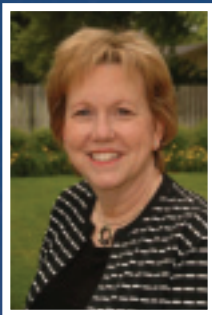


DELTA COUNCIL



DELTA AGRICULTURE: AN INDUSTRIAL GIANT
ANNUAL REPORT 2007





Nancy Virden
Vice President
Rolling Fork



Ronnie Aguzzi
Vice President
Clarksdale



Matt McGregor
Vice President
Indianola



Jerry Caffey
Vice President
Lambert

message from THE PRESIDENT

As I reflect on my term as President of Delta Council, I am grateful for the many leaders who have served with me and those businesses, individuals, and other partners which have supported Delta Council. Foremost, I would like to thank my officers who have served with me this year. I have really enjoyed getting to know them and appreciated the strength that they added to our local efforts to make this area-wide organization functional. The committee chairmen and members of Delta Council are vital to whether we will accomplish our goals, and I don't believe there is any organization in the country that enjoys more participation in the day-to-day activities of a region than Delta Council.

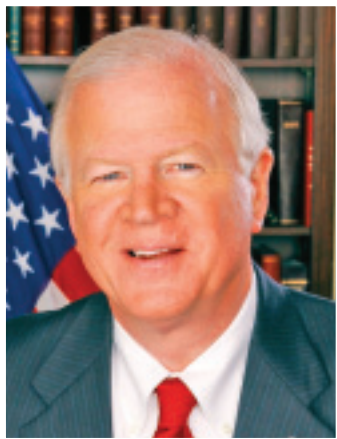
The theme of this year's Annual Report and Meeting is "Delta Agriculture: An Industrial Giant". While we have many facets to our economy, such as manufacturing, retail sales, distribution, and tourism among others, the overall health of the Delta is underpinned by agriculture. Over the next year, the Congress of the United States will determine whether we continue with the successful principles outlined in the 2002 farm law, which has brought many of our sons and daughters home to farm or work in allied agricultural businesses, or whether we begin to slide down the slippery slope of restructured farming operations. I believe some of the proposals from Washington will decimate the economy of small, but viable towns throughout the Mississippi Delta and other parts

of rural America. **Over one-half billion dollars of tax revenue to run county and state government comes from Delta agriculture. That is a large percentage of our local tax base for things which are viewed as mighty important in our local communities, whether it is school buses, county roads, or garbage pick-up.**

The engine that powers this Delta agricultural industry is our rich land. It is crucial to the local economy of every community in the Delta that our land continues to be productive and profitable. I am proud to say that we are well-represented in this upcoming Farm Bill debate through the work of Delta Council.



Tom Gary
President
Greenwood



keynote speaker:

SENATOR SAXBY CHAMBLISS

SENATE COMMITTEE
ON AGRICULTURE

WE CAN MAKE THIS PLACE BETTER, BY WORKING TOGETHER

Since 1935, the business of the Delta and those issues which transcend county lines throughout the region have been prominent on the agenda of an organization known as Delta Council.

Behind the thoughtful leadership of individuals who served as the founders of Delta Council, three work areas were identified as the highest priorities for the young fledgling organization to undertake. And, as these businessmen, educators, and farmers experienced a degree of success in impacting their most pressing challenges by working together, a dye was cast which would lead the organization into many other regional issues.

Delta Council is always committed to the principles of a regional mission. Delta Council continues to adhere to the creed that, as a regional organization, Delta Council can play a supporting role to local communities, but never substitute for the effectiveness of local solutions to local challenges.

Admittedly, the programs of work of Delta Council have expanded far beyond even the most farsighted of its founding leaders. But, make no mistake about it, the three founding principles of Delta Council's purpose

—agriculture, flood control, and highway improvements—continue, even today, to remain among its highest priorities.

The same principles that instilled confidence among Delta leaders more than 70 years ago have been employed in more recent years to address issues such as teacher shortages in the Delta, diabetes intervention, work force training to enhance work place values, and productive relationships which Delta Council enjoys with federal and state agencies.

Possibly the ultimate test of Delta Council's agility as the regional spokesperson for the Delta's economic priorities, is the annual referendum which is held on the organization's performance each year during its membership drive.

The officers, the local county membership chairmen, and those local businessmen and women commonly identified with the work of Delta Council are key to the fabric of Delta Council. But credit for the local support of Delta Council spanning the 215-mile length of the Mississippi River Delta, is built upon the principle that Delta people truly believe that, "we can make this place better by working together."



Bill Crump
Vice President
Greenwood



Don Green
Vice President
Clarksdale



George King
Vice President
Chatham



Rusty Bennett
Treasurer
Clarksdale

THE 72ND DELTA COUNCIL



KBH CORPORATION:

With offices and manufacturing facilities in Clarksdale and equipment sold throughout the world, The KBH Corporation is a family-owned and operated company that has been supplying quality agricultural equipment for over 50 years. They manufacture and sell a complete line of bulk seed tenders, hopper bottom grain trailers, liquid and dry fertilizer equipment, cotton module builders, and cotton carts. KBH is also one of the largest dealers in the U.S. for Norwesco and Snyder polyethylene tanks.



Buddy Bass



LAND BANKS OF MISSISSIPPI:

Land Bank South has seven offices from the Delta (below U.S. 82) to the Gulf Coast. The Land Bank of North Mississippi has seven locations from the Delta to Northeast Mississippi. They are premier rural lending experts with 14 conveniently located offices throughout the state of Mississippi. Offering customized financing options, they specialize in rural property loans and are your resource to obtain the credit needed to purchase rural land, refinance existing debt, make capital improvements, build a home, or finance your agribusiness operation.



Gary Gaines



BANKPLUS:

BankPlus has 48 banking offices in 30 communities throughout Mississippi. The name BankPlus and their slogan, "It's more than a name. It's a promise", reflect the enhanced services they offer and emphasize their commitment to giving their customers more for their money. In the last decade, BankPlus has grown from \$156 million to \$1.3 billion in total assets.



Bryan Jones

ANNUAL MEETING SPONSORS

DELTA REGIONAL MEDICAL CENTER

DELTA REGIONAL MEDICAL CENTER:

The mission of Delta Regional Medical Center is to improve the health of the citizens and the communities we serve. With speciality centers that address the most critical healthcare needs of the Delta, DRMC continues to make quality healthcare accessible to all Delta residents. One of only 10 hospitals in the U.S. chosen to participate in the Robert Wood Johnson Foundation "Expecting Success in Cardiac Care" program, DRMC is pioneering innovative ways to improve heart disease patient outcomes.

As the largest employer in Washington County, DRMC employs over 1200 people and has an annual payroll of over \$53 million. There are more than 100 physicians on staff who represent some 35 medical specialities.

Delta Regional is also proud to collaborate with the Delta Council's Delta Health Alliance, to seek new avenues for improving the health of the Delta region.



Ray Humphreys

Morgan Keegan

MORGAN KEEGAN:

Founded in 1969 in Memphis, Tennessee, Morgan Keegan & Company is today a premier regional investment firm offering full service investment banking, securities brokerage, trust and asset management. Morgan Keegan serves the diverse financial needs of individual investors, corporate and institutional clients throughout the U.S. and abroad. The firm has over 240 offices in 18 states, over 3,000 employees and \$480 million in equity capital. As a subsidiary of Regions Financial Corporation, Morgan Keegan is partnered with one of the nation's Top 15 financial services providers, with \$84 billion in assets.



Logan Phillips

Jimmy SANDERS, INC.

JIMMY SANDERS, INC.:

Founded in Cleveland, Mississippi, in 1953, Jimmy Sanders, Inc., has become one of the leading farm supply distribution businesses in the Mid-South with locations in four states and 35 branch offices/distribution centers. The company is multifaceted in its operations, which include agricultural chemical distribution, seed production and sales, bulk handling of fertilizer, the exporting of grains, variable rate technology, and other agronomic services.



Mike Sanders

DELTA 1000

When speaking to a packed house of Delta 1000 members last May, five months before the 2006 Midterm elections, Stu Rothenberg accurately picked the Democrats to take control of both chambers of Congress in November. At that point, he was the only pundit predicting such a dramatic shift in power, and many in the audience expressed disbelief.

When it comes to those issues that confront us in the Delta, Delta Council wishes that it had a crystal ball like Mr. Rothenberg often seems to possess. What we do know, however, is that through hard and cooperative work, the Delta can identify where we want to go and then chart a path to reach that outcome. That path has a lot of twists and turns, but we know that with the sacrifice of time, talent, and resources, the leadership that comprises this region can more often than not reach the finish line.

Delta 1000 is a program begun by Delta Council over 30 years ago to ask all of the members of Delta Council to pay \$100 above and beyond their regular membership dues. This support through the "Delta 1000" Program has helped Delta Council maintain one of the most effective area wide economic development programs in the entire nation, and successfully confront many of the issues the Delta faces.

Won't you join us?



Stu Rothenberg "elevates" a packed house of Delta 1000 members last May.

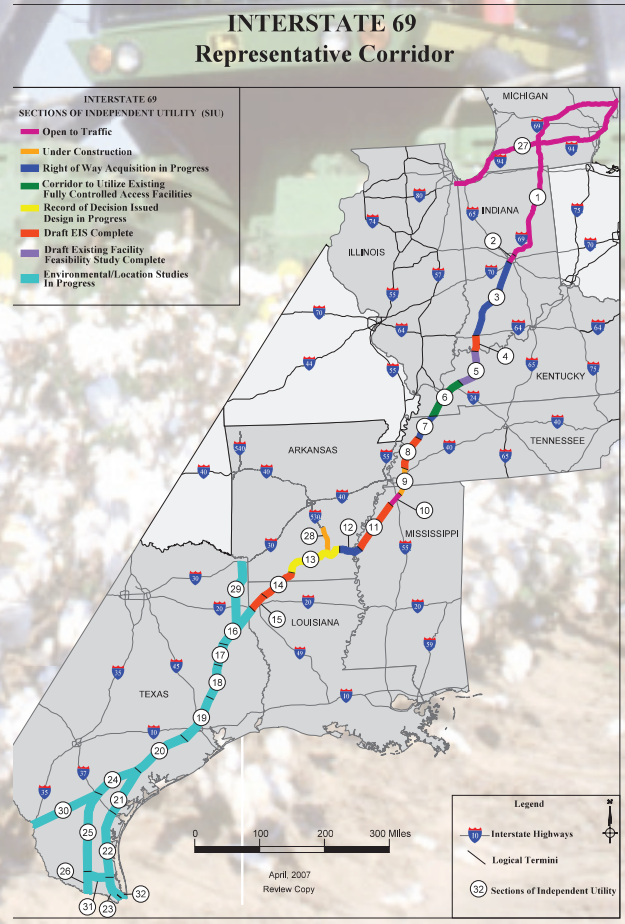


INTERSTATE 69

When the subject of Interstate 69 comes up, you invariably hear someone say, "I don't think I will ever be able to ride on it." While, unfortunately, that may be true for many of us, with strong community support across the Delta and Mid-America, and with Herculean contributions from our Congressional delegation through continued authorizations and appropriations, the "dream" of I-69 is becoming a reality that will produce positive developments in the Delta that have not been possible before.

Already, the first segment of I-69 in the entire country has been built from U.S. 61 to I-55 in DeSoto County, cutting the travel time to Memphis significantly, and improving safety and commerce in the extreme Northern areas of the Delta Council region. Other segments in Mississippi, and across the other nine states that the "NAFTA" highway traverses from Canada to Mexico, are in varying stages of planning, design, and right-of-way acquisition.

While many of us may not ever get to ride on it, **because of the Delta working together it is a good bet that our children will get to travel it**, and enjoy the fruits of these efforts through increased economic activity, safety, and a better future. Isn't that what it should be about?



Marks Flood 1991



"I know of only one organization that works on Delta flood control every day, but some organization must work every day in preparation for THE ONE DAY"

-Al Rankins, Chairman, Delta Council Flood Control Committee

AN ESSENTIAL TRUTH:

Our alluvial valley home, this Mississippi Delta, is predicated on many fundamental and essential items. None of them, however, are as critical as protection from floods. As citizens in New Orleans found out in 2005, everything that you have built—your society, your economy, your churches and schools, and most importantly your family—can be washed away in a blink of an eye.

As long as there is a Delta Council, the maintenance and creation of a better way to protect these things we hold dear will never be filed away as "yesterday's news". That is not to say that a natural force may imperil us like it did the Gulf Coast or New Orleans. However, it will most definitely not happen because we did not give it our highest priority and attention—even when it might have been fashionable to put other priorities in front of flood control.

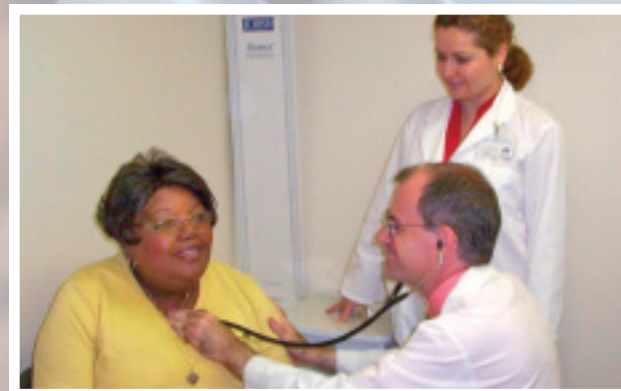


DIABETES IN THE DELTA:

The Delta region, eighteen core counties served by the Delta Health Alliance, has the highest prevalence of diabetes in Mississippi, with an estimated 10.7% of all adults having diabetes and a diabetes mortality rate of 32.2 deaths per 100,000. **Half of the counties served by the DHA have a diabetes prevalence of 11% or more.** Diabetes carries with it many complications, **including blindness, amputations, high risk for heart disease, and kidney disease.** With the health issue reaching monumental proportions, the Delta Health Alliance addresses the problem of diabetes through the dedication of resources to the prevention and treatment of this disease.

The Delta Diabetes Project focuses on the treatment of diabetes through the expansion and development of community owned diabetes management clinics; partnerships with rural primary care physicians; and translation of the diabetes education model into a community based program.

The Healthy Lifestyles Outreach Project focuses on diabetes, hypertension, cardiovascular disease, and infant mortality through the promotion of wellness to prevent chronic obesity related diseases; prenatal education awareness; and education of rural diabetes patients in self-management of their disease. By reducing the risk of these diseases, the projects also reduce associated complications and sometimes prevent diabetes.



DELTA HEALTH ALLIANCE

Today. Tomorrow. Together



Delta State University

DELTA AGRICULTURE: AN INDUSTRIAL GIANT

The viability of the most fundamental economic asset in rural America—our land values—has a direct correlation to the federal policies tied to food security and rural development. One only needs to stand at a Delta highway intersection during a shift change of an agricultural processing operation, or ask one of the hundreds of transportation companies located in the Delta what their personal income or balance sheet would look like without Delta production agriculture to know that **Delta agriculture is about jobs.**

And, one only needs to reflect on the two consecutive years prior to passage of the 2002 farm bill, when disaster and emergency relief measures were required to support a farm policy. Young people were not returning to the Delta, equipment yards were almost empty and the debt-to-equity ratio on farming operations was becoming a crisis among farmers and lenders. Not a pretty sight.

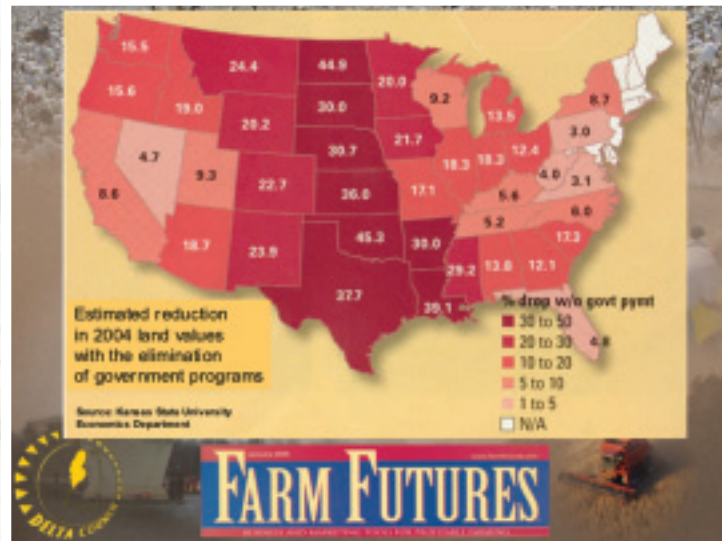
The 2002 farm law has cost far less than Congress anticipated, because farmers have been able to obtain their income in the marketplace throughout many regions of the country. **Why would anyone suggest abandonment of a farm policy which has worked, except for needed refinements and tweaking, in order to substitute new concepts which are unproven, untried, and potentially disastrous to the balance sheet of farmers and allied agricultural businesses,** according to CPA's and lenders in the Delta? And this is precisely the message that Delta Council is taking to Congress this year.

In 2006, it is reported that there are an estimated 31,000 jobs in the Mississippi Delta which are directly attributable to farming. Technology in Delta agriculture has resulted in less than 15% of those 31,000 jobs being on the farm. An estimated 85% are selling to or buying from farms or allied businesses. The average wage of these Delta agricultural workers is 40% higher than Mississippi's per capita income—minimum wage won't attract these type of technical people. The common misconception is that agriculture

is about low-paying, low skill jobs, but because Delta agriculture is an industry which requires huge amounts of capital, technologically-advanced equipment, expensive services and inputs, and extensive marketing, distribution, and processing operations this industrial giant called Delta agriculture generates enormous payrolls.

And, the corporate headquarters for the Delta's agricultural industry is smeared across the local economies of Belzoni, Marks, Inverness, Yazoo City, Rolling Fork, and all others. These farms and agricultural service industries are the backbone of our little league programs, our churches, our schools, and other civic causes.

Behind the thin veil of the agricultural profile of the Mississippi Delta **are more than \$500 million of revenues going to State and local tax coffers each year.** Without a strong U.S. agriculture policy, these taxes which pay for a substantial portion of teachers salaries, law enforcement, school buses, fire protection, and garbage pick up in rural America would suffer. This is what Delta agriculture is about and this is why federal policies related to the 2008 Farm Bill are the highest priority on Delta Council's programs of work for the next year.



DELTA EARLY LEARNING LEADERSHIP INSTITUTE:

When Delta Council and Delta State University worked with Senators Thad Cochran and Trent Lott on creating the Delta Education Initiative almost eight years ago, aimed at reducing teacher shortages and enhancing school administrators training in our schools around the region, educators and community leaders said that many of our children were entering first grade behind and were never able to catch up. ***The Delta Education Initiative began a pilot program in Indianola aimed at sharply focusing resources and information to health and service providers, parents, and educators so that young children from birth to five years old would be able to enter school on a level playing field,*** enhancing their education and the well-being of our communities.

While funding at the time was not available to carry this successful program to all Delta communities, Delta Council recognized the importance and enormity of this issue. So when the Children's Defense Fund asked Delta Council to convene a blue-ribbon panel of community and business leaders to learn about the issues surrounding early

childhood education, we formed the Delta Early Learning Leadership Institute (DELLI) in conjunction with Mississippi State University, the Stennis Institute of Public Policy and Government, and Delta Health Alliance. Over the course of the next year, Delta Council leaders will learn the issues and see first hand some of the more successful models which can be applied.

Through this avenue—thoughtful, deliberate, and focused—the Delta will have a cadre of leaders equipped with the knowledge to improve opportunities for our children.



THE MISSISSIPPI DELTA DEVELOPERS ASSOCIATION:



"Regionalism" is the buzz word du jour in economic development circles around the country. In the Delta, working together as a region has been the order of the day for over 70 years.

The Delta Council Development Department, along with local economic development professionals, utility companies, the Mississippi Development Authority, and assisted by the tremendous capabilities of the Delta Data Center (a joint partnership between Mississippi State University and Delta Council), manages the Mississippi Delta Developers Association. ***By pooling our resources and talents, the Delta works cooperatively in identifying, branding, and marketing the assets of our region*** to enhance financial opportunities for our community.

Just like the core principles of Delta Council—working together, working hard, and working smart—the aim of the Mississippi Delta Developers Association is to provide added horsepower for our communities' efforts at attracting business and ensuring a solid workforce aimed at meeting those business' needs.



DELTA COUNCIL'S ADULT LITERACY PROGRAM:



"Who would have imagined, that in a side room of the Courthouse in Coahoma County, that the Delta Council Adult Literacy Program could have transformed the lives of 15 people, and impacted many more, in less than ten one-hour, individual sessions. The Coahoma County Board of Supervisors appreciates Delta Council and the other partners—the Delta Regional Authority, USDA-Rural Development, and Fairview Learning, for introducing this program to the Delta and allowing communities like ours to work on issues that inhibit the growth of our people and economy, one family at a time."

Katherine Furr, President
Coahoma County Board of Supervisors

DELTA WILDLIFE: COMPREHENSIVE PLANNING ON PRIVATE LANDS

Technical assistance has always been a major service provided by Delta Wildlife. In fact, the Delta Wildlife staff serves as consulting biologists for many members, whether on their private land or on affiliated hunting clubs. But unlike many private consulting biologists who specialize in a relatively narrow field such as deer management or waterfowl management, the Delta Wildlife staff can provide a wider array of services with a greater knowledge of most all native and migratory species. This diverse knowledge and experience enables the staff of Delta Wildlife to develop comprehensive wildlife and habitat management plans that address all wildlife and habitat interests with our only consistency as the land, the landowner, and the farm operator.

"Delta Wildlife has no branches. We are only rooted in this Delta, and our entire focus is and always will be the Delta," stated Delta Wildlife leader Travis Satterfield of Benoit.

Over the past several years, comprehensive planning has become a large part of Delta Wildlife's field operations. From tracts as large

as 22,000 acres to small 40-acre parcels, Delta Wildlife is helping its membership achieve their wildlife management goals while improving habitat, wildlife populations, and quality for the entire region. Management for trophy bucks or management for neo-tropical birds has one requirement: a committed region of people who dedicate themselves to the stewardship of this unique and productive Delta resource.



DELTA WILDLIFE: FIELD OPERATIONS SHOW STRONG GROWTH WITH DEEP ROOTS



Photo By Joe Mac Hudspeth

Delta Wildlife celebrated Founders' Day on the banks of the Mississippi River in 1990. Within the year, **field programs such as the Wood Duck box nesting program, habitat seed program, and pipe program were developed and implemented.** These programs ultimately allowed Delta Wildlife to begin achieving its mission: to conserve, enhance, and restore the wildlife and wildlife habitat of the Yazoo-Mississippi Delta.

Seventeen years later, Delta Wildlife's field operations have grown exponentially. The organization now engages in watershed level restoration projects, quail and grassland song bird habitat restoration, comprehensive wetland restoration, reforestation, wildlife management plans, and a host of other major programs. This growth and evolution stems from the ever changing needs and interests of our membership and the region.

But...**despite the inevitability of change, the original field programs and services offered by Delta Wildlife in 1990 continue to be the most popular today.** It is with a bag of wheat, a Wood Duck box, and a pipe that we can see the most immediate response to our efforts. For these reasons and others, Delta Wildlife will remain true to those little things that helped start it all.



Delta Wildlife

DELTA F.A.R.M.: STEELE BAYOU TO BE BENCHMARK STREAM

FARMERS ADVOCATING RESOURCE MANAGEMENT

DELTA F.A.R.M.

Surface water quality in the Yazoo-Mississippi Delta has become the subject of great interest by the U.S. Environmental Protection Agency, and subsequently, the Mississippi Department of Environmental Quality. Because of this interest, great efforts have begun to improve surface water quality throughout the region. Unfortunately, there is no historic record as to what our water quality goals should be in this region. Certainly we can make analytical assumptions and goals. But there is no historic, natural benchmark.

Various agencies and local resource professionals believe that Steele Bayou may be the best candidate to become a model for water quality in the region.



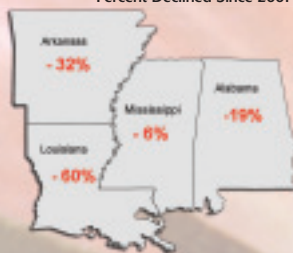
In the end, it is hopeful that the water quality of Steele Bayou will be so vastly improved, that it can become the benchmark by which future water quality improvement projects can be measured.

CHINESE IMPORTS UNDERMINE CREDIBILITY OF U.S. AQUACULTURE INDUSTRY

According to healthcare professionals, the pesticides and drugs found in Chinese catfish can cause side effects such as nerve, muscle, and heart problems, as well as allergic reactions. This is precisely why the U.S. Food and Drug Administration prohibits their use on our U.S. farms. **Like so many other things in life, what this experience suggests, is that cheap is not always best.** In this case, those foreign fish products which are a cheap imitation of our catfish can be a food safety issue too. If our government does not establish firm policies to stop the import of inferior and adulterated products, there will be no place in rural America for young farmers like me. I cannot compete against the non-market economy and government of China.

*Paul Dees, Washington County Catfish Farmer
Vice Chairman, Delta Council Aquaculture Committee*

Number of Catfish Operations
-Percent Declined Since 2001



THE DELTA AND TMDLS: (TOTAL MAXIMUM DAILY LOADS)

"Some of the best conservationists I know are farmers and sportsmen, people who depend on our natural resources and realize the importance of a healthy environment. Our mission at the Mississippi Department of Environmental Quality is to protect our state's air, land, and water. We do not take this responsibility lightly, and we strive to base our decisions on sound science and the expertise of trained staff committed to protecting our natural resources.

The Clean Water Act requires states to use a number of tools to protect the waters of the United States and their designated uses. One requirement was to calculate Total Maximum Daily Loads (TMDLs) which represent the maximum amount of a substance that can enter a water body without violating the state's water quality standards. States are required to identify all waters that do not meet their water quality standards, create a list of impaired waters (commonly known as the 303(d) list), and to calculate TMDLs for them. The TMDLs serve as the basis to limit the amount of pollution entering the state's waters in order to bring impaired waters back into compliance with the state's water quality standards.

The Mississippi Department of Environmental Quality is working to collect current, scientifically sound water quality data to determine if in fact these streams are impaired. An Index of Biological Integrity (IBI) is being developed by qualified professionals to determine if a stream is supporting its designated use based on its fishery. **Once this process is completed, the Delta streams that are currently listed as impaired will be assessed using this tool to determine which ones are supporting their designated use.**

We are committed to working with our partners in the Mississippi Delta, using the best available science to address water quality issues for the benefit of the people, the natural resources and the economy of the region."

*Trudy Fisher, Executive Director
MS Department of Environmental Quality*





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