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[LB516]

The Committee on Agriculture met at 1:30 p.m. on Tuesday, January 16, 2007, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB516. Senators present: Philip Erdman, Chairperson; Annette Dubas, Vice Chairperson; Merton "Cap" Dierks; Russ Karpisek; Vickie McDonald; Don Preister; and Norm Wallman. Senators absent: Ernie Chambers. []

SENATOR ERDMAN: Good afternoon, ladies and gentlemen. Welcome to the Agriculture Committee. We will go through a brief process here with you and explain how we'd like to conduct business this afternoon. We will introduce the members of the committee and we will let you know that if you're here for the overflow on the OPS debate, you can hang out all afternoon as long as we're here, because we'll welcome anybody into the discussion. My name is Philip Erdman. I'm the Chair of the committee, from Bayard, Nebraska. Let me introduce the members of the committee: To my far left, Senator Wallman from Cortland; to his right, Senator Vickie McDonald and, Vickie, I always have to look, you're from St. Paul; next to Senator McDonald is Senator Karpisek, he's from Wilber; Vice Chair of our committee is Senator Annette Dubas from Fullerton; immediately to my left is Rick Leonard, the research analyst for the committee; to my right is Senator Cap Dierks from Ewing; joining us right now is Senator Don Preister, Don is from Omaha; and Senator Chambers is also a member of the Ag Committee. He will not be joining us this afternoon because he is a part of a minor discussion next door dealing with Omaha Public Schools, if you've been following around. Linda Dicken is our committee clerk. As you may expect, we would like to have you sign testifier sheets when you do come in. Those are positioned at each door. Linda has a sheet...or a box that we would like you to place those in before your testimony. We have changed, for those of you new to the Legislature this year, we have changed our process as transcribing, and so we try to enter that information up front, which seems to streamline our process. As you do come forward to testify, if you have information that you need to handout to the committee, we have two exceptional individuals that will help you do that. They are our pages. First we have Erin Frank. Erin is a environmental studies major from Bassett in Rock County, and our other page is Steve Scarf. Steve is from Lincoln and is a political science major, and has some ties to some folks in central Nebraska. So we're glad to have their assistance and if you need anything as you're testifying, they'd be happy to assist you, as they can. If you do not wish to testify today, there's a tablet, if you will, that are also positioned by the doors and that will give you an opportunity to state your position on LB516, for, against, or neutral. The only individuals whose names will appear on the testifier or the committee statement will be the individuals that actually sit in the testifier's chair. And so if you do plan to testify, you don't need to fill that out; but if you are here to show your support or opposition, you can choose that avenue, that we make sure that we have a record of your position as well. As technology continues to change, we probably have all got one of those cell phones that people can get a hold of us. Make sure that if you do have one

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that they're either turned off. We won't mention any names of certain individuals who were here last week that didn't, but either turn them off or set them to silent or so that they don't ring. Obviously, we're all busy, but if you can assist us in that, that will assist the transcribers to make sure that they catch the testimony of those who are here to testify on the bills. The other thing that I would ask is that, as you do come forward, try not to use the testifier's stand as a drum. If you're fiddling with papers or tapping on it, that's something that the transcribers have picked up on in the last few weeks and they would like us to try to protect their hearing by not having those types of distractions as well. The last thing I'll say is that we should have plenty of time today to hear your testimony. There is only one bill. As testifiers come forward and share their opinion with the committee, we'd ask that we not do the wave or give rounds of applause of anything like that. Try to make the environment here in the room comfortable for all who would like to testify. We're here to hear your thoughts of how we should proceed, if at all, and that's what our process is designed to do, and one of the things that we'd like to do is make sure that you have the opportunity, regardless of your position on the bill, to be able to share that with us in an enjoyable environment. All right, with that, we have one bill on this afternoon's hearing. It's LB516. The bill has been introduced on behalf of the committee and, in keeping with tradition, we'll ask Rick Leonard, the research analyst, to outline the provisions of LB516. [LB516]

RICK LEONARD: Thank you. Good afternoon, Chairman Erdman and members of the committee. I am Rick Leonard, that's L-e-o-n-a-r-d. As Senator Erdman identified, I'm the research analyst for the committee and introducing the bill on behalf of the committee. LB516 is offered as a vehicle available to the Legislature to formulate whatever response might be appropriate to what appears to be eminent final disposition of litigation challenging Article XII, Section 8, of the state constitution, as properly referred to as I-300. This bill sets out one possible...a process for engaging the agriculture community and the public in that effort. Just a quick background: Everyone is surely familiar in 1982 the voters, by popular initiative, put in place article...what is now Article XII, Section 8, of the constitution, which is properly known as I-300, which prohibits nonfamily farm corporations from owning and operating Nebraska farmland, generally prohibits that. I think the purposes of that initiative were pretty well-stated and, if I could, I'd like to read from a section of MSM Farms v. Spire in 1991. In determining the purposes of I-300, the court concluded that Nebraska voters sought to prevent perceived threat that would stem from unrestricted corporate ownership in Nebraska farmland. Supporters of the Nebraska initiative believed that a rise in corporate farming in Nebraska would lead to the decline of the family farmer, who would be unable to compete fairly with the ability of corporations to raise capital and benefit from tax laws. Supporters further maintained that corporate farming would lead to absent landowners, and tenant operation farmers would adversely affect the rural socioeconomic structure and result in decreased stewardship and preservation of soil, water, and other natural resources. I-300 has served as a basic corporate farming policy and regulatory mechanism for this state for the last 25 years and it's perceived as a policy tool to

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achieve those public policy objectives that were identified in that case. The ability to utilize this mechanism is somewhat under question by recent legal developments. As you're aware, December 15, 2005, the United States District Court for District of Nebraska issued a finding in Jones v. Gale that Article XII, Section 8, violates the commerce clause provisions of the U.S. Constitution and the Americans with Disabilities Act. On December 13, 2006, the Eighth Circuit issued its decision affirming the district court finding I-300 discriminatory to interstate commerce. After motions to stay the district court to execute an order pending appeal to the Supreme Court, on January 27 the U.S. District Court issued a permanent injunction against enforcement of I-300, and I believe currently we're awaiting whether...we've asked the Supreme Court to review that case and we're awaiting the Supreme Court to give us an answer there. I'll just quickly walk through the bill provisions. There's a much more detailed. element-by-element discussion in your books that I've prepared. LB516 creates the Corporate Farming Policy Advisory Council charged with the task of developing policy recommendations vis-a-vis corporate farming activity. The bill provides for the council to complete its task in two phases, culminating in submission of a corporate farm policy plan prior to the 2009 Legislative Session. The bill contains the emergency clause primarily to enable the immediate formation of the council, to enable its work to be commenced and completed within time frames specified by the bill. Basically, the formation of the council is set out in Section 2. Sections 1 and 2 provides for appointment of a council consisting of up to 18 persons representative of a listing of seven categories of persons; provides for the ex officio and nonvoting appointment of designated state agency heads or their designees. The duties of the council: The council is charged with two duties completed in two phases. The initial phase of the council process is contained in Sections 3 and 4 of the bill. Section 3 directs the council submit a report of findings and recommendations to the Legislature and the Governor by December 1, 2007. That report is to identify what we've termed policy instruments for asserting public policy regarding corporate farming activity, and that such recommendations may include proposed constitutional revisions, if necessary or appropriate. Section 4 provides for the Agriculture Committee to receive the initial report of the council in a public hearing on or before December 15, and further provides for preparation of legislation as may be appropriate to implement recommendations. Second phase of the council process is in Sections 5 and 6 of the bill. That would charge the council with developing a corporate farming policy plan, presented to the Legislature and the electorate...and where appropriate the electorate, for advancing identified public policy objectives of preserving farm ownership and farming and ranching in dispersed family farm operations, and in forms consistent with responsible stewardship of natural resources. In making those recommendations, the council was asked...the bill would ask the council to address other aspects: business management tools that should be available to agricultural producers to remain competitive; involving in the farm economy; facilitate intergenerational transfers; to access capital and manage risk; and to address issues associated with the Americans with Disabilities Act. Subsection (3) of Section 5 directs the council to meet at least four times prior to August

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1, 2008, for purposes of receiving and evaluating data and input of expertise, with the objective of developing a draft corporate farming policy advisory plan. The bill provides the council shall present the draft plan and receive public input at, at least, one public hearing in each of the congressional districts. The council is directed to meet one time at the conclusion of the public hearing process to finalize the plan, submit...and to submit the plan to the Legislature and the Governor on or before December 1, 2008. Again, Section 6 provides for the Agriculture Committee to receive that plan in a public hearing by mid-December, and also for the Chairman of the committee to, in consultation with the committee, to prepare legislation if appropriate and necessary. I'd conclude my statement there, but happy to answer any questions if I can. [LB516]

SENATOR ERDMAN: Thank you, Rick. Any questions for Mr. Leonard? Cap, Senator Dierks, excuse me. [LB516]

SENATOR DIERKS: Rick, in your preparation of the legislation, did you...did you have some particular phases of the corporate entity that you wanted to study, any particular...have you got some divisions that you want to go through especially, or do you have it divided into special sections? [LB516]

RICK LEONARD: I'm...I guess I'm sorry, I'm not quite following your question. We... [LB516]

SENATOR DIERKS: Well, the corporate farming bill included a lot of stuff,... [LB516]

RICK LEONARD: Right. [LB516]

SENATOR DIERKS: ...Initiative 300. I wonder if you went through...are you trying to make a distinction in the legislation today on what some of those items should be that we're going to look at? Is that up to the committee to study? [LB516]

RICK LEONARD: No, that's up to the committee. I think the key thing, Cap, is if you look at that statement I read from the MSM Farms. In other words, we lay out our policy objectives and I think they were well-received and have... [LB516]

SENATOR DIERKS: Okay. [LB516]

RICK LEONARD: ...have been identified. What we're looking at, I-300 has been our restrictions we've had on corporate farming policy have been seen and recognized by the court as the public felt that they advanced those objectives. I've glossed over I-300. There were...it was very...think it generally prohibited corporations. There were some exceptions, some in the poultry industry, for instance,... [LB516]

SENATOR DIERKS: Uh-huh. [LB516]

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RICK LEONARD: ...and some other, but that's the general course. The general statement was allowed corporations, only family farm corporations were exempt from the restrictions. [LB516]

SENATOR DIERKS: There were certain entities, groups, in the state that were in opposition to Initiative 300, and I think we all know who they were, different farm groups and different organizations, and I wondered if we make an attempt to study their opposition and the reasons they did that, if there's any attempt to mollify the difficulties they had. Is that...that will come up later, huh? [LB516]

RICK LEONARD: I would think that would come out. I didn't go back and review that history and go through everything. I think the bill was drafted more at current circumstances with the situations presented us by existing litigation. [LB516]

SENATOR DIERKS: Okay. Thanks. [LB516]

SENATOR ERDMAN: Thank you, Senator Dierks. Further guestions for Rick? I see none. We will now begin the testimony on LB516. Can I see a show of hands of those that wish to testify in support of LB516? Three, four, five. Can I see a show of hands of those who wish to testify in opposition to LB516? Two, four, five. Anyone in a neutral capacity? I see two. Let me...let me lay the groundwork a little bit of what we'd like to hear from you today. The bill, as before you, is not perfect in any way, shape and form. It's a starting point. If you're in support of the bill, if you have recommendations that you'd like to see even further to enhance the makeup or the process, please share those with us. If you're in opposition to the bill, for whatever reason, and you have ideas that might make the bill more palatable or more appropriate, we'd like to hear those as well. Obviously, if you're just opposed to the idea altogether, you can state that as well. And again, those that would like to testify in a neutral capacity, feel free to share your perspectives on that as well. One of the things we were going to try to avoid doing this afternoon is rearguing Initiative 300. We want to hear your opinions. We want to hear about a process that we would use in the event that it's necessary to have a statewide discussion, or if you even feel it's necessary to have a statewide discussion. And while there are many factors that have led us to this discussion today, we'd like to try to focus, if possible, on the merits of LB516 and how it benefits or detracts from public policy in the state of Nebraska. So try not to come up and argue the history of the law. We have all been...had a number of briefings and we'll continue to have discussions with you, regardless of what happens with this legislation and what is before the courts currently. But if you can focus your attention specifically on the bill, how we could make it better or ultimately if you have other ideas that would be more appropriate, we would be inclined to hear that. If you don't like the way that the appointment process is done, let us know. You're not going to hurt our feelings about making changes if you think they make the bill better. So with that, again, we'd like to make sure that you have your testifier sheet

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in hand. If those that would wish to testify as proponents would come forward and try to sit in this front area so we can facilitate this process more efficiently, and same with the opponents, when it's your opportunity to testify, and we will begin with the first proponent testifier to LB516. And again when you come forward, I didn't mention this earlier, but make sure you state your name for us and that you spell it into the record, and so that way we can make sure that the transcribers have the double application of your name spelled correctly. Go ahead. [LB516]

PETE McCLYMONT: Senator Erdman, members of the committee, I'm Pete McClymont, P-e-t-e M-c-C-l-y-m-o-n-t. I'm vice president of Legislative Affairs with Nebraska Cattlemen, and I'm here today to provide testimony in support in LB516. And I would like to thank Senator Erdman and all the members of the Ag Committee for also being cosponsors. Given the recent ruling, LB516 serves as a necessary and a functional tool to examine state policy in regard to corporations and limited liability businesses which operate Nebraska's farming and ranching economy. The selection of the appointed council gives inclusion to stakeholders from across the state. Access to meetings and public information is essential to the full examination of this issue. Nebraska Cattlemen policy goes to the core, to the future of this issue. At stake is the need for young ranchers and farmers to have the ability to gain entry and have a chance to succeed in an industry that is capital intensive and often volatile in ag markets. I would like to read our policy at that this time, please. Nebraska Cattlemen supports the modification of Initiative 300 to help young farmers and ranchers receive capital to begin farming and ranching, to transfer assets from one generation to the next, and to enhance value-added projects with producers in Nebraska. With the passage of LB516 and the formation of a corporate farming policy advisory council is a step in the right direction for Nebraska's agricultural future and ultimately the state's well-being. Nebraska Cattlemen respectfully request the committee to advance LB516 out and I would like to thank you for this opportunity and be happy to answer any questions that the committee has. [LB516]

SENATOR ERDMAN: Thanks, Pete. Any questions for Mr. McClymont? Senator Dierks. [LB516]

SENATOR DIERKS: Pete, you mentioned something in your testimony about interested in modification that might help young farmers. Do you have some suggestions in the way of what that modification might be? [LB516]

PETE McCLYMONT: Nothing specific at this time. We've often debated this issue in our conventions, Senator, so with this group, if this bill were to pass, we would obviously bring those recommendations forward to this council. So we'd be happy to share that in the future. At this time I don't have anything specific. [LB516]

SENATOR DIERKS: Thank you. [LB516]

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SENATOR ERDMAN: Thank you, Senator Dierks. Further questions? I see none.

Thanks, Pete. [LB516]

PETE McCLYMONT: Thank you. [LB516]

SENATOR ERDMAN: Next testifier in support, please. [LB516]

TODD REED: (Exhibit 1) Good afternoon, Senator Erdman, members of the committee. My name is Todd Reed, T-o-d-d R-e-e-d. I'm a crop producer, seed dealer and truck driver from Waverly, and a member of the Nebraska Young Farmers...Nebraska Farm Bureau Young Farmers and Ranchers Committee. I'm here today on behalf of Nebraska Farm Bureau Federation in support of LB516. Last year at our annual meeting our members discussed Initiative 300, the likelihood of its legal demise, and adopted a policy resolution that supports research of cooperative...of corporate farming laws in neighboring states for possible alternatives for Nebraska. The policy statement also states that if I-300 were declared unconstitutional, corporate farming policy adopted by Nebraska should be contained in statutes and allow for certain business arrangements amongst unrelated producers, while at the same time supporting family owned and operated farms. Some may recall a task force bill was introduced three years ago to study I-300--I remember I was here, there was quite a commotion at that hearing, I believe--the legal and market issues surrounding it, and making recommendations for possible changes. Nebraska Farm Bureau supported that measure because we were concerned the state would be left unprepared in the event I-300 was declared unconstitutional. And while the legal wrangling is not complete, unfortunately it appears that is exactly where we find ourselves today--unprepared. Agriculture and rural Nebraska are changing. To adapt to these changes, producers need to join together, cooperate, think regionally, and tap niche markets. In my situation, I do not stand to inherit any land or machinery. To start from scratch in agriculture today and succeed is virtually impossible. The ability to form an LLC, joint venture, or similar structure with neighbors and nonimmediate family would greatly improve the chance for producers like myself to succeed. Producers can succeed if given the opportunity. Producers should be able to work with neighboring producers to develop innovative new products, capture niche markets, and add value to their commodities and not have to overcome significant costs and hurdles to limit the exposure to their operation or farm assets. An advisory council can examine these issues and make recommendations. Nebraska Farm Bureau offers these criteria for the Agriculture Committee and advisory council, if formed, to consider as we examine corporate farming policy in the state: one, will it assist young farmers and ranchers entering agriculture; two, will it help today's agriculture grow and prosper; three, will it allow unrelated producers to form business arrangements to limit liability and pool capital; four, will it enhance value-added agriculture; and five, will it allow producers to attract capital to agricultural ventures? In closing, Nebraska Farm Bureau Federation believes family farms are critical to the future of rural Nebraska. Like

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everyone, we want to provide them a viable shot at a prosperous future. We believe the advisory council proposed in LB516 will provide the opportunity to examine Nebraska's corporate farming policy and allow us as a state to make informed decisions about our future. As Nebraska agriculture moves forward, we must ask ourselves whether prohibiting producers from pursuing joint ventures under a limited liability structure makes sense. That concludes my testimony. I welcome any questions. [LB516]

SENATOR ERDMAN: Thank you, Todd. Any questions for Mr. Reed? I don't see any. Thank you, sir. [LB516]

TODD REED: Thank you. [LB516]

SENATOR ERDMAN: Next testifier in support of LB516. I made you move forward, but none of you seem excited to step up, so maybe that will be our next announcement. Oh, we need your testifier sheet, too, Larry, before you... [LB516]

LARRY E. SITZMAN: Oh, I'm sorry. I'd forgotten. Senator Erdman and members of the Agriculture Committee, my name is Larry E. Sitzman, L-a-r-r-y, E., S-i-t-z-m-a-n, and I am the executive director of the Nebraska Pork Producers Association. I'm going to keep my comments very short, and I'm not going to repeat previous statements. Pork production in Nebraska is the fourth leading economic enterprise and, therefore, is a part of our state's strong, interdependent, diversified agricultural community. The Nebraska Pork Producers Association has always supported efforts to identify, collect, and evaluate information from all citizens to strengthen our agricultural community. We, therefore, publicly testify and support LB516 as introduced. I would be happy to answer any questions. [LB516]

SENATOR ERDMAN: Thank you, Larry. Any questions for Mr. Sitzman? Thank you, sir. Next testifier in support, please. Maybe if I say please that will get the ball rolling. [LB516]

ROCKY WEBER: Senator Erdman, members of the committee, my name is Rocky Weber. I'm an attorney with the Crosby Guenzel Law Firm here in Lincoln and, while I do a lot of cooperative work across the state, I'm really appearing here today as a lawyer who's a practitioner in agriculture and work with farmers and ranchers across the state on a regular basis, not only with their own farming and ranching operations, but also putting together value-added opportunities for them to add value to their commodities and their livestock and their swine production. I am here to strongly support LB516 and the process you've laid out because I think this process is critical for our state in developing this policy; that this process have a legislative foundation to it and so that as we move forward, whatever the determination is made of what the appropriate policy is, that that foundation is subject to being reviewed, looked at, and changed as necessary. And I want to give a couple of examples of why I think that it's

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so important that the Legislature have the ability to do that. In 1997, we assisted five swine producers in Dawson County, Nebraska, to set up a nonstock marketing cooperative to own and operate swine farrowing and nursery facilities. We set them up under the Nonstock Cooperative Marketing Act because only farmers can be members of a nonstock cooperative. We were not trying to create any type of a corporate ownership whatsoever. This was a group of farmers. The law, the former law, stated that nonprofit corporations were not included in the coverage. Within the nonprofit...or Nonstock Cooperative Act it is stated that nonstock cooperatives would be deemed nonprofit in nature. We filed a declaratory judgment action and we subsequent...the district court agreed with us, but the Supreme Court held that because the farmers ultimately would get some revenues back through this cooperative process they could no...this really was not a nonprofit as intended by the people when they adopted I-300. Since that time and before that time, I bet three to four times a year I have groups of farmers contact me and ask me what kind of a business entity they can put together to pool together with their neighbors, typically, and build joint farrowing facilities or nursery facilities, livestock feeding facilities, grain storage facilities, and things of that nature. When I talk to them about the options available, I advise them of what the restrictions are in our current constitution and we immediately run into a conflict, and the conflict is that their lenders, the agricultural lenders in this state, do not favor partnerships amongst those who they lend to because of the risk of liability of one partner transferring to another partner. And so partnership is always off the table, which would have been allowed under I-300, but we could not do that because of the conflict with the lenders. If we look at a limited liability company or any other type of business entity, we always ran into the syndicate problem under the current law. We had no venue to come forward and adjust I-300 just a little bit to save those family farmers and those activities that they wanted to continue in. A tremendous amount of frustration amongst the farmers we deal with over those kinds of issues, and that is why this legislation is important and the process developed is so important here. It's all inclusive. You're bringing all of the interests and stakeholders together. I think working together this way it's much easier to administer a public policy in successive years than to have something so concrete that it cannot be reviewed again in the future. And so I strongly encourage this committee to move forward with LB516 and strongly encourage the Legislature to seize this opportunity to create this policy and make it something that we can administrate to help our farmers and ranchers. [LB516]

SENATOR ERDMAN: Thank you, Robby, just...excuse me, Rocky. Just for the record, you're representing yourself today... [LB516]

ROCKY WEBER: That's right. [LB516]

SENATOR ERDMAN: ...and not anyone else. [LB516]

ROCKY WEBER: That's right. [LB516]

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SENATOR ERDMAN: Okay. Any questions for Mr. Weber? Senator Wallman. [LB516]

SENATOR WALLMAN: Thank you. Do you think vertical integration is a problem in the livestock industry? [LB516]

ROCKY WEBER: Well, I think that the...well, I don't know as vertical is important as what we've seen the horizontal consolidation, really. And the horizontal consolidation, the economics of maintaining a small livestock or cattle-feeding operation or pork operation, the economics got such that many small farmers were not able to economically make that work on their own anymore, and so they needed to be able to partner with others in order to remain active in that industry. I think we would have many more small pork farrowing nurseries and small livestock operations today in Nebraska had we been able to adjust this in order to allow certain other types of business models to be used, not allowing large nonfarm corporate interests in, but allowing our farmers and ranchers to join together in different ways to have kept them active in the industry. [LB516]

SENATOR WALLMAN: Thank you. [LB516]

SENATOR ERDMAN: Thank you, Senator Wallman. Senator Dierks. [LB516]

SENATOR DIERKS: Well, just as a side, Rocky, I had a constituent call me from Cedar County the other day who raises 5,000 feeder pigs and, because of the property tax issue, he's not able to make it anymore. His son works with him, and his son's wife is a teacher. The other son wants to get married and become part of the operation, and it's not there. So we need some other things to look at besides corporate issues and those kind of things. We need to have some way to find some relief from property taxes. That's one of the big issues out there. [LB516]

ROCKY WEBER: Well, I agree, and I think that as the public policy is developed, you know, environmental accountability, the economic interests and the ag lending interests, and I jotted a few of these things down, I think for our farmers or ranchers, for our rural communities, for our counties and the tax bases, the lending organizations, the ag input lenders, and also the ag input suppliers. We've had situations where many of the cooperatives that I do work for sell feed and, in many cases, a lot of feed in a given week to livestock and cattle operations, and we have found place...instances where people have attempted to abuse the current law and set up almost a shell front by using financing agreements, loan agreements, other things that made it look like the person you were doing business with was the real stakeholder. And when the account went bad we were then left to discover that that really wasn't the person that had the stakeholder interest in the cattle, but somebody in another state actually had the interest. And I think when, again, when a law is so restrictive that it invites abuse, you have to be able to go

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in and adjust it so that you can control any abuse of the law and look at the conditions that are causing the abuse to occur. [LB516]

SENATOR DIERKS: Thank you. [LB516]

SENATOR ERDMAN: Thank you, Senator Dierks. Further questions for Mr. Weber? Senator Karpisek. [LB516]

SENATOR KARPISEK: Thank you, Mr. Chair. I guess I didn't follow the answer to Senator Wallman's question about the vertical integration. I just heard you say nonfarm or nonag companies. So would you say ag companies then? [LB516]

ROCKY WEBER: Well, yes, asked me if I thought there was a problem with vertical integration in agriculture in Nebraska, and I said I thought the problem really was more of a horizontal consolidation. In terms of a vertical integration, that again is, I think, a part of agricultural economics and, again, the economies of scale. We see in many of the ag input supply places in Nebraska, we see far fewer of those today than we did five or ten years ago because there's so many fewer farmers and ranchers to do business with them. The statistics in the paper last week of how many fewer farmers there are today than there were ten years ago I thought were stunning. I didn't realize that we've lost that much. I knew we had. And so what we see is we have larger companies out there filling the void that the small companies could no longer fill, and so we look at vertical integration. Is there a concern about processors and nonfarm interests being at that level of production? Certainly, and one of the things Nebraska is faced with is we're going to see a rapidly changing, in my opinion, a rapidly changing marketing economy in our agricultural production, particularly in corn. We are going to move from a farm or a corn export state to absolutely using everything we can produce in this state, and that is going to change how we market our grain and it's going to change how the arrangements between grain companies and ethanol plants and those arrangements they have with the farmers. And is there some potential there that nonfarm interests could come in and attempt to monopolize that and so that you have one large company dealing with another large company, just contract farming out there? That potential certainly exists. So from a vertical integration standpoint, I think some of it is natural, but I think we have some challenges ahead of us to make sure that that doesn't become overwhelming. [LB516]

SENATOR KARPISEK: Okay. Thank you. Thank you, Mr. Chair. [LB516]

SENATOR ERDMAN: Thank you, Senator Karpisek. Further questions? Thank you, Mr. Weber. [LB516]

ROCKY WEBER: Thank you, Senator. [LB516]

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SENATOR ERDMAN: Next testifier in support. [LB516]

SUSAN JOY: Good afternoon, Senator Erdman and members of the committee. My name is Susan S. Joy, J-o-y is my last name. I am the general manager for the Nebraska Poultry Industries, located in Lincoln, Nebraska. My comments are very brief. I am here to testify publicly as a proponent for LB516. We certainly support an inclusive task force to review the legislative options on corporate farming policy in Nebraska farming. We think this is very important to the future of farming, to the future of Nebraska. That concludes my testimony. Anybody have any quick questions for me? [LB516]

SENATOR ERDMAN: Thank you, Susan. Any questions for Ms. Joy? I don't see any. Thank you. [LB516]

SUSAN JOY: Thank you. [LB516]

SENATOR ERDMAN: Next testifier in support of LB516. [LB516]

BOB KREMER: Senator Erdman and members of the Agriculture Committee, I thought I'd see what it's like sitting in the hot seat over here again. So, Senator Dierks, we just change places every so many years here I think. [LB516]

SENATOR DIERKS: Every so often, don't we, yeah. [LB516]

BOB KREMER: Yeah, so I was really hesitant to testify, knowing whether to testify in a neutral capacity or as a proponent, but felt like I would just like to commend you for bringing this forth because I think it's so important to do an in-depth study. I think it's something that's a controversial issue that's been with us for awhile, and it's something that's very important that we need to look to see what other states are doing, what we can do, what the problems were. I think it's very important to have it in statute also because I think one of the problems in the constitution, it's either all or nothing. When we introduced a study a few years ago we could see what was happening in South Dakota and we could see some areas that...and specifically one thing was that a couple nonrelatives could not form a corporation. Maybe two farmers would get together or three and be able to expand and do a...have a livestock operation under a corporation that they could pool their resources and bring their produce and feed the cattle. This was an area that I think...and I know of two feedlots that did this where four or five people got together and formed a feedlot, and this was done before Initiative 300 took place, where they could pool their resources and been very successful. And I think we need to do things like that if we want to enhance the family farm, which today what is big and what is small, I guess it's just pretty hard to define that. But I think we have to do everything we can to make it appealing to young men and women coming back and wanting to farm with their parents. And Rocky mentioned the study that come out and

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showed that the farms have grown. I think it was from 800, average 800 acres, to 960. which is one quarter, in like 25 years. Now that seems really bad, but in a way I don't know how anything else is going to happen other than that when you think of the cost of machinery and the cost of land and what you can do with minimum tillage, unless you can do some value-added with livestock or something like that. And I think that's been one of the downfalls of 300, is that we could not get...you know, I have two nonfamily entities form together to go into expanding into some value-added. So I just think it's a very good proposal to study. I have just got the bill today so I really haven't gone through it line by line to see if whatever, is the makeup of the committee is wrong or what, but I think we need to do it and not a bill just introduced to come forward and it's this or nothing, but to really study it and to come up with something that's comprehensive and that would be beneficial to all. Because I think we all are concerned that our...that we have family farms that are successful. We don't want to be taken over by corporations. I think that can happen more in the livestock area than it can just in the farming, because I don't really know of any big corporations. And I think they've tried it in the past and been very unsuccessful with that. But I just want to support whatever you're doing and commend you for that, and think it's the right way to go. So thank you. Glad to answer any questions. [LB516]

SENATOR ERDMAN: Thank you, Senator Kremer. Further questions? Senator Preister. [LB516]

SENATOR PREISTER: Senator, it's good to have you back with us. [LB516]

BOB KREMER: Thank you very much. [LB516]

SENATOR PREISTER: The transcriber would like to have you state and spell your name, if you would. [LB516]

BOB KREMER: Oh, I've never done this before so I really didn't know. (Laughter) Bob, spelled the same way, B-o-b, both frontward or backwards, and Kremer, K-r-e-m-e-r. I'm sorry. [LB516]

SENATOR PREISTER: Thank you. [LB516]

BOB KREMER: You always catch somebody on that, don't you, Senator Preister? [LB516]

SENATOR PREISTER: We just want to keep you in practice, Senator. [LB516]

BOB KREMER: I did that so you see if you're on your toes and give you an opportunity. [LB516]

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SENATOR ERDMAN: Senator Dierks. [LB516]

SENATOR DIERKS: I had a friend who could spell his name backwards, too, Bob. It was Otto. It helps, doesn't it? [LB516]

BOB KREMER: Yeah, it does. [LB516]

SENATOR ERDMAN: Don't see any further questions, Bob. We thank you for your

testimony... [LB516]

BOB KREMER: Thank you. [LB516]

SENATOR ERDMAN: ...and for your service to the state and as the Chair of this committee, and we look forward to your insights, once you have a chance to look it over, and future opportunities for you to come back and join us. [LB516]

BOB KREMER: Thank you very much. It's a pleasure to come before you and thank you for your work this year and, in all the challenges before you, I wish you well. [LB516]

SENATOR ERDMAN: Thank you, sir. Is there anyone else wishing to testify in support of LB516? I see none. We will move to opposition testimony. First testifier in opposition of LB516. And again, if you can...you don't actually have to make your way forward. If you're quicker than the proponents, you can sit where you're at, but as long as we're able to get you up here in an efficient manner. [LB516]

JON BAILEY: (Exhibit 2) Good afternoon, Mr. Chairman, members of the committee. My name is Jon Bailey, that's J-o-n B-a-i-l-e-y. I'm the director of the Research and Analysis Program at the Center for Rural Affairs in Lyons, Nebraska, and I'm also chair of the Friends of the Constitution, and I'm testifying today on behalf of the Friends of the Constitution in opposition to LB516. Friends of the Constitution is a 21-member coalition that has existed since the adoption of Initiative 300 will the sole purpose of defending and enforcing Initiative 300. In the interest of time, I won't read all of the members of the coalition, but my written testimony has them listed. The current legal status of Initiative 300 makes the study of public policy issues related to corporate farming a timely and necessary consideration. For that reason, we applaud the Agriculture Committee for bringing forth LB516, as Senator Erdman said, for discussion. We also appreciate the policy objectives outlined in Section 5 of LB516. We also believe that, as the bill, we also believe that any public policy instrument should advance ownership of agricultural assets by family farmers and ranchers, and that ownership of agricultural assets should be widely dispersed, all in a manner promoting responsible stewardship of our natural resources. Our objection to LB516 is in the makeup of the proposed council and reliance on a legislatively approved council to develop public policy recommendations on an issue with consequences for so many Nebraskans. At best, those Nebraskans

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most affected by any policy recommendation--our farmers and ranchers--would have only two representatives on the council. In addition, there is also no apparent representation on the council of any of the individuals or organizations who have worked on corporate farming issues in Nebraska for over 30 years. Since the plan and policy recommendations contemplated by LB...by the LB516 council will eventually come back to the Legislature. We also believe that reliance on an appointed task force may be an ineffective and inefficient use of the committee's time and the Legislature's time. Therefore, we recommend that the issues and policy objectives outlined in LB516 be turned into an interim study resolution. This would allow the Agriculture Committee, the duly elected representatives of the people, rather than an appointed council, to receive input from the public at hearings throughout the state while also obtaining the best ideas on corporate farming issues and policy responses from Nebraskans and others throughout the nation. An interim study resolution may also allow the Legislature or the citizens of Nebraska an opportunity to create policy responses in a more expeditious manner. LB516 would not allow any action by the Legislature until the 2009 Session. If the United States Supreme Court acts on the state's Initiative 300 appeal yet this year, and if that appeal is unsuccessful, LB516 may leave Nebraska in a policy and legal void pertaining to corporate farming issues for up to two years. We believe an interim study resolution would allow this committee to obtain public input, receive policy ideas, consider all that input and develop legislation or other policy instruments in a manner more efficient...in a much more efficient manner to the benefit of the entire state. Thank you for the opportunity to provide input on this important issue, and thank you for the consideration of our suggestions. I'd be happy to answer any questions. [LB516]

SENATOR ERDMAN: Thank you, Jon. Any questions for Mr. Bailey? Jon, I've got a couple for you. [LB516]

JON BAILEY: Sure. [LB516]

SENATOR ERDMAN: I just want to make sure that we have a similar understanding of the bill. On the back of your official testimony, I can understand your comments on the objection to the makeup of the committee based on the limited number of producers. As I read Section 2, and you might not have a copy of the bill in front of you, but as I... [LB516]

JON BAILEY: I do. [LB516]

SENATOR ERDMAN: ...read Section 2, subsection (b) on the top of page 3, it talks about ensuring that there is representative of diverse viewpoints regarding agricultural productions and agricultural policy in the language of the bill, as far as the makeup. I guess are you aware of that language and is that language not sufficient to alleviate the concerns that the makeup of the committee is not reflective of all groups that were

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involved in the discussion? [LB516]

JON BAILEY: I am aware of the language. I have a copy of the bill in front of me. I think that language does potentially provide some... [LB516]

SENATOR ERDMAN: Comfort? (Laugh) [LB516]

JON BAILEY: ...some opportunity for more producers to be on, but there's no guarantee. You know, we don't know who would be those at-large wildcard representatives on the council. So I think another suggestion would be to potentially make that language a little more strong, stronger, a little more definite as to representatives on the council. [LB516]

SENATOR ERDMAN: Okay. And then to follow-up on that comment, the appointments made by the Governor are going to be made by the Governor; the appointments made, according to the bill, by the Chairperson of the Agriculture Committee shall be made in consultation with the members of the committee, and there may be additional opportunities to further clarify that as well. In your second paragraph on your back page, and maybe this isn't explained clearly, but let me explain to you how we understand the bill and then you can respond if you think that's contrary to your understanding. There's two provisions of the bill. The first part of the bill begins upon passage and will complete the end of this year, if successful. That recommendation would then come to the Legislature for next year's legislative session. So anything that would be recommended in the first part of the bill, which I believe starts...give me a second here, I believe in Section 3, talked about what the farm policy advisory council shall do between now and December 1, 2007. Then the Aq Committee will have a public hearing on those recommendations December 15 of 2007, and the Chairperson and Legislature, in consultation with the committee, may prepare and introduce legislation during next year's legislative session. We actually have a typo here. That would be the Second Session of the One Hundred and First Legislature. So we actually have the ability under this to implement or to propose something to the Legislature next year. The long-term planning, I believe, comes in the end of 2008, which would then be available for possible introduction in the 2009 Legislative Session. So I want to explain that to you and get your feedback if that alleviates your concerns, understanding that you have a different vehicle that you'd like to see us use, just so that we're clear on how the bill actually works, and then to get your feedback on that. [LB516]

JON BAILEY: Senator, are you saying that the typo that you mentioned allows you to introduce legislation in the Second Session of the current session? [LB516]

SENATOR ERDMAN: No, what I'm saying to you is that the process is designed to be two stages, and the first stage will conclude December 1 of '07. Regardless whether that typo is in there or not, it doesn't matter because it doesn't compel us. It says "may."

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But that's just a typo, that the One Hundredth Legislature is the session we're in now. To go to the One Hundredth and First Legislature, which is the section that's in the second part of the bill, would be two years from now. And so I just want to make sure that you're aware of the timing. I just caught the typo just as I was reading it to you, but I just wanted to make sure you understood kind of how this was set up and then to get your feedback if that was contrary to your understanding. [LB516]

JON BAILEY: I understand that, Senator. I still have...I think there's still potential for a...depending on what the Supreme Court does, and we don't, none of us, know that... [LB516]

SENATOR ERDMAN: Right. [LB516]

JON BAILEY: ...and none of us know the timing that could be involved in that. It may not be a problem, but I think the potential is there to have enough of a lag to have us have some uncertainty as to the legal status of corporate farming, and basically leave the state unprotected for any sort of corporate farming regulation or restrictions. I would...whatever means we use, and whatever comes of this bill or any other substitute, I would encourage this committee and the Legislature, again depending on what happens through the Supreme Court, to act as expeditiously as possible to provide as much protection to our farmers and ranchers in rural communities on corporate farming issues as they can. And I know all of us who are members of Friends of the Constitution, all of us who have been involved in Initiative 300 defense will work with you and work with the Legislature and make sure that's the case. [LB516]

SENATOR ERDMAN: I just want to, not to belabor this, but I want to make sure that you're aware of what options we would have on the table. [LB516]

JON BAILEY: I understand. [LB516]

SENATOR ERDMAN: Under your proposal, an interim study would be done during the interim and anything out of that interim study would be introduced next year. [LB516]

JON BAILEY: Right. [LB516]

SENATOR ERDMAN: Under the bill, the first part of the bill would follow a similar process and have a study done between now and next session, and have anything available to be introduced next session. So I want to make sure that you're clear that the distinction that you asked for, the lag time, is not in LB516, it's in maybe the fact that we are not prepared to begin immediately upon a ruling from the court to proceed. And so I think...I don't want to put you on the spot,... [LB516]

JON BAILEY: I...no, I under... [LB516]

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SENATOR ERDMAN: ...and you can follow up with additional... [LB516]

JON BAILEY: Well, if I'm going to sit in the chair, that's fine. [LB516]

SENATOR ERDMAN: But I wanted to make sure that you were aware that, as your argument stands on the back of your testimony, that we would be actually doing the body a disservice, the legislative body a disservice, by adopting this; that we have the same time line available that we would under an interim study for a quick response for next legislative session. [LB516]

JON BAILEY: Well, again, Senator, I don't want to belabor this either, but I think...I think the way the...the language in the bill could make that clearer. [LB516]

SENATOR ERDMAN: Okay. [LB516]

JON BAILEY: I don't think that's... [LB516]

SENATOR ERDMAN: And we can work on it. [LB516]

JON BAILEY: Yeah. [LB516]

SENATOR ERDMAN: I just wanted to make sure that... [LB516]

JON BAILEY: Yeah, I don't think that's clear, and obviously from my comments, I don't think that's clear. [LB516]

SENATOR ERDMAN: Okay. [LB516]

JON BAILEY: And so I think in Section 4 you can make the language somewhat clear that that is how you are going to act and to make sure that that is known to everybody who is involved in this. So I just think that that can be a clearer statement that that is the time line that you're going to be involved in if this bill goes forward. [LB516]

SENATOR ERDMAN: Okay. Very well. Senator Preister. [LB516]

SENATOR PREISTER: Aside from the producer representation and the issues that Senator Erdman is bringing up, what I'm understanding the heart of your objection to be is essentially another layer of bureaucracy; rather than creating a whole new structure and new system and other people who are working on the issue, that the legislative body has to ultimately make the decisions and so the Legislature, the Ag Committee, doing the hearings and doing an interim study where we're hearing directly is the essence of, I think, what you're saying. [LB516]

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JON BAILEY: Think that's right, Senator. You have the ability, through study resolutions and through your staff, to essentially do the work of this proposed council, to receive all of the input from everybody who's listed and others who are listed in the bill and get comments from the public from as many farmers and ranchers and others who are interested in this issue who want to give you comments, from experts, not only Nebraska but throughout the country on corporate farming issues. You can basically be this council and maybe I didn't make that clear enough in my testimony, but I don't really see a need to have an appointed body do what you can already do and receive all of the information, all of the input, all of the ideas on corporate farming issues that are available out there, not only in Nebraska but across the country. You can receive all of that information and make the same recommendations, do the same policy development as this council will do, since you'll have to do it anyway. [LB516]

SENATOR PREISTER: That's what I thought you were saying. Thank you. [LB516]

JON BAILEY: Thank you. [LB516]

SENATOR ERDMAN: Thank you, Senator Preister. Further questions for Mr. Bailey?

Thank you, sir, for your testimony. [LB516]

JON BAILEY: Thank you, Senator. [LB516]

SENATOR ERDMAN: Appreciate you coming down. [LB516]

JON BAILEY: Thank you. [LB516]

SENATOR ERDMAN: Next testifier in opposition to LB516. [LB516]

DON REEVES: (Exhibit 3) Good afternoon, Senator Erdman and members of the Ag Committee. I'm Don Reeves from Central City, appearing today as president of the Center for Rural Affairs. The center's mission is clear. We're committed to building communities that stand for social justice, economic opportunity, and environmental stewardship, and in my testimony I want to emphasize our concern for rural communities. During it's 34-year history, the center has stood for family farming, not only to maximize opportunity for farm families, but because of the clear and close relationship between the structure of farming and the vitality and well-being of the communities of which farms are a part. This understanding, along with relevant programs, is a principal reason that the center has drawn consistent support from churches, rural school supporters, community development groups, and a broad range of other persons and groups concerned about maintaining and strengthening rural communities. This understanding was the motivation for I-300 in the beginning. So the most glaring deficiency of LB516 is that it virtually ignores the impact of the structure

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farm on the communities of which they're a part. I found only a single phrase in the entire bill, in the introduction to Section 5, which names "social conditions" as relevant. We would list building and maintaining vital and viable rural communities as the first among policy objectives in any review such as this bill proposes, while endorsing the three objectives already named in Section 5 of the bill. We are also wary of the process and the designated range of persons to be named under this proposal to review the 25-year history of I-300 and suggest possible changes. Only two ag producers would be assured, with only vague assurance that the proposed council will include representatives of diverse viewpoints. The perspectives and experience of small and medium size farms, those most likely to be affected by any change, must be assured in any exercise of this nature. And no one is designated to represent the perspectives or experience of rural communities, neither from direct experience nor careful study of community impacts of farm structure. Again, this perspective must be assured. Mindful that I-300 began as a citizen initiative and has enjoyed broad citizen support throughout its life, we'd much prefer...we would must prefer that elected delegates be charged with the tasks outlined in LB516. We suggest that the Legislature's Agriculture Committee be designated to undertake this task as an interim study, hoping that you might be ready during the Second Session of this Legislature to recommend rather minimal changes necessary to satisfy the judgment of the federal courts, if the present judgments are upheld. Once the goals of the task are clear, you can enlist legal, financial, and other technical skills as necessary. We feel confident that any objective review will conclude that the interests of all Nebraskans, especially farming families and rural communities, have been well-served by I-300 and that its main provisions can and should be preserved. Thanks for the opportunity to direct your attention to our concerns. [LB516]

SENATOR ERDMAN: Thank you, Don. Any questions for Mr. Reeves? Oh, Senator Dierks. [LB516]

SENATOR DIERKS: Well, you've given us some things to direct our attention to, Don, and I wondered what about, when you talk about the perspectives and experience of small and medium size farms, those most likely to be affected by any changes, do you have something in mind that we need to take a special look at there? [LB516]

DON REEVES: Well, I think some of the proponents have named problems that probably would need the attention of the committee as you proceed. But our fear is that this, if you kind of start with a clean slate, so to speak, that there would be opportunity for things to find their way into a study such as proposed that might not, in fact, be in the interests of small and moderate sized farms and rural communities. [LB516]

SENATOR DIERKS: Okay. Thank you. [LB516]

SENATOR ERDMAN: Thank you, Senator Dierks. I see no further questions. Thanks, Don. Next testifier in opposition to LB516. [LB516]

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LAURA KREBSBACH: Good afternoon. My name is Laura Krebsbach, L-a-u-r-a K-r-e-b-s-b-a-c-h, and I'm here today on behalf of the Great Plains Environmental Law Center. Although our organization is new to I-300 and the issues involved, I personally have been involved in other capacities for guite some time, so I have some historical references. And obviously, in the light of current events, you know, we've got to do something if, and that's a big word "if," we do not get heard by the United States Supreme Court. So you know, we...process still needs to be played out. We haven't exhausted process, but there is that possibility, so we do need to be prepared. We also would propose an interim study for a number of reasons. First of all, public policy and process is very important and when you have appointments and you have the vehicle in this bill, it seems like someone always feels like they are left out if they're not appointed. And I know from the environmental perspective, I've requested to be on a number of advisory panels and have yet to have a single assignment. Maybe I am very obviously environmental in my stance, but I still feel that I have a lot to bring to the table. And so not having some of these appointments specifically more enumerated and specifically alluded to requirements and whatnot. The other thing is that as far as what I-300 was in process is it was very public. It was grass roots. Interim study and listening sessions from the public across the state is in the spirit of what I-300 was and how it came to be, and I think that it's a more open process. It's more accessible to the public and does then give you, again, as Jon Bailey said, the committee the ability to do what this vehicle that LB516 creates. You can do that and do I think a much more clean process and more publicly involved process. So we, too, would urge that an interim study actually be the course that the committee would take. So I appreciate the ability to speak here. [LB516]

SENATOR ERDMAN: Thank you, Laura. Any questions for Ms. Krebsbach? Senator Dierks. [LB516]

SENATOR DIERKS: Laura, I didn't catch who you said you represent. [LB516]

LAURA KREBSBACH: The Great Plains Environmental Law Center. [LB516]

SENATOR DIERKS: Okay. [LB516]

LAURA KREBSBACH: And I'm not a paid lobbyist. I am a volunteer for the law center when I come down and testify. [LB516]

SENATOR DIERKS: Is that someone from Lincoln or is that... [LB516]

LAURA KREBSBACH: The center is based in Omaha. Steve Virgil is our executive director. I'm a board member and I do a lot of organizing and outreach across the state on behalf of the law center. [LB516]

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SENATOR DIERKS: Oh. Thank you. [LB516]

SENATOR ERDMAN: Laura, just a couple questions for you, in your perspective of the bill. The appointment process, this is how I read it and I think this is how we drafted it, but that representatives from each of the following classes, and it doesn't specify how many from each class, it just lists the total number, and I'm assuming that the minimum is one and the maximum could be whatever as long as every other group had one, but it also...it specifically states environmental policy advocates, and so you could read that that's two, or you could read that that's a minimum of one. I'm assuming that that probably isn't the concern that you brought forth as far as the representation. Do you have specifics as far as the actual other people that would need to be represented? Because, as I understand your testimony, it's largely due to the fact that you feel that at least your representation or others in your situation are underrepresented in these discussions. As I read the bill, we specifically name individuals such as yourself as a group that would be appointed to this process. Maybe a little more clarification, are we addressing that concern of yours and you have other concerns on the behalf of other representatives or... [LB516]

LAURA KREBSBACH: I find that problematic because on paper it sounds great. This, you know, what you point out, it can be one, it can be more, it can be several, as long as the other areas have one each. But in practice I've yet to see that happen as far as environmental advocates. [LB516]

SENATOR ERDMAN: But if our law states that we have to have at least one environmental policy advocate and you and Mr. Winston, I'm sure others, could probably give us a short list of who you would consider those people to be, wouldn't we be required to make sure that at least one individual that represents a philosophy similar to yours as an environmental policy advocate be appointed? Because if we didn't, we'd be in violation of the state law. [LB516]

LAURA KREBSBACH: I would actually... [LB516]

SENATOR ERDMAN: I'm not an attorney. I'm just trying to understand... [LB516]

LAURA KREBSBACH: I quess... [LB516]

SENATOR ERDMAN: ...and that's thankfully to... [LB516]

LAURA KREBSBACH: You know, I was really hesitant on addressing that issue, but I think to point out the fact that appointments do always seem to tend to leave someone feeling left out, I don't think that one advocate in that area is sufficient. [LB516]

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SENATOR ERDMAN: Is two? [LB516]

LAURA KREBSBACH: You know, I can't...I would say two is better than one,... [LB516]

SENATOR ERDMAN: Okay. [LB516]

LAURA KREBSBACH: ...but we all rely on the environment across the state and it's what gives us the ability to farm. If we ruin the environment, we can't farm. So I would think...I'm just...the process doesn't always work out the way it looks on paper. [LB516]

SENATOR ERDMAN: Sure, and that's the burden, I think, of any process, whether it goes forward in this manner or any other manner, that that burden will be pretty high to make sure that the public is involved. [LB516]

LAURA KREBSBACH: Right. And that's why our feeling is the interim study actually serves the public and all Nebraskans the ability to be involved at a grass-roots level in a listening capacity that then the committee moves forward. [LB516]

SENATOR ERDMAN: Okay. Senator Preister. [LB516]

SENATOR PREISTER: Laura, as the Chairman of the committee just outlined the language, an environmental policy advocate, would you say that could be an environmental compliance officer for a large ag corporation? [LB516]

LAURA KREBSBACH: That's a very good question. Who is going to interpret what that means and what those requirements are? That's a better way of raising my concerns than I've done myself, so I appreciate that. Yes, I would say that possibly that could happen, and that's a bias, I think, that may not do the environment justice. [LB516]

SENATOR PREISTER: So your concern is how what's in statute or would potentially be in statute is interpreted and then how it's carried out, and your experience, as you're relaying it, is that these appointments tend to be more from an industry perspective rather than a social perspective, as we heard earlier, rather than from a small producer perspective or from an environmental perspective or a host of other minority voice perspectives. And your concern is those voices are equally heard. [LB516]

LAURA KREBSBACH: Absolutely. Absolutely. [LB516]

SENATOR PREISTER: And beyond that, as we've heard from the previous two opponents, your essential position is, aside from the makeup, that we as policymakers don't hand over our responsibility to another bureaucracy, but that we do an interim study, we do the direct listening, we assume our elected responsibility and do it ourselves. [LB516]

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LAURA KREBSBACH: Absolutely. Absolutely. Adding another layer of bureaucracy also tends to put the public a little bit more at arm's length than it is for the committee to go out and do the direct interaction with the public through the interim study process. And I know that myself and others in this room have been involved in other interim studies and have felt that our voices truly were heard, whereas if you only have access to a couple of people that are a part of that next layer, it makes it a lot more difficult to feel like there's as much transparency as the public would like to have. [LB516]

SENATOR PREISTER: Okay. Thank you. [LB516]

SENATOR ERDMAN: Thank you, Senator Preister. Laura, I don't want to belabor this, but see if you would agree with this statement. Regardless of which process is used, if it is not designed to be inclusive the credibility of that effort will be questioned. [LB516]

LAURA KREBSBACH: I think that's a true statement, but there are purer processes and I feel that the interim study process is a pure, more public accessible process. [LB516]

SENATOR ERDMAN: And I just...the only reason that I ask you that is...and I'll give, for the sake of the folks who are here on the committee, if you look at LB709, which was introduced a few years ago to look at a process designed to reform Medicaid, which is a vital service that many of you have an interest in, as well as those of us on the state, both in providing services as well as meeting the financial obligations to support it, it's a similar process that we used and we had numerous hearings across the state involving the public. Understanding that one model doesn't always fit, but this has been a tested philosophy to encourage these types of public hearings. And I know that as a member of the Health Committee I attended many of those discussions statewide to try to be a part of those discussions as well, but we understand that there's concerns and just want to make sure that everybody is aware that we didn't pull this out of a hat, but we recognize that just because it worked somewhere else it may not be the right fit here. [LB516]

LAURA KREBSBACH: Right, and... [LB516]

SENATOR ERDMAN: But there's always going to be a value. And then that organizational structure, there was probably as much division in the community that would be affected by any changes as there is in the ag community regarding I-300, and it was largely successful due to the inclusion part of the proposal. And it's modeled after...this bill is modeled after that same idea, to try to provide some validity in whatever the outcome is. But that's...whatever process we would choose to employ, if we do employ one, has to allow public involvement; has to be representative of those who would be interested in the discussion; and has to be available for others who may not fit in a neat category to be able to share their opinion with us as well. [LB516]

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LAURA KREBSBACH: And I understand that sometimes it's easier to not reinvent the wheel and lift something from somewhere else, and I respect that whenever that's possible we all want to do things that have worked in other places, but I just want to reiterate that having the public hearing process in the front, loading that at the beginning, opposed to having this process where there's decisions and policy suggestions made and then public hearings on what that policy recommendation is limits more of the public's availability to have part of that process. I think it's just always better to have the public at the beginning than at the end process. [LB516]

SENATOR ERDMAN: Point well taken. Other questions? I see none. Thanks. [LB516]

LAURA KREBSBACH: Thank you. [LB516]

SENATOR ERDMAN: Next testifier in opposition to LB516. [LB516]

JOHN K. HANSEN: Chairman Erdman, for the record, my name is John K. Hansen, H-a-n-s-e-n. Members of the committee,... [LB516]

SENATOR ERDMAN: Yeah, do you have your sign-in sheet, John, that you can... [LB516]

JOHN K. HANSEN: Yes, I do, and I was going to, as I went over to turn that in, Mr. Chairman, also indicate to the committee that I also have, as a part of my testimony, testimony sent to me by Conrad Grothen, chairman of the board of the Nebraska Chapter of the American Corn Growers... [LB516]

SENATOR ERDMAN: Okay. [LB516]

JOHN K. HANSEN: ...Association, and also by one of my members, Ted Thieman, of Petersburg, Nebraska, and I have copies for the committee and I'll... [LB516]

SENATOR ERDMAN: Very well. [LB516]

JOHN K. HANSEN: ...turn them in at that time. (Exhibits 4, 5) [LB516]

SENATOR ERDMAN: Okay. You can hand it to the page and hand the testifier sheet as well. Very good. Thank you, sir. Please proceed. [LB516]

JOHN K. HANSEN: I probably didn't do that right, but at least I turned off my cell phone today. [LB516]

SENATOR ERDMAN: Very good. We appreciate that too. [LB516]

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JOHN K. HANSEN: So I'm just...you know, every day... [LB516]

SENATOR KARPISEK: We'll call him and see. [LB516]

JOHN K. HANSEN: ... I try to do something better than I did the day before. [LB516]

SENATOR ERDMAN: What was that cell phone number again, John? We can try that

and... [LB516]

SENATOR KARPISEK: I got it here. Should I call it and see? (Laughter) [LB516]

SENATOR ERDMAN: Sorry to derail you. Go ahead, John. [LB516]

JOHN K. HANSEN: Members of the committee, Mr. Chairman, first let me thank you for bringing LB516 forward. I think it is appropriate that we do figure out a process that should be in place should the final legal appeals of I-300 not be successful. That process continues to be in place and the appeals process is going on, although it's not going on guite as we had anticipated it or hoped that it might. But the U.S. Supreme Court will have an opportunity, we hope, to review the appeals from the Eighth Circuit Court and, if not, the final order of Judge Laurie Smith Camp. So for that reason, we have been a little slow to do the eulogy on I-300 until the body stops moving and bury it before it's dead, but we do think that it's appropriate that we figure out where we go from here. And in I guess the view of my organization, but also the organizations that we work with as we got feedback from LB516, it will be fairly safe to say that most of the folks on our advocacy side of the line felt that it would be a more open process, one that would allow more diversity of perspective of Nebraska citizens who have always historically wanted to weigh in on this issue, to give them, all those folks who did want, an opportunity to bring their ideas and their viewpoints forward that an interim study approach made more sense, was a more open process, and one that was perhaps more in keeping with the actual development of I-300. And, you know, going back, I was involved in that process going back to '72, and there was a frustration on the part of the public as a whole that the legislative process was not including their thoughts and was not reflecting their point of view. And finally, the citizens initiative process was an effort to go around that. And so I-300 really was the product of citizens from a wide range of perspectives with a lot of different stakes in the issue, coming forward and working together to do that. So we think that as we go forward it's important that we have a vehicle to go forward, but we are more comfortable with an interim study, especially if the interim study had some funding authority to help tap some of the expertise necessary to figure out where we go from here. The business of putting together post-I-300 provisions into law is not just a matter of who wants what. It's not a shopping list. It's also unfortunately, by virtue of the nature of the legal challenge against I-300, the use of the dormant commerce clause is being used to very adversely impact the

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ability of any state entity to be able to set its own standards or chart its own course. And so the legal options available on the table are problematic in my view. One of the real problems of the litigation and process is that it definitely is in conflict with interests of state's rights. So all of that being said, we thank you for bringing LB516 forward, but appear in opposition and would support the use of the interim study as an opportunity to travel and see beautiful Nebraska on the part of the Agriculture Committee next summer. [LB516]

SENATOR ERDMAN: Thank you, John. [LB516]

JOHN K. HANSEN: Thank you. [LB516]

SENATOR ERDMAN: Any questions for Mr. Hansen? I don't see any. Thank you, sir. [LB516]

JOHN K. HANSEN: Thank you very much. [LB516]

SENATOR ERDMAN: Next testifier in opposition. I see at least two left. Can I see a show of hands of how many remain? One more? So I have three total remaining? Okay. [LB516]

NORMA L. HALL: (Exhibit 6) Chairman Erdman and members of the Agriculture Committee, I am Normal Hall, N-o-r-m-a H-a-I-I, from Elmwood, Nebraska. I feel like appearing here today I've sort of come full circle. Thirty years ago we were in front of the Legislature trying to set up some corporate legislation and were not successful, so we proceeded to go forth another way. I appear before you today in opposition of LB516, the Corporate Farming Policy Advisory Act. At the current time it, I-300, is in limbo and so we don't really know what is happening. Some nonfarm corporations previous to the passage of that amendment are in place because they were grandfathered in when I-300 was passed and were not affected by the amendment. Limited liability companies have laws they must follow to qualify for an LLC. It would seem to me that records already exist that have this information available. As I look at the selection of those entities which will be represented by the appointment to the corporate farming policy advisory council, I note that most of those entities did not support passage of a corporate farming bill when I-300 was passed. What would be their interest if that task of the policy advisory council is to examine and evaluate corporate interest in the farming policy in the state now? In the interest of fair representation, I feel strongly that there should be more than one crop/livestock producer on the council if it is formed. I want to share with you a little bit. I have been part of a policy task force and I believe there were 14 on this. There were...this is a number of years ago. And the results of that task force were three people made the decision to come forth with legislation that was brought to the Legislative Chambers and it was passed, but the rest of us had...no vote was taken. It was simply these three

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people came together and did it. And it wasn't a good...left a good taste in my mouth as far as a task force goes. I urge the members of the committee to not pass LB516 out of committee. I would suggest also that an interim study by the Agriculture Committee and hearings be held across the state on this issue. I believe it would be more productive than forming the corporate farming policy advisory council. Thank you for your attention. [LB516]

SENATOR ERDMAN: Thank you, Norma. Any questions for Ms. Hall? Thanks for your testimony. Next testifier in opposition please. [LB516]

CHUCK BENTJEN: Good afternoon, senators. My name is Chuck, C-h-u-c-k, Bentjen, that's spelled B-e-n-t-j-e-n, and my title is vicar, v-i-c-a-r, and I serve as director of Justice and Advocacy Ministries for the Evangelical Lutheran Church in America in the state of Nebraska. The Evangelical Lutheran Church in America is one of the largest protestant dominations...denominations, excuse me, in the United States and in the state of Nebraska. We certainly would not want to be dominant, so I want to make that very clear. (Laughter) [LB516]

SENATOR ERDMAN: I could see some contradictory questions that would come out of that. [LB516]

CHUCK BENTJEN: I do not have a lot to add to what the previous opponents have testified to. I simply want to go on record as adding our opposition to this particular piece of legislation. And in lieu of that, promoting an interim study resolution for all of the reasons that these folks have stated. We have attempted...I'm part of a human rights coalition that works on a lot of different legislation, and we have attempted to be part of advisory councils in the past and generally, when we gather for our meetings, we bemoan how we are not given the opportunity to be part of those advisory councils. So we just feel that an interim study resolution would be a more effective way and a more open way to address this very important issue. Thank you. [LB516]

SENATOR ERDMAN: Thank you, Chuck. Any questions for Mr. Bentjen? I see none. Thank you, sir. Next testifier in opposition, please. Then I believe we have two neutral testifiers, if my count is correct. Go ahead. [LB516]

DON ERET: Chairman Erdman and committee members, my name is Don Eret, that's spelled E-r-e-t, and I appear here representing myself, as a retired farmer, and as a former member of the Legislature's Agriculture Committee. I'll try to be brief and state that I agree with those that felt that this subject is a matter of...to be handled by the committee itself in their interim hearings. And I would just state that I'll be back in Lincoln tomorrow. There's a hearing on an election bill that was addressing a statute that was a product of a task force and which crafted a statute, which got enacted, but it appears to be patently unconstitutional now under the evolving controversies over

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election laws and procedures. And so I think you have to recognize that farming, family farming, either under the corporate structure or without being corporate, is the biggest industry of Nebraska and it is your committee's biggest constituency of matters that come before you, other than the mundane regulatory issues that you have to handle. So I think you are already established as the committee to handle the issues and questions that will come up relative to corporate farming. So with that, I'll conclude. Thank you. [LB516]

SENATOR ERDMAN: Thank you, Don. Any questions for Mr. Eret? I don't see any. Thanks for coming back. [LB516]

DON ERET: Thank you. [LB516]

SENATOR ERDMAN: I will ask again, are there any further testifiers in opposition to LB516? I didn't see any, but I thought we'd ask one more time. That will end that. We'll move to neutral testimony. Senator, if you'd like to come forward. [LB516]

GEORGE BILL BURROWS: (Exhibit 7) My name is George Bill Burrows, B-u-r-r-o-w-s, and I wanted...I maybe made a mistake coming up neutral because in its present form I wouldn't want to see this bill pass from committee, because I also would support an interim study. But I thought you might use it for a vehicle for funding an interim study. I don't know what your needs are there as far as a basic vehicle or getting the funds for a interim study. I'd like to see the Ag Committee work with it directly, with the people that come in to testify all the way through. In its present form, I would consider those. Back over the years, historically, it's dominated...the members named for this study would be dominated strongly by people that opposed Initiative 300 in various forms at committee hearings during the hearings that were held over the years, because I was the one that carried a corporate farm bill all the way through from approximately '75 through '82. In addition to that, I was lobbying here for the National Farmers Organization as its state vice president and 1st and 2nd Congressional District president. Prior to that, in the late sixties and on in through that time, I had an interest in this. I would like to mention that at the time, going back into those early years, in a lot of our discussions we had people and at the hearings continually saying, well, Initiative 300 did not solve agriculture's problems. And those of us that were at the center of the thing, all the way through, never professed it too. It was the opponents came in and they said, well, it's not going to solve all the problems of agriculture, and they were absolutely correct on this. We agreed on that purpose and it was just one that did put some blocks in it for agriculture. For instance, it left Ted Turner out there privately owning the land, which it can come up for estate taxes and ride through and maybe be redistributed in future years. As far as the land ownership, this perpetuity that exists with a corporate structure is what it came about doing. Probably the biggest interest I had in it was studies that we had, and I haven't seen them mentioned in the papers, but studies we found that were studying the effects of corporate ownership and control of livestock, especially in the cattle industry.

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They showed a tremendous influence in affecting the livestock market with a depressing effect that a few head, really, a few hundred head in corporate control, where they could deliver them to the kill floor the day they wanted them, reduced the competitive nature of the livestock market tremendously, and they could lose money hand over fist on these and make it back by buying it from Joe Farmer out here at a lesser amount. In fact, when I was in college, we had Dr. Clyde Mitchell (phonetic), head of the Ag Ec. Department, and he held an Ag Ec. I class and he had discussions from all angles, and the corporate monopolistic tendencies, the corporate power of the processing industry he had researched and dug in and discussed at that time. Well, he went to the head of the Ag Ec. Department and about the time I was in Korea he was relieved as head of Ag Ec. And at that time, why, it's with a few exceptions, we have a few economists, but none of them making university releases that discuss corporate power in dominating farm prices downward. This we haven't had. And this...these effects I would certainly like to see brought out in it. One of the things that came up, a couple things on this, really, I've read most of it in the paper, what's happened, and that's not always the best source of information, but one was that they sued on the basis that a physically handicapped person could not own a corporation and raise hogs. Now the word "labor," it was all based on the word "labor." Now there is no definition within Initiative 300 as to the word "labor." The word "labor," when you go to the dictionary, is a much broader word than physical use only. A person that was involved day to day, it was kept in there, and this was discussed a long ways back, the word "labor" was a broad word where somebody that actually got involved in the day-to-day management of that corporation would be included. So that was...should never have been even discussed as far as a court case. There was no rationale with the wording of the law as it existed to use that. This is one of the things I was very disappointed at. The other, the one thing I've observed about its usage is liability, which has been the big thing, and all the corporate, generally, individual farmers that wanted to use corporations with a number of farmers getting together, they can use the partnership. Now we had a hearing, our county board did, with an operation that was wanting to set up a hog setup south of my hometown and they did not get the setup. It was not Initiative 300 that stopped it, but the neighboring farmers far outnumbered their interest in keeping out the stinko from that hog facility out of their neighborhood, far outnumbered the few individuals that wanted to come in. And the other side, I know that the proponents there were very concerned about liability and it's a very...one of the very greatest needs we have of keeping people liable when they set up these huge lagoons that damage their neighbors and to keep them liable for the mess they've created. And if they can't afford to do it, maybe they shouldn't be doing it that big. This is my feeling there. I've taken guite a bit of your time and I would like some time discuss some of the other aspects of this thing that went into the court case, because I am wondering whether public purpose was well enough defined in it for the court system. Because to regulate a corporation you have to have a public purpose that is valid, that has good rationale for the general public, and I think we did. Whether that was ever discussed far enough I don't know, but I think we did, throughout these hearings the many years. I was at all these corporate farm bill

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hearings through the time of the seventies. I thank you. [LB516]

SENATOR ERDMAN: Bill, we're going to hold you. We're going to stop you just for a second... [LB516]

GEORGE BILL BURROWS: Thank you. [LB516]

SENATOR ERDMAN: ...so we can change the tape. [LB516]

GEORGE BILL BURROWS: Okay. [LB516]

SENATOR ERDMAN: And then we'll continue on here, so for... [LB516]

GEORGE BILL BURROWS: Well, I think I've used your time enough probably, but if you have any questions, I'm tickled to answer them. [LB516]

SENATOR ERDMAN: Okay. Well, hold on just a second here. Okay. Are there any questions for Senator Burrows? Senator Wallman. [LB516]

SENATOR WALLMAN: Yes, thank you for coming down here, Bill. He's in my district and a mentor of mine. And do you think an interim study then would be better than this other proposal we have? [LB516]

GEORGE BILL BURROWS: Oh, greatly. I'd like to see the Legislature do it itself. In fact, this is something I feel rather strongly about in general terms for the commissions that are used in this state, that if the Governor's Office and the Legislature, if they have direct contact with their constituents, that it's way superior in any way of any studies. They get padded and even with the best interim study committee, I think it would be better to see the Legislature hold the hearings themselves. [LB516]

SENATOR ERDMAN: Okay. [LB516]

GEORGE BILL BURROWS: Have you people hold them. [LB516]

SENATOR WALLMAN: Thank you. [LB516]

SENATOR ERDMAN: Thank you, Senator Wallman. [LB516]

SENATOR WALLMAN: Thank you, Mr. Chairman. [LB516]

SENATOR ERDMAN: I see no further questions, sir. Thank you for your testimony.

[LB516]

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GEORGE BILL BURROWS: Well, thank you very much. [LB516]

SENATOR ERDMAN: We'll look forward to seeing you again. Next testifier in neutral. [LB516]

JERRY STILMOCK: Good afternoon, senators. My name is Jerry, J-e-r-r-y, Stilmock, S-t-i-l-m-o-c-k, registered lobbyist on behalf of the Nebraska Bankers Association. Of course, financial institutions play an integral role in agricultural production in our state. We are happy to come to the table and we'll be happy to continue to come to the table to assist in drafting and assisting with implementing the study, and also coming forward with any recommendations in that process should LB516 be advanced. And also recognize, of course, that agricultural credit lenders are included as a part of the participation and appreciate that opportunity. Thank you. [LB516]

SENATOR ERDMAN: Thank you, Jerry. Questions for Mr. Stilmock? I guess I'm just curious why you're here in a neutral position. [LB516]

JERRY STILMOCK: That was the approach to take because we've been involved in the past, and if there is to be policy developed, that we would want to participate in that again. [LB516]

SENATOR ERDMAN: So you have no preference on the practice; just that you're included in the discussion. [LB516]

JERRY STILMOCK: Yes. [LB516]

SENATOR ERDMAN: Very well. Thank you, sir. [LB516]

JERRY STILMOCK: You bet. [LB516]

SENATOR ERDMAN: Next testifier in neutral. [LB516]

ROD JOHNSON: Senator Erdman, committee, my name is Rod Johnson and I'm here speaking strictly on my...for myself. [LB516]

SENATOR ERDMAN: You want to spell your last name for us. [LB516]

ROD JOHNSON: J-o-h-n-s-o-n. [LB516]

SENATOR ERDMAN: Thank you, sir. [LB516]

ROD JOHNSON: And my comments are based on my background and my whole life being connected to production agriculture in one facet or another. I'm neutral on this

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situation. I sat here and listened to the testimony and felt like I...maybe the whole point of the issue has not even been brought up yet. Whether it's a study, whether it's a committee, I think that's very immaterial. I think the real issue here is production agriculture in Nebraska. If you look back over the last 10 to 20 years, it was reported in the newspaper last week, the number of farms has gone down, the number of...the size of farms has gone up. I know in the dairy industry it's a fraction of what it used to be. The pork industry has lost a third of its producers and a third of its numbers of production, and this has all happened over the last few years. Along with that, the communities have lost schools. We've lost population. We've had a lot of issues out there and I think the real challenge for this committee and for the committee or the study moving forward is how do we structure something in Nebraska that will bring back young people to our communities, and how do we recreate production agriculture across Nebraska which in the long term will bring people back into our rural communities? And I think that's the real challenge and the issue that the committee...that your committee should address as you move forward with whatever this situation is. Think it's interesting over the years, having watched the progress of a lot of issues. You can almost draw a line in the sand on who's going to be on one side of an issue and who's going to be on the other side. Most of the comments that have been made here today have all been pretty similar that something needs to be done, but yet how you go about it is the real issue. With that, I would answer any questions. [LB516]

SENATOR ERDMAN: Thanks, Rod. Any questions for Mr. Johnson? I see none. Thank you, sir. [LB516]

ROD JOHNSON: Thank you. [LB516]

SENATOR ERDMAN: Anyone else wishing to testify neutral? [LB516]

ANTHONY SCHUTZ: My name is Anthony Schutz. I teach agricultural law here in Lincoln. [LB516]

SENATOR ERDMAN: Anthony, can you spell your name for us. [LB516]

ANTHONY SCHUTZ: Last name Schutz, S-c-h-u-t-z; first name Anthony, A-n-t-h-o-n-y. I'm from Elwood, Nebraska, originally. I grew up on a family farm. I would probably be farming but there's lots of reasons why that isn't going to happen, and I'm not sure that the corporate form really has much to do with it. But I testify in a neutral position only to sort of highlight a couple of things. One, and, Senator Erdman, I am a lawyer, right? And... [LB516]

SENATOR ERDMAN: We won't hold that against you. It's okay. [LB516]

ANTHONY SCHUTZ: Okay. Well, thank you. The one thing that I think you'll question

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and I think you should question is the utility of a task force on a divisive issue. Now you mentioned Medicaid. What came to my mind immediately was LB962 and water, right? And I'm not sure that task force has gotten us very far. But one thing that I really don't want to see is for you to spin your wheels for two years, right? And we'll be right back here two years from now. So that's my only suggestion. The other suggestion I have is when you refer to saving the family farm or trying to ameliorate the harms caused by corporate farming that the focus of your inquiries shouldn't be on Nebraska family farms but rather family farms in general, because the protectionism is what sort of got us in trouble in the first place. [LB516]

SENATOR ERDMAN: Thanks, Anthony. Any questions for Mr. Schutz? Senator Karpisek. [LB516]

SENATOR KARPISEK: Thank you, Mr. Chair. I would just say with Senator Erdman being the Chair, I don't think we'll spin too many tires. (Laughter) I think we'll be moving forward. Thank you, Mr. Chair. [LB516]

SENATOR ERDMAN: That's kind of you to say, but we'll have to work at it, I'm sure. I see no further questions. Thanks for your testimony. [LB516]

ANTHONY SCHUTZ: Thank you. [LB516]

SENATOR ERDMAN: One last call for any testifiers in the neutral position. Again, we'd like to encourage you, if you didn't feel comfortable or chose not to testify but would like to state your position on LB516, to sign in on the tablets that are positioned at the door to make sure that you have the opportunity to have that entered as part of the record. I don't see anyone else wishing to testify. We sincerely thank you for coming today and sharing your insights with us, and we look forward to continuing to work with you on this and other issues. And that will close the hearing on LB516. [LB516]

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Disposition of Bills:	
LB516 - Advanced to General File, as an	nended.
Chairperson	Committee Clerk