

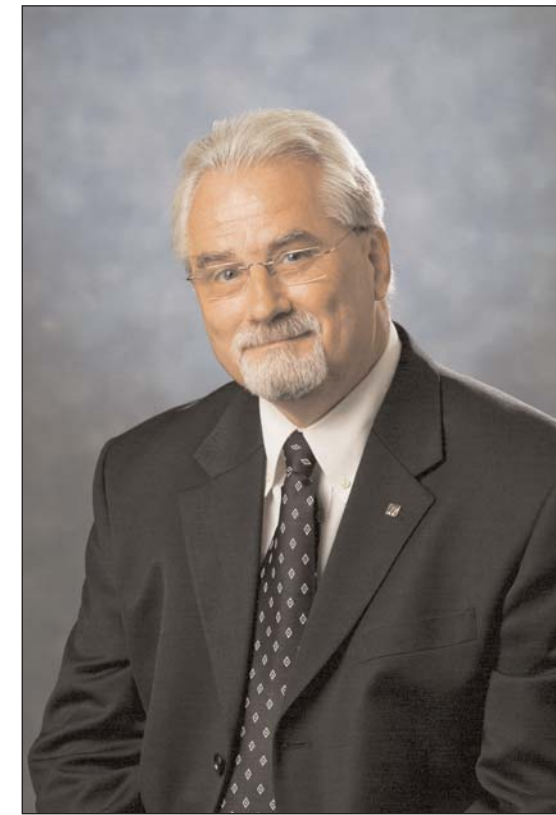
Philip Miller named VCFC Executive Secretary

Philip W. Miller was named executive secretary of the Virginia Council of Farmer Cooperatives last June. He succeeds Hugh Harris, who is retiring after serving 12 years with the Richmond-based membership organization.

Miller is vice president and controller for Southern States Cooperative Inc. A licensed Virginia Certified Public Accountant, he joined Southern States in 1973 and was promoted to his present position in 2000. Miller received a B.A. in economics from Berea College and completed post-graduate studies in accounting at Virginia Commonwealth University. He is a past president and director of the National Society of Accountants for Cooperatives.

"In Phil Miller, the Council has retained the services of a highly skilled professional who has devoted his entire career to serving the best interests of cooperatively-owned businesses," said Richard Johnstone, executive

director of the Virginia, Maryland & Delaware Association of Electric Cooperatives and VCFC president.



"Phil is steeped in the history of co-ops, deeply knowledgeable about their business structure, and

passionate about sharing this uniquely American success story with his fellow Virginians.

"The VCFC, the locally-owned cooperatives we represent, and the hundreds of thousands of Virginians they serve owe a profound debt to Hugh Harris for serving the best interests of the Commonwealth's cooperative community so wisely and so well for more than a dozen years. We wish him a long, happy and well-deserved retirement," Johnstone added.

Founded in 1962, the mission of the VCFC is to promote the understanding of the history, purpose, services and bright future of farmer and consumer-owned cooperatives in Virginia and their major contributions to the state economy. The not-for-profit Council strives to accomplish its mission through educational programs aimed at the general public and especially young persons by working closely with the state's land-grant universities, Virginia Tech and Virginia State, and with 4-H and FFA.

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Virginia, Maryland & Delaware Association of Electric Cooperatives, and as chairman of the Richmond County Industrial Development Authority.

When Old Dominion Electric Cooperative found itself in need of an interim president in 1998, they looked to Charles. For eight months, he commuted between Warsaw and Richmond overseeing operations at both ODEC and Northern Neck. After serving as CEO, he continued to guide ODEC as a member of the co-op's board of directors while also serving on the board of the Virginia, Maryland & Delaware Association of Electric Cooperatives, where he chaired the Safety and Training Services Committee.

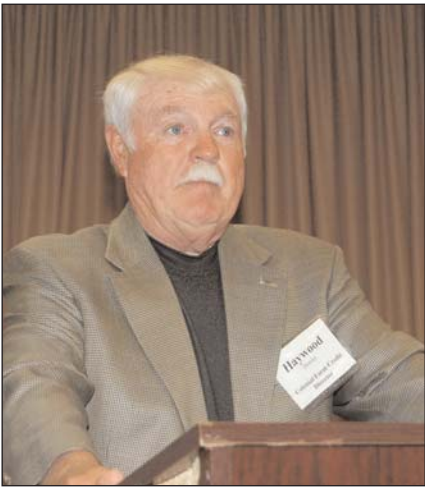
Twenty-one year old Randall Layman was recognized with the Council's Young Farmer Leadership Award. He is a partner and herd manager of a 300-hundred acre dairy operation in Franklin County. A graduate of the Roanoke Valley Governor's School, Layman is a board member of the Franklin County Dairy Herd Improvement Association and earned a first place award in the Virginia 4-H Dairy Judging Competition.

Add to these achievements his role as a member of the Franklin County Extension Leadership Council and a dairy judging leader for the Franklin County 4-H Club and his resume is more impressive than those of many men and women twice his age.

Over 100 representatives of cooperative and agriculturally-related businesses, government and educational institutions from throughout the Commonwealth attended the Cooperative Month Kick-off Breakfast Oct. 14 to honor the three award recipients. The annual Cooperative Month Kick-off Breakfast was sponsored by the Virginia Council of Farmer Cooperatives in association with the Friends of the Industry of Agriculture.



Recipients of the 2008 Cooperative Leadership Awards. (l-r) Richard Johnstone, VCFC 2008 President; Greg White, Northern Neck Electric Cooperative (accepting for Charles Rice); Randall Layman; Haywood Hamlet, and Phil Miller, VCFC Ex. Secretary.



Haywood Hamlet of Charlotte County, former general manager of the Virginia Dark-fired Tobacco Cooperative, the Virginia Sun-Cured Tobacco Cooperative and the Virginia Dark Tobacco Sales Inc.



Charles Rice, 2008 Cooperative Leadership Award winner



Randall Layman, 21, Franklin County dairy farmer and recipient of the 2008 Young Farmer Leadership Award

VCFC *view* is published by VCFC to recognize cooperatives in Virginia and to keep them informed of the organization's performance and programs.

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Farmers also caught up on wild market ride

RICHMOND—Just like many investors, Virginia farmers saw their financial picture change dramatically the week of Oct. 6 when the stock market melted down. That's because commodity markets also went on a wild ride, giving up price gains that had been years in the making.

"It was always a question in my mind whether we would sustain these record high prices," or see them drop like commodity prices did in the early 1980s after the boom times of the 1970s, said Dr. Terry Barr, chief economist for the National Council of Farmer Cooperatives. Barr spoke at the annual Virginia Cooperative Month breakfast Oct. 14.

As of Oct. 10th, "we basically gave all those gains back. I anticipated that, but I didn't expect it to happen in just one week," he said.

Farmers are being caught up in yet another economic squeeze, he said. Many have already locked in their purchases of future fertilizer supplies at prices twice as high as a year ago. And even though world oil prices are declining, fertilizer prices rarely drop as quickly. But the price they can get for their corn and soybeans may be as much as a 50 percent lower than earlier this year.

"Two weeks ago we were worried about costs. Now we're worried about the demand side," Barr said in October.

The commodity markets will settle down, he said, but farmers will probably see much lower prices for at least the next nine months as the U.S. and world economies work through a

recession. He predicted corn prices would drop to \$3.50 a bushel to \$5 a bushel, instead of the \$7 a bushel to \$9 a bushel of earlier this year. And corn prices will be unsettled into next year, since demand for ethanol may drop as oil prices decline and the whole bio-fuels market changes rapidly.

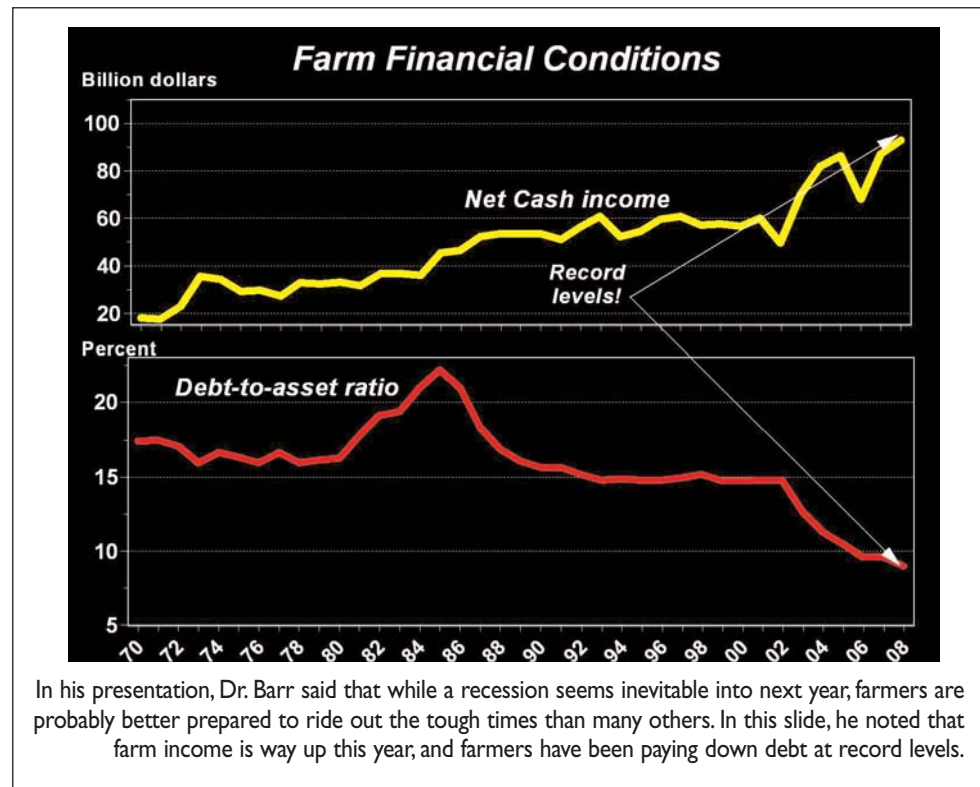
"There will be a lot of questions in the next Congress about the value of corn-based ethanol when considering an energy bill," he said. Barr expects some ethanol plants may even shut down soon. The past two years, ethanol plants consumed up to one-third of U.S. corn production.

Livestock producers have just as tricky a market to consider, he added. The previous low value of the U.S. dollar led to increased exports of

American meats. Barr said exports accounted for 22 percent of U.S. pork sales last year, along with 17 percent of our poultry production and 7 percent of our beef sales. But the value of the dollar on the world market has risen as recession fears grew. And while feed costs have suddenly declined, now U.S. consumers are cutting spending as fast as they can.

"There's been a lot of erosion in consumer confidence in recent weeks," Barr said. Unlike 2002, when the housing market didn't even slow down during a slight recession, he said this time the consumer is stepping back from the table, as

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2008 Co-op Leadership Awards announced

A Charlotte County cattle farmer, a retired Northern Neck electric cooperative executive and a Franklin County dairyman have been honored for their service to agriculture, cooperatives and rural Virginia.

Receiving the Virginia Council of Farmer Cooperative's 2008 Leadership Awards were Haywood J. Hamlet of Phenix, Charles R. Rice, Jr. of Sharps, and Randall Layman of Wirtz. The awards were presented at the annual Cooperative Month Kick-off Breakfast Oct. 14 at the Glen Allen Cultural Arts Center in Henrico County.

Hamlet, who received the Council's Farmer-Member Leadership Award, is the sixth generation of his family to operate Whispering Pines Farm in Charlotte County where he grows hay and raises beef cattle. He served as general manager of three tobacco grower cooperatives from 1994-2008, serves as vice-president of the Colonial Farm Credit board of directors, as vice-president of the Charlotte County Farm Bureau and is chairman of the Charlotte County Board of Supervisors.

Hamlet's cooperative career began in 1994 when he was named general manager of Dark Tobacco Sales, Inc., the Virginia Sun-Cured Tobacco Cooperative and the Virginia Dark-Fired Tobacco Cooperative. As the driving force behind these three co-ops, he worked hard to assure that his fellow growers received the highest prices for their crops. He later helped his members meet the challenges of the tobacco buy-out program by overseeing the dismantling of the co-ops and assuring the farmer-members received fair treatment and their shares of the equity in the organizations.

Rice, who retired as president and CEO of Northern Neck Electric Cooperative in Warsaw in 2005, was honored with the Council's Career Cooperative Leadership Award. During his over 30-year-career at the not-for-profit electric utility, the co-op added over 5,000 new customer-members as the population of the region grew. A graduate of the University of Virginia with a bachelor's degree in electrical engineering, Rice also served as a member of the boards of directors of Old Dominion Electric Cooperative and the

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Dr. Terry Barr, National Council of Farmer Cooperatives chief economist, receiving the traditional speaker's gift from Richard Johnstone, VCFC president.

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consumer debt is actually shrinking for the first time in years.

The good news, if there is any, is that American agriculture is better prepared to ride out the tough times than many other sectors, Barr said.

"Farmers in general have been very good about paying down debt. So they're in a good position. The debt to asset ratio for farmers is at a record low level. And farmland values have been rising, adding to their balance sheet."

But he added that credit will be very tight for farmers for the next few months, and commodity prices may be just as volatile as the stock market for a while. "Good risk management will be essential, both on the input side and the marketing side" of their crops, Barr concluded.

Photo credit to Bill Sherrod, Old Dominion Electric Cooperative, for the group photo of award winners, Haywood Hamlet close-up and Randall Layman close-up.