

Transcript Prepared by Clerk of the Legislature Transcribers Office
Agriculture Committee March 19, 2026
Rough Draft

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DeKAY: Welcome to the Agriculture Committee. I'm Senator Barry DeKay of Niobrara, Nebraska, I represent the 40th Legislative District. I serve as chair of this committee. The committee has only one item on our agenda today, AM2503 to LB1187. I will give an introduction, after which we will receive public testimony. Due to the constraints of conducting, conducting this hearing while the Legislature is engaged in full floor debate, I would like to conduct the hearing by the following procedures. Normally, we would take all proponent testimony, followed by all opponent witnesses, and then neutral. Today, I would like to take witness alternating between one proponent, followed by one opponent, and one neutral. We will repeat that order until we exhaust either proponents or opponents and then we will go to additional testifiers remaining on one side or the other. At 1:30, if there are witnesses remaining to be heard, members of the committee may leave briefly to check in to the floor and then return. We will continue taking testimony until either there are no witnesses remaining or we are all called back to the Chamber for a vote. I would also point out that the online comment period has been extended until 5:00 p.m. on Saturday, March 21st. I ask that you abide by the following procedures to better facilitate today's proceedings. Please silence or turn off all your cell phones. If you're planning to testify, please fill out a green sign-in sheet, this is on the table at the back of the room, before you come up to testify. Please print and complete the form in its entirety. When it is your turn to testify, hand the sign-in sheet to a page or to the committee clerk. This will help us make a more accurate public record. If you do not wish to testify today, but would like to be-- indicate your position, there are also yellow sign-in sheets at the back of the room. These sheets will be included into the hearing record. If you have written statement or other handouts, please have 12 copies-- excuse me, and hand them to the page when you come up to testify. They will distribute those to the committee. If you do not have enough copies, a page will make signif-- sufficient copies for you. When you begin, spell your first and last name. We will be using a light system for all testifiers. To accommodate as many witnesses as possible, I will ask that you keep your initial remarks to three minutes. When you begin, the green light will be on. When you see the yellow light, that

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means you have one minute remaining. And the red light indicates your time has ended and you should conclude your remarks. Questions from the committee that follow will provide an opportunity to further explain your position. No displays of support or opposition to a bill or speaker, vocal or otherwise, are allowed at a public hearing. Offenders may be asked to room-- leave the room. The committee members with us today will intro-- introduce themselves, starting with my far left. Fred.

F. MEYER: Fred Meyer, District 41.

STORM: Jared Storm, District 23.

KAUTH: Kathleen Kauth, District 31.

HANSEN: Ben Hansen, District 16.

IBACH: Teresa Ibach, District 44.

DeKAY: And to my far right.

HOLDCROFT: Rick Holdcroft, District 36.

RAYBOULD: Jane Raybould, District 28.

DeKAY: To my immediate right is committee research analyst, Rick Leonard. And our committee clerk, Linda Schmidt, is seated at my far left. With that, I will open and then we will proceed with testimony.

IBACH: Thank you, Senator DeKay. Go ahead with your opening.

DeKAY: Thank you, members of the committee. As chair of the community, I filed this amendment as a procedure and necessity to facilitate today's hearing. But AM2503 to LB1187 represents the collaborative work of the full committee as we have wrestled with the brand law and the financial position of the Brand Committee. I brought LB1187 as somewhat of a shell bill to provide the Legislature with a vehicle to provide at least minimal revenue authority to help assure that the viability of the Brand Committee while the broader questions of the brand law reform are being debated. It is apparent that there is

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resistance within the committee, within the Legislature, and within the segments of our livestock industry to giving the Brand Committee additional fee authority without broader reforms to the brand law. In the interest of time, to allow for more, more time for public input, I will not go into great detail. But the elements of the amendment are pretty well summarized in a table concluded in the briefing materials that were distributed to you and which you have already been discussed in previous meetings of the committee. I have provided copies of that summary of the amendment at the back of the room for the audience. AM2503 retains the original changes to the inspection fee provisions contained in LB1187 as introduced. However, there are a number of elements of reform short of abandoning mandatory brand inspection that have been put forth in legislation over the past five years and discussed during the hearings on brand law earlier this year. AM2503 would change provisions related to the Brand Committee itself by expanding and revising its membership and providing greater accountability. Next, the amendment proposes changes to the annual registered feedlot fees, decoupling the fee from per-head inspection fee and simply imposing per-head fee based on feedlot capacity. The statutory cap for the brand renewal fee is increased from the current \$200 to \$400. The amendment further exempts the dairy industry from the mandatory inspection and provisions of brand law. An additional exemption for inspection is provided for cattle transferred to the temporary care of another party, provided the party in custody produces documentation to identify the, the animals and verify the custody arrangement. Additionally, the amendment limits audits of registered feedlots to no more than two regular audits, and requires approval of the brand committee for its, for its staff to conduct any additional audits, and limits additional audits to probable cause that a violation of brand law has occurred. Finally, the current law exempts cattle entering a registered feedlot from inspection if they are moved directly to an RFL from the point of origin, provided cattle are accompanied by brand inspection documentation where there's applicable or satisfactory evidence of ownership if moved directly from an area lacking inspection. AM2503 would move that exemption point to the backgrounder lot if cattle destined for a registered feedlot are first place in backgrounding lot for a period. Cattle could be moved between the backgrounder and the RFL without inspection

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provided the documentation follows the cattle throughout. I would like to emphasize that nothing in AM2503 or any legislation that has ever been before the Agriculture Committee would eliminate the special place of brands as proof of ownership. At no time has this committee considered anything that would not allow livestock owners to register, own, and use brands or remove the recognition of brands as prima facie evidence of ownership. That is not controversial. The only part of the brand law that has been controversial is whether the mandatory inspection provisions of the law should continue. That is partially-- particularly difficult matter since it largely boils down to the question of whether we as a state and the livestock sector, as an industry, are committed to the brand inspection system and the infrastructure we have today. If so, if we intend to maintain brand inspection, then we need to provide the Brand Committee with resources and authorities it needs to carry out the task, and the inspection program needs to be meaningful. It is difficult to just exempt parts of the industry that question the value of brand inspection since it undermines the value and integrity of brand inspection, not to mention reallocating costs to other sectors. On the other hand, those who do value brand inspection need to realize that there is growing sentiment among parts of the industry cautioning the cost and value of mandatory inspection. The status quo is increasingly difficult to maintain. AM2503, the perf-- perfect solution? No. I suspect we will receive a lot of input that it is not. But as I and members of the committee and other members of the Legislature have put a lot effort into trying to move the needle and arrive at some long-term stability of the brand law. And I think we have-- we will continue to see legislation like this until we can reach some agreement. I hope this hearing today can be a step in that process. I want to conclude by acknowledging that the timing of this hearing is very poor with the devastating wildfires that have flared up after we filed the hearing notice last week. I do believe the committee needs to weigh heavily on the economic setbacks facing our livestock industry due to the loss of forage, direct losses of livestock, and additional economic headwind brought on by continuing drought and geopolitical events before making any decision on this legislation. I conclude my opening there, and I look forward to the input we receive. Thank you.

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IBACH: Are there questions from the committee? Seeing none, thank you, Senator.

DeKAY: We will now have our first proponent. Any proponents? First opponent. First opponent.

EDWARD DUNN: Good afternoon. My name is Edward Dunn, E-d-w-a-r-d D-u-n-n, and I speak in opposition to LB1187, and even more strongly today to AM2503. Let me be direct. I am for Nebraska brand law and for branding cattle. I'm for strong brand inspection in Nebraska. A brand is not some ceremonial holdover from the past. It's evidence of ownership. It's a rancher's first line of defense against theft, bad title, bad paperwork, and livestock disputes. That's exactly why this amendment is so troubling. AM2503 claims to protect livestock owners while simultaneously making the system more expensive, more bureaucratic, and more porous. The mission of the Nebraska Brand Committee is to, is to truly protect brand and livestock owners from theft through brand recording, brand inspection, and livestock theft investigation. The Legislature should be tightening ownership verification, not expanding costs and carving out new ways around inspection. As introduced, LB1187 raises the statutory cap on physical inspection fees from \$1.10 to \$1.50, raises electronic inspection cap from \$110 to \$150 per head, and authorizes a surcharge of up to \$30 per inspection location. If this were only a fee increase, that would be enough for reason for serious concern. But AM2503 goes much further, strikes the original bill, and replaces it with a broader rewrite. It expands the Brand Committee from five appointed members to seven voting members, creates new district-based and industry-specific seats, formalizes additional administrative structure, and changes the brand renewal cap fee to \$200. That is not housekeeping. That is bureaucratic expansion paired with vastly broader fee authority. And while asking ranchers to pay more, the amendment also creates new exemptions from inspection that are hard to justify if the stated goal is ownership protection and theft pre-- prevention. AM2503 would exempt cattle that are occupied of qualified dairy, cattle that are occupying a dairy-heifer development facility, and cattle that are transferred to the temporary care of another party without a transfer of ownership so long as the receiving party possesses a completed form

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describing the cattle, including brands, tattoos, or marks. Is that a minute? What's the yellow light?

DeKAY: You have one minute left.

EDWARD DUNN: OK, well, I'm going to speed up. You're going to, going to get the rest of it in what I handed out. The timing of this proposal makes it worse. Western Nebraska ranchers are already operating under drought pressure, wildfire-related recovery concerns, forage uncertainty, and broader financial strains. Nebraska ranchers do not need to be lectured on the value of brand-- a brand, they already know it. I strongly support keeping Nebraska's brand law intact and effective. I do not support increasing costs on rural ranchers and cattle producers in order to finance a broader, more complicated system that simultaneously adds administrative structure and opens new exemptions from inspection. We've seen this play before. Last sess-- last session, it was exempt feedlots. This session, it's a different package. I also want the committee to know that the opposition is shared by others with serious concerns about LB1187 and-- LB1187A and AM2503, including Sara and Robert Wiseman of Hershey; Jim Henderson, a fourth-generation cattle rancher from Sioux County--

DeKAY: That's your time, sir. Thank you. Any questions? Senator Hansen.

HANSEN: Thanks for coming, by the way. So I'm just trying to get your argument straight. Is it you're-- where you're against the increases in the caps or the fees, or because of the way it's written? I'm just more curious, because you mentioned you were against raising the fees.

EDWARD DUNN: Correct.

HANSEN: OK.

EDWARD DUNN: At this, the fee increases at this time with the exemptions that are proposed, pushes those fees onto the rural feedlot, the rural cattle owners. And at this time with what we're

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experiencing, is not the right time. And even Senator DeKay in his opening remarks made those statements.

HANSEN: OK, I just wanted to clarify.

EDWARD DUNN: Yes.

HANSEN: Appreciate it. Thank you.

DeKAY: Any other questions? Seeing none, thank you.

EDWARD DUNN: Thank you.

DeKAY: First testifier in a neutral position. Anybody in the neutral? And yes, it's a time-- let's keep moving forward as we can, so we can get as many testifier on the record as possible. Thank you. Go ahead.

SUZANNE DONNALLY: My name is Suzanne Donnally, S-u-z-a-n-n-e D-o-n-n-a-l-l-y. Neutral on this, because I've actually been doing some systems analysis on what this bill is about, what this amendment is about. And I think that I would like to suggest that you slow the roll down on this and you don't move as quickly, so people have time to run some numbers, look at what this is actually doing. I'm looking at risk layers. I actually come up from a systems engineering perspective when I'm looking at your systems, and all of these systems that interact. And the greatest risk right now is borne by the ag producers, the cattle producers. That brand functions like prominence in the art world, where you follow the, the art. And it could be 100 years from now and they can trace that back historically. That record keeping is probably laborious right now. In IT, the IT world, we use what's called an MD5 hash. So when we buy software which is branded Adobe or Microsoft and we're going to download and upgrade it, we get a hash with that. If we run the hash against the hash that the Adobe vendor gives us and they don't match, then we can say, hey, you're not the original owner of the data rights. We can't put this on our corporate network. So I equate the brand across these patterns, and I'm like, this brand is for traceability, it's for ownership. And the verification and validation of your brand happens in a bureaucracy. Your Brand Committee, I understand they go out line of sight. We do that very often too in the, in the military. We want to go out and see

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things line of sight. So but what I was looking at is your brand, the, the layer one, where the cattle are branded, is the greatest risk. And in this whole system between the ag producers, the feedlots, and anybody upstream, that risk is shared. And that's why feedlots maybe don't want to pay what they pay, but they're going to have to pay because they share the system risk. They cannot avoid it. They cannot transfer it. They can insure it. The ag producer is insured. I'm sure the feedlot, everybody else insures it. Your-- and then you can share it. So when you're looking at networks like I do, that risk concept applies to this, and you can't very well go out to a grazer's--

DeKAY: That is your time. Can you conclude in one statement or left? Hold on just a second. First, are there any questions from the committee? Senator Hansen.

HANSEN: Thank you. This is a handout you gave us, right?

SUZANNE DONNALLY: Yeah, that has to do with-- I decided that, I thought, you know, the Chicago Board of Trade and the futures contracts, I wanted to look at that system because data has value.

HANSEN: OK, I just think-- noticed one of what you mentioned here in structural governance changes proposed in AM2503. You have a transition from mandatory inspection to a volunteer system, and transfer of authority to the Nebraska Department of Agriculture. I pre-- that's not in the amendment.

SUZANNE DONNALLY: No, but if you, if you do that in the future.

HANSEN: Oh, OK, gotcha. OK. That's what you were referring to here.

SUZANNE DONNALLY: You want to be very careful on that because you don't have really the, the regulation for in your law that talks about data management, doesn't clearly define classifications of data. Not that you would classify them as military, but as business operations, you classify them. And the ag producers need to own that data because if you bundle it as, as a subscription, you have the privacy rights to the data in your operations. The feedlot doesn't need that, the packers don't need that, the USDA may not need that. So you have real-time, near real-time data, you bundle it, you sell it out there

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like-- in the stock market you have investors that they pay, Fisher Investments, Edward Jones, all of them. They pay for data so they can make timing decisions that benefit their-- the persons that buy stock. This is what I started to look at, and then I'm looking at this big system of how these things all work together.

HANSEN: OK, I just wanted to clarify. Appreciate it.

SUZANNE DONNALLY: Oh, I'm sorry.

HANSEN: That's fine, that's fine. I appreciate it. Thank you.

DeKAY: Thank you. Any other questions? Senator Raybould.

RAYBOULD: Yes. Thank you, Ms. Donnally, for your handout. We do appreciate that. And I noticed in the structural element too, it says elimination of the independent Nebraska Brand Committee. That's, that's not what's in this bill at all, but you're saying in the future, right?

SUZANNE DONNALLY: Right.

RAYBOULD: OK, thank you.

SUZANNE DONNALLY: You actually--

RAYBOULD: Thank you, you actually answered my question.

SUZANNE DONNALLY: --need that verification and validation.

RAYBOULD: We gotta get through a lot of people.

DeKAY: Just a sec. Hang on, hang on. Any other questions for the witness or testimony?

SUZANNE DONNALLY: I know it's a little bit off [INAUDIBLE].

DeKAY: Not a problem.

SUZANNE DONNALLY: Thank you very much.

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DeKAY: Thank you. Now, there were no-- I'll ask one more time, any proponents? Seeing none, next opponent.

SHERRI BACON: Mine is short and sweet. My name is Sherri Bacon, S-h-e-r-r-i B-a-c-o-n. I am speaking in opposition to AM2503 to LB1187. I am a resident of Cherry County, and I'm not a producer myself, but I'm an elected officer on our county planning and zoning commission. As such, I'm acutely aware of the effects of regulations on business. In Cherry County, that business primarily consists of the hardworking cow-calf men and women. They are absolutely vital to the economy of my county and this state. Any regulation that unfairly interferes with their ability to conduct their business is wrong. To quote Casey Woodliff Finney, I believe she's in Broken Bow: Protect what is yours, Nebraska. This bill does not do that. This bill does not help ranchers protect what is theirs. Do not let this bill see the light of day. Thank you.

DeKAY: Thank you. Any questions? Seeing none, thank you.

SHERRI BACON: Thank you.

DeKAY: Next person in the neutral capacity.

CRAIG UDEN: Good afternoon, Chairman DeKay and members of the Agriculture Committee. My name is Craig Uden, C-r-a-i-g U-d-e-n, and I am a cow-calf and feedlot operator from Lexington and president of Nebraska Cattlemen. I'm here today on behalf of our association to testify in the neutral capacity on AM2503. Nebraska Cattlemen have long supported a strong functional and accountable brand inspection system to our state. Our members rely on it every day to protect their livestock, their property rights, and the integrity of the commerce of our industry. During our testimony on LB1187, we asked the committee to address the following issues. An increase per head of inspection fee cap of \$2. An increase of brand renewal fee cap of \$400. One inspection required upon entry into the brand inspection area with the ability to move cattle thereafter with proper documentation, including movement from a grow yard to an RFL without additional inspection. A requirement that the cattle be inspected before or upon arrival at a registered feedlot. And that registered feedlots be restructured and

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lowered to 20 to 30% current fees to better represent the services they receive, including two audits a year. It is not the role of the Nebraska Cattlemen to dictate who should serve on the Brand Committee or how its members should be selected. That's for this committee, the Legislature, and the Governor to determine. However, we support a standalone entity including cow-calf and feedlot operators. We do not have organizational policy on the specific exemptions for dairies and effort development facilities contained in the amendment, nor the precise makeup of the committee. And we do not take a position on the, those pros-- provisions today. Nebraska Cattlemen's position is straightforward and has been consistent for over 10 years, almost 15. We want a brand system that works for the producers, and we want this conversation resolved. This issue has been before the Legislature for too many sessions, and each year that passes without a lasting solution makes it harder for the industry to come to a compromise. We appreciate the committee's attention to the matter, and look forward to continuing to work with you on a path forward this year. Thank you for your time, and I'd be happy to take questions.

DeKAY: Thank you. Senator Storm.

STORM: Thank you, Chair DeKay. Thank you for being here. So is it the position of the Cattlemen that you would like to see some resolution of this this year?

CRAIG UDEN: We would. We, we, we've-- we've, we've had adjustments forever and continue to keep bringing them. The add-on provisions and stuff are, are something we don't have in policy and we cannot just react and, and go with the flow. We have policy. And so we, we continue with that policy. We renew that policy. We think the changes are close, but all these additional amendments can create some havoc and some issues in the country. So we are looking at making the adjustments to facilitate the needs of the committee as far as financial, but also relief for the feedlot sector, and that's been our belief for since 2012.

STORM: But you don't want to see us kick down the-- [INAUDIBLE].

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CRAIG UDEN: I do not want to see all this kicked down the road forever and ever. It just makes it more divisive in the country.

STORM: Right.

CRAIG UDEN: We don't need a major overhaul. We need some adjustments. If there is other things that need to be addressed in the future, they can be taken on at different steps as we go.

STORM: OK, thank you.

DeKAY: Senator Meyer.

F. MEYER: Thank you for being here, Craig.

CRAIG UDEN: Yeah.

F. MEYER: And I really appreciate your testimony and it's-- I respect the Nebraska Cattlemen. And full disclosure, I'm a member of them, as well as Farm Bureau. Just a, a quick question, bullet point number two.

CRAIG UDEN: Mm-hmm.

F. MEYER: So there's quite a number of cattle that move in the fall from pastures to stock fields in the Platte Valley from one end of the state to the other. So do you think they would need to be inspected before they leave the brand inspector to go back to their home farm to calve out in, say, Platte County?

CRAIG UDEN: If they're going to be calved out in Platte County and then come back.

F. MEYER: Yeah.

CRAIG UDEN: Probably.

F. MEYER: Going back to their original home.

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CRAIG UDEN: Whatever the statutes say today, we're going to support that today. Now, can that be addressed? Probably.

F. MEYER: So you wouldn't be able to speak to whether you think that's--

CRAIG UDEN: Today, the statutes say they need to be inspected.

F. MEYER: OK.

CRAIG UDEN: And with the value of cattle today, probably not-- can it be addressed? Sure. But the immediate needs, you know, from our members is, we want, we want this thing balanced, but we have a need-- we have to have a need for inspection. There's a need for the cow-calf, the starter segment, pretty vast lands out there. The feedlots need to stay in, and they need to make an adjustment because they do take care of the paperwork and some other things, but--

F. MEYER: So, so I think there is--

CRAIG UDEN: -- this, this has been a balance that we've worked on for a lot of years.

F. MEYER: Yeah. So I think there's a provision in the amendment that cows could move, and they-- there's a lot of them that move every, every fall and then again in the spring, that when cattle are going to be under the temporary care of someone, not in the brand area, that they can reenter the brand area back to their home farm. No change of ownership, no change of anything. Do you think that would be a good idea to allow that?

CRAIG UDEN: I think it needs to probably be discussed.

DeKAY: Mr. Uden, could you speak up just a little?

CRAIG UDEN: I think it needs to be discussed. And, you know, I think there's, there's possibility for that. We just stand on these five principles and that's, you know, that, that solves issues for a lot of people. I, I know most feed yards have a lot of brands, so any increase like in registration and renewals is gonna affect them just

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like it affects me as a cow-calf producer. I'd be paying a lot more there, but possibly inspection could even go down, so.

F. MEYER: OK. Thank you, Craig.

DeKAY: Thank you. Any other questions? Seeing none, thank you.

CRAIG UDEN: Thank you.

DeKAY: Next opponent.

TRENT LOOS: Trent Loos, Sherman County, Nebraska, T-r-e-n-t L-o-o-s. I'm opposed to any change to the brand bill as it stands. I actually sat down in this chair with a lot of things to say, and I don't know what to say. I don't know what to say. And if you look behind me, there's not a lot of people participating. I'm going to make the assumption that you're immune, that people have given up that you have ears. You're not listening. You're not listening that this is now a pay-to-play business. We know who received \$27,500, who received people-- I now have a list of the feedlots that gave the Governor \$650,000 last year, not talking about 2026. People have given up on you. I don't know how you deal with that. God gave us the North Star. And the North Star is 100% about us keeping our bearings about us. After every storm, we can go out and we see where that North Star is at. What's on the north side of this building that was built 100 years ago? I know you know, but I think maybe you need to go get a refresher: The salvation of the state is in the watchfulness of its citizens. You've woken up the citizens. They've given up on you listening, but they are paying attention and going to act. This meeting should have been in Oshkosh, in the middle of the pain and the devastation that's taking place in the very industry that you're trying to cripple. Only one of you even live in a brand area, understand the brand area. I sat here for a long time the other day and listened to the questions. The questions weren't about gathering information. They're about trying to figure out how to make your deal work, your deal for your donors. And now I have a friend who has an email that sent one of you on this committee a note that said, I am in strong opposition of decommissioning the Nebraska livestock committee. If anything needs to be done, it needs to be done throughout the

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entire state. And it goes on to talk about their experience in the cattle business. And you, sitting on this committee, responded with this. Thanks for your input. Your comments truly show how little you know about the cattle businesses. That's a cow-calf producer from the brand inspection area. We demand better in the beef state of Nebraska. And I hope you all go out to the north side and get your bearings about you, and see that North Star again and read about the watchfulness of the citizens, because we're coming.

DeKAY: Just a second. Any questions from-- Senator Storm.

STORM: Thank you, Mr. DeKay. Thank you, Mr. Loos, for being here. I want to make it clear to everybody and you, I absolutely think this amendment and this bill is the best thing for the cattle industry. I'm not bought off by anybody. I think this is the best thing for the cattle industry. That's why I put up with this for two years, gone through this, talked to people. I think this the best thing, or else I wouldn't support. So I want to make clear to you and everybody else in here and watching on TV.

TRENT LOOS: So--

STORM: I want to say that's truly what I believe.

TRENT LOOS: Is that a question?

DeKAY: No questions.

STORM: That's a comment. So that's why--

TRENT LOOS: Can I answer the question?

STORM: It's not a question. But go ahead, yeah. Sure.

TRENT LOOS: What have the people who live in the brand area responded?

STORM: What's that?

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TRENT LOOS: There is probably nothing that doesn't involve directly Omaha and Lincoln that has a bigger response and a one-sided, lopsided response in the number of people who are for and against.

STORM: I, I've talked to plenty of people that want to see change with this, plenty of people. I truly have. I'm not going to name here. There's plenty of people in the brand area, feeders and cow-calf people that want to some type of change. And like Mr. Uden said, this has been an issue for years. For years, even before I came here. When I got the [INAUDIBLE], people told me this will be your number one issue.

DeKAY: Let's keep it to question and answer.

STORM: We need to get this rectified

TRENT LOOS: And who made it an issue?

DeKAY: No questions. Let's keep it to a question and answer.

TRENT LOOS: Thank you, sir.

STORM: That's all I got. Thank you.

DeKAY: Senator Hansen.

HANSEN: I'm curious about with the amendment. That's just what we're having a hearing about. Is there something specific? Because I'm just curious to get your opinion actually.

TRENT LOOS: It gives the Governor way too much power. It gives corporate agriculture too much power.

STORM: So is it, is it the geographic change up of the Brand Committee part?

TRENT LOOS: Geographic change-up, the Governor has the right to appoint-- because I did read every word, and I'm not just going off of what I read somewhere else. I read every word. The Governor has ability to appoint. They need to be confirmed, I understand that. The Governor have the ability to get rid of, if it pleases him, him or

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her. Because we can think about this Governor, there's just too much power in the Governor structure. And yes, to your point, you have now the eastern third, which is not under the mandatory inspection from the counties, which now have an equal say.

HANSEN: So if--

TRENT LOOS: If they would, if the amendment is passed.

HANSEN: OK, so with the amendment, if they change-- if there's a change saying in order to remove somebody from the Brand Committee, it had to go to a vote of the legislative body, would that be better?

TRENT LOOS: That would be better.

HANSEN: OK. And with the fee structure, I'm curious to get your opinion on that with the changes in the fees with the amendment, like the increase in the cap and the increase in the brand renewal cap to 400.

TRENT LOOS: See, I don't understand the fee structure change to the feed yards at all. Because when I sat-- not this room, in my other hearing, last time, and I heard something that troubled me greatly. And that's that members of the Brand Committee, investigators, targeted an individual and went to his house two days after he was here at an event. If you remember that story, it was very compelling. I don't just take that and say, well, it was a misrepresentation. I called Brad Foote myself, and I talked to him. And he said, Trent, I'll be honest with you. You can ask him, but this is what he told me. The fees don't bother me. It's all the paperwork and the stuff we have to do. So why do we continue to try to make the fee structure better for them when that's not the issue? Two times, I think two times inspection, or audit, as you have presented there, that seems fair. But why shift the burden of this program to the cow-calf sector? And that's what you're doing.

HANSEN: OK. All right.

TRENT LOOS: I have another question that a committee member, Brand Committee member, brought to my attention that there was a pool of

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money in the Brand Committee-- this is a question, not a statement, that was eroded and went into the General Fund of the state of Nebraska.

HANSEN: OK, I appreciate you answering my questions.

TRENT LOOS: Thank you.

DeKAY: Any other questions? Seeing none, thank you.

TRENT LOOS: Thank you.

DeKAY: Next person in neutral capacity.

DUANE GANGWISH: Good afternoon, Senator DeKay and members of the Brand Committee. My name is Duane Gangwish, D-u-a-n-e G-a-n-g-w-i-s-h. In the interest of time, I'm going to give you an abbreviated version of what I'm handing out, and I hope I can get through this in my time. As I've stated previously, and the Brand Committee seeks to be a part of the team shaping the future rather than reacting to it. With that in mind, my comments stay focused on several amendments that would benefit from clarification and revision to ensure they can effectively be implemented and do not create unintended consequences. The backgrounding lot issue is first, as was currently written, the definition would allow facilities outside of Nebraska to qualify, and limits applicability only to cattle entering registered feedlots. We recommend clarifying that a backgrounding lot is a cattle-feeding facility located within the boundaries of the state of Nebraska, whether inside or outside of, of the inspection area. That prepares cattle for entry into a feedlot. This ensures consistent application of the statute. Active cattle persons. The amendment removes the existing statutory clarifications and no longer requires committee members to own a registered brand. This raises concerns that individuals without meaningful involvement in branding or cattle operations could serve on the committee. We suggest by clarifying this term to include persons whose principal business is raising, feeding, or marketing cattle. Third, regarding the executive director, this amendment changes the language to employ-- from "employ" to "appoint," subject to approval of both the Governor and the Legislature. We have

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no issue with the oversight proposed, but this could significantly delay hiring and are hindering the ability to secure a qualified candidate if there was a vacancy. The brand districts. The proposed district structure adds complexity to an already layered system of inspection areas and operational divisions that may also limit the pool of qualified committee members, and we believe this creates an unnecessarily-- unnecessary complication without clear benefit. The RFL fee basis. The amendment fee sets the fee based on a fixed amount per head of capacity. An alternative approach has been discussed with stakeholders in the past and with this committee that would tie the fee to a percentage of the per-head inspection per head. This would maintain fairness as fees as fee payers allow and adjust over time. The temporary [INAUDIBLE] as written, this provision raises several concerns to the committee. The definition is overly broad and could allow interstate movement without proper safeguards and creates a form of self-inspection with their affidavit that undermines the verification of ownership. This presents risk-related theft, commingling, and traceability. The committee believes this section should be removed--

DeKAY: Mr. Gangwish, can you wrap up in just one sentence or so?

DUANE GANGWISH: No.

IBACH: Actually, [INAUDIBLE].

DeKAY: Senator Ibach.

IBACH: Thank you. Can you finish?

DUANE GANGWISH: Yes. This presents risk to theft, commingling, traceability, and the committee believes this section should be removed or sif-- significantly narrowed to the very specific situations with appropriate safeguards, including inspection prior to sale or slaughter. Probable cause. While we support a standard of additional audits, understanding two audits a year will cover the same number of catalysts, four audits a year and, therefore, it's be more time for each audit. I don't know that that unintended consequence has been realized. The word probable cause is a criminal standard and not

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appropriate for administrative audits. A more suitable approach would be to rely on documented inconsistencies, discrepancies, or noncompliance identified in prior reviews. The RFL-related movement. This is the most concerning portion of the amendment. As written, it is confusing and could weaken or eliminate critical inspections into registered feedlots. These inspections are essential and must be maintained. The amendment allows for movement based on determination made by the feedlot or the backgrounder themselves rather than based on an inspector, which conflicts with the statutory responsibilities of the committee. As an alternative, the committee previously proposed an affiliated transfer nexus model, concept-- conceptually mimicking airport security. Once in, always in. This approach maintains the required inspection into the first location, whether a background or a feedlot, while allowing efficient movement between affiliated operations. It's a much more structured and secure solution that aligns with both operational needs and statutory intent. We do have some concerns over eliminating the dairy, dairy heifer development facilities, and in the past we've proposed the committee a structure that would allow that movement. In closing, we appreciate the opportunity to provide input, stand by ready to refine this amendment to ensure it's workable, enforceable, and consistent with goals of the Livestock Brand Act. And I would be tickled to answer any questions.

DeKAY: Senator Kauth.

KAUTH: Thank you, Senator DeKay. Mr. Gangwish, so first I wanted to respond to something from Mr. Loos. I had to check no money was swept from the--

DUANE GANGWISH: No.

KAUTH: --the funds, correct?

DUANE GANGWISH: There was no money swept into the General Fund. We don't receive any General Fund dollars. There was-- the Legislature did reduce our cap and therefore we were in a situation where we eroded our cash reserves.

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KAUTH: So the portrayal that Mr. Loos said that we were taking money to fill the General Fund from Brand Committee is incorrect?

DUANE GANGWISH: That is incorrect. It had been proposed in a prior administration.

KAUTH: Sure.

DUANE GANGWISH: But it is not the case now and it did not happen.

KAUTH: And I have questions about, so when you were before us last time, you had admitted that the Brand Committee was charging a fee that you were legally not allowed to charge.

DUANE GANGWISH: That is correct.

KAUTH: And you admitted to that and then said you were continuing to do that. So I have serious concerns about a Brand Committee that is illegally making charges to the people it serves and then not willing to either do a refund or do something to mitigate that damage and to continue to want to charge that. So can you respond to that?

DUANE GANGWISH: Absolutely. We took action at our most recent meeting, which I believe was December 9 or 10. I can't remember the date at the moment, Senator. At that point, the committee ceased the surcharge and began attempting to charge a mileage fee. We were learning how to do that because there are circumstances if there was an inspector went on a four-audit day--

KAUTH: Sure.

DUANE GANGWISH: --and there was different numbers of animals at the time, how do you-- do you prorate that by head? Do you do it by miles, does-- so we've done it to where we're charging the mileage from point of origin to, to the last inspection, and the trip home is on us. So we have taken action to, to mitigate that. And I think when I was here before you the last time, I took personal responsibility for that.

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KAUTH: And is there-- are there efforts being made to refund those fees, because it went back over four years, correct?

DUANE GANGWISH: I went back and looked at the data over the last two and a half years of all the inspections that we could-- that I could quantify. And I believe that of those facility-- those inspections where a \$20 audit was, a \$20 surcharge was charged and the mileage would have amounted to less than that, there were 12,000 inspections in that two and half year period that we overcharged somewhere less than \$19.99.

KAUTH: So are you refunding that money?

DUANE GANGWISH: We are most willing to refund it. We have had not a single request to refund it, but we would be most willing to do that.

KAUTH: And have you made it clear to people that there is a process to request the refund, again as a, as a state agency, when you overcharge, we got to fix it.

DUANE GANGWISH: Senator, I don't believe the Brand Committee has statutory authority to offer a refund. We'd be willing to do it, but we don't have statutory authority or a mechanism by which to do that. So and providing a refund, I would again be before you guilty of doing something that we didn't have statutory authority to do.

KAUTH: Thank you.

DeKAY: Thank you. Any other questions? Senator Storm.

STORM: I got a question. Thank you. Thank you for testifying today. So there's five brand committee members right now?

DUANE GANGWISH: That's correct.

STORM: Where are they all from? Can you tell me where they're, where they're from?

DUANE GANGWISH: I live in Lexington, and by statute I am the representative for RFLs.

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STORM: OK.

DUANE GANGWISH: Mr. Gentry lives by-- near Hyannis.

STORM: Hyannis, OK.

DUANE GANGWISH: Mr. Stroup lives down near McCook. Ms. Collins [SIC] lives in the, I think believe in the Hyannis area, near there as well. And Ms. Masek lives north of Halsey.

STORM: So three of those members are all from one county? Is that right? Or that same geographical area?

DUANE GANGWISH: I'm unaware of the county of the residence, sir. I apologize.

STORM: So they're all-- three of the five members are from basically the same geographical area, in the brand area.

DUANE GANGWISH: In general, yes. That has changed over the-- times that I have been on for the last four years or so that I've been, those, those members of change geographically over the brand inspection area. But at the moment, yes.

STORM: OK. Thank you.

DeKAY: Senator Meyer.

F. MEYER: The-- over the last 20 years, maybe since the beginning of the ethanol business in Nebraska, there's been a, a shift of cattle going west to graze in Nebraska. As more and more land in eastern Nebraska has been converted to crop land, a lot of those cattle have moved west into the brand area. Cattle-calf producers, yearling producers, and just, just a lot of cattle. I live right on, on the brand area. I'm in the brand area. And I see every May and October, November there's thousands of cattle that are owned out of the brand area and grazed in the brand area. And I'm, I'm sure that most of those producers are familiar with the brand laws. I have no reason-- and, and they brand their cattle. And they're subject to the brand laws when they go out of those, out of the brand. So part of the, part

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of the amendment is to give those people a voice. Would you think that is a proper way to go?

DUANE GANGWISH: The-- they're moving cattle into and out of the brand inspection area, so it's the-- if they're not moving cattle-- so as the amendment is proposed, it could be anyone, any person in that particular district could be a member of the committee, as it's proposed. If they're not involved in the cattle business, if they don't have an intrinsic understanding or participation, I don't think they qualify to be in part of that conversation. If they are a cattle person, the counties were given the prerogative in 1941 to decide yes or no. At this point in time, they don't have to move their cattle to grazing. They can. They're not required to. But those are the requirements if they do.

F. MEYER: So, what are the differences in a, in a feedlot in say Cuming County versus one in Dawson County as far as the operational expenses that are incurred in each one of those as far inspection fees?

DUANE GANGWISH: Well, those, those in Cuming County have no inspection fees. That's the difference.

F. MEYER: And is there any preponderance that, that we should think that the, the inappropriate operation of those feed yards is a real thing or not?

DUANE GANGWISH: This has been a discussion, Senator, for, for decades. At the time, the counties were given the prerogative to choose that those lands were primarily grazing lands. Over time, with the advent of irrigation, with the advent of transportation, with the advent of packing plants coming into a specific area, you know, we have-- now we have packing plants in Greeley, North Platte, unfortunately not in Lexington anymore where I live. The cattle moved closer, the cattle feeding moved closer to those markets. It used to be Omaha, Chicago, those terminal markets in the east. So they had the choice, the prerogative, and the largest feed yard built in the last decade did not take into consideration whether they would have a brand inspection

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fee or not when they decided to locate that facility. So I think the discussion is emotional, but it's not business-related.

F. MEYER: Possibly. But the availability of water, distiller's products, corn, and weather are obviously major factors in where feedlots locate.

DUANE GANGWISH: I think you have a preponderance of ethanol plants in the eastern part of the state versus the wil-- versus the brand inspection area, so I don't think that argument holds water, sir.

F. MEYER: OK, thank you.

DeKAY: Senator Hansen.

HANSEN: You brought up a point about probable cause in, in what you handed out. I'm curious, like is there a better term to use besides-- you mentioned that it has to do with criminal processes. Is, is there like a better turn to use in statute, I guess, that would be more appropriate in your opinion?

DUANE GANGWISH: Well, there's one thing I'm grateful for in life, Senator, and that's not-- I'm not an attorney. And those who I've talked with say that probable cause is a term of art in criminal law. This is administrative law. And so if I'm going to-- if, if one of our inspectors or investigators has reason to believe that they needed to go to a facility to check on something, if it's a probable cause, I mean, we can go get a warrant. I don't think we want to-- I don't think, don't think you want to force us into the situation where we would have to get a warrant in order to go and see if there's a problem. So I don't have a term better for you, Senator. I apologize.

HANSEN: No, that's fine. Like, you brought up the point, like, it makes sense to be able to do this.

DUANE GANGWISH: Yes.

HANSEN: Which I wouldn't disagree, if we feel like there's something possibly even criminal going on or whatever. I mean, there's some inconsistencies in what's going on. You want to check it out. I just

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know if there's, like a-- if you had any recommendations for a better term, just, just out of curiosity.

DUANE GANGWISH: At this point, I do not, Senator.

STORM: That's fine, I'm not too worried about it. And in the non-branding area, do investigators and inspectors have any kind of authority to go into the non-branding area?

DUANE GANGWISH: Yes.

HANSEN: OK.

DUANE GANGWISH: State statute gives our invest-- the brand law, the brand-- Livestock Brand Act is a statewide statute. So they have authority, investigators have authority, to go anywhere in the state of Nebraska they deem necessary to, to pursue an investigation, to pursue information about a transaction that may be in question. The inspectors are only going there on request.

HANSEN: OK. All right, thanks

DeKAY: Senator Storm.

STORM: Thank you. So do you believe the cattle industry is statewide in Nebraska?

DUANE GANGWISH: That's not a position that the brain committee has the privilege of having an opinion on, sir.

STORM: Well, but you personally, do you believe that the cattle industry is statewide? Or do you believe it's-- what's your opinion?

DUANE GANGWISH: The cattle industry is statewide. Yes, sir.

STORM: OK. That's all I had. Thank you.

DeKAY: Senator Kauth.

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KAUTH: Thank you, Senator DeKay. So Mr. Gangwish, so when you said that investigators can go into any area statewide--

DUANE GANGWISH: Yes.

KAUTH: --then shouldn't that mean that the suggested representation of the eastern portion of the state on the Brand Committee would be valid?

DUANE GANGWISH: No.

KAUTH: Why not?

DUANE GANGWISH: They have the authority to go-- I'll, I'll pick on the sale barn in West Point, just-- I'm not picking on them, I am just saying. If there was a transaction that happened at the sale barn in West Point, which is outside the inspection area, and those cattle were purchased and they arrive at a, for whatever reason, inside the brand inspection area. And there was some issue arises, an investigator got involved in that to determine ownership. They have the authority to go to the West Point sale barn and request records and transactional information. Do they need representation on the committee for that? No.

KAUTH: If they're, if they're-- if the whole state is covered by the brand law, shouldn't the eastern part still have some sort of voice so that they can either talk about it, know somebody who is an investigator represent the people in the eastern side, even when they do get investigated.

DUANE GANGWISH: The amendment addresses the committee structure.

KAUTH: Right.

DUANE GANGWISH: No.

KAUTH: So you don't think that the eastern side should have representation on the committee?

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DUANE GANGWISH: They're not subject to investigation. They're not-- I'm sorry, they're not in-- they are not subject to inspection.

DeKAY: Senator Ibach.

IBACH: Thank you. I know you feel like we've just beat this thing to death. Two hearings and a long interim study in Kearney. But trust me, it's been very, very helpful. And I think it's gotten us to where we are today. So first of all, thank you very much. I just want to compare a couple notes that we talked about in Kearney with what we think we've proposed in this amendment. And I kind of want to go first to the structure of the Brand Committee, and I want to-- I want you to recall with me, I asked Don Arp at that hearing, would you be open to adding members to the Brand Committee. And he said quote, we'll take as many as you'll give us. And he's shaking his head, so I know he recalls it too. So what we've tried to do, I think, in this amendment address some of those concerns as far as regional demographic, and maybe bring in some other industry partners to maybe give us a better overall perspective of what the Brand Committee can accomplish. And my goal with, with a lot of what we're trying to do is to say we helped, and look at where the Brand Committee is today. Because I'm a 3, 5, and 10-year-old-- 10-year girl. Anyway, so I wanted to kind of address that. Do you, as far as three active cattle persons, two owners-operators of feeder-- feeding operations, one purebred cattle breeder, one owner-operator livestock to auction market, do you think that those are diverse? Do-- are they too broad? Are they-- what would you change about that if you could as chair of the Brand Committee?

DUANE GANGWISH: I would accept all ind-- all those persons and those, those criteria as long as they lived in the brand inspection area.

IBACH: Well, I, and if I can just respond to that. I think the goal with the non-brand inspection area is to, if you'll recall when Mr. Dibbern testified in February, I asked him the question, would you prefer to inspect livestock markets inside the brand inspection area or outside the brand inspection area? And he said inside the brand inspection area. So I think the goal with the-- with that is to bring some more of that diversity. And as Senator Kauth said, because they

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are in-- within the brand law, that it could bring a perspective statewide. No? Yes? You don't have to respond.

DUANE GANGWISH: Good question.

IBACH: Anyway, chew on that a little bit. OK, the other thing I just want to confirm, and I, I went through your proposal on what the Brand Committee actually proposed in Kearney. So Brand Committee proposed up to \$2 per head per inspection. Do you feel like the \$1.50 that's in the brand-- or that's in the amendment is fair?

DUANE GANGWISH: I believe with the-- as amended, the \$1.50 and the \$400, it gives the committee the ability to structure its fees in such a way to maintain via-- viability, yes. Within those caps, yes.

IBACH: And, and you propose going up to \$500 for brand renewal. Is the \$400, I mean \$100 a year.

DUANE GANGWISH: It's fine.

IBACH: In my opinion, as a cattle producer myself, \$100 a year to be able to put my brand on my cattle is a great insurance policy.

DUANE GANGWISH: If I might, Senator. If I was-- if I owned 100 cows, that's a relatively-- that's a part-time job in today's marketplace. I still have \$400,000 approximately worth of an asset. And if I had to spend \$100 a year, I'm thinking I spend more than that on Diet Mountain Dew at Casey's a year.

IBACH: I agree.

DUANE GANGWISH: So in terms of the, the magnitude of the dollars, it's-- I don't want to say it's inconsequential, because it's not, if it's your dollars. But in the grand scheme of things, \$400 for four years, it's \$100 a year in my math. That is a relatively small amount of money if I have \$400,000 or \$4 million worth of assets.

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IBACH: Yeah, I-- thank you. I just wanted you to confirm that. And then the surcharge, you had to ask for up to \$50 per visit. Are you okay with the \$30?

DUANE GANGWISH: Yes, ma'am.

IBACH: OK. And then, the only other one was the penalty. And I think we've already touched on that. So I'm OK with that. I, I think that's all I have. I just really wanted you to make sure that because you guys had actually asked for a little bit more, if these were going to cont-- if you could stay solvent under these conditions.

DUANE GANGWISH: That's-- I have grandchildren and you always ask for the stars, hoping you at least get the moon. So we're fine with the, the values presented in the--

IBACH: OK.

DUANE GANGWISH: --in the amendment. They would be [INAUDIBLE].

KAUTH: OK, I appreciate that. Thank you, and thanks for testifying.

DeKAY: Thank you. Any other questions? Mr. Gangwish, I have a-- we'll talk a little bit about finances for a second, if we could. First of all you testified earlier, answered a question earlier that there were like 12,000 inspections last year, we were talking about the surcharge. And you said there is a overcharge of \$19.91 or something to that effect. Was that--

DUANE GANGWISH: What I was trying to make the point, Senator, is the surcharge that we charged was \$20 per inspection. If we drove 10 miles to do that inspection, I don't, I don't recall what the current federal reimbursement rate, I think it's--

IBACH: 72 cents.

DUANE GANGWISH: 70-some cents. OK, so let's say I drove 10 miles, it would be \$7. We charged them \$20, so we are overcharging them by \$13. And so not knowing what the context of those 12,000-some inspections are, I'm just saying we, we overcharged somewhere between-- maybe,

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maybe the mileage would have been \$17, so we overcharge them by \$3. If the mileage would have been \$3, we overcharged them by \$17. So that's what the point I was trying to make. We don't [INAUDIBLE].

DeKAY: Elaborating on that just a little bit though, so would it be safe to say that in some point in time the \$20 surcharge versus actual mileage, the \$20 surcharge was actually a bargain to them?

DUANE GANGWISH: I don't recall the exact number, Senator, but there were-- I won't say on the mic because I know this gets recorded and printed in perpetuity. The number of inspections that were done that I looked at in that two and a half year period, there were thousands, maybe, well, easily tens of thousands of inspections, where the mileage would have been far more. Far, far more than the \$20. So to some of those people, it was a deal. To those 12,000-some, we overcharged them, and, and we overcharged them somewhere less than \$20.

DeKAY: A couple other questions real quick. Current state of Brand Committee's finances. If nothing changed at all, and we went down the road without doing anything, how long could Brand Committee stay functional with the current state of finances? A year, 2 years, 10 years? If nothing changed in fees, nothing changed in inspection fees or registration fees.

DUANE GANGWISH: The beginning point of that, of my answer, is we are anticipating to end this fiscal year somewhere around \$220,000 to \$230,000 green. So in a two-year biennium of \$6.5 million, we're ending up a quarter million strong. That's about 3.4%. So if I got to the point in my home budget that the end of the year it was 3%, it would be extremely thin. We do have this statutory-- we've raised our registration and renewal fees from \$50 to \$100. We currently in statute have authority to go to \$200. We are at the cap of \$1.10 on inspection fees. If nothing changes, it is a bit Pollyanna. We saw a packing plant disappear, and that was approximately \$289,000 in revenue. We also saw an 18% increase in health insurance premiums mandated by the state, which was about that much as well. And so I'm having a difficult time to give you an absolute answer. I think with the approx-- the current statute of being able to go up to \$200, and

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current statute at the RFLs at \$1.10, I think we have run away without, without a problem, with holding fee, holding expenses at the same. As amended, it would give us the ability to go up to, to raise the cap to \$1.50 and go up to \$400. That would be-- give us a latitude. There would be no financial instability that I could foresee for the approximate future. As has been stated, it is purely a shift in revenue from one sector to another, but it, it would not impact, it would not be detrimental to the viability of the committee.

DeKAY: So if nothing changed, the viability of Brand Committee could go on--

DUANE GANGWISH: Well, let's, let's define what nothing is.

DeKAY: --as usual. Well from where we-- from where we are at right today at \$1.10, the fee structures the way they are set.

DUANE GANGWISH: Yes. It would be fine.

DeKAY: You'd be fine with no changes.

DUANE GANGWISH: I believe so.

DeKAY: And just to clear on inspect-- or brand licenses, currently it's what, \$50 a year?

DUANE GANGWISH: It's-- we raised it, I believe, in the September meeting to \$100.

DeKAY: To \$100. So--

DUANE GANGWISH: For four years.

DeKAY: For 4 years. And before that it was \$50 a year for 4 years for 2-- for \$200.

DUANE GANGWISH: It was \$50 for 4 years.

DeKAY: \$50 for 4, OK.

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DUANE GANGWISH: We raised it in--

DeKAY: OK, thank you.

DUANE GANGWISH: --the summer to \$100 for 4 years. We have statutory authority to \$200.

DeKAY: And then last question, I don't live right on the brand line, but we do ship cattle back and forth to the east for fall and winter grazing. In an earlier hearing, there was a testifier that literally lived on one side of the brand line, drove their cattle down a gravel road one mile to two miles away to corn stalks that they had land adjacent to. Would that constitute the need for an inspection fee at that point--

DUANE GANGWISH: It, it should--

DeKAY: --or should it stay pretty straightforward and no gray area?

DUANE GANGWISH: It should stay pretty straightforward, no gray area. But that could be handled by a grazing fee. Your, your-- and that, that handled that way. And if I need further clarification, there's a couple gentlemen in the back that could answer that in more detail.

DeKAY: Last question. You're OK with-- or, or going as Mr. Arp said earlier, you're OK with seven-member Brand Committee?

DUANE GANGWISH: The number of members on the committee is not our issue. If there was-- you, you can have a board that's too big, you can have committee that's too large. Our issue with it is that they need to be active persons involved in, in cattle raising, feeding or marketing to those, and we believe that it should stay within the brand inspection area.

DeKAY: OK, thank you. Any other questions? Seeing none, thank you.

DUANE GANGWISH: Can we do this next week? Can we do this--

DeKAY: We'll see you in 10 days. Is there anybody in proponent? Next opponent, then.

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JIM DINKLAGE: Good afternoon. Jim Dinklage, D-i-n-k-l-a-g-e, 51054 874th Road, Orchard, Nebraska, 68764. I want to make it noted that my address, 51054 874th Road, is in the brand area, but Orchard is not in the area. I live and ranch in the brand area. I'm testifying representing myself and Independent Cattlemen of Nebraska. I do not support any of the AM2503 amendment to LB1187, specifically the part that lowers the brand inspection fees for registered feedlots. I understand their frustration concerning the amount of money they pay for brand inspections due to the number of cattle they feed. These fees, based on a per-head charge, have been law since the early 1900s. The history of the brand inspection area was defined when most of the cattle were born and raised in the Sandhills. Cattle outside the brand area were fattened in eastern Nebraska, closer to corn markets and slaughter facilities in Omaha. The brand inspection area line was drawn because cattle feeders in the eastern Nebraska didn't want to be bothered with brand inspection when it was time to ship fat cattle. Today, the geography of the cattle industry has changed in Nebraska. The feedlots have become larger and are located in the brand area along with packing plants. However, the brand inspection laws have not changed accordingly. The total amount charged is still based on a per-head fee. The physical inspection has been modified to accommodate these registered feedlots due to the number of cattle. But I believe, as many cattlemen agree, the per-head fees should be the same for all. Just because feeders deal with large numbers does not mean the laws should be discounted. Especially when there were laws before registered feedlots. Instead of approving this amendment, AM2503, there is a remedy to the situation. There is already a livestock ownership law that is not being enforced. LB [SIC] 54-1,116 concerns satisfactory evidence of ownership. Part (1) reads, All livestock sold or otherwise disposed of shall be accompanied by a proper-- properly executed bill of sale in writing or, for cattle, a certificate of inspection. All owners of all-- or persons processing livestock have a duty to exhibit upon request of any person the bill of sale or other satisfactory evidence of ownership of the livestock. This law was approved by the Legislature to cover the entire state of Nebraska. When this law is enforced, inspection fees should be the less than the asking 22 cents addressed in this amendment, AM2503. I'm sure Costco and our Governor would gladly pay because of this law. In closing, and

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Agriculture Committee March 19, 2026
Rough Draft

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I'm disappointed, after paring-- preparing my testimony, it was revealed to me that members--

DeKAY: Mr. Dinklage.

JIM DINKLAGE: --of this Agriculture Committee have possibly received thousands of dollars from registered feedlots for the election campaigns. Thank you.

DeKAY: OK, any question? Senator Kauth.

KAUTH: Thank you, Senator DeKay. So first of all, Mr. Dinklage, thank you for being here. I, I've heard a couple of people mention that members of this committee have received money. I would be very shocked. I haven't. I'm wondering if you are going to reveal specifics, because otherwise--

JIM DINKLAGE: No.

KAUTH: --then you're just throwing out accusations that [INAUDIBLE].

JIM DINKLAGE: Not an acc-- it was revealed to me, but I didn't want to bring up any names.

KAUTH: Well, then, then you shouldn't be testifying to it. My other question is this, the, the law that you were speaking of, so LB [SIC] 54-1,116.

JIM DINKLAGE: Yes.

KAUTH: Where is that? Do you know what year that was put in statute?

JIM DINKLAGE: I believe in, in 2019, it was brought by "Cap" Dierks.

KAUTH: We'll look at that for sure. And then finally, a question. If, if the situation has changed, as you, you talked about how things have definitely changed, the industry has changed.

JIM DINKLAGE: Yes.

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KAUTH: Shouldn't the law change with it? If, if the situations on the ground has changed dramatically, shouldn't we be adjusting the brand law to make sure that we are actually accurately reflecting the situation at hand?

JIM DINKLAGE: Yes, that's, that's what that law would do. It would cover the whole state.

KAUTH: OK.

JIM DINKLAGE: But it would check those cattle on point of sale. Everybody would have to reveal ownership of that animal of all livestock at point of sale.

KAUTH: OK. All right, thank you.

DeKAY: Thank you. Any other questions? One question, sir. It-- right toward the end of your testimony, you said all live-- you know, you was quoting LB54 [SIC]. All livestock sold otherwise disposed of shall be accompanied by proper executed bill of sale in writing or, or, for cattle, a certificate of inspection. Would that include health papers that are inspect-- health papers where the cattle are inspected, whether it's a--

JIM DINKLAGE: Could be.

DeKAY: OK.

JIM DINKLAGE: But then, because that inspection would be made out by a, by a veterinarian, a licensed veterinarian.

DeKAY: Exactly, and that's what we go, yeah. OK, I just wanted to--

JIM DINKLAGE: Yes.

DeKAY: --clear that up so. Senator Hansen.

HANSEN: You mentioned in your opening that your-- you do not support any of AM2503. Does that include the increase in the cap for the fees and the increase in the registration fee?

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JIM DINKLAGE: Whatever that amendment is, I'm totally against it.

HANSEN: OK.

JIM DINKLAGE: And there was one where they're decreasing the feed to the feedlots, especially down to the 22 cents.

HANSEN: OK. All right, thank you.

DeKAY: Any other questions? Seeing none, thank you.

JIM DINKLAGE: Thank you.

DeKAY: Next person in the neutral capacity. Seeing none, next opponent.

ELISABETH HURST: Good afternoon, Chair DeKay and members of the Agriculture Committee. My name is Elizabeth Hurst, E-l-i-s-a-b-e-t-h H-u-r-s-t. I am the director of state legislative affairs at Nebraska Farm Bureau. I'm here today in opposition to AM2503. I would like to begin by acknowledging the significant effort that has brought us to this point in the transformation of the Nebraska Livestock Brand Act. This has been an arduous journey shaped by meaningful collaboration among policymakers, stakeholders, and constituents. I am sincerely grateful for the partnerships that have emerged through what has at times been a challenging and complex conversation. Thank you to the committee for your continued commitment and perseverance. Nebraska Farm Bureau is guided by member-developed, member-driven policy. Our organization supported LB1187 as introduced, and our position remains rooted in a desire for policy that is effective, efficient, and pragmatic. We believe it is essential that policy be developed with adequate time to gather member input and to ensure thoughtful outcomes, free from the pressures of compressed timelines, complex revisions, and the challenges of coordinating among numerous stakeholders. This position should not be interpreted as opposition to continued collaboration. Rather, it reflects our view that LB1187, as originally introduced, represents the clearest path forward and the most viable option at this time. We appreciate Senator DeKay for introducing LB1187 and the committee's work on AM2503. We respectfully urge the committee to hold AM2503 in committee and to advance LB1187

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to General File as originally introduced. Thank you for the opportunity to testify. I'm happy to answer any questions that you may have.

DeKAY: Thank you. Any questions? Senator Hansen.

HANSEN: Thank you. So what specifically in the amendment is, is what you don't approve of. Like that's-- you mentioned was too complex to move forward with. Is it-- what specifically in the amendment don't you like?

ELISABETH HURST: Well, our board reviewed every element in the amendment at length, and it just kept coming back to the fact that with the time constraints, we wouldn't be able to get sufficient member feedback in order to address each element.

HANSEN: OK.

DeKAY: Senator Kauth.

KAUTH: Thank you, Chairman DeKay. So I, I do question that, because this has been being developed for years. I know Senator Ibach has been dealing with this for three years now, two years. And the discussions have been gone-- you've had time to get your members' feedback. It just, it surprises me to hear you say that you should at least understand where they're coming from or what they would think about certain things. So I'm confused when you say that this is too compressed of a time.

ELISABETH HURST: Many of the elements in the amendment are brand new as of just a few weeks ago, and something that we don't have particular feedback on at this time. Which is why the decision was made through our board.

KAUTH: OK. Thank you.

DeKAY: Senator Storm.

STORM: Thank you, Senator DeKay. Thank you for testifying. So would your board like to see some resolution with this? Like I asked the

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Cattlemen Association, would you like-- do you think they would like to see this resolved, or just kick it down the road?

ELISABETH HURST: Absolutely, we want to see a resolution. I think what holds it back is that passing policy simply to say that we've done something this session without having it completely vetted would just not be prudent at this time.

STORM: Does your board think there's an issue with the Brand Committee and how this is-- what, what's going on in the state? Do they think there needs to be changes made?

ELISABETH HURST: Yeah, absolutely. I think it's often referred to as modernization of the, the Livestock Brand Act. Something does need to be done, but what those efficiencies look like, I think just needs to be a little more thoughtful at this time, given the time constraints.

STORM: More than just fee increases.

ELISABETH HURST: I'm sorry?

STORM: More that-- do they need more than fee increases, do you think, when we talk about modernization?

ELISABETH HURST: That's something that we haven't discussed in detail as a board.

STORM: OK. Thank you.

DeKAY: Any other questions? Senator Ibach.

IBACH: I'm just going to make a comment.

ELISABETH HURST: Sure.

IBACH: Thank you very much for being at the table because this has been a lot of late nights and really good conversation. And I feel like we have a lot of what's in here is because of our conversation. So I want to thank you for that.

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ELISABETH HURST: I appreciate that very much, Senator Ibach. Thank you.

IBACH: Thank you, sir-- thank you, Mr. Chair.

DeKAY: Thank you. Thank you. I'll ask one more time. Any in the neutral position?

DORN: Thank you, Senator Myron Dorn, District 30. M-y-r-o-n D-o-r-n, and I gave her all my information. I sent-- Mr. Loos here made a comment that we had taken some funds. I, my part is the financial part of this. No, we have not taken any funds. What we do do with all in the process of this, the Brand Committee is one of about 77, 78 agencies that every two years they are part of the budget process. So they come in and make their request for they want to spend this much. What we do in Appropriations is we give them authority to, or we appropriate, the amount of money they can spend. We have several times since I've been up here, we have not given them their full request for what they wanted to spend. So we have, I call it, put some restrictions on them. But they, they make their request, they make their case every time before us, every two years, of why-- how much money they're getting in, all of those things, what fees they're charging. And yes, do they need this much funding to make it through the next two-year budget cycle or not. So that is what the Appropriations Committee does that then comes out in the, I call it, the bill, like we're talking about like today. But we have not since I've been here, the eight years I've been here, we have not specifically taken any money from them. All of their fees that they've collected, and Mr. Gangwish said that, that that has all stayed with them. We have not taken any of that. So just wanted to clarify that a little bit in case there were some questions of that. We have not taken any from that fund, but we have, I call it, not appropriated all of their requests a couple times. So thank you. If there's any questions, I'll be glad to answer them otherwise.

DeKAY: Any questions?

KAUTH: We know where you are.

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Agriculture Committee March 19, 2026
Rough Draft

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DeKAY: One question. Would it be fair to say that you sat on Appropriations Committee?

DORN: Yes, it would be. Yes. Yeah. And the other thing is Nebraska was up by 30 with about three minutes left. [INAUDIBLE].

DeKAY: OK, any other questions? Thank you.

DORN: Yep.

DeKAY: Next opponent.

JOHN HANSEN: Mr. Chairman, members of the committee, good afternoon. For the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I am the president of Nebraska Farmers Union. I am also their lobbyist. Welcome to two of the favorite subjects of the Ag Committee. One is the brand issue, the other is fence line disputes. And so I've been doing this for 37 years, which does not make me an expert, but does give me some historical perspective about this issue and how it plays. And so in our membership, we're a general farm organization as is Farm Bureau, and so we have a mix of all different kinds of producers who produce all different types of products in all different ways. And that's also true in the livestock sector. And ourselves, along with the Farm Bureau, along with ICON, along the Nebraska Cattlemen, are also, just so the committee appreciates that, are all certified USDA National Cattlemen's Beef Promotion Board nominators. Which means that we have gone through an audit of our membership by USDA to certify that a significant number of our membership produce cattle. And so we continue to fulfill those responsibilities. And as we that, as we get to the, the brand issue, our-- the majority of the folks in our organization that are on about this issue are cow-calf producers. And we have some feedlot folks, but we have more cow-calf folks. And so when we get to the issue of fees, we get the business of funding and how it is that the Brand Committee is viable and all of those things, our folks are not big fans of fees. They're not big fans of all those other things. But they have been willing to eat an awful lot of things that they're not really all that fond of in order to make sure that the Brand Committee has the necessary financial resources to do their job, and that our organization takes the long view and we

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look at brand inspection as a part of a greater system. And part of the problem we have with the feedlot guys not, not kicking into the kitty at all, which is what their bottom line would be, if they had their choice-- and it's not all the big feedlot, guys, it's just some. But they don't want to pay anything. But when you do that, you create holes in the system that make the system far less robust, far less comprehensive, and far less safe in terms of its duties and responsibilities. Our membership, like a lot of the others, if they had their druthers to fix the inequities between the, the brand and the non-brand area, if they had their druthers, they would spread it across the entire state because they think the benefits are substantial and that the state would be better served, as the top-- one of the top-ranked meat-producing processing states in the country, to have a statewide system. That would be more fair. And as a former, fairly substantial cow-calf producer-- I'll end my testimony, because I can see the Chairman is [INAUDIBLE].

DeKAY: Thank you. Before we ask any questions, I'm going to ask the committee, one or two at a time, to go up and check in and come back in case we go to a cloture vote, so that we can keep the committee hearing running. And now I'll ask if there are any questions of Mr. Hansen. Seeing none, thank you.

JOHN HANSEN: Thank you very much.

DeKAY: I'll ask if there was one, is there any other person in a neutral capacity? Seeing none, next opponent.

JILL COBLE: Hello, my name is Jill Coble, J-i-l-l C-o-b-l-e. Like most of you, I am originally from eastern Nebraska. I owned Fulmer Farms in Cass County, Nebraska, but I married a cattle guy, couldn't make him a crop man, and so I've lived the last 25 years in central Cherry County. I don't have the original cowboy understanding of the Brand Committee, but I have the learned understanding, and I understand on this end of the state, someone's always going to call you and tell you when your cattle are out. Where I live, if cattle get out on the south border or any border, that steer in one instance ends up in Broken Bow at a sale barn. The sale barn calls and says, hey, this looks like it might be one of yours. They send you a picture of the band. It's not,

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but I recognize the brand. It's the opposite neighbors'. That's what the Brand Committee does for us. It's a big deal. There aren't through roads, and no one's calling me to tell me those cattle got out. Thought I'd come down here today in opposition to AM20-- or AM2503 because currently the Brand Committee is made up of members from the brand inspection area. This amendment significantly changes that. On the paperwork I provided you, amendment changes it by changing qualifications in districts. The paperwork I've provided you breaks out those districts even by county and then also by cattle that are producer-owned versus feedlot or on-feed in those counties. As you can see, I also highlighted every county that is currently within the brand inspection area. On the third page, in District 3, only one county and part of two other counties is in, within the brand inspection area, which leads me to question: why are they being given the same representation under this amendment that we are as producers in District 1 and 2 underneath this amendment? I'll have you flip back to the first page, and I want to draw your attention to a number at the bottom. In the-- for District 1, the total producer-owned, if I could have you even circle that number, that number is 1,797,506. That is significantly higher than District 2 and District 3 producer-owned cattle. We are underrepresented on the way that this whole new Brand Committee structure is-- sorry.

DeKAY: Take your time.

JILL COBLE: Any change to the brand law is going to disproportionately affect District 1. For instance, say you have 2 million head of cattle on feed, if you take their free fee from \$1 to the 20 cents, you have cut their cost by \$1.6 million. On those 2 million head of cattle at the producer level, if you increase our fee by 40 cents, you have increased our cost by \$800,000.

DeKAY: That is your time.

IBACH: Can I ask a question? Thank you, Mr. Chair. Thank you for this because I have asked the Legislative Research Office for this information, and they cannot put their hands on it. So I appreciate this very much. I think that Furnas County is out of the brand inspection area, because nothing makes me more upset than driving

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through my district and I go across the sign that says "leaving the brand inspection area." So they're carved out down there, that little-- and I think they want to stay that way, which is fine. Have you done any calculations on actual feedlot numbers? Or are these just cow-calf?

JILL COBLE: OK, in relation to that, there is a part of Furnas that I think is included under state statute. I have to pull it-- it's like lot lines, certain areas.

IBACH: OK. Same like Grand Island.

JILL COBLE: Yes.

IBACH: JBS is in the brand inspection area.

JILL COBLE: Yes.

IBACH: OK. Gotcha.

JILL COBLE: But to answer your question, so this actually is based on the 2022 ag census. Because that is the most recent--

IBACH: OK. USDA?

JILL COBLE: I'm sorry, what?

IBACH: USDA?

JILL COBLE: Yes. And my feedlot numbers actually came via a spreadsheet email from the regional NAS office.

IBACH: OK. Makes sense.

JILL COBLE: The reason I had to go to them is because under survey, only under the ag census is when they release those numbers by county. Otherwise, it's always going to be by state grouped.

IBACH: Yeah, thank you. And so I, I don't think we are married to this map. I think when we were analyzing where should the districts go or be, I think originally we took the Beef Council's map, I think they

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have five districts. But I think, when you look at geographical areas we kind of just carved out, I don't think that those counties are set in stone, which is why I appreciate this. We could easily amend the, the borders are the, the regions by cow-calf numbers. But I would also be encouraged to look at feedlot numbers so that we're sure that we are geographically being fair. But I love this--

JILL COBLE: Skin in the game, is what I would say.

IBACH: I'm, I'm a stats person, or I'm data person, so this is way in my wheelhouse. So anyway, thank you for that, and I think that you've given us some really good information. Thank you.

JILL COBLE: May I make one comment?

IBACH: Sure, sure.

JILL COBLE: While you changed the fee structure for brand inspection area, to give anyone a seat who doesn't have to pay those fees is problematic to those of us who live within brand inspection area.

IBACH: Do you think you could have some influence on that area by being-- by having somebody outside the brand inspection area? Can, can you-- can you be a voice for the inspection area. I mean, wouldn't you collaborate or cooperate on some of the discussions by saying, I want you to understand our perspective?

JILL COBLE: I would think in the perfect world, that's ideal. But when you're raising our cost \$800,000 potentially, and we're sitting on a board with someone who has the exact same representation as us and they don't have any of that cost that they're absorbing, it's a problematic situation.

IBACH: Did you have any input on-- with the Brand Committee on those fee increases that we talked about earlier?

JILL COBLE: I haven't spoken with anybody on the Brand Committee.

IBACH: Thank you. I didn't mean to put you on the spot. I just--

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JILL COBLE: No, I haven't.

IBACH: According to those numbers, I just want to make sure that you understand that we actually listened to the Brand Committee on the fee structure increases.

JILL COBLE: Oh.

IBACH: Does that make sense? I understand what you're saying. I just wanted you to understand that we actually listened and, and came up with that structure based on those conversations. I just wanted to know if you had any conversations with them.

JILL COBLE: None.

IBACH: Thank you, thank you.

DeKAY: Any other questions? Real quick, what's your thoughts on inspection? Would that alleviate any anxiety with inspections at change of ownership, like selling calves at a sale barn, selling them-- or inspecting them when they leave the ranch and on a private sale?

JILL COBLE: We absolutely do that.

DeKAY: Well, I know. I mean, so you would-- does that alleviate any anxiety if they're going from, from--

JILL COBLE: 100%.

DeKAY: --from a private sale--

JILL COBLE: It's probably the cheapest insurance a cattle person has.

DeKAY: So going from a private sale to a RFL, would that-- and have the brand inspection, bill of sale, all of that, does that alleviate, or even if it's not an RFL, just a regular feedlot, would that alleviate some of the anxiety or not?

JILL COBLE: Can you A to B that situation again for me? It gets so--

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DeKAY: Going from say ranch and just to, not an RFL, just to a regular family-owned feedlot, whatever, that's not registered, if there's an inspection fee, brand inspector comes on my ranch, inspects the calves, I pay the inspection fee, and they go to that, does that alleviate any anxiety that there might be misplaced cattle?

JILL COBLE: For me as a producer, it would. The whole feedlot situation gets confusing also because we have what we call retained ownership. In our situation in the past, feedlots buy our cattle and, and feed them out, and we are super grateful for that, as all producers are. Sometimes we also retain ownership. Those are different situations. I don't speak to the feedlot situation because it's not necessarily in my lane. I'm here more to speak to representation on the Brand Committee. Does that answer your question?

DeKAY: I appreciate your comments. Thank you very much. Any other questions? Senator Meyer.

F. MEYER: Thank, thank you for this list. It's, it's very enlightening. A lot of good facts and figures. I was-- I thought some of these figures that you present us were probably the way it was, but this really spells it out. There's more cattle and calves in Cuming County out of the brand area than anywhere in the brand area.

JILL COBLE: Did I misprint something? In Cass County?

F. MEYER: Cattle and calf inventory-- Cuming County. And as far as cattle on feed, no other county is even close.

JILL COBLE: OK, in Cass County?

F. MEYER: Cuming County. Cuming County, excuse me. Cuming County.

JILL COBLE: OK, yes, most of those are cattle on feed, which would seem likely considering that the corn is on this end of the state.

F. MEYER: And, and even figuring the cattle and calf inventory is higher in Cuming County than Cherry County. Total cattle and calf inventory.

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JILL COBLE: That's total, and it's based on 2022 and-- OK, so Cherry County is just one of 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25-- 28 counties in District 1.

F. MEYER: Well, I'm just still on one county by one county, and there's been references that certain areas of the state really aren't cattle producers. And I guess I just want to dispel that, dispel that myth here.

JILL COBLE: I would never say that somebody isn't a cattle producer. But sometimes people who feedlot, or some people in the industry-- and I haven't been in-- this is not my forte, but some people consider themselves beef producers once they're at the feedlot versus cattle producers. I would consider what my husband does to be cattle producing. Once that becomes a feedlot animal, that becomes beef production.

F. MEYER: I, I would hate--

JILL COBLE: Potatoes, potatoes.

F. MEYER: --to make that differentiation because they might be insulted.

JILL COBLE: Yeah, and I just, just some people do, some people don't.

F. MEYER: Thank you.

DeKAY: Thank you. Are there any other questions? Thank you for being here.

JILL COBLE: Thank you very much.

DeKAY: Next opponent. Before you start, can I have a show of hands to see who still wants to testify? OK, thank you. Go ahead.

GIGI GARDNER: Thank you. Good afternoon, Chairperson DeKay and committee. My name is Gigi Gardner, spelled G-i-g-i G-a-r-d-n-e-r. I'm here today to oppose AM2503. And I want to clarify right off the

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get-go that I am from Arthur, Nebraska. My home ranch is in northern Keith County. No one asked me to come today, but out of respect for the ranchers that I have worked alongside of and worked with--

DeKAY: Could you speak up into the-- thank you.

GIGI GARDNER: Sorry about that.

DeKAY: Not a problem.

GIGI GARDNER: That I have worked with and alongside of, they are back there taking care of the cattle and the disaster that's happened in our area. But no one asked me to come, but I said that's the least I can do is come and help represent. Because parts of my different entities of my family are all in that area, and friends, lots of good friends. I'll give you a little background about myself, reason why I come to testify. I was born and raised on a ranch in western Nebraska, Keith County to be more specific. I was-- I have worked on several of those other ranches. I have worked in several sale barns across the area. I have also-- all of these places I have been a part of and have affected by the wildfires. Given the circumstances out in western Nebraska, I am here to speak for those who could not step away from saving their livestock, land, and homes. Having worked with brand inspectors and all these operations, you begin to realize how important they are to producers. Cattle being stolen is a real thing. These inspectors help make sure livestock is returned to the rightful owners when it is found. This amendment increases some costs, such as brand renewal fee. It also increases inspection-related fees, adds new charges like travel and other inspection costs. For operations that move cattle frequently, these added costs can add up quickly. Even small increases in fees on paper can have a large impact on real life. Many operations already operate on tight margins, and any additional cost makes it harder to stay profitable. This amendment also changes how inspections are handled, expands exemptions in some situations. While that may reduce inspections in certain cases, it also changes a system that producers rely on to protect their livestock. Nebraska was built on livestock producers. I ask that you consider how these changes will affect the people working every day to support this industry and this state. I appreciate your information, and I

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appreciate your time of listening. And like I said, I have worked in sale barns, and I know that some of this stuff-- I have, I just stepped into this a couple of days ago and really realized what was going on. I have worked in the industry for a long time, born and raised in it. But I do know some of this, this new technology that is being applied in here, being actually on the ground in those sale barns, it will not work if you have large numbers of cattle coming through. That has been a proven fact with large-- I'm sorry.

DeKAY: Not a problem. Thank you for being here. Are there any questions? Senator Kauth.

KAUTH: Would you like to finish your statement?

GIGI GARDNER: Yes, I did finish, I was just--

KAUTH: OK.

GIGI GARDNER: --but thank you very much. I appreciate it.

KAUTH: Thank you for being here.

GIGI GARDNER: I just wanted to let you know where I stand on this. Thank you.

DeKAY: Appreciate that. Any other questions? Seeing none, thank you for being here.

GIGI GARDNER: Thank you.

DeKAY: Next opponent.

AL DAVIS: If I can get my fingers to work here. Good day, Senator DeKay and members of the Agriculture Committee. My name is Al Davis, A-l D-a-v-i-s, and I am a registered lobbyist for the Independent Cattlemen of Nebraska, or ICON, and also a member and a rancher. I'm here today to discuss LB1187 and specifically the amendment, AM2503. ICON supported the passage of LB1187, and we stand by our support of the initial bill, but are strongly opposed to AM2503, which is a major departure from LB1187. A bill with this much modification should first

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be accompanied, accompanied by listening sessions inside the brand area to ascertain if users support the modifications. The amendment provides no fiscal analysis for how it would affect the program, despite significant reductions in revenue by lowering the fees for the registered feedlots. The RFLs pay fees based on the one-time capacity of their lots but are able to turn inventory about 2.4 times annually, so a dollar fee results in a per-head fee of about 40 cents. The amendment reduces the per-head fee to about 6 cents per head. In the meantime, all other producers, including non-registered feedlots, would be shouldering a fee increase to cover the shortfall. The RFLs continue to ignore the significant benefits which RFL status provides to them. Benefits I have shared with this committee on prior testimony, which this committee has discounted. The amendment also alters the makeup of the board. The current five-member board is modified to a seven-member board with the addition of a purebred dealer, a sale barn representative, and a second feedlot seat. The amendment establishes direct representation for three board-- district representation for three board members, including one district representing those counties not in the brand area today. There is no reason to give a government seat to residents of counties which are not in the brand area. In addition, the amendment is silent when addressing what happens to the current members since three of the board members, existing members, reside in one of the newly carved-out districts. Likewise, the amendment also provides guidelines for hiring the executive director of the committee with approval by the Governor and the Legislature. That effectively neutralizes any authority vested in the committee, and places the power in the hands of a Governor or a Legislature with little understanding of the industry. Audits are also addressed in the amendment, significantly weakening the authority of the committee to investigate. Let's be clear on this. Feedlot owners aren't angels. There is potential for theft in and among feedlot owners themselves, so a robust audit system is needed and investigation-- investigators should have authority to do as many audits as are necessary. The RFLs were given special privileges, significant savings of time, labor, et cetera in return for promises to provide transparency to the committee. Now they want to ease up on these requirements. ICON opposes the watering down of the audits. The amendment asserts that the committee will use probable cause to

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justify an audit. What does that term mean? It's just one vague term among many in the amendment. Also the references to dairy and heifer development lots could be troublesome down the road and needs to be fleshed out. There is more to say, but I'm out of time, so I will close. Should this amendment come to the floor, I would anticipate a lengthy discussion. Frankly, just-- this just isn't the time to bring the amendment forward. Thank you.

IBACH: Thank you, Mr. Davis. Are there questions from the committee? Seeing none, thank you very much.

AL DAVIS: Thank you.

IBACH: Are we to neutral? Sorry. Are there any-- we went through proponents. Are there any other neutral testimony? Neutral. If not, we will move to proponents and then opponents. Are there any other opponents? Seeing none. Oh, sorry, sorry. Sorry, I missed, I missed the discussion, so I apologize. Welcome.

PAULA BROWN: Welcome, thank you. I'm Paula Brown, P-a-u-l-a B-r-o-w-n, from Banner County. I'm speaking from my frustrated heart. I drove eight hours to be here. In this drive, I drove, drove through my friend's lands. In this drive, I cried knowing that all have a long road ahead of them, and from the recovery of this devastation that has occurred. I do know the road they have ahead because I've been there. In 2020 and 2023, we had three fires that burnt 4,700 acres of my family's land. We are still stretched thin because grass just doesn't grow overnight, and it takes years. The lack of moisture is not helping the grass grow. That being said, the state of Nebraska is in a drought, which we all know. The Sandhills are very tender with this drought, and grass has struggled to grow with the lack of snow, rain, you name it. When the winds blow, they blow 60 to 80 miles per hour. The sand moves and moves a lot. Now with the fires, grass is very sparse. Yes, in time, it will grow back. But again, years. Now let's talk about the small ranches in the Sandhills of 2,000 head that are calving right now too. Where do they go with these animals? Support is coming, but a good reminder is that 20 lactating cows need a 1,500 pound bale a day. You know, that's expensive. Hay prices are very high right now and going higher. The stress of the land, the feed, means

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that cows and yearlings will be sold. Nebraska is the second in cattle inventory in the United States. The fire has burnt over 80-- 850,000 acres the Sandhills in the plains of Nebraska cattle country. Big feeders and feeds, feed yards, that's gonna affect them. Now I want to talk about the IED tags. Ladies, our earrings, you lose them all the time. Well, an IED tag is an earring. It gets lost. And you don't want everyone to know how many diamond earrings you have, correct? It's none of their business. A brand lets people know where the animal comes from and its history. These cattle that were burnt are still identified because of a brand. The IED tag was melted off and or damaged. Let's use a little bit of common sense and know that tags of all kinds can and will be lost, removed, and damaged. Brands cannot.

DeKAY: Can you wrap up in just a statement or two?

PAULA BROWN: Oh, sorry.

DeKAY: Not a problem.

PAULA BROWN: I just, come and see. You're all welcome to come to my family's ranch and see and drive through. Please come and see the ranchers that support everybody.

DeKAY: Thank you. Any questions? Senator Hansen.

HANSEN: Thank you. Since you drove eight hours, in a bullet point fashion, is there anything else you're concerned about with maybe the bill or anything else? I just want to make sure we covered all your concerns here.

PAULA BROWN: Yes, you know, like everybody's been saying, it's the costs. The costs do affect us little ranchers. And part of me listening back there, wouldn't this all be solved if Nebraska was a total brand state and we quit bickering. No, I'm not joking. Let's make Nebraska a total brand state. Then we don't have any more bickering and we can all get along.

HANSEN: So the increase in the fees is what you're talking about, right?

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PAULA BROWN: Yeah, I don't-- yeah, nobody likes those.

HANSEN: Just making sure. OK.

PAULA BROWN: So. Anymore? This is the second time I've been here. You've seen me with the mountain lions also.

DeKAY: We talked last time, so.

PAULA BROWN: Yes, so but this is dear to the heart.

DeKAY: OK, thank you. Any-- Senator Kauth.

KAUTH: Thank you, Chair DeKay. You talked about the cattle that were burnt. Can you give us an idea of the estimates, because we haven't-- I've heard about acres, but I haven't heard about livestock yet.

PAULA BROWN: 65,000, roughly. And that's what I've just heard. And so they're probably going through, espec-- there's all four fires are still burning excessively. And so when the fire dies down, like even us, we couldn't find all our cattle, especially in those deep canyons. You can't find those cattle. We, we have our numbers. And especially with us that work with our FSA offices, we have those numbers, and we can go through those numbers. But still, when you can't find that, that is-- you can't find those animals. And we do, we might have 2,000 head, but we know our marker cattle. And when our marker cattle are gone, it hits home. Even one cow, one calf gone hits hard. And especially with prices right now, it's really hitting hard. And when, if that 65-- if, if the number is true, 65,000, that's one big feedlot. Well, excuse me, medium feedlot, that doesn't have cattle. And we're the second-largest one-- producer of cattle in the United States. So that means Texas is going to have to kick up. Oklahoma is on fire too. They're losing cattle. Kansas is losing cattle. We're losing cattle and bickering over-- the cost does get us. Because us that don't have fires right now, we're going to be trying to produce more to help our dear friends that lost those cattle and to keep the cattle market going. Our cattle market, which you all know, is suffering. And this is just one more blow. And I don't-- please, all of you are welcome to come out to the ranch. Drive on 92, come and see what's going on. And I truly do feel, I don't know, I like to get

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along with everybody. If the whole Nebraska state, the state was brand inspected, we'd have, I don't know, better success all the way around. And plus, I do see it. I'm-- as the crow flies, our ranch is 15 to 18 miles from the Wyoming border. So I have to live by Wyoming standards and Nebraska standards. We have cattle crossing the line all the time. I'm also a stone's throw from Colorado. Give or take, mile-wise, 50 miles. If I have cattle going that way, I got to go. If-- they have to be brand inspected. If I go up to South Dakota, I'm not that far from South Dakota either, especially if I go to Sheridan County or Gordon, those brands follow everybody and those states require it too. So our fees do add up. And I'm sorry, I'm rambling.

KAUTH: That's OK. Thank you very much.

DeKAY: Thank you. Any other questions? Seeing none, thank you for being here.

PAULA BROWN: Thank you.

DeKAY: Next opponent.

SAVANNA HEBBERT: Good afternoon. My name is Savanna Hebbert, S-a-v-a-n-n-a H-e-b-b-e-r-t. I am a fourth generation cow-calf and yearling producer from southern Cherry County, and I am here specifically to oppose AM2503. I was primarily motivated to make the five-hour drive, which sounded a lot more impressive before someone from Banner County talked, because of the intense restructuring of LB1187 during a time when western ranchers are either trying to piece their lives back together after a catastrophic fire or calving or both. Please do not forget about these people. Over 800,000 acres were burned, and these communities are reeling. Surely it could have been possible to postpone this hearing to give them the opportunity for input. I listened to the hearing on LB1187 and LB1258, which I found fascinating. A silent majority of producers was referenced, and a mysterious dread that we have of speaking out. And I don't feel that to be true. We have no fear of speaking out. We have a fear of no one listening. The new outline for the Brand Committee in AM2503 perhaps reinforces this, as it appears to diminish rather than magnify the voice of western ranchers. Against my will I even started to muster

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some sympathy for the feedlots until I remembered the economies of scale. If the insurmountable obstacles were indeed insurmountable, they would not build or buy in the brand area. I'm sure they're very irritated by their brand fees in the same way we are about our property taxes. Where is the ROI? It is in the ability to keep doing business, which is why we choke down the property taxes and why they should continue to pay the brand fees as they stood in the original LB1187. I would also like to say at this time that I myself did not have any problem with the fee increase or the surcharge. That was not an issue that I had with LB1187. Please allow the ranchers of western Nebraska to square up to this bill before moving it forward. Please give them the chance that the fire didn't. Thank you.

DeKAY: Thank you. Any questions? Seeing one, your necklace, is that your brand?

SAVANNA HEBBERT: Yes, it is. Correct, yes.

DeKAY: Thank you.

SAVANNA HEBBERT: Yep. Thank you.

DeKAY: Are there any other opponents?

***AUSTIN MARTINEZ:** This is absolutely and unequivocally not in the best interest of cattle producers. Pushing this through when cattle producers right now are fighting fire and not able to voice their opposition is abhorrent. Oppose.

***SARA C. MANN:** I grew up in the Sandhills that are now being ravaged by the worst fires in Nebraska recorded history. Ranchers are dealing with the monumental task of taking care of herds of cattle that have no grasslands to graze. The fires are still raging across our state. The one plus side of this awful situation is I was made aware of this bill and am able to add my voice to the "nays." The heart of this bill is disenfranchising Nebraska farmers and ranchers at a time when they need our help most. The 3rd District, I feel, is often taken advantage of by entities with nefarious intent, and this bill is no exception.

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Back your neighbors, regardless of what part of this state you are from. I vote nay.

***DUANE McCLAIN:** AM2503 is a travesty on the way the legislative process is meant to work in Nebraska. The Agriculture Committee is doing backroom deals with large corporations in time when protecting the cattle industry in Nebraska may be more important than ever. In the event of another natural disaster after brand laws in Nebraska have deteriorated to no protection to the actual owner of the cattle. As a land broker selling a ranch to an out-of-state buyer, what do I tell them about the protections the state of Nebraska started eliminating in 2026? What protections do they have from cattle thieves and unscrupulous individuals that will use the new laws to steal? Instead of working for the large corporate feed yards that will benefit from lesser laws, the 2026 Agriculture Committee should be working to make all of Nebraska a "brand area" and bring in more protection to the industry. The '26 legislative Agriculture Committee is completely corrupt on this issue. The Nebraska cattle industry's cow-calf producers deserve better from their lawmakers.

DeKAY: I'll go through the order one more time. Are there any proponents? Anybody in a neutral capacity? Seeing none, this will end the hearing on a-- hold it just a second. For the record, at the time of the hearing, we had 239 online comments, 236 opponents, 1 proponent, 2 in neutral. That takes care-- OK. With that being said, that ends the hearing on AM2503. Thank you for being here and thank you for your time.