorghum PAC via an authorized automatic deduction at a suggested rate per bushel of sorghum. The contribution would be collected by the NSP E-Member (who will have agreed in writing using Exhibit A to serve as a remitting institution) but be charged against an NSP sorghum producer member's individual sorghum proceeds. NSP E-Members would serve as contracted institutions for NSP as the collecting agent and remit individual sorghum producers' contributions to Sorghum PAC.

Individual sorghum producer members who voluntarily choose to participate would sign automatic deduction forms (see exhibit B) that would instruct their respective E-Member elevator(s) to transfer funds from the sorghum producer members' individual account(s). The E-Member elevator would set up debits from the members' individual account(s) and submit the funds to Sorghum PAC. NSP E-Members currently remit sorghum producer member dues to NSP at a rate of \$0.0028 per bushel (\$0.0056 in Texas). It is important to note contributions to Sorghum PAC by NSP sorghum producer members would be entirely voluntary and not reduce any member's dues obligation to NSP. Furthermore, NSP members will not receive any tangible or valuable benefit from NSP due to a producer's support of Sorghum PAC, nor will NSP discriminate or penalize any NSP sorghum producer member that chooses not to participate or participates at a level differing from the level suggested.

Both the E-Members and Sorghum PAC would ensure that contributions are received by Sorghum PAC within ten or thirty days, as required by 11 C.F.R. § 102.8. It is also important to note that a variation of the proposed program is carried out by the American Crystal Sugar Company with respect to its sugar beet growers. This program was approved by the Commission in **Advisory Opinion 1986-7**. An additional similar variation is carried out by Plains Cotton Growers, Inc., with respect to cotton producers. This program was approved by the Commission in **Advisory Opinion 2016-11**.

## **QUESTIONS AND DISCUSSION**

Given these facts, an advisory opinion is sought with respect to the following questions:

1. Is the voluntary per bushel contribution deduction used in the proposed checkoff system a permissible method of soliciting contributions to Sorghum PAC?

The pre-authorized nature of the proposed contribution per bushel checkoff system permits NSP sorghum producer members to sign automatic deduction forms authorizing the contribution and instructing their elevator (provided the elevator is an NSP E-Member remitting the producer's membership dues to NSP) to transfer funds to Sorghum PAC from the sorghum producer's account. Under a checkoff plan, an individual may authorize deductions of membership dues or fees and separate segregated fund contributions. Fed. Election Comm'n, *Campaign Guide for Corporations and Labor Organizations* at 25 (2007). The contributor may write a single check to cover both the connected organization dues (or other fee) and the contribution to the separate segregated fund. *Id.* at 29. The check must be drawn on the contributor's personal checking account or on a non-repayable corporate drawing account. 11 C.F.R. § 102.6(c)(3). **Advisory Opinions 1999-40 and 1997-9.** In light of the foregoing, we believe the structure proposed by NSP and Sorghum PAC herein is a lawful and reasonable method of soliciting contributions to Sorghum PAC.

2. May NSP's state affiliates serve as collecting agents (either through the checkoff system described above or otherwise) for Sorghum PAC?

We believe that NSP and its state affiliates may act as collecting agents for Sorghum PAC. Per 11 C.F.R. § 102.6(b)(1), "a collecting agent is an organization or committee that collects and transmits contributions to one or more separate segregated funds to which the collecting agent is related." Furthermore, the Commission held in **Advisory Opinion 1998-19** "...state leagues of CUNA and the credit union members of the state leagues may be considered as a 'branch, division ... or local unit' of CUNA under 11 C.F.R. § 102.6(b)(1)(iii) and may therefore act as collecting agents in receiving and transmitting contributions for CULAC." We believe NSP's relationships with its state affiliates are similar to those between CUNA and the state leagues with state sorghum organizations analogously serving as local units of NSP.

3. Are NSP and its state affiliates a federation of trade associations?

We believe NSP and its state affiliates are a federation of trade associations which can solicit the members of the federation's regional, state or local affiliates as one political committee per 11 C.F.R. § 114.8(g). Pursuant to 11 C.F.R. § 100.5(g)(4), significant producer membership overlap exists between NSP and its state affiliates and the organizations share producer membership dues. This indicates NSP state organizations are indeed state affiliates of a federation of trade associations.

Furthermore, the Commission held in **Advisory Opinions 1998-19 and 1995-12** CUNA and its state leagues as well as the Independent Bankers Association of America and its state independent banking associations constituted federations of trade associations. We believe NSP's relationships with its state affiliates are similar to those described in these rulings, and therefore Sorghum PAC and the PACs of any NSP state affiliates would be treated as one committee. Treatment as one committee would imply NSP and its state affiliates would be free to solicit the restricted class of

members of either NSP or the state affiliate so long as those members gave approval for the year to either NSP or the state affiliate prior to the solicitation.

In conclusion, NSP and Sorghum PAC respectfully request an Advisory Opinion confirming Sorghum PAC may establish a checkoff system for its sorghum producer members to the Sorghum PAC, NSP and its state affiliates may serve as collecting agents for Sorghum PAC and that NSP and its state affiliates are a federation of trade associations.

If you have any questions or need additional information please do not hesitate to contact us. Thank you for the opportunity to request an Advisory Opinion.

Respectfully,



John Duff  
Strategic Business Director  
National Sorghum Producers  
(806) 638-5334  
[john@sorghumgrowers.com](mailto:john@sorghumgrowers.com)

**129665**

NO. 17

CHARTER OF

GRAIN SORGHUM PRODUCERS ASSOCIATION.  
Bushland, Texas.

CAPITAL STOCK	\$	NONE
SHARES		NONE
PAID IN		NONE
EXISTENCE		50 years
FILING FEE	\$	10.00
FRANCHISE TAX	\$	EXEMPT

FILED IN THE OFFICE OF

SECRETARY OF STATE

THIS 7th DAY OF December 1955

LEDGER NO. EXEMPT

THE STATE OF TEXAS)  
COUNTY OF FARMER)

Approved & filed in the office  
of the Secretary of State  
on the 1<sup>st</sup> day of Dec 1955  
*[Signature]*  
Chief Charter Division

KNOW ALL MEN BY THESE PRESENTS, that we, R. G. Peeler, Bill Lane, J. C. Gilbreath, and R. S. Francy, who are citizens of Texas, and J. L. Jackson, who is a citizen of New Mexico, under and by virtue of the laws of this State, do hereby voluntarily associate ourselves for the purpose of forming a private corporation under such laws upon the following terms and conditions:

1.

The name of the corporation shall be Grain Sorghum Producers Association.

2.

The purpose for which it is formed is to support an educational undertaking as authorized by subdivision 2, Article 1302, Texas Revised Civil Statutes of 1925, to-wit:

- a. To promulgate research and promote new uses for grain sorghum.
- b. To promote the interests of producers of grain sorghum through the effective use of all forms of public news media and through employment of effective public speakers, lecturers, and other representatives.
- c. Financial support of the corporation shall be by dues paid in by members and by contributions given by persons interested in the further education of the American public in the uses of grain sorghums; all funds so given to the corporation shall be used to support the purposes aforesaid, so that no manner of income shall accrue to the members of the said corporation, as such.

3.

The places where the business of the corporation is to be transacted are Bushland, in Potter County, Texas, and elsewhere within or without the State of Texas in accordance with the laws of said State, and its principal place of business is to be in Bushland, in said Potter County, Texas.

4.

The term for which it is to exist is fifty (50) years.

5.

The number of directors shall be as fixed by the by-laws of the corporation and until changed by the by-laws shall be five, and the names and residences of those who are appointees for the first year are as follows:

R. G. Pecher	Hereford, Texas
Bill Lane	Bushland, Texas
J. C. Gilbreath	<u>Dimonitt, Texas</u>
R. S. Francy	<u>Happy, Texas</u>
J. L. JACKSON	<u>Bard, N. Mex.</u>

6.

The value of the goods, chattels, lands, rights and credits owned by the corporation is estimated at \$1,000.00. The corporation is, and is to continue, without capital stock and has no intention of having capital stock.

IN TESTIMONY WHEREOF we hereunto sign our names this 24<sup>th</sup> day of November, A. D., 1955.

R. S. Pecher  
J. C. Gilbreath  
Bill Lane  
R. S. Francy  
J. L. Jackson

THE STATE OF TEXAS)

COUNTY OF )

BEFORE ME, the undersigned authority, on this day personally appeared R. G. Pecher,

Known to me to be the person whose name he subscribed to the foregoing instrument, and also known to me to be citizens of said state, and he acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribed my name and affix the seal of my office, this 21 day of November, A. D. 1955.

Walter Seel AOR 97  
Notary Public in and for Garza County, Texas

THE STATE OF TEXAS)

COUNTY OF )

BEFORE ME, the undersigned authority, on this day personally appeared J.C. CIVILLETTA, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this the 21 day of NOVEMBER, A. D., 1955.

Bald M. Rea

Notary Public in and for Castro  
County, Texas.

THE STATE OF TEXAS)

COUNTY OF Potter )

BEFORE ME, the undersigned authority, on this day personally appeared BILL LANE, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this the — day of NOVEMBER, A. D., 1955.

NOV 23 1955

O. J. Johnson  
Notary Public in and for \_\_\_\_\_  
County, Texas.

THE STATE OF TEXAS)

COUNTY OF Smith)

BEFORE ME, the undersigned authority, on this day personally appeared R.S. FRANCY, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this the 27 day of November, A. D., 1955.

R. S. Francy

Notary Public in and for Smith  
County, Texas.

THE STATE OF —)

COUNTY OF Gary)

BEFORE ME, the undersigned authority, on this day personally appeared R. L. Lewis, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this the 24 day of Dec, A. D., 1955.

R. L. Lewis

Notary Public in and for Gary  
County, Texas.

AOR008



The State of Texas  
Secretary of State

I, TOM REAVLEY, Secretary of State, of the State of Texas, do hereby certify  
that the foregoing is a true and correct copy of the charter of

, GRAIN SORGHUM PRODUCERS ASSOCIATION.

as the same now appears of record in this Department.

Dated, signed, and sealed at Austin, Texas this

14th day of December, A. D. 1955.

Tom Reavley  
Secretary of State

655-14 M



**BYLAWS**  
**NATIONAL SORGHUM PRODUCERS**  
(Herein referred to as the "Corporation")  
(Chartered under the laws of Texas, December 7, 1955)  
(Amended March 1, 2017)

**ARTICLE I – PURPOSES**

The purposes of the Corporation are: (1) to act as the voice of the sorghum industry; (2) to act as a government relations group that presents and defends policies that benefit sorghum producers; (3) to work with regulatory agencies to defend and implement regulations that benefit sorghum producers; and (4) do all other things that may seem reasonable and appropriate for improving the conditions under which sorghum is produced and marketed, including cooperation with departments and agencies of local, state, national and international governments charged with any responsibilities relating to sorghum.

**ARTICLE II--OFFICES**

**Section 1. Principal Office:** The Corporation's principal office in Texas will be located at 4201 N. I-27, Lubbock, Texas 79403. The Corporation may have such other offices, in Texas or elsewhere, as the Board of Directors (herein referred to as the "Board") may determine. The Board may change the location of any office of the Corporation.

**Section 2. Registered Office and Registered Agent:** The Corporation will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act.

**ARTICLE III – MEMBERSHIP**

**Section 1. Membership:** In order to properly further the objectives and to accomplish the purposes hereinbefore set out, the Corporation shall have powers to maintain a membership; to collect membership fees as determined by the Board; and to receive donations and bequests.

**Section 2. Classes:** The Corporation shall have two classes of members: "Producer" members shall consist of individuals or other legal entities who are engaged in the production of sorghum and have paid dues as determined by the Board's current dues structure; and "Associate" members shall consist of individuals or other legal entities who are not engaged in the production of sorghum and have paid dues as determined by the Board's current dues structure.

**Section 3. Structure:** Membership of the Corporation will be further divided into states as approved by the Board. The division of membership into states may be used as the basis for determining representation on committees as approved by the Board or stipulated in these bylaws.

**Section 4. Code of Conduct:** Directors, staff, and committee members shall operate under a Code of Conduct as established by the Board.

**Section 5. Annual Meeting:** An annual membership meeting shall be held at a time and place determined by the Board.

## **ARTICLE IV - BOARD OF DIRECTORS**

**Section 1. Duties and Responsibilities:** The Board shall strive to support the purposes of the Corporation through objective policies, organizational planning, leadership development, and fundraising. The Board shall employ, terminate, and manage the Chief Executive Officer (CEO). The Board shall assess the performance of the CEO on an annual basis and document its evaluation in writing. The Board shall approve an annual budget with subsequent examination of income and expenses related to the budget at each regular meeting of the Board.

**Section 2. Qualifications of Directors:** Directors of the Board must be members of the Corporation.

**Section 3. Board of Directors Composition:** The Board shall consist of eleven Directors that are nominated by the Nominating Committee and approved by the current Board. Approval by the Board shall be by a majority vote of the Directors present and shall be an individual vote on each nominee submitted by the Nominating Committee. If an individual nominee is not approved by the Board, then the Nominating Committee shall submit a new nominee in a timely manner. The Board shall be composed of not fewer than seven Producer members.

### **Section 4. Meetings:**

4.01. Annual Meeting. An annual Board meeting will be held at the Corporation's registered office at times that are determined by the Board.

4.02. Regular Meetings. The Board will meet at least three times annually. The Board may provide for regular meetings by resolution stating the time and place of such meetings. No notice of regular Board meetings is required other than a Board resolution stating the time and place of the meetings.

4.03. Special Meetings. Special Board meetings may be called by, or at the request of, the Chairman or any four Directors. A person or persons authorized to call special meetings of the Board may fix any place as the place for holding a special meeting. The person or persons calling a special meeting will inform the Secretary of the Corporation of the information to be included in the notice of the meeting. The Secretary of the Corporation will give notice to the Directors, as these bylaws require. Notice or printed notice of any special meeting of the Board will be delivered to each Director not less than seven, nor more than 30 days before the date of the meeting. The notice will state the place, day, and time of the meeting; who called it; and the purpose or purposes for which it is called.

**4.04. Meeting by Telephone or Other Electronic Means.** The Board may hold a meeting by telephone conference-call or other electronic procedures. In all meetings held by telephone or other electronic means, matters must be arranged in such a manner that all persons participating in the meeting can communicate with each other; the notice of a meeting by telephone conference or other electronic means must state the fact that the meeting will be held by telephone or other means as well as all other matters required to be included in the notice; and a person's participating in a conference-call or other electronic meeting constitutes his or her presence at the meeting.

**4.05 Decision Without a Meeting.** Any decision required or permitted to be made at a meeting of the Board may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents will be placed in the Corporation minute book and kept with the corporate records.

**4.06. Minutes.** The Chairman will chair meetings of the Board. Minutes of each meeting will be recorded and approved at the next meeting.

**Section 5. Terms:** Directors shall serve a three-year term and may serve up to two consecutive terms. Terms of Directors shall begin on October 1. An individual shall be eligible to serve again after a departure of one term. **At the board's discretion, ONE seat may be appointed to a three-year term with no term limits.** Any replacement that serves the un-expired term of a Director of sixteen months or more shall have served one complete term. Notwithstanding other portions of this section, Directors as of the amendment of these bylaws shall be assigned term limits and reelection years as shown in attachment A.

**Section 6. Attendance, Participation, and Compensation:** Each Director shall have one vote and may not vote by proxy. There shall be no provision for alternates on the Board. Directors shall not receive any compensation from the Corporation for their services. Reasonable expenses of Directors shall be paid by the Corporation with submission of receipts or other supporting evidence.

**Section 7. Vacancies:** The Chairman shall charge the Nominating Committee to submit one nominee for all vacancies of the un-expired portion of a Director's term. The Nominating Committee shall report back to the Board in a timely manner and submit a nominee. To fill the vacancy, the remaining Directors must then approve the nominee by a majority vote of the Directors present.

**Section 8. Financial Responsibility:** The staff and officers of the Corporation shall be responsible for the expenditure of funds and shall be bonded in accordance with requirements of the Board. Directors and staff will be covered under an errors and omission policy.

**Section 9. Quorum:** A quorum shall consist of a majority of the number of Directors fixed by these bylaws in attendance at the meeting

**Section 10. Conduct of Board Meetings:** The latest edition of Robert's Rules of Order shall govern the conduct of all meetings unless otherwise stipulated in these bylaws.

**Section 11. Resignation and Removal:** Any Director may resign in writing directed to the Chairman, to be effective as specified in the notice. Any Director may be removed by a vote of two-thirds of the Board members present at a meeting called expressly for that purpose. If the removal involves a Director who is serving as Chairman of the Board, then the Past-Chairman shall preside over such meeting.

## **ARTICLE V – OFFICERS**

**Section 1. Officers:** The officers of the Corporation shall consist of a Chairman, Vice-Chairman, Past-Chairman, Chief Executive Officer, Secretary and Treasurer. The offices of Chief Executive Officer, Secretary and Treasurer shall be held by persons who are employees of the Corporation. If, for any reason, such persons are no longer employed by the Corporation, then a vacancy shall exist for such offices. The Chairman, Vice-Chairman, and Past-Chairman shall make up the Executive Committee and shall be members of the Board.

**Section 2. Terms:** An officer's term shall be for one year and an officer may serve two consecutive terms. The officer terms begin on October 1.

**Section 3. Chairman:** The Chairman shall preside over all Board meetings unless otherwise stipulated in these bylaws, counsel with the Chief Executive Officer regarding management of the Corporation's affairs, appoint committees and committee chairman unless otherwise stipulated in these bylaws, and serve as an ex-officio member on all committees. The Chairman shall perform such other duties as associated with the office or as assigned by the Board.

**Section 4. Vice-Chairman:** The Vice-Chairman shall perform the duties of the Chairman in case of the Chairman's inability to act or in the Chairman's absence and perform other duties as may be assigned by the Chairman or the Board. Upon vacancy of the office of Chairman, the Vice-Chairman shall perform the duties of the office of Chairman until an officer election is conducted.

**Section 5. Past-Chairman:** The Past-Chairman shall perform such duties as may be assigned by the Chairman or Board and shall chair the Nominating Committee. The Past-Chairman will be a resource to the organization and will be available to serve as needed.

**Section 6. Officer Elections:** The Board shall elect its Chairman and Vice-Chairman by a majority vote of the Directors present. Upon a change in the office of Chairman, the outgoing Chairman shall be the Past-Chairman. If any officer's term expires during his service as an officer, the term will automatically be extended until the completion of the

officer's term. Upon vacancy of the Chairman or Vice-Chairman offices, the Board shall elect the replacement by a majority vote of the Directors present. Any active board member interested in serving as chairman or vice-chairman should apply for the positions prior to the regular election process. The executive committee shall select no more than two candidates per position for presentation to the board for election. Any Board vacancies must be filled before the election of Chairman or Vice-Chairman.

**Section 7. Chief Executive Officer:** The Chief Executive Officer (CEO) shall be selected by the Board under such terms as it may determine from time to time. The CEO shall administer and manage the affairs of the Corporation with the counsel of the Chairman and shall report to the Board. The CEO shall employ, terminate and manage all employees and perform other duties as specified by the Board. The CEO shall not be entitled to a vote on the Board.

**Section 8. Secretary and Treasurer:** The Secretary and Treasurer shall be an employee or employees of the Corporation and shall be recommended for their offices by the CEO, appointed by the Board, and serve at the pleasure of the CEO. The Secretary and Treasurer shall not be entitled to a vote on the Board. The Secretary shall maintain the Corporation's corporate records, keep minutes of the proceedings of the Board meetings, ensure that all required notes are prepared as well as notices and reports as required by the Board or by law, and shall perform such other duties as assigned by the CEO. The Treasurer shall assist the Finance and Budget Committee, maintain the Corporation's financial records, be responsible for the receipt, deposit, maintenance, and disbursement of the Corporation's funds and assets, and perform such other duties as assigned by the CEO.

## **ARTICLE VI - COMMITTEES**

**Section 1. Establishing Committees:** The Board may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. The Board may establish qualifications for membership on a committee. Establishing a committee or delegating authority to it will not relieve the Board, or any individual director, of any responsibility imposed by these bylaws or otherwise imposed by law. No committee of the Board has the authority of the Board to:

- a. Amend the articles of incorporation;
- b. Adopt a plan of merger or consolidation with another corporation;
- c. Authorize the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property and assets;
- d. Authorize voluntary dissolution of the Corporation;
- e. Adopt a plan for distributing the Corporation's assets;
- f. Amend, alter, or repeal these bylaws;
- g. Elect, appoint, or remove a Director or officer of the Corporation;
- h. Elect, appoint, or remove a member of a committee unless otherwise stipulated in these bylaws;

- i. Take any action outside the scope of authority delegated to it by the Board; and
- j. Take final action on a matter requiring membership approval.

**Section 2. Authorization of Specific Committees:** The following standing committees are authorized: Nominating; Finance and Budget; and Legislative. The Board has the authority to change, amend, or re-designate committees without the requirement of a bylaw change.

**Section 3. Members:** Committee members shall be appointed by the Chairman unless otherwise stipulated in this Article. Committee members may include non-Directors and non-members unless otherwise stipulated in this Article. Committee members shall be appointed annually unless otherwise stipulated in this Article.

**Section 4. Nominating Committee:** The Nominating Committee shall be chaired by the Past-Chairman. If the office of Past-Chairman is vacant, the Board's designee shall serve as chairman of the committee. The committee will consist of five individuals as follows: three Producer members, one Associate member, and one at-large appointee. The Nominating Committee shall submit a slate of nominees comprised of one nominee for each expiring or vacant term on the Board. The nominees submitted shall be such that the Board majority shall remain Producer members.

**Section 5. Finance and Budget Committee:** The Finance and Budget Committee shall be chaired by the Chairman. The CEO and Treasurer shall serve as ex-officio members. Responsibilities include:

- a. Determination of contributions from each state to the Corporation;
- b. Annual budget development and oversight;
- c. Accounting and audit procedures in so much that the Corporation selects an auditor, submits to an annual audit, and receives the auditor's report, and reviews the auditor's report;
- d. Report to the Board on implementation of recommended financial improvements;
- e. Fundraising for the needs of the Corporation.

**Section 6. Legislative Committee:** The Legislative Committee shall be appointed by the Board and shall have no more than 17 appointees. The appointees shall be as follows:

- a. 1 appointee from each of the 8 largest contributing states. Contributions from states shall be determined by the Finance and Budget Committee;
- b. no more than 9 at-large appointees; and
- c. of those appointees named in paragraphs (a) and (b), the Vice-Chairman of the Corporation shall be one of the appointees and shall chair the committee.

The committee shall choose a vice-chairman annually from the members of the committee. The vice-chairman shall be approved by a majority vote of the committee members present.

**Section 7. Meetings:** Meetings shall be held as necessary and action may be taken by mail, telephone conference or any other electronic means. Minutes will be recorded and approved at the next committee meeting. Each Committee Member shall have one vote and may not vote by proxy. Reasonable expenses of committee members shall be paid by the Corporation with submission of receipts or other supporting evidence.

**Section 8. Quorum:** A quorum shall consist of the Members participating.

**Section 9. Conduct of Committees:** The latest edition of Robert's Rules of Order shall govern the conduct of all meetings.

#### **ARTICLE VII – AMEND BYLAWS**

**Section 1. Amend or Change Bylaws:** Changing or amending bylaws require ten days written notice to the Board specifying changes or amendments. Bylaws may not be changed or amended except by a two-thirds vote of the full Board.



## National Sorghum Producers *the voice of the sorghum industry*

## Affiliate Organizations

### State Sorghum Organizations

Arkansas Corn and Grain Sorghum Board  
Colorado Sorghum Producers Association  
Kansas Grain Sorghum Commission  
Kansas Grain Sorghum Producers Association  
Kentucky Small Grain Growers Association  
Nebraska Grain Sorghum Association  
Nebraska Grain Sorghum Board  
New Mexico Sorghum Association  
North Carolina Small Grain Growers Association  
Oklahoma Sorghum Commission  
Oklahoma Sorghum Association  
South Dakota Corn Growers Association  
Texas Grain Sorghum Association  
Texas Grain Sorghum Board

### Industry Alliances

Fuels America  
Growth Energy  
Renewable Fuels Association  
Sweet Sorghum Association  
United Sorghum Checkoff Program

### Washington D.C. Representative

Combest Sell & Associates

### About Us

National Sorghum Producers serves as the voice of the sorghum industry from coast to coast through legislative and regulatory representation and education.

4201 North Interstate-27  
Lubbock, Texas 79403  
toll free (800) 658-9808  
phone (806) 749-3478  
fax (806) 749-9002  
SorghumGrowers.com

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**BY-LAWS**  
**OF**  
**KANSAS GRAIN SORGHUM PRODUCERS ASSOCIATION**

**ARTICLE I**

The purpose of the Association as stated in its Articles of incorporation is:

To enhance and expand the use, marketing, and efficient production of grain sorghum, and to do everything within the capability of the Association that will benefit the commodity grain sorghum, as well as those who grow, transport, handle, feed, process, sell, export or otherwise come in contact with grain sorghum, including the promotion of such market development, research, public relations and educational activities as shall be determined by the Board of Directors of the Association. The Association shall also engage in any lobbying activities or otherwise attempt to directly or indirectly influence legislation affecting the commodity grain sorghum.

**ARTICLE II**

*Membership*

Section 1. Any resident of the state of Kansas who is an actual producer of grain sorghum, or is interested in the production, use, improvement or the marketing of grain sorghum may become a member upon payment of annual dues as fixed by these By-Laws.

Section 2. Each member shall be entitled to one vote on each matter at any meeting of the membership. No voting by proxy or mail shall be permitted.

Section 3. The Board of Directors, by affirmative vote of a majority of all of the members of the Board, may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership.

Section 4. Membership in this corporation is not transferable or assignable.

**ARTICLE III**

*Meetings of Members*

Section 1. An annual meeting of the members shall be held at a time and place designated by the Board of Directors, for the purpose of electing directors and for the transaction of other such business as may properly come before the meeting.

Section 2. Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth of the members.

Section 3. The Board of Directors may designate the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special

meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Kansas.

Section 4. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally, by email or mail, at least ten (10) days prior to the meeting, to each member entitled to vote at such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of special meeting or when required by statute or by these By-Laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Section 5. A quorum for the transaction of business at any meeting of the members of the corporation shall be ten (10) members. If a quorum is not present at any meeting of members, a majority of the members present may recess or adjourn the meeting from time to time without further notice.

## **ARTICLE IV**

### *Board of Directors*

Section 1. The affairs of the corporation shall be managed by its Board of Directors elected from the membership.

Section 2. Nine (9) Directors shall be elected from districts described in Section 3 of this article.

Section 3. Three board members shall be selected from and represent each of the following three member districts:

#### Northern Board Member District

(Grower Districts 1, 4 and 7)

Cheyenne, Rawlins, Decatur, Norton, Sherman, Thomas, Sheridan, Graham, Phillips, Smith, Jewell, Republic, Rooks, Washington, Osborne, Mitchell, Cloud, Clay, Ottawa, Marshall, Nemaha, Brown, Doniphan, Riley, Jackson, Pottawatomie, Atchison, Jefferson, Leavenworth and Wyandotte Counties

#### Central Board Member District

(Grower Districts 2, 5 and 8)

Wallace, Logan, Gove, Trego, Greeley, Wichita, Scott, Lane, Ness, Ellis, Russell, Lincoln, Saline, Dickinson, Rush, Barton, Ellsworth, Rice, McPherson, Marion, Geary, Wabaunsee, Shawnee, Douglas, Johnson, Osage, Franklin, Miami, Morris, Chase, Lyon, Coffey, Anderson and Linn Counties

#### Southern Board Member District

(Grower Districts 3, 6 and 9)

Hamilton, Kearny, Finney, Hodgeman, Stanton, Gray, Ford, Grant, Haskell, Morton, Stevens, Seward, Meade, Clark, Pawnee, Stafford, Reno, Harvey, Edwards, Pratt, Kingman, Sedgwick, Comanche, Barber, Harper, Kiowa, Sumner, Butler, Greenwood,

Woodson, Allen, Bourbon, Cowley, Elk, Wilson, Neosho, Crawford, Chautauqua, Labette, Montgomery and Cherokee Counties

With regard to the nine district directors, at the first annual meeting, 3 directors shall be elected for one-year term, 3 directors for a two-year term and 3 directors for a three-year term. In the following years, one director shall be elected from each board member district each year and each director shall be elected for a three-year term.

Section 4. A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or outside of the State of Kansas; for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 5. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or outside of the State of Kansas, as the place for holding any special meeting of the Board called by them.

6. Notice of any special meeting of the Board of Directors shall be given at least ten days previously thereto by written notice delivered personally sent by mail or email to each Director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

Section 7. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may recess or adjourn the meeting from time to time without further notice.

Section 8. The act of a majority of the directors present at a meeting with a quorum shall be the act of the Board of Directors, unless the act of a greater number is required by these By-Laws.

Section 9. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefore.

Section 10. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 11. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

## **ARTICLE V**

### *Officers*

Section 1. The officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer.

Section 2. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors and shall serve terms of one year each. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office for one year and until his successor shall have been duly elected and shall have qualified. All officers shall be elected from among the members of the Board of Directors.

Section 3. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment, the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract right, if any, of the officer so removed.

Section 4. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. The President shall be the chief executive officer of the corporation, shall preside at all meetings of the corporation, of the Board of Directors and the executive committee and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

Section 6. In the absence of the president or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 7. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provision of these By-Laws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. The Treasurer and Executive Director shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks or other depositories as shall be selected in

accordance with these By- Laws. He shall give bond, at the expense of the corporation, in such amount, form and with such surety as may be required by the Board of Directors.

## **ARTICLE VI**

### *Committees*

Section 1. The Board of Directors may elect from its own members an executive committee not to exceed five in number, and may fix powers to be delegated to such committee, and may authorize such committee to do or perform any act that, the Board of Directors could do or perform at any regular or special meeting of the Board of Directors. The President and Vice President shall be members of such an executive committee.

Section 2. The President shall appoint a nominating committee of three members to propose a name or names of nominees for Directors at the annual meeting of the members.

Section 3. The President may appoint credentials committee to serve annual or special meetings of the members and to determine the credentials of any persons claiming to be a member of the corporation.

Section 4. The President shall also appoint the members of such other committees as the President or the Board of Directors may deem necessary. The members of such committees shall serve at the pleasure of the President.

## **ARTICLE VII**

### *Contracts, Checks, Deposits and Funds*

Section 1. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation, and in such manner as shall from time to time be determined by the Board of Directors, such instruments shall be signed by the Treasurer.

Section 3. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks or other depositories as the Board of Directors may select.

## **ARTICLE VIII**

### *Offices*

The principal office of the corporation shall be located within the State of Kansas. The corporation may have such other offices, either within or outside of the State of Kansas as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

The corporation shall have and continuously maintain in the State of Kansas a registered office, and a registered agent whose office is identical with such registered office. The registered office

may be, but need not be, identical with the principal office in the State of Kansas, and the address of the registered office may be changed from time to time by the Board of Directors.

## **ARTICLE IX**

### *Books and Records*

The corporation shall keep correct a complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney at any reasonable time.

## **ARTICLE X**

### *Fiscal Year*

The fiscal year of the corporation shall begin on the first day of July and end on the last day of June in each year.

## **ARTICLE XI**

### *Dues*

The membership dues of this organization will be shared with the National Sorghum Producers and will be determined by both parties.

## **ARTICLE XII**

### *Rules of Order*

Robert's Rules of Order shall be followed at the annual meeting of members and at all meetings of the Board of Directors, unless otherwise stated in these By-Laws.

## **ARTICLE XIII**

### *Amendments to By-Laws*

These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted by a majority of the entire Board.

These By-Laws amended and adopted by the Board of Directors of the Kansas Grain Sorghum Producers Association at a conference call meeting this 20<sup>th</sup> day of September, 2016.

## **BYLAWS**

### **NEW MEXICO SORGHUM PRODUCERS ASSOCIATION, INC.**

Adopted November 22, 1994

#### **ARTICLE I – OBJECTIVES**

The purposes of the association are to represent New Mexico grain sorghum producers and to develop programs and activities in their interest as follows:

- **Service:** Represent grain sorghum farmers independently or in cooperation with departments of agencies of local, state, national and international governments, universities, and other organizations that will improve the profitability of U.S. grain sorghum production.
- **Research and Education:** Promote research and informational programs in grain sorghum production, marketing and utilization.
- **Market Development:** Develop and maintain domestic and foreign markets for grain sorghum.

#### **ARTICLE II – MEMBERSHIP**

**Section 1.** - The association shall have powers to maintain a membership; to collect membership fees as determined by the Board of Directors; to receive donations and bequests; to purchase, lease or sell all property that is legal for non-profit corporations under the laws of the State of New Mexico.

**Section 2.** - The membership of the Corporation shall be of two classes:

- A. Grain sorghum producers, both landlord and tenant;
- B. Individuals, firms, partnerships or corporations interested in grain sorghum production, marketing, and utilization.

**Section 3.** - Each regular member shall be entitled to one vote on each membership ballot. No voting by proxy shall be permitted.

#### **ARTICLE III – DISTRICTS**

Directors will be elected by producers of grain sorghum to represent the four areas as identified. Districts will be represented by production according to the 1992 New Mexico Agricultural Statistical Service; District 1 will represent the counties – Quay, DeBaca, San Miguel, Harding – production represented by harvested acres 25,700; District 2 – county – Curry – production represented by harvested acres 65,400; District 3 – county Roosevelt (Northwest half of Roosevelt County divided by Highway 70) production represented by harvested acres 55,000; District 4 – counties – Roosevelt (Southeast half of Roosevelt county divided by Highway 70), Lea, Eddy, Luna, Hidalgo and Dona Ana – production represented by harvested acres approximately 60,000.

#### **ARTICLE IV**

**Section 1.** - Annual or special membership meetings may be called in the respective area by the current director representing that district for the election of the directors or other business.

**Section 2.** - Written notice stating the place, day and hour of any meeting of members shall be delivered to each member either personally or by mail at least ten days prior to the meeting.

**Section 3.** - Robert's Rules of Order shall govern the conduct of all meetings.

## **ARTICLE V – DIRECTORS**

**Section 1.** - Elections may be held by special meetings or by mail.

**Section 2.** - Directors at an area/district level will be elected by the current membership and shall serve two year terms.

## **ARTICLE VI – BOARD OF DIRECTORS MEETINGS**

**Section 1.** - A regular meeting of the State Board of Directors shall be held.

**Section 2.** - Special meetings of the Board of Directors may be called by the President or any two directors.

## **ARTICLE VII – OFFICERS**

**Section 1. President** - The President shall be the chief policy officer of the Corporation.

**Section 2. Vice President** - The Vice President for Service shall perform the duties of the President in his absence or inability to act.

**Section 3. Secretary-Treasurer** - The Secretary-Treasurer shall be the chief financial officer of the Corporation and shall keep, or cause to be kept, the Corporation's accounts, books and records. He shall sign all instruments required by law to be signed by such an officer. The Secretary-Treasurer shall be responsible for the minutes of all meetings of the Board of Directors and the Executive Committee and shall have custody of the common seal of the Corporation. He shall have an annual audit made by a competent public accountant. He shall deposit Corporation funds in such banks as designated by the Board.

**Section 4. Executive Staff** - The Executive Staff of Grain Sorghum Producers shall provide assistance for the administration of all programs and activities of the Corporation.

## **ARTICLE VIII – BOOKS AND RECORDS**

The association shall keep correct and complete financial records and shall keep minutes of the proceedings of its membership and Board of Directors meetings. All books and records of the association may be inspected by any member at any reasonable time.

## **ARTICLE IX – FISCAL YEAR**

The fiscal year of the association shall begin on the first day of October and end on the last day of September in each year.

#### **ARTICLE X – AMENDMENTS TO BYLAWS**

These bylaws may be altered, amended, or repealed and new bylaws adopted at any meeting of the Board of Directors by a majority of the directors present if a written notice is given to each Board member at least 10 days prior to the meeting stating intent to alter, amend, repeal or adopt new bylaws.

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Stan Fury, President

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Gary Bright, Secretary-Treasurer

**PROPOSED BYLAWS**  
**OKLAHOMA SORGHUM PRODUCERS ASSOCIATION**  
**Adopted April 26, 2012**

**ARTICLE I – OBJECTIVES**

The purpose of the association is to represent Oklahoma sorghum producers and develop programs and activities in their interest as follows:

- **Service:** Represent grain sorghum farmers independently or in cooperation with departments or agencies of local, state, national and international governments, universities, and other organizations that will improve the profitability of U.S. sorghum production.
- **Research and Education:** Promote research and informational programs in sorghum production, marketing and utilization.
- **Market Development:** Develop and maintain domestic and foreign markets for sorghum.

**ARTICLE II – MEMBERSHIP**

**Section 1.** – The association shall have powers to maintain a membership; to receive donations and bequests; to purchase, lease or sell all property that is legal for non-profit corporations under the laws of the State of Oklahoma.

**Section 2.** – The membership of the Corporation shall be of two classes:

- A. Sorghum producers, both landlord and tenant;
- B. Individuals, firms, partnerships or corporations interested in sorghum production, marketing, and utilization.

**Section 3.** – Each regular member shall be entitled to one vote on each membership ballot. No voting by proxy shall be permitted.

**ARTICLE III – DISTRICTS**

Directors will be elected by producers of sorghum to represent five districts as identified. Districts are: District 1 – Cimarron County; District 2 – Texas County; District 3 – Alfalfa, Beaver, Blaine, Canadian, Custer, Dewey, Ellis, Harper, Kingfisher, Major, Roger Mills, Woods and Woodward Counties; District 4 – Adair, Cherokee, Craig, Creek, Delaware, Garfield, Grant, Kay, Lincoln, Logan, Mayes, McIntosh, Muskogee, Noble, Nowata, Okfuskee, Oklahoma, Okmulgee, Osage, Ottawa, Pawnee, Payne, Rogers, Sequoyah, Tulsa, Wagoner and Washington Counties; and District 5 – Atoka, Beckham, Bryan, Caddo, Carter, Choctaw, Cleveland, Coal, Comanche, Cotton, Garvin, Grady, Greer, Harmon, Haskell, Hughes, Jackson, Jefferson, Johnston, Kiowa, Latimer, Leflore, Love, Marshall, McClain, McCurtain, Murray, Pittsburg, Pontotoc, Pottawatomie, Pushmataha, Seminole, Stephens, Tillman and Washita Counties.

**ARTICLE IV – MEMBERSHIP MEETINGS**

**Section 1.** – Annual or special membership meetings may be called in the respective area by the current director representing that district for the election of directors or other businesses.

**Section 2.** – Written notice stating the place, day and hour of any meeting of members shall be delivered to each member either personally, mail or e-mail, at least ten days prior to the meeting.

**Section 3.** – Roberts Rules of Order shall govern the conduct of all meetings.

## **ARTICLE V – DIRECTORS**

**Section 1.** – A regular annual meeting of the state board of directors shall be held.

**Section 2.** – Special meeting of the board of directors may be called by the president or any two directors.

**Section 3.** – Directors elected in Article III through the Oklahoma Sorghum Commission will simultaneously serve the same five-year term as a director for the Oklahoma Sorghum Association.

**Section 4.** – In addition to the directors named in Article III, three at-large directors shall be elected by majority vote of the board from nomination forms received from the membership. These three at-large directors shall serve as officers of the board.

**Section 5.** – All directors shall serve five-year terms.

## **ARTICLE VII – OFFICERS**

**Section 1. President** – The president shall be the chief policy officer of the corporation.

**Section 2. Vice President** – The vice president for service shall perform the duties of the president in his absence or inability to act.

**Section 3. Secretary – Treasurer** – The secretary-treasurer shall be the chief financial officer of the corporation and shall keep, or cause to be kept, the corporations accounts, books and records. He shall sign all instruments required by law to be signed by such an officer. The secretary-treasurer shall be responsible for the minutes of all meetings of the board of directors and the executive committee and shall have custody of the common seal of the corporation. He shall have an annual audit made by a competent public accountant. He shall deposit corporation funds in such banks as designated by the board.

**Section 4. Executive Staff** – The executive staff of Sorghum Producers shall provide assistance for the administration of all programs and activities of the corporation.

**Section 5. Terms** – Officers shall serve a one-year term.

## **ARTICLE VIII – BOOKS AND RECORDS**

The association shall keep correct and complete financial records and shall keep minutes of the proceedings of its membership and board of directors meetings. All books and records of the association may be inspected by any member at any reasonable time.

## **ARTICLE IX – FISCAL YEAR**

The fiscal year of the association shall begin on the first day of October and end on the last day of September each year.

#### **ARTICLE X – AMENDMENTS TO BYLAWS**

These bylaws may be altered, amended, or repealed and new bylaws adopted at any meeting of the board of directors by a majority of the directors present if a written notice is given to each board member at least 10 days prior to the meeting stating intent to alter, amend, repeal or adopt new bylaws.

**COOPERATIVE AGREEMENT**

**BETWEEN**  
**NATIONAL SORGHUM PRODUCERS**  
**AND**  
**KANSAS GRAIN SORGHUM PRODUCERS ASSOCIATION**

THIS COOPERATIVE AGREEMENT (the "Agreement") is made effective the 1<sup>st</sup> day of Oct., by and between National Sorghum Producers ("NSP") and Kansas Grain Sorghum Producers Association ("KGSPA").

The parties hereby agree as follows:

**I. Authority**

- A. **Authority.** NSP Charter was chartered in 1955 to act as the voice of the United States sorghum industry, defend policies, and work with regulatory agencies to benefit sorghum producers.
- B. **Authority.** KGSPA was organized in 1976 by Kansas farmers to provide legislative and regulatory issue representation as well as to serve as a promotion and communications tool for grain sorghum producers in Kansas. The nine member board represents growers across the state of Kansas.
- C. **Term and Termination.** The Term of this Agreement shall commence on the effective date set forth above and shall continue until revoked by NSP or KGSPA pursuant to this Agreement for revocation and surrender.
- D. **Territory and Activities.** KGSPA is a state organization within Kansas (the "STATE"). KGSPA shall conduct sorghum activities at the state level, with collaborative efforts of NSP when needed. NSP shall conduct sorghum activities at the national and state levels within the mission and purpose of NSP with collaborative efforts of KGSPA when needed.

**II. Obligations**

Obligations of KGSP and NSP include:

- A. **Bylaws and Other Requirements.** All parties outlined within this agreement shall conduct business following their respective bylaws and will provide those bylaws and amendments to all parties. KGSPA shall provide to NSP the Bylaws of KGSPA. KGSPA shall adopt a code of ethics and conflict of interest, whistleblower, document retention and compensation policies containing substantive provisions at least as stringent as those adopted by NSP.
- B. **Compliance with Laws.** Both parties warrant that they are and will remain in full compliance with all applicable laws, regulations and other legal standards that may affect their performance under this Agreement.
- C. **Recordkeeping, Reporting and Inspection.** Both parties shall maintain reasonable records related to all of its programs, activities, operations, membership records, financial records, including and without limitation minutes of the meetings of its members and board of directors. Upon written request, either party may review these records at their own expense.
- D. **Programs and Activities.** NSP and KGSPA shall endeavor to sponsor and conduct programs and activities that further the purposes and objectives of the sorghum industry. Both parties shall communicate in a timely manner a schedule of upcoming meetings, conferences and seminars, as well as other programs and activities that either party intends to sponsor or conduct. Both parties may, at their sole discretion and expense, send representatives to observe such programs and activities. Neither party

- shall take a public position on any federal, state or local legislative, regulatory or other issue that is inconsistent with either party's policy without prior notification.
- E. Diversity. KGSPA shall at all times adhere to NSP policy regarding diversity and inclusiveness.
- F. Insurance. All parties shall maintain at all times appropriate insurance levels covering the comprehensive general liability of the organization as well as director and officer liability.

III. Intellectual Property and Confidential Information.

The authority to use either party's Intellectual Property is limited to those activities authorized under this Agreement, subject to the terms and conditions of this Agreement and any written guidelines contained in either party's governing documents or policies.

- A. Intellectual property of either party is and shall remain at all times the sole and exclusive property of the respective party. Intellectual property may be used by either party if, and only if, such use is made pursuant to the terms and conditions of this Agreement.
- B. Neither party's logo may be revised or altered in any way, and must be displayed in the same form as produced by either party. Neither party's intellectual property may be used in conjunction with any other trademark, service mark, or other mark without express prior written approval.
- C. Either party's intellectual property must be used in a professional manner and solely for official purposes. Neither party shall permit a third party to use each other's intellectual property without prior written approval. Neither party shall sell or trade intellectual property without express prior written approval. Neither party's intellectual property may be used for individual personal or professional gain or other private benefit. Neither party's intellectual property may be used in any manner that, in the sole discretion of either party, discredits either party or tarnishes their reputation and goodwill; is false or misleading; violates the rights of others; violates any law, regulation or other public policy; or mischaracterizes the relationship between both parties.
- D. KGSPA shall maintain the confidentiality of the NSP Mailing List and shall not sell, lease, rent, trade, transmit, or otherwise disseminate the Mailing List, in whole or in part, to any third party without the express prior written approval of NSP. KGSPA may, in consultation with NSP, utilize the Mailing List for purposes of membership development. KGSPA may, without consulting further with NSP, utilize its membership list for any appropriate purpose.
- E. In any authorized use of intellectual property, both parties shall ensure that the applicable trademark and copyright notices are used pursuant to the requirements of United States law or state law and any other guidelines.
- F. Either party may reserve the right to prohibit use of any of its intellectual property, as well as to impose other sanctions, if it determines, in its sole discretion, the other party's usage is not in strict accordance with the terms and conditions of this limited and revocable license.
- G. All rights of usage of either party's intellectual property shall terminate immediately upon the revocation, surrender or other termination of this Agreement. Both party's obligations to protect the other party's intellectual property shall survive the revocation, surrender or other termination of this Agreement.
- H. Either party may at times be privy to confidential information due to its relationship with the other. If either party has signed a Non-Disclosure Agreement (NDA) or similar instrument protecting the confidential information and has made the other aware of the confidential nature of the information and existence of an NDA or similar instrument,

VII. Reciprocal Indemnification.

KGSPA shall hold NSP, its officers, directors, members and agents, harmless from and against any and all third party claims, actions, suits, demands, losses, damages, judgments, settlements, costs and expenses (including reasonable attorneys' fees and expenses), and liabilities of every kind and character whatsoever, which may arise out of the acts or omissions of KGSPA, its officers, directors, members and agents, whether in connection with this Agreement or otherwise. The provisions of this Section shall survive any revocation, surrender or other termination of this Agreement.

NSP shall hold KGSPA, its officers, directors, members and agents, harmless from and against any and all third party claims, actions, suits, demands, losses, damages, judgments, settlements, costs and expenses (including reasonable attorneys' fees and expenses), and liabilities of every kind and character whatsoever, which may arise out of the acts or omissions of NSP, its officers, directors, members and agents, whether in connection with this Agreement or otherwise. The provisions of this Section shall survive any revocation, surrender or other termination of this Agreement.

VIII. Revocation

- A. Revocation. Either party, through its Board of Directors, shall have the authority to revoke this agreement if the Board of Directors determines that the conduct of the other party is in material breach of any provision of this Agreement.
- B. Effect of Revocation. Upon revocation, this Agreement shall be considered immediately terminated, and (i) the grant of rights hereunder, including without limitation the right to utilize intellectual property in the other party's name or otherwise, shall be revoked; and (ii) all steps necessary for both parties to cease use of the others intellectual property shall be taken immediately. Following termination of this Agreement, NSP may in its sole discretion, subject to a further written agreement, grant KGSPA the right to continue to offer NSP programs.

IX. Miscellaneous.

- A. Entire Agreement. This Agreement:
  - i. constitutes the entire agreement between the parties;
  - ii. supersedes and replaces all prior agreements, oral and written, between the parties; and
  - iii. may be amended only by a written instrument clearly setting forth the amendment(s) and executed by both parties.
- B. Warranties. Each party covenants, warrants, and represents that it has the authority to enter into this Agreement, that it shall comply with all laws, regulations and other legal standards applicable to this Agreement, and that it shall exercise due care and act in good faith at all times in performance of its obligations under this Agreement. The provisions of this Section shall survive any revocation, surrender or other termination of this Agreement.
- C. Governing Law. All questions with respect to the construction of this Agreement or the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the home state of the national office, without regard to that jurisdiction's choice of law principles. Any legal action permitted hereunder shall be brought only before a federal or state court of competent jurisdiction. Each party hereby consents to the personal jurisdiction of the federal and state courts located within that jurisdiction.
- D. Dispute Resolution. Except with respect to a claim by one party that the other has breached its obligations under Section III, hereof which claim may be asserted in a court of law, all disputes between the parties arising in any manner out of this Agreement shall first be attempted to be resolved through a face-to-face meeting between authorized representatives of the parties; any such meeting shall take place

both parties shall be bound by the terms of the NDA or similar instrument and protect the confidentiality of the information.

**IV. Relationship of Parties.**

Nothing herein shall create any joint venture, partnership, or agency relationship of any kind between the parties. Unless expressly agreed to in writing by the parties, neither party is authorized to incur any liability, obligation or expense on behalf of the other, to use the other's monetary credit in conducting any activities under this Agreement.

**V. Membership.**

KGSPA shall admit as members only those persons who are eligible for membership in NSP. Members of NSP within the STATE shall, upon admission to membership, automatically become members of KGSPA. The terms and conditions of membership in NSP shall be substantially the same as the terms and conditions of membership in KGSPA and shall be set forth in both organization's bylaws.

**VI. Membership Dues and Other Funding.**

- A. One-Year Membership fees will be divided between NSP and KGSPA on a 62.5% - 37.5% split fee arrangement.
- B. Three-Year Membership fees will be divided between NSP and KGSPA on a 62.5% - 37.5% split fee arrangement.
- C. All producers who have memberships currently in either organization will become members of both organizations retroactive to November 1, 2014.
- D. NSP will share with KGSPA 20 percent of the funds generated from the NSP E-Member program from Kansas E-Members subject to the following:
  - i. KGSPA staff will work in cooperation with NSP staff to develop and implement an annual membership plan with specific deliverables by the state and national organizations.

**E. Membership Renewal Process and Procedure.**

- i. NSP will print invoices on NSP/KGSPA membership forms at the beginning of each month for producer members who live in Kansas and require an initial renewal notice.
- ii. NSP will place membership forms in a Priority Mail envelope and send the notices to the KGSPA.
- iii. KGSPA will mail renewal notices with a joint letter from NSP and KGSPA, to be approved annually by NSP, and with return envelope to KGSPA.
- iv. KGSPA will collect new memberships and renewals and mail all checks and forms to NSP for deposit and entry into the NSP membership database.
- v. NSP will, at the end of the month, transfer the Kansas portion of the memberships to the KGSPA financial account held with NSP.
- vi. NSP will send a financial statement monthly indicating the balance in the Kansas account, as well as the Kansas portion of current and deferred memberships.
- vii. NSP will send a membership report at the beginning of the following month, detailing new, current and lapsed members residing in Kansas for the month along with a chart of membership, showing the membership details for the fiscal year.
- viii. KGSPA may at any time request a list of current members from NSP within Kansas.

- at the offices of NSP, or at such other location as the parties may agree. Any dispute not resolved through such face-to-face meeting shall be attempted to be resolved through non-binding mediation under the applicable rules of the American Arbitration Association;
- E. **Force Majeure.** Neither party shall be liable for failure to perform its obligations under this Agreement due to events beyond its reasonable control, including, but not limited to, strikes, riots, wars, fire, acts of God, and acts in compliance with any applicable law, regulation or order (whether valid or invalid) of any governmental body.
  - F. **Severability.** If any provision contained herein is determined by a court of competent jurisdiction or an arbitration tribunal to be deemed unenforceable, said determination shall not affect the validity and enforcement of the remaining provisions hereof, unless a material failure of consideration would result thereby.
  - G. **Assignment.** Neither party shall assign its rights herein to any person or entity without the prior written consent of the other party. The rights and obligations set forth in this agreement are binding upon, and shall inure to the benefit of, the successors and permitted assigns of the parties.
  - H. **Waiver.** No waiver by either party, whether expressed or implied, of any right or obligation set forth in this agreement, or any breach or default, shall constitute a continuing waiver of any other right, obligation, breach or default.
  - I. **Authority to Execute.** Each person signing this Agreement on behalf of a party warrants that he or she is duly authorized by all necessary and appropriate corporate action to execute this Agreement.
  - J. **Counterparts.** This Agreement may be executed in counterparts.
  - K. **Notice.** All notices and demands of any kind or nature that either party may be required or may desire to serve upon the other in connection with this Agreement shall be in writing and may be served personally, by certified mail, or by overnight courier, with receipt deemed to have occurred on the date of first receipt or refusal of delivery of such notice by the addressee, to the following addresses:

If to NSP:

National Sorghum Producers  
4201 N Interstate 27  
Lubbock, TX 79403

If to KGSPA:

Kansas Grain Sorghum Producers Association  
795 22<sup>nd</sup> Rd NW  
Lebo, KS 66856

IN WITNESS WHEREOF, the parties hereto have caused duplicate originals of this KGSPA Agreement to be executed by their respective duly authorized representatives on the dates set forth below.

National Sorghum Producers

By:



J.B. Stewart, Chairman

Date:

9-16-2015

Kansas Grain Sorghum Producers Association

By:



Greg Shelor, Chairman

Date:

7/21/15

**COOPERATIVE AGREEMENT**

**Between**

**National Sorghum Producers and Kansas Grain Sorghum Producers Association**

**Addendum**

This addendum is intended to simplify the administrative process of bringing the two organizations back together. In regards to section VI. C it changes the effective start date of the agreement from November 2014 to October 2015. This section is modified to read as follows:

VI.

C. All producers who have memberships currently in either organization will become members of both organizations effective October 1, 2015.

**National Sorghum Producers**

By:

J.B. Stewart Date 9-16-2015

J.B. Stewart, Chairman

**Kansas Grain Sorghum Producers Association**

By:

Greg Shelor Date 2/3/15

Greg Shelor, Chairman

Dear Texas E-Member Elevator,

The Texas Grain Sorghum Association (TGSA) Board of Director's will hold an election this year. The terms of two (2) of the three (3) at-large seats are expiring. As an E-member elevator, you have the capacity to vote on behalf of your elevator for an at-large position in your TGSA district. The expiring terms come from the Central and South TGSA districts.

TGSA is divided into three districts: North District, Central District and South District. Each district will now have three board of director positions. There will be two producer-member seats and one at-large member seat per district for a total of nine directors' statewide. An elected director's term is three years.

The producer-member seats will be filled by sorghum growers who are dues paying members of TGSA within that district. Only Texas sorghum grower, TGSA dues-paying members are allowed to vote for the producer seats. As an e-member, your growers are eligible to vote for the producer member seats up for election in their district. This year, the North district has one (1) expiring producer member seat.

The at-large seat in each district will come from "Associate" members. Associate members are Texas E-member elevators or TGSA Corporate members. As an E-member elevator, you will be allocated one vote for each \$1-\$1,000 that you paid into E-membership to Texas in our fiscal year 2013. Each additional \$1,000 will receive one additional vote for a maximum of up to four votes. The money allocation from E-membership is what TGSA received back from National Sorghum Producers (NSP) from your elevator. Texas receives back 20% from the NSP E-membership elevator program for legislative activities. For example, if your elevator collected \$1,200 for NSP for the E-membership elevator program in FY2013, then TGSA received \$240 from NSP and therefore, your elevator will receive one vote for the at-large seat in your district. TGSA Corporate members will receive one vote for every \$1,000 paid into membership for FY2013 for a maximum of up to four votes in their district. Votes will be tallied from last year's fiscal collections, which ended on September 30, 2013.

The at-large member may be a producer, manager, owner or anyone who is a part of the E-membership elevator or TGSA Corporate membership program. You may choose to nominate someone from your elevator for this open seat, if you so choose. A nomination form is on the backside of this letter and must be postmarked to TGSA by November 13, 2013.

Your E-membership elevator is in the Central District. The number of votes you receive will be mailed with the ballots after nomination forms are due. The election will be a mail ballot and will also be posted on TGSA's website.

Please don't hesitate to contact us if you have any questions.  
Thank you for your support in the sorghum industry.



Wayne Cleveland  
Executive Director, TGSA  
[wclleveland@mindspring.com](mailto:wclleveland@mindspring.com)  
(254) 541-5375



Morgan Newsom  
Producer Relations, TGSA  
[morgan.newsom@gmail.com](mailto:morgan.newsom@gmail.com)  
(806) 438-5994



**E-MEMBER** *program*

## NSP ELEVATOR MEMBERSHIP PROGRAM OVERVIEW

### What is E-Membership?

NSP is proud to partner with elevators around the country through its Elevator Membership program. The E-Member Program is a voluntary program for elevators who recognize the importance of legislative representation in Washington, D.C., and want the best in sorghum education for their business and customers.

### How Does the E-Member Program Work?

E-Members collect \$.0028/bushel and remit it to the National Sorghum Producers as membership dues on behalf of their growers for legislative and regulatory support. Elevators may pay membership dues on behalf of their grower customers. If an elevator elects to pay membership for their customers the assessed production is established based on the average of the past three years of production.

### Benefits of E-Membership

As an E-Member, your staff and farmer customers receive NSP and individual state membership. You may designate all producers who deliver to your facility to receive NSP membership, which includes the following benefits:

- Subscription to *Sorghum Grower* magazine, the official magazine of NSP and the sorghum industry
- NSP's weekly newsletter, *Sorghum Notes*
- Eligibility to enter the NSP Yield Contest. National and state winners will be honored at the annual Commodity Classic.

### What has NSP done for the industry lately?

E-Membership is an easy way of ensuring the sorghum industry's continued growth and profitability. NSP continues their work to educate leaders on the benefits of sorghum. In addition, NSP works hard to ensure fair policy and legislation on behalf of all sorghum growers and industries utilizing sorghum in their day-to-day operations. Help us help you. Recent examples of NSP's work for sorghum growers include:

- Commodity Title target price support for sorghum of \$3.95 per bushel in the 2014 Farm Bill.
- Increased crop insurance price elections relative to corn. From 2010 to 2014, this increase has given more than \$66.3 million to sorghum farmers.
- 2014 Farm Bill worked to insert language to instruct RMA to "increase participation for under-served crops," including sweet and biomass sorghums.
- Supportive of all efforts on Capitol Hill concerning trade agreements and export opportunities.
- Assisted states to attain Section 18 approval for Transform WG, a pesticide to treat sugarcane aphids in 14 states.
- Actively involved in assisting FGIS with issues concerning sorghum marketing.
- Helped define sorghum as a biofuel in the 2008 Farm Bill. In addition helped to implement the Section 9005 ensuring the Advanced Biofuel Payment Program for low-carbon biodiesel and cellulosic ethanol.

### More about NSP

NSP is a non-profit organization representing sorghum growers from coast to coast in legislative and regulatory matters. For more information on NSP, visit [www.SorghumGrowers.com](http://www.SorghumGrowers.com). For more information on the E-Membership Program, contact Shelee Padgett, NSP field services director, at [sheleep@sorghumgrowers.com](mailto:sheleep@sorghumgrowers.com).

## EXHIBIT A

### PERMISSION TO SOLICIT MEMBERS OF

---

Before National Sorghum Producers (NSP), National Sorghum Producers Political Action Committee (Sorghum PAC), Texas Grain Sorghum Producers or Texas Grain Sorghum Producers Political Action Committee (SorGo PAC) may solicit the sorghum producer members of NSP or E-Member for contributions to Sorghum PAC, NSP member or E-Member separate and specific approval is required for each calendar year. NSP member or E-Member may not approve solicitations by another membership organization for the same calendar year. NSP member or E-Member may withdraw its approval at any time. NSP, Sorghum PAC, Texas Grain Sorghum Producers, SorGo PAC and NSP member or E-Member agree that a sorghum producer member's decision whether or not to voluntarily participate will in no way be favored or disfavored and shall be free of any reprisal for the sorghum producer member's decision.

#### 2017

By signing below, you affirm that: (1) you understand that NSP member or E-Member approval is required before NSP, Sorghum PAC, Texas Grain Sorghum Producers or SorGo PAC may solicit NSP member or E-Member's sorghum producer members; (2) NSP member or E-Member gives its approval to NSP, Sorghum PAC, Texas Grain Sorghum Producers and SorGo PAC to solicit contributions from NSP member or E-Member's sorghum producer members during calendar year 2017; and (3) NSP member or E-Member has not given solicitation approval to any other membership organization to solicit its producer members for calendar year 2017.

---

(Appropriate signatory and title)

---

Date

#### 2018

By signing below, you affirm that: (1) you understand that NSP member or E-Member approval is required before NSP, Sorghum PAC, Texas Grain Sorghum Producers or SorGo PAC may solicit NSP member or E-Member's sorghum producer members; (2) NSP member or E-Member gives its approval to NSP, Sorghum PAC, Texas Grain Sorghum Producers and SorGo PAC to solicit contributions from NSP member or E-Member's sorghum producer members during calendar year 2018; and (3) NSP member or E-Member has not given solicitation approval to any other membership organization to solicit its sorghum producer members for calendar year 2018.

---

(Appropriate signatory and title)

---

Date

#### 2019

By signing below, you affirm that: (1) you understand that NSP member or E-Member approval is required before NSP, Sorghum PAC, Texas Grain Sorghum Producers or SorGo PAC may solicit NSP member or E-Member's sorghum producer members; (2) NSP member or E-Member gives its approval to NSP, Sorghum PAC, Texas Grain Sorghum Producers and SorGo PAC to solicit contributions from NSP member or E-Member's sorghum producer members during calendar year 2019; and (3) NSP member or

E-Member has not given solicitation approval to any other membership organization to solicit its sorghum producer members for calendar year 2019.

---

*(Appropriate signatory and title)*

---

Date

**2020**

By signing below, you affirm that: (1) you understand that NSP member or E-Member approval is required before NSP, Sorghum PAC, Texas Grain Sorghum Producers or SorGo PAC may solicit NSP member or E-Member's sorghum producer members; (2) NSP member or E-Member gives its approval to NSP, Sorghum PAC, Texas Grain Sorghum Producers and SorGo PAC to solicit contributions from NSP member or E-Member's sorghum producer members during calendar year 2020; and (3) NSP member or E-Member has not given solicitation approval to any other membership organization to solicit its sorghum producer members for calendar year 2020.

---

*(Appropriate signatory and title)*

---

Date

**2021**

By signing below, you affirm that: (1) you understand that NSP member or E-Member approval is required before NSP, Sorghum PAC, Texas Grain Sorghum Producers or SorGo PAC may solicit NSP member or E-Member's sorghum producer members; (2) NSP member or E-Member gives its approval to NSP, Sorghum PAC, Texas Grain Sorghum Producers and SorGo PAC to solicit contributions from NSP member or E-Member's sorghum producer members during calendar year 2021; and (3) NSP member or E-Member has not given solicitation approval to any other membership organization to solicit its sorghum producer members for calendar year 2021.

---

*(Appropriate signatory and title)*

---

Date

## EXHIBIT B

**National Sorghum Producers Political Action Committee (Sorghum PAC), Texas Grain Sorghum Producers  
Political Action Committee (SorGo PAC)<sup>1</sup>  
Political Action Committee Contribution Form<sup>2</sup>**

National Sorghum Producers Political Action Committee (Sorghum PAC) and Texas Grain Sorghum Producers Political Action Committee (SorGo PAC) hereby present the following solicitation for contribution to aid in funding the Sorghum PAC and SorGo PAC for the purposes of supporting and electing political candidates who support agriculture and the sorghum industry and influencing agricultural legislation reform.<sup>3</sup>

Sorghum PAC is recommending a \$0.0014 per bushel contribution to Sorghum PAC to be deducted from each bushel processed through the local NSP E-Member. Similarly, Sorghum PAC, in cooperation with SorGo PAC and NSP state affiliates, recommend a \$0.0007 per bushel contribution be designated to support candidates in the applicable state and deducted from each bushel processed through the local NSP E-Member. For state affiliates with state PACs, this contribution will be made to the state PAC. For state affiliates without state PACs, this contribution will be made to Sorghum PAC and used exclusively to support candidates in those states in consultation with the NSP state affiliate. The recommended contributions are only suggestions and any NSP sorghum producer member may contribute more or less than the recommendations. NSP sorghum producer members are not required to contribute to either PAC and can designate a contribution to state candidates only.

Neither NSP nor Sorghum PAC nor TGSP nor SorGo PAC nor the NSP E-Member will favor nor disadvantage anyone by reason of the amount of their contribution or their decision not to contribute. NSP sorghum producer members may refuse to contribute without reprisal. Should an NSP sorghum producer member authorize a contribution, the same member may at any time revoke or modify the contribution amount without penalty or adverse action from NSP, Sorghum PAC, TGSP, SorGo PAC or the local NSP E-Member.

The authorization form below should be completed in its entirety by those NSP sorghum producer members that desire to make contributions to Sorghum PAC, SorGo PAC and/or state candidates through Sorghum PAC. Once completed, NSP sorghum producer members should return the form to the local NSP E-Member for collection and submission of the contribution to Sorghum PAC and/or SorGo PAC.

Individual or Partnership Name: \_\_\_\_\_

Address: \_\_\_\_\_

<sup>1</sup> Sorghum PAC is a Federal multicandidate political action committee organized as a separate segregated fund of National Sorghum Producers. Sorgo PAC is a Texas general-purpose political committee registered with the Texas Ethics Commission.

<sup>2</sup> Contributions to political action committees are not deductible for Federal income tax purposes and may not be reimbursed as a business expense. No corporate contributions or contributions from foreign nationals may be accepted under Federal law. Federal law requires us to use our best efforts to collect and report the name, address, occupation and name of employer of individuals whose contributions exceed \$200.

<sup>3</sup> Sorghum PAC supports candidates for Federal office and state office as designated on this form. SorGo PAC supports candidates for state office in Texas. SorGo PAC does not directly support candidates for Federal office.

City, State, Zip: \_\_\_\_\_

If an individual please provide occupation (check one)  Farmer  Other: \_\_\_\_\_

If an individual, name of your employer (check one)  Self-Employed  Employer: \_\_\_\_\_

(PLEASE CHECK APPROPRIATE BLOCKS)

**(Individual)**<sup>4</sup> I wish to contribute from my \_\_\_\_\_ crop proceeds. The undersigned certifies that he/she is not a corporation and authorizes \_\_\_\_\_ to deduct and:

- make a contribution to Sorghum PAC in the amount of \$\_\_\_\_\_ per bushel and/or
- make a contribution to SorGo PAC in the amount of \$\_\_\_\_\_ per bushel and/or
- make a contribution to Sorghum PAC to be used exclusively for supporting candidates for state office in \_\_\_\_\_ in the amount of \$\_\_\_\_\_ per bushel.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Account Number(s): \_\_\_\_\_

**(Partnership)**<sup>5</sup> This partnership wishes to contribute from the partnership's \_\_\_\_\_ crop proceeds and authorizes \_\_\_\_\_ to deduct and on behalf of the partnership:

- make a contribution to Sorghum PAC in the amount of \$\_\_\_\_\_ per bushel and/or
- make a contribution to SorGo PAC in the amount of \$\_\_\_\_\_ per bushel and/or
- make a contribution to Sorghum PAC to be used exclusively for supporting candidates for state office in \_\_\_\_\_ in the amount of \$\_\_\_\_\_ per bushel.

Signature of Authorized Partner: \_\_\_\_\_ Date: \_\_\_\_\_ Account Number(s): \_\_\_\_\_

*Please list all partners on the back of this form and return it with the form. Also, see the bottom of this form for information concerning restrictions of contributions by corporate and LLC partners.*

**(Personal Check)** I wish to contribute with a personal or unincorporated farm check. Please complete and return this form with your check made payable to "National Sorghum Producers PAC" and/or "Texas Grain Sorghum Producers PAC."

### **Partnership Contributions**

Partnership contributions to Sorghum PAC are limited to \$5,000 per calendar year. Under Federal Law, contributions in excess of \$200 from a partnership must be attributed to each contributing partner. The portion attributed to each partner must not exceed the individual partner's contribution limit. If all partners within the organization are contributing, the partnership may attribute the contribution according to each partner's share of the partnership's profits. If the partnership attributes a contribution on another basis agreed to by the partners, or if it attributes contributions only to certain partners, the

<sup>4</sup> Individual contributions are limited to \$5,000 per calendar year.

<sup>5</sup> Partnership contributions to Sorghum PAC are limited to \$5,000 per calendar year. Contributions from each partner's personal funds to the PAC are also limited to \$5,000 per calendar year.

following rules must be observed: 1) the profits and losses of only the contributing partners must be affected; and 2) the profits of each contributing partner must be reduced (or his/her losses increased) by the amount of the contribution attributed to him or her.

**Special Rules for Partnerships with Corporations and/or LLCs:** A partnership with corporate members may not contribute any portion of a contribution to the corporate partner. For the purposes of contribution limitations and prohibitions, contributions may only be attributed to an LLC partner if the LLC itself is treated as a partnership, does not have publicly traded shares, and has either chosen to file, under IRS rules, as a partnership or made no choice at all.

## EXHIBIT B

Please list all partners and allocate the contribution of each partner. The total for all partners must equal the total of the partnership contribution or 100 percent.

Partner 1 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 2 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 3 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 4 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 5 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 6 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

Partner 7 Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or % \_\_\_\_\_

Address: \_\_\_\_\_

If also otherwise employed, name of employer: \_\_\_\_\_

*(If there are additional partners, please make copies of this page and continue to list all partners.)*

## Sorghum PAC Checkoff System

Sorghum PAC and SorGo PAC contract with members and E-Members to serve as remitters of voluntary contributions (Exhibit A).

Sorghum PAC and SorGo PAC solicit voluntary contributions from sorghum producer members.

Sorghum producer members who wish to participate in the checkoff system fill out authorized deduction form and designate contributions (Exhibit B).

Sorghum producer member harvests crop and delivers to the member or E-Member.

Member or E-Member receives sorghum producer member's grain and remits voluntary contribution to Sorghum PAC and/or SorGo PAC according to Exhibit B.

Sorghum PAC and SorGo PAC receive and verify contribution from sorghum producer member.

**From:** John Duff  
**To:** [Joanna Waldstreich](#); [Robert Knop](#); [Anthony Bell](#)  
**Subject:** Sorghum PAC clarifications  
**Date:** Friday, December 22, 2017 2:05:18 PM  
**Attachments:** [TGSA 2013 Election - E-member notice.pdf](#)  
[2017 CONMOK Exec Dir Contract.pdf](#)

---

All,

This email includes our responses to your most recent questions related to the Sorghum PAC AO request.

First, you asked us to clarify the term "Grain Sorghum Producers" which is used on page 25. Here, this term is used interchangeably with the term "National Sorghum Producers."

Second, you asked us to provide more information on the state organizations listed on page 17. Some of these affiliates are checkoff programs prohibited from lobbying and engaging in advocacy activities while others are not prohibited from these activities but will not be participating in any Sorghum PAC functions.

Those affiliates that could participate include:

- Colorado Sorghum Producers Association
- Kansas Grain Sorghum Producers Association
- New Mexico Sorghum Association
- Oklahoma Sorghum Association
- Texas Grain Sorghum Association

The AO request includes bylaws that demonstrate affiliation via management expertise with New Mexico and Oklahoma and a cooperative agreement that outlines dues sharing with Kansas. Regarding other states, attached is a letter from the Texas Grain Sorghum Association to E-Members that outlines dues sharing in Texas. Also attached is a contract between the Colorado Sorghum Producers Association and NSP outlining an agreement for management expertise.

Thanks again for the opportunity to request an advisory opinion, and please do not hesitate to call if you have any questions. Over the next several weeks, it will be easiest to reach me via my cell number below.

Regards,

John



**John Duff**  
Strategic Business Director  
(806) 749-3478 office  
(806) 638-5334 cell  
[sorghumgrowers.com](http://sorghumgrowers.com)  
*Sorghum: The Smart Choice.*



Dear Texas E-Member Elevator,

The Texas Grain Sorghum Association (TGSA) Board of Director's will hold an election this year. The terms of two (2) of the three (3) at-large seats are expiring. As an E-member elevator, you have the capacity to vote on behalf of your elevator for an at-large position in your TGSA district. The expiring terms come from the Central and South TGSA districts.

TGSA is divided into three districts: North District, Central District and South District. Each district will now have three board of director positions. There will be two producer-member seats and one at-large member seat per district for a total of nine directors' statewide. An elected director's term is three years.

The producer-member seats will be filled by sorghum growers who are dues paying members of TGSA within that district. Only Texas sorghum grower, TGSA dues-paying members are allowed to vote for the producer seats. As an e-member, your growers are eligible to vote for the producer member seats up for election in their district. This year, the North district has one (1) expiring producer member seat.

The at-large seat in each district will come from "Associate" members. Associate members are Texas E-member elevators or TGSA Corporate members. As an E-member elevator, you will be allocated one vote for each \$1-\$1,000 that you paid into E-membership to Texas in our fiscal year 2013. Each additional \$1,000 will receive one additional vote for a maximum of up to four votes. The money allocation from E-membership is what TGSA received back from National Sorghum Producers (NSP) from your elevator. Texas receives back 20% from the NSP E-membership elevator program for legislative activities. For example, if your elevator collected \$1,200 for NSP for the E-membership elevator program in FY2013, then TGSA received \$240 from NSP and therefore, your elevator will receive one vote for the at-large seat in your district. TGSA Corporate members will receive one vote for every \$1,000 paid into membership for FY2013 for a maximum of up to four votes in their district. Votes will be tallied from last year's fiscal collections, which ended on September 30, 2013.

The at-large member may be a producer, manager, owner or anyone who is a part of the E-membership elevator or TGSA Corporate membership program. You may choose to nominate someone from your elevator for this open seat, if you so choose. A nomination form is on the backside of this letter and must be postmarked to TGSA by November 13, 2013.

Your E-membership elevator is in the Central District. The number of votes you receive will be mailed with the ballots after nomination forms are due. The election will be a mail ballot and will also be posted on TGSA's website.

Please don't hesitate to contact us if you have any questions.  
Thank you for your support in the sorghum industry.



Wayne Cleveland  
Executive Director, TGSA  
[wclleveland@mindspring.com](mailto:wclleveland@mindspring.com)  
(254) 541-5375



Morgan Newsom  
Producer Relations, TGSA  
[morgan.newsom@gmail.com](mailto:morgan.newsom@gmail.com)  
(806) 438-5994

**AGREEMENT FOR STATE EXECUTIVE DIRECTOR FUNDING  
NATIONAL SORGHUM PRODUCERS  
AND  
COLORADO SORGHUM ASSOCIATION - ASSOCIATION  
COLORADO SORGHUM ASSOCIATION - CHECKOFF**

**Agreement:** This agreement is entered into by and between NATIONAL SORGHUM PRODUCERS (NSP) and the COLORADO SORGHUM ASSOCIATION-ASSOCIATION (CSA-A) and COLORADO SORGHUM ASSOCIATION ~ COMMISSION (CSA-C) to provide partial funding of the State Executive Director position shared by Colorado, New Mexico, and Oklahoma. This agreement can be terminated upon 90 days written notice prior to the end of the fiscal year by either of the contracting parties.

**Authority:** The CSA-A and CSA-C gives NSP authority to administer funds and programs.

**Chief Executive Officer:** The CEO shall have authority to supervise staff and promulgate office policies and procedures.

**Compensation and Reporting:** CSA-A and CSA-C agrees to pay to NSP a total of \$11,000 beginning October 1, 2016 to fund the State Executive Director position as follows:

- Colorado Sorghum Association – Checkoff: \$10,000.00
- Colorado Sorghum Association – Association \$1,000.00

The State Executive Director will report to the CEO of NSP with annual input on both performance as well as critical priority objectives from each of the funding organizations, including the CSA-A and CSA-C. This position is shared and partially funded by the following: Oklahoma Sorghum Association, Oklahoma Sorghum Commission, Colorado Sorghum Association-Association, Colorado Sorghum Association-Checkoff, New Mexico Sorghum Association-Checkoff and New Mexico Association-Association

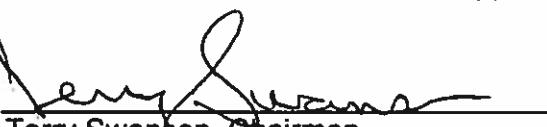
The State Executive Director shall provide to the CSA-A and CSA-C an annual report of activities performed on behalf of CSA-A and CSA-C and the amount of funds spent on such activities. The annual reports shall be submitted to the CSA-A and CSA-C.

**Others Terms and Conditions:** It is further agreed by both parties hereto that:

- NSP shall not discriminate against any individuals on the basis of race, color, religion, national origin, sex or qualified handicap in carrying out the terms of this project.

**COLORADO SORGHUM ASSOCIATION**

By:

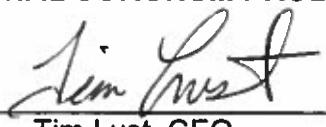
  
Terry Swanson, Chairman

Date:

12-1-2016

**NATIONAL SORGHUM PRODUCERS**

By:

  
Tim Lust, CEO

Date:

3-12-17