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COMMITTEE ON AGRICULTURE
May 25, 2005
CONFIRMATION HEARING

The Committee on Agriculture met at 8:00 a.m. on Wednesday, May 25, 2005, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on a gubernatorial appointment. Senators present: Bob Kremer, Chairperson; Philip Erdman, Vice Chairperson; Carroll Burling; Doug Cunningham; Deb Fischer; Don Preister; and Roger Wehrbein. Senators absent: Ernie Chambers.

SENATOR KREMER: Well, I think we will call the hearing to order. We've got a couple indicated they're on their way, and we're a little short of senators, you know, they're kind of lazy and slow at getting up and going. No. But anyway, welcome, and I will first introduce our committee. Jessica Shelburn is our committee clerk; and then I'm sure some others will be coming, we'll introduce them as they come then, Rick Leonard is our research analyst; I'm Bob Kremer, Chairman; Carroll Burling from Kenesaw; and Deb Fischer from Valentine. So we have one thing on the agenda, but first of all, I guess, I should ask you to turn off your cell phones, and I better do that, myself, kind of less interruption. When you come up to testify, please state your name, spell your name for the transcriber's sake, and not for, necessarily, our sake, but we will have Greg come up and then ask for any of those that would like to testify as a supporter or proponent, and then anyone in opposition or neutral. So I think that's all I need to do. Our pages, I guess I didn't mention that, we have two pages, this morning, Audrey is from Fremont and Courtney, where are you from? South Carolina, well welcome to the good life. Glad to have you here. If you have anything you'd like to pass out, they would like to help you with that, and with that, Greg, if you will come forward and...Greg Ibach has been appointed as the Director of Agriculture for the state of Nebraska, and congratulations, Greg, and we look forward to hearing from you. Just tell us a little bit about yourself and maybe what your vision is for the department and we'll probably have some questions for you, then. Just a second, before you start, we'll introduce the rest of them. Doug Cunningham from Wausa; and Phil Erdman, Vice Chairman of the committee, from Bayard; and Don Preister from Omaha. Welcome, Don, you made it from Omaha this morning. So that's most of us, I know Roger Wehrbein is coming, yet, too. Okay, Greg, thank you, go ahead.

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CONFIRMATION HEARING ON
GREG IBACH AS DIRECTOR OF
NEBRASKA DEPARTMENT OF AGRICULTURE

GREG IBACH: (Exhibit 2) Well, thank you for the opportunity to visit with you, today. I'm excited about the chance to further serve an industry that is important to the state and important to me, personally. Having served for six and a half years as assistant director and being a producer myself, I'm aware of the key role that agriculture plays in the state's economy. There's a great deal going on in our industry today, and anyone that is very involved, farmers, ranchers, or production partners, know that we face major, potentially business altering issues, on almost a daily basis. A healthy agricultural economy has been a long-time base for our entire state's economy. We will need to work together to ensure that producers have opportunities to flourish and ensure sustainability and vibrancy of our rural communities. There are several key topics, however, that I believe will need our immediate, focused attention. USDA is seeking comment on its draft strategic plan for animal identification. This is an area, I believe, is of crucial importance to our state's agriculture industry, and an area in which the Nebraska Department of Agriculture has already been heavily involved. We must be sure to continue are involvement in evolution in this area. I am also mindful of the agricultural homeland security concerns and the importance of protecting our producers and their operations from the threats associated with the new era that we live in, since the fall of 2001. Most recently, USDA Secretary Johanns announced he would host nationwide listening sessions regarding the upcoming renewal of the farm bill. We need to be engaged in this debate, so that Nebraska's interests are represented as this legislation is crafted. The way we position ourselves now regarding these matters will paint the horizon for the next generation. I'm very cognizant of this and should the Legislature confirm my appointment, I will work with you and the Governor to make sure that Nebraska's agriculture has a voice. I obviously won't be alone in my efforts. NDA has a dedicated, hard-working staff. Together we will continue advocating on behalf of Nebraska's farmers, ranchers and food production industry at state, national, and international levels. With

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that, I'd entertain any questions, you might have.

SENATOR KREMER: Okay. Questions for Greg? Let me introduce Roger Wehrbein from Plattsmouth that just came in.

SENATOR WEHRBEIN: I forget about eight o'clock traffic, sorry guys.

SENATOR KREMER: Okay. Senator Burling.

SENATOR BURLING: Thank you, Greg, for appearing this morning and for your service the last few years. We talk a great deal in the Legislature about rural economic development. And, of course, you know what we do best in this state, produce ag commodities. And in view of WTO rules and regs, and our national, federal trade policy, can states individually, really have a significant role in foreign trade?

GREG IBACH: Yeah, I think that we've definitely made a difference. We've made a difference for our Nebraska producers and some of the activities that Merlyn and the department took on with our foreign promotional activities. I think, specifically, back to some of the groups that we've hosted, as well as visited with at the governmental level and in Taiwan. And we hosted, we first visited on some of those trips Merlyn did with their health ministry officials, that were going to make the decision about reopening that market. And then we then hosted some of those individuals when they were on their fact-finding tour of the United States, and specifically Nebraska, to try to gather enough facts to justify the decision to reopen to U.S. beef, after here just recently. And then those individuals, you know, were a big influence in the Taiwanese market. There's examples similar in the Vietnamese market, which opened just prior to the Taiwanese opening. I think some of the relationships that have been built through Governor's trade missions and department trade missions in China and Mexico and other countries around the world, have made a difference in those markets opening and being, and having access for Nebraska's producers.

SENATOR BURLING: Is Cuba the challenge, right now, or what...

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GREG IBACH: I think there's still...there's some opportunities that are emerging in Cuba. I think there is...the administration has changed its policy recently on how those dollar, how those purchase transactions are to be carried out, which makes it a little bit more complicated. But I still think there's some opportunities. In fact, just last week I spent some time trying to figure out, you know, if there was an opening for, you know, dry beans would probably be the most likely, and perhaps wheat crops that Nebraska producers would have that the Cuban market is most interested in, or might be our easiest, initial access into that market. And so we've started looking into the possibilities there, as well.

SENATOR BURLING: Thank you.

SENATOR KREMER: Other questions for Greg?
Senator Wehrbein.

SENATOR WEHRBEIN: I have two, if I might, I'll be quick. One is, I've got a study resolution and I don't know whether you've noticed it, on doing more diplomatic activity and whether the Legislature ought to be more involved in coordinating or oversight of a lot the activities, not only you are doing, but the military, DED, with world contacts across the country, across the world. And so I hope...we'll include you in a study we're going to have this summer, but my real question is, and might be a difficult one, you said that we need to be engaged in this debate, which is the USDA hearing sessions that Johanns is going to have. How do you propose the Department of Agriculture being involved in that, versus individual preferences? I mean, there is no real agreement among producers across the state of what farm programs ought to be, as you well know.

GREG IBACH: I think what the role that the department can play there is to make sure that we provide the platform or the forums for producers to be able to make their opinions known. And maybe not all producers, you know, will have the same goals for the next farm bill, but if we've already...the Governor, is...I delivered last week, a letter to Secretary Johanns, on behalf of the Governor, asking that Secretary Johanns host one of those listening sessions, here, in Nebraska. And then prior to that, you know, we would hope to provide some forums and some opportunities for

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producers to visit with the Governor and other leaders to, you know, start getting prepared for that session that Secretary Johanns would host. And then, you know, being able to, you know, watch that legislation as it's developing and alert groups back in the state about some of the key debate items, or the emerging issues, I think, is an important role for the department, so then producer groups could, you know, analyze that and see how that would effect them and be prepared.

SENATOR WEHRBEIN: Thank you.

SENATOR KREMER: Senator Erdman.

SENATOR ERDMAN: Greg, in your testimony you talk about the strategic plan for the animal ID...federal animal ID being under comment period right now. What is the effort of the department, to engage the producers directly in that process, versus the department themselves, kind of commenting on that. Is there an attempt to bring producers in for that process?

GREG IBACH: I think the producer groups are fairly involved. I know cattlemen, especially, and pork producers are intending to provide their own comments on the animal ID talking or thinking paper, I believe, is what they're terming it. But some of the things that...and we work with those groups, you know, on an ongoing basis, as we've been developing our premises registration system. Some of the specific things that the thinking paper is asking state departments of agriculture, the questions in it that pertain to state departments of agriculture, are how it would interrelate with some of our regulatory duties, our disease surveillance programs, and those type of dimensions. And so in that way, it will be important to understand the industry's goals, but it's also stuff that's pretty specific to the department, as well, and how we would interrelate with the individual animal identification or group lot animal identification.

SENATOR ERDMAN: As you go forward with the implementation, obviously, of this program into the future, do you envision having similar listening sessions, throughout the state, in regards to what animal ID could look like before the final decisions are made to ensure that not only those who are

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members of the different commodity groups and livestock organizations are commenting, but also that the public are aware and maybe people who may not be as aware of that opportunity as what they should be?

GREG IBACH: I don't know if I would necessarily call them listening sessions, but over the last six months, I've put a considerable amount of time into being at producer organizational meetings. I've been everywhere from Alliance to Hartington to southeast Nebraska, around central Nebraska, at Farm Bureau, at Cattlemen, and so I have made a pretty extensive effort, if a cattlemen's group has asked for me to attend their meeting, speak about animal ID or a farm organization has done that, I've tried to make those meetings. And so that dialogue, that question and answer period, while it's not a formal listening session, definitely is a chance for me to present what the department is hoping and then also hearing their, in the questions, hearing back their concerns and comments. And we're going to continue, as a department, to reach out, because most producers when they initially hear about premises registration, have some concern that the department or the state is trying to get information that they may feel they need to...hesitant to provide, they need to protect or have concerns about confidentiality. But, you know, as it's described to them, and they start understanding...what...how this information might be used to actually protect them or their fellow producers from the spread of a disease, by knowing where operations are at, and being able to control and contain a disease outbreak, producers get a lot more open to the idea about registering their premises, because they see the personal benefit to them.

SENATOR ERDMAN: One final question, have we got to a point where we have some analysis of what cost may be, I know we had a discussion about that last year, in Ogallala, and I think that was kind of one of the things that a lot of the testimony was about was what's this going to cost, how are we going to do this? Are we any closer to having an educated guess on what that might be?

GREG IBACH: I don't. I don't necessarily think so. I think the way that USDA has indicated this may evolve is that, you know, a lot of the weight will be borne by, of the cost of the program will be borne by producers, in that, you

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know, the tags and those type of appliances that they will use on their own operations, they will probably purchase. What USDA has indicated that they are interested in funding and need to provide is the framework type hardware, the database creation and implementation and maintenance is something they've expressed interest in providing perhaps some of the reader hardware that might be in the...out in commerce, perhaps even in sale barns or places where animals congregate or go through in large numbers from multiple producers. And so there's some indication that USDA may be interested in some of those types of programs. But, you know, the cost of tags and individual farm readers are probably still going to be borne by producers.

SENATOR KREMER: Along that same line a little bit, it seemed like the animal ID is really the groundwork for country of origin labeling or disease surveillance as we've, you know, has happened in the last few years with BSE. And you've kind of been the lead person as assistant director, right?

GREG IBACH: That's one of the responsibilities I was assigned.

SENATOR KREMER: So I was wondering what role do you feel like you'll play or will that be assigned maybe to the assistant director or do you...?

GREG IBACH: I think it will be, will you know, when we select an assistant director we will probably look at what type of interest and background and, you know, strengths that he or she might have and then, you know, try to match up, you know, those. And I would like to stay involved with animal ID. I think it's something that Nebraska producers are really very anxious to get involved with. I think that when USDA announces their framework and gives the green light for us to be able to move ahead, I think Nebraska's producers will be among some of the most aggressive amongst the nation's producers in adopting animal ID and moving forward. And so I think that's a significant issue for our state.

SENATOR KREMER: Any other questions? Senator Preister.

SENATOR PREISTER: Thank you, Senator Kremer. As somebody

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that appreciates compensating people fairly, it's refreshing to have a hearing on somebody that's actually in a paid position. Usually it's the other positions on boards that we get. My question to you, and I don't know if you're compensated fairly so that may be another issue for the future, there's discussion about genetically modified crops, and there are producers who don't want that cross-pollinization and there are sales and markets where they don't want the actual crops. How do you see your role and our Department of Ag in protecting both producers and both of those markets?

GREG IBACH: I think they definitely both have a place in our marketplace based on what consumers' desires are. On my own farm back at Sumner, last year we grew non-GMO corn for a specific market. And so, you know, I see the value in being able to, as a producer, and that was tested at the elevator when it was delivered to make sure that it was non-GMO and so pollen drift was a concern to me as well. And so, you know, I think those issues are definitely important; and we need to, you know, approach biotech in a way that allows the producers that want to take advantage of the benefits, the consumers that may want to take advantage of the benefits and less herbicide and pesticide use perhaps as we see the pharmacy-type traits introduced into crops where you might can eat your cereal and get your medicine for the day, I think there's some consumers that would be interested in that as well. So I think we need to manage it so that different producers can pursue their different avenues that they want to look for opportunities for profit in.

SENATOR PREISTER: And therein probably lies the challenge because we're seeing a 20 percent increase every year in the demand for organic crops. And at the same time we're seeing those pharmaceuticals, nutraceutical markets developing and folks concerned about those cross-pollinations and cross-contaminations of those crops. It's going to be a challenge in keeping them separate.

GREG IBACH: Yeah, and, you know, I think as we see the nutraceutical and pharmaceutical crops evolve, they may be, you know, necessary to be grown in controlled environment like a greenhouse or something like that to address those concerns that are out there as well.

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SENATOR PREISTER: And you also mentioned in your opening about the concerns with bioterrorism and its affect on agriculture. Any specific ideas of things that you see that need to be done here?

GREG IBACH: Well, bioterrorism demands the request from the federal government for us as a Department of Agriculture to start, you know, putting plans in place. We've really invested quite a bit of time by borrowing staff from our agencies and kind of robbing Peter to pay Paul to start putting some of those plans in place. But really we've done a pretty good job in animal agriculture at starting that process. But there's a lot more to be done that's under the purview of the Department of Ag as well. So I think that's going to be one of our challenges in the future to seek funds, either from federal grants or elsewhere, to be able to implement those programs successfully and meet those challenges to protect agriculture and agricultural processing. And even, you know, in Department of Ag we have concern and purview over restaurants and food establishments, and so there's issues out there as well. And a lot of the federal grants that we have gotten in the past have allowed us to do programming, but they don't allow for us to invest in human resources to be able to carry out those programs. So, you know, at a certain point in time, you know, we've stretched people about as far as we can and we're starting to be concerned that we need to start assigning people back to their primary responsibilities or having them refocus on those. And so that's one of the challenges that we face and we look forward to working through.

SENATOR PREISTER: Thank you.

SENATOR KREMER: Thank you, Senator Preister. Any other questions? I have one. I think Rick had pointed out that one of the requirements is that you had to be, you know, full-time employee; and I know you do have an operation with some family and everything. How does that fit in or any problems along that line or has it been pretty much full time as the assistant, I'm sure.

GREG IBACH: Yeah. I have...I do have an operation at home near Sumner that kind of keeps me grounded in agriculture.

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When there's a drought, there's a drought at my farm as well. We had to replant some corn on my operation due to the storm damage that occurred over the last few weeks. And so, you know, that kind of keeps me grounded in what producers are feeling themselves. And I probably have a little bit more first-hand empathy for their plight and situation because of my operation. With that said, I do have several full-time employees. I have family, parents, and a brother that are located close in within a couple miles of my home and operation. And, you know, we...I give a full-time effort as far as watching my duties as assistant director and will as director as well. But I do have that other grounding aspect out there as well.

SENATOR KREMER: That's your therapy to go out there and get on the tractor.

GREG IBACH: I don't know if it's therapy all the time, but...

SENATOR KREMER: Okay. Any other questions? Seeing none, thank you, Greg, and we'll ask for anyone that would like to testify in support. I might mention I'll read into the record a letter of support from the Nebraska Cattlemen (Exhibit 3), and I think that's all I have at this time as far as reading into the record so.

ROB ROBERTSON: (Exhibit 4) Good morning, Senator Kremer and members of the Ag Committee. My name is Rob Robertson, R-o-b-e-r-t-s-o-n, and I'm vice president of governmental relations for the Nebraska Farm Bureau, and I'm here on behalf of the Nebraska Farm Bureau to support the nomination or appointment of Greg Ibach as Director of Agriculture. I've known Greg personally for a long time. Greg has been involved with the Nebraska Farm Bureau extensively in the middle nineties as part of our young farmer and rancher committee. And he was very involved with our leadership development activities in the young farmer/rancher committee. But more importantly, in the last six years I've gotten to know Greg and Director of Agriculture Merlyn Carlson very well. They have made a great team. They worked on several projects to promote agriculture and trade. Greg personally was very involved with the animal ID, as was mentioned earlier, and also very involved with the livestock friendly program, the implementation of that that the

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Legislature passed a couple of years ago. And I think we have a couple of counties that are close to getting off the starting blocks on that designation. And I think it's a good steppingstone or one block in a larger foundation of what the Department of Ag, what ag groups, and what this committee and the Legislature can do to really look at the future of how we build the growth and development of livestock in the state. It's a natural rural development area that we need to keep focusing on, and we appreciate Merlyn and Greg's work in that area and we hope it continues. Greg wears the producer hat very well. He has leadership capabilities and a lot of insights on where we take agriculture in the future. He understands the challenges of agriculture: profitability is key; production and costs, you have to keep those low; the burden of regulations; and understanding on developing markets overseas and also domestically. So with that, we highly endorse Greg as the appointment for the new Director of Agriculture and hope you will do so. So thank you.

SENATOR KREMER: Thank you, Rob. Any questions of Rob? Seeing none, thank you. I have a note here that three of the committee is going to have to be leaving at 8:30 for another committee. So if they walk out on you, it's not because of who is testifying. So next person wishing to speak in support.

ROD JOHNSON: Senator Kremer and committee members, I'm Rod Johnson, J-o-h-n-s-o-n, the executive director of Nebraska Pork Producers Association, here to support Greg Ibach as Director of Agriculture for the state of Nebraska. We've had a good working relationship with Greg over the last three years that I've been involved with the association, worked on a lot of the issues that have been mentioned here already, including the premise ID, the animal ID, and some of those different programs. We did have the opportunity last night, my executive committee was in town for a meeting, and we had an opportunity to sit down with Greg and talk about a lot of the issues that have come up already this morning and had a good discussion on rural development, looking not only at our industry but the livestock industry in general, agriculture in general. And I know my officers and directors had a good feeling about the direction that the department could take under the direction of Greg Ibach. So with that, would like to offer our support.

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SENATOR KREMER: Thank you, Rod. Any questions? Seeing none, thank you for your testimony. Next person in support.

JOHN HANSEN: Good morning, Chairman Kremer, members of the committee. For the record, my name is John K. Hansen. I am president of Nebraska Farmers Union and we are here today to offer our support for the appointment of Greg Ibach. We are pleased that he is brought forward. We have had a good positive working relationship with Greg in the last six years. We feel he's done a good job. His background, his experience I think serve him and prepare him well for the position of director. I, on a personal level, have had the opportunity to serve with Greg also at the national level on the...in the trade advisory committee system of USDA in Foreign Agriculture Service in USTR. And so that also helps prepare him for a lot of the challenges that we face in the trade arena. And we believe that Greg understands and appreciates that there is a wide range in diversity of perspective within the ag community. And his door has been open and we appreciate that and offer again our wholehearted support for his appointment.

SENATOR KREMER: Thank you, John. Anyone wishing to question?

JOHN HANSEN: Thank you, Mr. Chairman, members.

SENATOR KREMER: I'd like to remind those that have testified to fill out a sheet and put in in there too? Are they...? Where are they?

JESSICA SHELburn: There are some back there and I have a few.

SENATOR KREMER: In the corner. If you testified and didn't fill it out, go ahead and just do it and fill it in here then so. Anyone else wishing to testify in support, please come forward. Anyone wishing to testify in opposition? In neutral position? Seeing none, thank you for appearing, Greg, and for all you that have come to support and we look forward to working with you in any way we can as a committee. So with that, we will close the hearing.