

Transcript Prepared by Clerk of the Legislature Transcribers Office
Agriculture Committee November 15, 2019

HALLORAN: Well, good afternoon, everyone. Welcome to the Agriculture Committee. I am Senator Steve Halloran. I'm from Hastings, Nebraska and represent the 33rd Legislative District. I serve as a Chair of this committee. I ask that you abide by the following procedures to better facilitate today's meeting. Please silence or turn off your cell phones. Please move to the reserved chairs when you are ready to testify. Those reserved chairs are in the front row, three chairs that are reserved for testifiers. If you are planning to testify, please pick up a green sign-in sheet that is on the table just outside the room. Please fill out the green sign-in sheet before you testify. Please print, and it is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to the committee clerk, the gentleman on the end here. This will help us make a more accurate public record. If you have handouts, please make sure that you have 12 copies and give them to our committee clerk when you come up to testify, and the copies will be distributed to the committee. If you do not have enough copies, staff will make sufficient copies for you. When you come up to testify, please speak clearly toward the microphone. Tell us your name, and please spell your first and last name to ensure that we have an accurate record. We will be using the light system for all testifiers. You will have five minutes to make your initial remarks to the committee. When you see the yellow light come on, that means you have one minute remaining, and the red light indicates that your time has ended. Questions from the committee may follow, and typically those questions will give you more time to expand on your thoughts. No displays of support or opposition, vocal or otherwise, is allowed at a public hearing. Committee members with us today, I'm going to have them introduce themselves starting to my left.

B. HANSEN: Senator Ben Hansen, District 16, Washington, Burt, and Cuming Counties.

HALLORAN: and Senator Brandt, would you introduce yourself?

BRANDT: Senator Brandt, District 32, Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster County.

HALLORAN: We also have a guest senator with us. He's subbing in today on the Ag Committee.

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LOWE: State Senator John Lowe from Kearney. I represent Kearney, Gibbon, and Shelton.

HALLORAN: OK. And to my far left is-- is the committee clerk, Rod-- Rod Krogh. And next to him is Drew Borske. He's my legislative aide, and the committee-- the committee's research analyst, Rick Leonard if any of you know Rick. On behalf of the Agriculture Committee, again, thank you for attending, and thanks to Doniphan and the community center for allowing us to use this fine facility. Again, I'm Steve Halloran of Hastings, representing District 33, which includes Adams and two thirds of the rural portions of Hall County. I'm pleased to bring LR219, which directs the Agriculture Committee to identify constraints on agricultural processing, production, and marketing investment. The study shall examine opportunities for future growth in agriculture development, identify regulatory barriers to growth opportunities, and to explore means to enable the state and local communities to be prepared to recruit and realize opportunities for agricultural processing and developing. While the text of the resolution is somewhat open-ended, I want to focus on this hearing on two specific aspects. First, I want to explore the significance of what appears to be a growing trend in agricultural production and processing, what some are referring to as supply chain agriculture. As you are aware, Costco recently completed a substantial investment to build a poultry-processing plant in Fremont, Nebraska. The plant itself represented over a \$400 million investment by Costco to build a state-of-the-art processing facility that will process more than 2 million chickens a week or more than 100 million birds a year. The plant is expected to employ around 1,000 employees and add \$1.2 billion to the state's economy annually. Additionally, a critical component of the project includes recruiting over 100 producers within a 100-mile radius of the plant who each make significant investments in production facilities that will supply the plant. We have had a long and significant ag-processing presence in Nebraska, and in many ways the Costco project is an incremental expansion of meat processing in Nebraska. But the Costco model represents what is increasingly seen as an emerging trend of retail integration into the ag supply chain. Retailers are increasingly interested in guaranteeing and controlling quality and characteristics of the products they offer. That is driven by consumer trends for transparency and consistency and other factors that motivate their food choices. The Costco project is indicative of a transformational trend in agricultural production and marketing. It is an example of a major retailer investing into the ag processing sector and partnering with individual producers to build a supply

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network. This hearing is an opportunity to learn more about this trend, its advantages, and perhaps its pitfalls. I would welcome advice on ways a state government can facilitate new processing marketing opportunities, including any regulatory barriers that may stifle innovation and investment in this area. The second aspect I want to explore today is a factor unique to agricultural processing. Successful recruitment of agricultural processing often involves coordinating business recruitment efforts of cities and land-use planning and permit processes in surrounding rural areas. To recruit processing, a significant part of the effort is the ability of producers to invest in agricultural production capacity in order to supply those new markets. I am anticipating testimony that will relate both successes and frustrations in working through local zoning and permitting processes on perhaps of both-- of both processors and growers. Their recommendations may be informative and useful to local planning and economic development leaders as well as to the Legislature. Welcome, Senator Murman. We've got a seat right up here for you.

MURMAN: Thank you.

HALLORAN: I welcome any insights to the guide-- to guide the committee and the Legislature on actions, policies, and procedures that would assist local economic development efforts, particularly in the recruitment and facilitation of potential agricultural processing investments in our community. I truly believe central Nebraska and indeed the entire state can capitalize on emerging trends in agricultural-processing development and continue to lead the world. So this is going to be a conversation on that subject. So let's start the conversation. Who would be like-- who would like to be the first to testify? That's when everybody turns bashful.

MARK HASKINS: I think I'm in the chair that says testifier.

HALLORAN: They're a-- Good afternoon.

MARK HASKINS: Good afternoon. My name is Mark Haskins, M-a-r-k H-a-s-k-i-n-s. I live here in Doniphan. Good afternoon, Senator Halloran and members of the Agriculture Committee. I'm representing some testimony here for the Nebraska Farm Bureau Federation. The Nebraska Farm Bureau Federation thanks the Chair of the committee for working to identify and address constraints facing agriculture. At Nebraska Farm Bureau, we are dedicated to recognizing and embracing what agriculture might look like in the future, helping growers adapt

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to new demands, and connecting our members to consumers and retail--retailers and decision makers. We have also worked to identify, to overcome legal and regulatory barriers to agricultural growth. In most cases bad policy transcends our industry. What is bad for industry is bad for other small businesses too. But certain risk is inherent to agriculture. Bureaucracy, taxation, and burdensome regulations compounded by unknowns like weather and market volatility make farming a complicated business. I-- we would say that property tax, it's probably one of the first things that I would mention as a barrier. As a farmer, I don't think you're surprised about that. I would note that Nebraska's agricultural producers pay the second-highest per-farm property taxes in the country, second only to California. This means even if trade barriers were lifted, Mother Nature was to give us a break, and commodity prices were to tick up, Nebraska farmers and ranchers would still be at a competitive disadvantage. Our recommendations are well known. I think you should-- you wouldn't be surprised to know that Farm Bureau has talked about this for a long, long time. I won't take time to spell out all our recommendations. We have that in our policy book. We'd be glad to talk to you about it. I'm sure-- I'm sure you've all had that conversation. Local planning and zoning rules are another possible impediment. I would echo the sentiments that a lack of consistency among zoning rules across Nebraska counties and municipalities-- municipalities negatively impacts growers as well as companies trying to site their business. The livestock siting matrix is one example of a practical tool that we can adopt or producers can use when applying for a county conditional use permit. The matrix allows for a streamlined, science-based permitting of livestock facilities and can provide insights about the appropriateness of the site. However, very few counties have voluntarily adopted the matrix, and there continues to be a poor consistency about how local siting decisions are made or interpreted. The Nebraska Farm Bureau, then, continues to support the Livestock Friendly County program, which recognizes-- recognizes counties that are actively supporting the livestock industry, partly through the clear, streamlined zoning rules. We also support further adoption of the livestock siting matrix, which will make it easier to design and build community-friendly projects. The recommendations included with my testimony were submitted to the Livestock Siting Matrix Committee earlier this year. And if the committee does not have the ability or resources to implement these recommendations, Nebraska Farm Bureau would welcome a legislative review and possible action on that. Another item that's important is access to technology. Next generation precision agriculture is increasingly sophisticated and require higher

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internet speeds to capture and transmit data. Not only does this technology offer more efficiency, as-- it is allowing farmers and ranchers to respond to increasing demands to know where their food comes from. I'm sorry my paper has obscured my light, and so I'll just go on to say that an aging far-- farm population is one of our other concerns. So a beginning farmer program would be important. And any help with entering livestock, maybe through the Nebraska Advantage Rural Development Act, might be appropriate.

HALLORAN: Thank you, Mr. Haskins.

MARK HASKINS: Thank you.

HALLORAN: There may be some questions.

MARK HASKINS: Oh, yes. Excuse me.

HALLORAN: Any questions from members of the committee? Senator Brandt.

BRANDT: Thank you, Chairman Halloran. Thank you for your testimony today. Yeah. Your bullet points read like my campaign, property tax, rural broadband, and opportunities in the rural areas. I'm a fourth-generation farmer, and agriculture has changed like I think most of us in this room have seen. We may or may not like the trends that are happening, but we have the power in the state of Nebraska to control what is happening. And it's good to see that everybody's here today to-- to see that. So I don't know if you had anymore to expound on that.

MARK HASKINS: Those are the top-- top items, and that's what comes up at our meetings. As far as dollar value, your property taxes mean a lot to a farmer's bottom line. And then access to technology, we can't afford to be behind on that or we'll get-- we'll get beat out by other places that have better access to-- to Internet speeds and telecommunications.

HALLORAN: Senator Hansen, did you have a question? Senator Lowe, did you have-- do you have one?

LOWE: Yeah.

HALLORAN: No?

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LOWE: Thank you, Mr. Haskins. Are you-- you said broadband is-- is-- is a major part of it. Do you have a problem here in Doniphan with broadband?

MARK HASKINS: Actually, we're pretty fortunate here in Doniphan. We're-- we're really close to the interstate. We're right between Grand Island and Hastings, which are larger cities in Nebraska. And our local provider is pretty on top of things. And we're-- they're actually starting with the fiber-- fiber optic even in our area right now. So here, right in this area, no, it's not a huge problem. But you get in the other rural areas of Nebraska that Farm Bureau represents and, you know, it can get-- you can't even get very good cell service, let alone the broadband. And there are a number of things nowadays that you have to have access to the Internet, to report things to the government or-- or there's a-- order-- order things that you need. And if the person has a niche business, of course, they would want a Web site and ability to be able to sell directly to customers if that was their-- their business. So that-- it's-- it's another one of those things that's not uniform throughout the state, good in some places and not so good other places.

HALLORAN: Thank you, Mr. Haskins.

LOWE: Thank you.

HALLORAN: We have a late-- late comer to the meeting, a neighboring senator. Would-- would you introduce yourself so everyone knows who you are?

MURMAN: Yeah, I'm Senator Dave Murman from District 38, representing seven counties just kind of the south and west of here, Clay, Webster, Nuckolls, Franklin, Kearney, Phelps, I think I got them all, and southwest Buffalo County. Glad to be here. I had a previous hearing in Lincoln, so I had to race back here to make it. I've got one question, if you don't mind.

HALLORAN: Sure.

MURMAN: Thank you, Senator Halloran. Thank you for testifying. I know you can't speak for all the Farm Bureau. I'm a farmer also and state senator, so I think I understand the problem with extremely high property taxes in this state. As you mentioned, Nebraska is, I think, second-highest in the nation in property taxes per family farm. And we have the dubious distinction of being right there beside California in

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the top two. And if I remember the figures correctly, the next highest one is about-- pays about one-third of the property taxes that we do in this state per family farm. So to get back to my question, I know you can't speak for all the Farm Bureau, but would-- for instance, just throw out a figure, 5 percent property tax relief next session. Would most farmers that you know of in Farm Bureau or even outside of Farm Bureau be satisfied with that?

MARK HASKINS: I think we always take what we can get. I don't think the whole question will be set aside completely until the burden for public education is spread throughout those people that benefit from it, which is, I would say, everybody. So until the system is a little bit more fair on receiving revenue for-- from a broad base, probably the problem go away. And I don't think-- I don't think-- most farmers would not turn down a 5 percent increase out of principle necessarily. They would-- they would welcome any-- any relief. But that wouldn't be the end then. We're-- we're talking where farmers now, I'm talking about grain farmers, probably pay close to 8 to 10 percent of their gross in property taxes. And that's just to the school. That's just school taxes. And I don't know. I think there are a-- a number of other businesses that benefit from public education just-- just as much that are only paying a fraction of that. And so that's why I think it won't be totally solved until every-- everybody-- everyone is paying closer to the same burden.

MURMAN: Thank you very much. I totally agree with you.

HALLORAN: Well, thank you.

MARK HASKINS: If you want to talk about that, we would be here for long after.

HALLORAN: Yeah. Thank you. On that note, thank you, Mr. Haskins. I agree with you on the property tax issue, and anyone that knows me knows where I stand on that. But lest this turn into a Revenue Committee interim hearing,--

MARK HASKINS: Yeah.

HALLORAN: --we need to move on with the subject. But I appreciate your testimony.

MARK HASKINS: Thank you very much.

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HALLORAN: OK. Next testifier, please?

B. HANSEN: We're done.

HALLORAN: We're done? [LAUGHTER]

CATHIE GENUNG: Is nobody speaking?

HALLORAN: Well, you're in a testifier's seat.

CATHIE GENUNG: Well, there were no seats so I came in late.

HALLORAN: Oh, you're fine. You're fine.

CATHIE GENUNG: So I was going to wait for others to give testimony.

HALLORAN: You're fine. I can't force you to testify. Just take a seat. That's good.

CATHIE GENUNG: Well, I will-- I will-- would like to say something.

HALLORAN: That's good.

CATHIE GENUNG: But I just didn't want to jump in.

HALLORAN: Sure, you're fine. Good afternoon. Good afternoon.

CATHIE GENUNG: Good afternoon. Ready?

HALLORAN: Sure.

CATHIE GENUNG: My name is Cathie Genung, C-a-t-h-i-e G-e-n-u-n-g. Senator Halloran, and I'd like to acknowledge the rest of your Agriculture Committee, Senators Blood, Brandt, Chambers, Hansen, Lathrop, Moser, and Slama, thank you for the opportunity for Nebraskans' voices to be heard and to exercise our right as the second house of the Nebraska Legislature. In preparing for today, I have done my research. I know that Nebraska has 79,056 miles of rivers and streams. Several years ago we visited with our then State Senator Les Seiler, excuse me, and know the components, and more importantly, the limitations of vertical integration. I am grateful for the 500,000-plus birds that migrate through Nebraska each spring, generating in excess of \$14.3 million in revenue for our state. You get the idea. My research also revealed that Costco's end-of-the-year revenue for 2018 fiscal year was \$141.6 billion. Their bottom line should not disrupt or ruin Nebraska's greatest assets. Research aside,

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I'd like to interject some common sense. I know that I share concerns with fellow Nebraskans in wanting to maintain the integrity of our state. Much of central Nebraska lies in the flood plain and is not conducive to the addition of a chicken plant and multiple chicken barns. As recently as yesterday, an article in the Lincoln Journal Star stated that groundwater levels in much of the state are at 98th percentile and suggest more spring flooding is probable. We are an agricultural state. Many farms and ranches have been in the family for generations and handed down from one steward of the land to another. Conservation practices include regenerative agriculture, cover crops, low or no till, crop rotation, etcetera. With the climate crisis looming, it is more important than ever to maintain and preserve our soil and water. Sadly, we are also aware that central Nebraska is perfectly suited to I-80 corridor and Costco's plan to expand to the west. Water, workers, and land are all readily available. Research, however, suggests that Costco is interested in little more than the bottom line. Look what they've done to our neighbor state to the east. Research the pollution of Iowa's rivers and streams. I stand opposed to Costco's expansion in central Nebraska. In conclusion, two well-known slogans come to mind: Just say no; and, Nebraska, it's not for everyone. Both apply to Costco. Thank you.

HALLORAN: Thank you, Ms. Genung.

CATHIE GENUNG: You're welcome.

HALLORAN: Any questions from the committee? Senator Brandt.

BRANDT: Yeah. Thank you, Chairman Halloran. Thank you for testifying. I guess-- and this is sort of an open question. Are you opposed to all packing plants or just the Costco plant or the chicken barns? I-- I'm a little confused in-- in reviewing your testimony.

CATHIE GENUNG: I'm not sure I can speak to all packing plants. I am opposed to what I see has happened to Iowa with the Costco chicken plants and the pollution to their rivers and streams. And I'm opposed to the location of it here in central Nebraska, which was much under the water last spring. But no, I can't address-- I wouldn't-- no, I certainly wouldn't say I'm opposed to all of them.

BRANDT: And I guess in Iowa, are you referring to the Des Moines problem?

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CATHIE GENUNG: I'm refer-- I'm referring to-- I don't know if it was specifically the Des Moines problem.

BRANDT: OK.

CATHIE GENUNG: But in research I've done, many of Nebra-- of Iowa's streams and rivers are polluted. So I don't-- I can't address specifically whether that's Des Moines.

BRANDT: Yeah, but my understanding is a lot of that is a point source from-- from many things. I have not heard anybody specifically say it was just chicken houses that contribute to the nitrogen problem that they're experiencing. So I was just looking for some clarification. Thank you.

CATHIE GENUNG: Thank you.

HALLORAN: OK. Thank you, Senator Brandt. Any other questions from the committee? If not, thank you very much.

CATHIE GENUNG: Thank you.

DONNA ROLLER: Good afternoon.

HALLORAN: Good afternoon.

DONNA ROLLER: And it's nice seeing all your committee members. I'm sure you know who I am. I'm Donna Roller, and you want my address, my sheet?

HALLORAN: Could you spell your name, first and last name?

DONNA ROLLER: D-o-n-n-a R-o-l-l-e-r, I haven't prepared any statement because it's kind of in my head. And Cathie, was before me, has referred to Iowa, and I have done a lot of reading on that as well. There is a lot of states that have done chicken plants. I'm-- I'm referring to the vertical integration. And I think this is not a good idea for Nebraska at all because you're sacrificing our land and our water, and you're-- you're getting farmers to sign on the dotted line by saying you don't have to know anything. You just have to-- we'll manage it all for you, and it'll be easy peasy. But the-- what the farmer is giving up is control of what happens on their land. They are giving up their sovereignty. They are now working for Costco to produce a chicken under cost, to bring customers in a store throughout the nation. So why should Nebraska be sacrificing our water and our

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land and our health and air quality to feed the nation and under cost chicken? So Costco can make money. Costco-- what are we getting from Costco in taxes for these counties? Are we getting road repair? Are we getting help with our schools? What are they going to substitute in for the high taxes? Are they going to be helping us? Because I really, as a taxpayer, don't want to be paying for their environmental cleanup or their roads. And if you look at North Carolina, Arkansas, any-- any poultry and in the south, poultry-producing states, it is-- there is a lot of pollution involved. Now, you'll say that's dry litter, but it-- it-- a chicken farm produces tons of chicken s*** every year, and that's going to go on farmland. And they say, oh, it's organic, but it has a glyphosate in it because you're feeding "glyphosated" corn in it. And if you've got any antibiotics going in that chicken, which they say they don't, but that brings on the question, how do you know out of 47,000 chickens in a barn, which one is sick? You just find them dead and pick them up and put them in the mortem barn or what, you know? So it's-- it's just not a good idea. And if-- the Iowa pollution that Cathie was referring to, 18 million was in Des Moines. Now every single stream and river and lake in Iowa is polluted with agricultural waste. And there is-- a lot of it comes from pig manure. And Costco has moved into western Iowa because they couldn't get enough Nebraska farmers to sign up. And so they moved into Iowa, the way I understand it. And those people are inundated with yet more agricultural pollution. They have had it. They are moving out of that state. The health risks to babies and cancer and breathing problems and asthma, people cannot live in that state. Because of the smells and the-- it is literally an environmental sacrifice zone. Not alone to account for all of the dead zone in the sea because all this flows down the Mississippi River eventually, and it will in our state as well. And I'm living upstream-- downstream from Fremont Costco plant. And I will not believe, by any but-- by any means, that, that pollution is not going to enter Lincoln public wells, water wells, which three are still shut down, to my knowledge, that are operating from the Platte River. And the ones that they wanted to put in Lancaster County, we're not requiring any well testing before they start. Lancaster County doesn't have water underneath. So you should know if there's water before you put up a chicken barn or even put up a permit. And I may be wrong on this, but I think one barn is as much as a center pivot; that's how much water it takes. So if you've got eight barns, that's eight center pivots running 24/7 year-round because chickens require a lot of water. My time is going to run up. There is just so many facts. So I just want to say we need to move forward with extreme caution and not be filling our state with a whole

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bunch of chicken barns and-- just so Costco can have an under-cost chicken. And farmers think this is going to be an economic boon for them because the grain prices are so low. But you have to understand, these farmers are giving up their independence to say-- to-- to have a say of what happens on their land, and they're going to be stuck with this contract. And if something happens to those chickens and they lose everything, they're in debt for the barn for millions of dollars.

HALLORAN: Thank you, Ms. Genung. Any questions from the committee? Yes, Senator Brandt.

BRANDT: Thank you, Chairman Halloran. Thank you for your testimony today.

DONNA ROLLER: You're welcome.

BRANDT: I guess maybe I would like to correct your statement on a center pivot. Being an irrigator, most of my wells pump like 1,000 gallons a minute.

DONNA ROLLER: OK.

BRANDT: And then I have neighbors that have chicken houses. And the wells for the chicken houses, maybe two chicken houses might pump 20 or 30 gallons a minute. There's a significant difference. That's probably not an accurate comparison.

DONNA ROLLER: Well, I thank you for that. I wasn't sure about that. But I do know that it was a fact that was brought up that these chickens do require a lot of water. And that is-- that is a major concern when you're going to put up a barn, you know, that there's adequate water. And you know, should we be putting our water resources in that particular area of agriculture? I mean maybe that's a decision that needs to be made. But it's-- my point is also we need to consider the pollution, our environment that we want to live in. And-- and the way I understand it, we don't have enough regulations on the books as it is, for our-- our health and our safety, to live near any of these facilities. And I think there needs to be accurate research. And I don't think independent research-- and I don't think we should be dependent on Costco to giving those facts and-- and barreling this through the Legislature to allow all these barns because when you allowed corporate farming to come in the state, you did not do your

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homework and do the proper kind of regulations to protect us. And that's what I ask of the Legislature.

BRANDT: OK. Thank you.

DONNA ROLLER: You're very welcome.

HALLORAN: Any-- any further questions? Good? OK.

DONNA ROLLER: Thank you to each of you.

HALLORAN: Thank you, Ms. Roller. Next testifier, please? Good afternoon.

KRIS BOUSQUET: Good afternoon. All right, screwed up your sound. Good afternoon. I'm Kris Bousquet, K-r-i-s B-o-u-s-q-u-e-t, and I'm here on behalf of the Nebraska State Dairy Association. So like I said, I'm the executive director of the Nebraska State Dairy Association. I'm also a prior dairy farmer from South Sioux City, Nebraska. I'd like to thank the committee for-- for holding this hearing today and listening to the very serious issues that faces not only agriculture, but the dairy industry. So first off, I'd like to just give you guys overall aspect of what's going on in the dairy industry right now. So Nebraska dairy farmers have been operating at or below break-even prices for the past 4.5 years. There are a lot of factors that affect that below break-even price. We've got trade wars, Canada's Class 7 milk-pricing structure, overproduction, European Union's elimination of their-- of their quota system flooded the market with powder which drove down our-- a lot of our export dollars. Fake milk is also an issue with us and then high hauling costs. And here-- here specifically in Nebraska, the biggest challenge that we face is market diversity. We don't have very big processing capacity here. So these times have resulted in higher than normal dairy farm quits. In fact, Nebraska had 144 dairies at the beginning of 2019. And as of today, we have 126. So we've lost 18 dairies. So 18 families have exited the industry this year, equaling about 13 percent of the industry. Nebraska's percentage of loss is higher than the national average of 6.5 percent. And I fear that if we don't realize the gravity of the situation, Nebraska won't have much of a dairy industry left. Another stat that's interesting to note is that in 1999, Nebraska had over 650 dairies. So that's about a 78 percent decline in dairy farm numbers in the last 20 years. So I'd like to give you an idea of the landscape of the processed-- processing capacity. So Nebraska has five major processors in the state. LALA Branded Products is a yogurt plant in Omaha, Nebraska. We

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have Hiland Dairy, it's a fluid milk plant in Omaha, Nebraska, in Senator Chambers' district. We have Hiland Dairy ice cream plant in Norfolk, Nebraska. We also have Milk Specialties, which is a powder whey plant; that's in Norfolk. And then we have Grassland, which is a butter plant in West Point. Out of those five plants that I just named, about three of them consume raw milk from the state of Nebraska. And the reason why that is, is-- is because-- I'll-- I'll get into that later on. I don't want to get off track here. So Grassland butter plant in West Point used to take in raw milk, but it found it very difficult to get rid of the skim milk left over after they separated. And the issue for them, they decided to stop taking raw milk from Nebraska and-- and basically import cream to supplement their-- their butter production from Wisconsin or out of state. Earlier this year Grassland approached us and said that they had interests in-- in installing a nonfat dry milk dryer, which would basically take up a lot of their-- their skim milk issue. Long story short, there's a lot of milk on the market elsewhere that's cheaper. And so it's not economical for them to install a nonfat dry milk dryer because they can go to Idaho or Michigan and buy condensed milk on the open market and haul it all the way back to Nebraska for a cheaper price-- price than just buying it here. So that's an issue. Milk Specialties in Norfolk is another powder plant that experiences the exact same things. They are currently processing about 2.5 million pounds a week, and they eventually want to expand to go to 2.5 million pounds a day. Unfortunately, with the economics of things going on, it's not economical. Lot of cheap milk out there, and they-- and they can't-- they can't buy raw milk in Nebraska cheap enough. And the reason why that is, and I see my red light is going, but the reason why that is, is we have a lot of cheese plants along the I-29 corridor and-- which drives the-- the-- the price for that milk up drastically. And so they're operating in the Class-- the two powder plants that we have are operating in the Class IV market, and cheese is Class III. And the price difference between Class III and IV is pretty drastic as well as the increased hauling costs that they would have to basically have. Dairy processing in Nebraska has been an issue for a long time. Our dairy farmers drastically need market diversity. Eighty percent of our milk supply is-- is-- belongs to Dairy Farmers of America, which makes it extremely difficult for us to expand. And with the Dean Foods situation going on across the borders in Iowa, that's something that we're extremely concerned about. I see that my red light is on.

HALLORAN: Nasty old red light. It takes--

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KRIS BOUSQUET: I'd love to talk for another 20 minutes.

HALLORAN: Well, you're-- you're-- you're very fortunate. And I'm sure there might be some questions amongst the Ag Committee. But we do have a guest visitor in-- in the form of Senator Murman, who is a dairyman, a recent dairyman, who may have a question. But that being what it is, does anyone have a question?

MURMAN: Since you brought me up? Yes, I do have a question.

HALLORAN: OK.

MURMAN: Thank you, Senator Halloran. Thank you for your testimony, Kris. I know you represent all dairy breeds, but I appreciate your black and white Holstein socks, you know. [LAUGHTER]

KRIS BOUSQUET: Got to know where I came from.

MURMAN: As a former dairy farmer, I've been involved with this problem for decades, lack of processing in the state. Thirty years ago I used to think that we need to get more dairy cattle, dairy farms in the state so that we could get a good processor in the state-- a large processor. I shouldn't say good-- a large processor here in the state, more processing. But in recent years I've realized that-- that plants that have been built recently have been built in lower-population areas and areas with a lot of irrigation, a lot of feedstuffs like Nebraska has, a lot of open spaces. So I think we have a really good opportunity to have a processor here in the state. We've just got to get one here. And then in recent years, the dairies have grown around a processor once the processor starts building because it takes about two years to build a good plant.

KRIS BOUSQUET: Um-hum.

MURMAN: So I know there is a big demand for processing in the state and a lot of potential for dairy development in the state also. And by the way, the dairy farmer pays the transportation to-- to the plant. So that is a big disadvantage for farmers in the state of Nebraska.

KRIS BOUSQUET: Absolutely. You know, if the Nebraska State Dairy Association has been dedicated to recruiting a processor for decades. I mean the NSDA has been around since, we figured out today, it was-- 1885 is when we were originally founded. And ever since-- you know, I can only imagine, ever since then, we've been dedicated to in-- recruiting a processor, going around the countryside and actually

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doing the recruitment efforts. You know, a plant-- although we-- we drastically need it for our dairy farmers, it's difficult for a plant to make a \$500 million or \$400 million investment and say, don't worry about it, we'll bring the cows. But when you when you go out there and you actually recruit, I could-- I could probably get 25 to 30,000 cows at the snap of a finger if not more than that because dairy farmers realize and see Nebraska as an excellent place to milk. And I mean it's in our heritage. We've-- we've-- everybody used to milk cows. You know, everybody used to have a couple of dairy cows on the farms. And that's what we want to go back to. I mean we want to be able to bring in a processor to grow our dairies, the dairies that we still have, from within. You know, our dairy farmers need the opportunity.

MURMAN: You're preaching to the choir.

KRIS BOUSQUET: Yeah. I know.

HALLORAN: There's one question I had. How long would it take? It's kind of-- I hate to use chicken and egg as-- as a-- as an analogy because that brings chickens back into the equation, but it's kind of a chicken and egg thing, right, whether the processor comes first? Why would they come if there aren't established areas?

KRIS BOUSQUET: Yeah.

HALLORAN: And don't-- don't the dairies kind of have to establish, I don't know, don't they have to establish first?

KRIS BOUSQUET: You know, anymore, you can stand up a dairy-- a dairy fairly quick. There's-- there's individual companies or families out there that have really got it down to a science, and they're extremely sustainable and good at what they do. And so, you know, if-- if there was a milk company that would announce that they were building a 100 million or 200 million pound processing plant, we could have it full in a heartbeat. You know, we have meetings probably once or twice a month with dairy farmers that want to come to the state but can't because our processing capacity isn't there. When you have Dairy Farmers of America, they provide a good blanket for our farmers with a-- with a market that they can sell their milk. But they also dictate who comes in because farmers don't have an option to sell their milk to anybody else other than DFA. So that's a big restrict-- restriction on our growth and development efforts. And that's why bringing in a processor would be excellent because then our farmers could go direct

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to the processor and sell-- negotiate a good price with them and sell directly to them.

HALLORAN: So it would kind of have to be a simultaneous activity, right--

KRIS BOUSQUET: Yeah.

HALLORAN: --with a processor showing interest in coming in and then over a period of three, six months, a year, be working with producers to see if there is a willingness to contract with them to fill that plant?

KRIS BOUSQUET: Ye-- basically. Yeah. Yeah.

HALLORAN: Something needs to be done about the rebate cheese exchange, but that's a whole different story.

KRIS BOUSQUET: Yeah. I mean farmers in Nebraska and specifically along the I-29 corridor, they benefit from the Class III market. You know, it strengthens their pay price, but it makes it difficult to utilize any excess processing capacity we have and-- with the two plan-- the two plants that we have in northern Nebraska. So it's good that our farmers are getting a decent price, but it's bad because we can't utilize the processors, so.

HALLORAN: Do any of these existing plants or have any of these existing plants run up against local codes or regulations that have made it a challenge for them?

KRIS BOUSQUET: I think probably the biggest thing that-- and I reached out to all these plants before coming to testify today to see if there was issues. And the big thing that kept coming up was work force development. I think, you know, specifically milk specialties, when we had meetings with them not too long ago, they could-- they expressed up-- to us that they could hire at least 20 people to replace or fill positions in that plant in Norfolk. So you know, that, you know, a lot of-- a lot of manufacturing jobs out there, facilities out there, are having that same issue.

HALLORAN: Hmm.

KRIS BOUSQUET: And dair-- dairy farmers are having that exact same issue. I mean it's more difficult to find labor.

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HALLORAN: All right. OK. Thank you so much. Any other questions?

B. HANSEN: I got one.

HALLORAN: Senator Hansen.

B. HANSEN: Yeah. Thank you. Thanks for coming and testifying. So you're saying we've decreased 75 percent in the last 20 years?

KRIS BOUSQUET: Correct.

B. HANSEN: What have other states done?

KRIS BOUSQUET: So other states have also dropped, but other states have also grown. You look at South Dakota, they decreased. But upon the announcement of a plant expansion, they went to the governor of South Dakota and said, look, we're going to expand our plant here. And-- and they basically said, what do you need? The governor's office did in South Dakota. And now they're up, you know, 100 to 200,000 cows. I mean they're just-- 200,000 is a little high, but they are up drastically. And the-- the processors saw that, and they started investing in their plants there and also brought in some greenfield plants. So you know, they-- they had a-- they had a lot of support from the governor and, you know, the state in general with the efforts of recruiting dairies. They did mission trips to the Netherlands to recruit dairies. You know, they really put the full-court press on them. But if you look at-- if you look at states like Wisconsin, they're dropping in cow numbers. You know, we say that we lost 18 dairies this year. Wisconsin, over the past two years, has lost 1,100 dairies, specifically because farmers have been operating at below break-even prices for that long, and you-- you just can't withstand that pressure.

B. HANSEN: OK. And that's what I was wondering. So whenever you talk about a decrease in an industry, is it because of market? Is it market driven, or is it because we have too many rules? Like Senator Halloran said, is it because we have too many rules and regulations that are burdensome, that why they're not coming here? Or is it because we don't have the tax incentive structure in the state of Nebraska to bring them here? Like we're going to be talking about next year with LB720,--

KRIS BOUSQUET: Um-hum.

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B. HANSEN: --the tax incentive act, and so it's making sure that they understand kind of the-- the environment that they can kind of come here with. You know, we can do everything we can to help as a state to get people here, but I'm always kind of curious where are the root of the-- where the root cause is, you know, so.

KRIS BOUSQUET: Yeah.

B. HANSEN: I appreciate you talking about it, though, at least.

KRIS BOUSQUET: Absolutely.

HALLORAN: Any other questions?

LOWE: Yeah. I'll--

HALLORAN: Yes, Senator Lowe.

LOWE: I'll throw one out. Is-- is there any other reason why these producers are not coming to Nebraska? I mean is it the weather is not conducive to making milk? It's not conducive to making cheese? I mean, you know, we have-- we have-- we have the corn. We have the feed. We've got the area to build on. We've got water. It's got to be conducive in some way to bring business to Nebraska. We have transportation.

KRIS BOUSQUET: Yeah, this state--

LOWE: Taxes?

KRIS BOUSQUET: I was talking to a dairy farmer, a farmer that has-- that raises his cattle in Oshkosh, Nebraska, had a heifer yard in Oshkosh. He's a dairy farmer from Wisconsin. And he said that he's been all over the-- all over the country, all over the world, and he thinks that from the Nebraska-Colorado border to about here is the perfect place to dairy because of the feed supply, fairly decent weather climate, am-- ample access to water. You know, dairy farmers, they-- they love the state of Nebraska, but they have no place to sell their milk. And that's-- that's the root cause why they're not coming. They'd be here. They would definitely be here if we had a processor.

HALLORAN: OK. Well, thanks for your testimony. Appreciate it.

KRIS BOUSQUET: Absolutely. Thank you.

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HALLORAN: Yeah, go ahead. You're next. Good afternoon, stranger.

DUANE LIENEMANN: Good afternoon. Appreciate this opportunity for multi-- multireasons. And my name is Duane Lienemann, D-u-a-n-e L-i-e-n-e-m-a-n-n. I'm from Blue Hill, just south here a little ways. To give you a little history, I grew up on a diversified farm in the middle of Franklin County. I started my career student teaching in West Point, Nebraska, many, many years ago. And then we moved to Hooper, Nebraska, in '71 to '73 to further my career in ag education, and then moved to Blue Hill in '73. And spent my career as the ag teacher at Blue Hill until 2000 when I was recruited by the University of Nebraska to be extension educator associated with Mead animal research center and also as a beef specialist for south-central Nebraska. My lifetime has been with the youth through FFA and 4-H. And that's an element I think we're forgetting in all this. And I think it's important that we don't overlook our young people. I was taken back by and really impressed by the young man that just talked in front of me. That's what this is about, the young people that are involved in agriculture. That's been my life. And-- and-- and I-- I'm so proud of seeing these young people step forward. You know, farms-- when I started teaching, there was probably four farms, two to four farms on every section. That wasn't that long ago, at least I tell myself that. [LAUGHTER] And now you got to go four sections to find a farm. It's no-- it's no mystery that our farmers-- our farms have become larger and the number of farmers smaller. That's a concern. I'm still involved as part of our family farm in Franklin County, which my brother has taken over because it couldn't support nine kids that we-- I grew up with. And so he took that farmer and my dad said, go do something besides hard work. And I found out that he lied to me because what I did actually was I thought pretty hard too because you had to tell young people there's a future in farming. In fact, the creed, the FFA creed, spells that out pretty heavily, and I rely on that a lot. Now that being aside, my brother has determined that he don't know if he can make it any further because of property taxes and-- and because of the access to probably some of the markets that he has. Now that being aside, I think it's-- I think it's important that there are-- there are a lot of issues that face agriculture. You know, youth looking to participate in farming or any agribusiness opportunity or ventures are limited. And part of that is that we are an older farming culture. There's no doubt. I don't know what the average age is across the state, but I would venture in Webster County, where I come from, it's probably 69 years old. There's not the opportunities for the young people until-- and there will be, but

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until they move out. But is there going to be the opportunity for those youth? You know, the biggest thing I see is opportunity. I just-- I just pointed that out. The economy of local towns, counties is, I think, critical to keeping the viability of agriculture in this state. You know, the most critical issue in my 47 years in education, years of working in agriculture as a professional above drought, blizzards, and prices is probably two things, anti-agriculture movements, anti-ag method against those type of things, including the GMO thing and-- and glyphosate right now, that's a whole 'nother thing, and of course, many other issues, but and-- including property taxes, both of which suppress the interest in ag careers. They really do. You know, I asked students a lot of times, why don't you stay in agriculture? You have a promising future. You know what they told me? No opportunity. I can't take over the farm. In fact, I-- my dad couldn't even set me up, can't afford to do it. So I-- I greet with glee the chance for parts of Nebraska-- and I think in Webster County we have a lot of unused pivot corners and places that people don't live within four or five miles of. To me, it makes sense to use that part for these type of facilities we're talking about. I think anything to help agriculture and the youth within our state with within common sense is appreciated. Now, Webster County was the fourth county to enact the livestock-friendly status. We went through the zoning statutes and worked with NDEQ to ensure proper stance and usage. And our biggest impediment is NIM-- NIM-- NIMBY, which I would think everybody understands, not my backyard. And-- but-- that's-- we're thinking back in the past when we had four people to a section. So I think the legislation goes beyond Costco and chickens. We need to look past one issue and what is ultimately good for farmers and communities to stay viable. And with that, I'll take any questions you might have.

HALLORAN: OK. Thanks, Duane. Any questions from the committee? Yes, Senator Lowe.

LOWE: Can you still recite the FFA creed?

DUANE LIENEMANN: Under pressure, probably not. [LAUGHTER] I did-- I did for many years. I would-- I probably could do it.

LOWE: Uh-huh.

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DUANE LIENEMANN: But under pressure, it's like the Lord's Prayer. If you ask me to do it in front of everybody, it may not come out right.
[LAUGHTER]

B. HANSEN: You better-- you better know that one.

DUANE LIENEMANN: Yeah. Yeah. That one might be a little more important. But m-- all my former students, which has been quite a few over the years, probably think I prob-- probably could still do it. In fact, at-- at the banquets and that type of thing, I still recite it with them in the back of my head.

LOWE: Yeah. Well, thank you for teaching our-- our youth about farming and agriculture. It's very beneficial to the market.

DUANE LIENEMANN: Well, ag advocacy, as-- as-- anybody that's followed my career knows that, that is what I've done for many, many years, advocacy on behalf of youth and the farmers. And I had the pleasure of advising the Young Farmers and Ranchers association, which Senator Halloran actually come spoke at several times. So I see this and I hear it on a daily basis. I still have coffee with a lot of my former students. And you hear about it daily, things that you folks probably don't hear-- well, I'm sure you do, but not the behind-the-scene-type of things that I get the opportunity to hear.

LOWE: And is the Mead research center still busy out there?

DUANE LIENEMANN: It's a-- it's taken on a little different venue, but yeah, they still have the research going out there. I've been away from extension. We used to go out there for meetings all the time. In fact, at one time, I think the eastern Nebraska district for extension was at Mead and very impressive point of view there. In fact, one of my first jobs in college was to work out at Mead research center actually on the dairy side to-- to help with the pit location and and how we used the-- the "offings" from the-- from the dairy and actually the feedyard, which came in later at that time. So yes, still-- still active, which is good to see. We did lose the south-central lab, which-- about the year I came in. Left a-- left a-- a tenured position as a teacher to go to the nontenured position with extension for south-central lab, and they-- they closed it one year later. I thought, Dewey, that was a really good move. Any others?

HALLORAN: Any other questions? Senator Brandt.

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BRANDT: I guess just a point of clarification.

DUANE LIENEMANN: Yes.

BRANDT: The other day the university put out some information. The average age of a farmer in Nebraska is 58.

DUANE LIENEMANN: That could be.

BRANDT: No, it is.

DUANE LIENEMANN: Yeah, across the entire state.

BRANDT: Yeah.

DUANE LIENEMANN: And I would-- I would venture to say there's parts in the state and local counties that are higher than that.

BRANDT: Oh, yeah. Yeah.

DUANE LIENEMANN: And you have to go by location on that. But on average it-- still, 58, that's darn near retirement age.

BRANDT: For your first career. [LAUGHTER]

DUANE LIENEMANN: Yeah, first career. I retired from teaching when I was in my fifties, and I had another twenty years with extension. So--so I-- I-- I thought the world couldn't be without me, obviously.

HALLORAN: I think you have a question from your senator, Senator Murman.

DUANE LIENEMANN: Yes.

MURMAN: Yeah. Thank you for bringing up livestock development. I think there's great potential in the state for that, and like you said, for young people to stay home on the farm or to have that opportunity to stay there. There's only so much land in the state, and farms are getting bigger. So livestock is a potential to grow without adding more land. One thing that I should have brought up with dairy development, and I think that's true for all live-- for most livestock, at least, the dry climate with the irrigation is very conducive to dairy or livestock development. And do you think-- my question is, do you think that we can develop our agriculture industry further and add employment and all that using the latest technology

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and despite our high tax-- high property tax situation, grow our agriculture industry in a clean, environmentally friendly way?

DUANE LIENEMANN: Absolutely. The best stewards of the land, the water, are our farmers. That's what we were charged with from the beginning, from the time we first plant a seed. That's the original stewards of our soil and our water. They aren't going to do something to the very thing that makes their living. And so I think we have to go beyond those-- those issues that are brought out that-- that we want to rape the land and all that good stuff because-- because it's not true. And if we use-- and of course I'm going to put a plug in for like the university and extension and-- and research. As a fact, we have good people working on the research basis of what we can do to make things cleaner, better, faster, and-- and marketing and utilize the resources that God gave this great state, whether it be water, land, and particularly our youth. We are blessed in Nebraska to have the best youth in the nation. My daughter works for LandMark Implement recruiting young people to go work for her. And she said by far the best young kids that she interviews are right here in Nebraska, the work ethic. And that's what we have going for us, work ethic. And you're right, I make an allusion to the fact that the only way we're going to be able to do that is the farmers gets bigger. And there's kids-- most of the kids I worked with, quite honestly, would have been-- loved to have been involved at some point in the livestock industry. That might surprise you, but most of the kids were interested in livestock. Even the kids that lived in town, they-- they loved working with livestock. And-- and it-- with there being a small base, I had a lot of kids that went to work for Gottsch Feed Yards or Hastings Pork at that time, it's a little different now, and for local farmers. And they loved being with the livestock. And so that's a good point. And that's where I was getting to. Don't have to be a large. You can use those small pivot corners to do a livestock and-- and whether it be-- and we do have two or three facilities in Webster County that-- that raise small chickens or eggs to be sent to a hatchery. We've already got that going. Most people don't even know where they're at. In fact, I made the comment. Some people that, what, didn't know anything about it. Lived-- they're five miles from one of those, had no clue. So when they say that they-- that-- that-- that you'll know. If you have one facility, you're going to know it all over the whole county. Not true.

MURMAN: Thank you.

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HALLORAN: Well, thank you, Mr. Lienemann. One of the things that you pointed out very clearly, one of the things we have to stop, at least slow down, is the outmigration of our youth?

DUANE LIENEMANN: Yes.

HALLORAN: That's-- that's one of our most valuable exports we seem to have. We raise these youngsters, and they're fine workers, fine morale code. And they-- they don't come back because they can't come back. There's nothing-- I mean--

DUANE LIENEMANN: No opportunity.

HALLORAN: No.

DUANE LIENEMANN: And to me, this is what this spells out, is opportunity. I think that's a very, very important issue that we have today.

HALLORAN: Thank you, Mr. Lienemann. Good afternoon.

BRIAN WHITECALF: Good afternoon. My name is Brian Whitecalf, B-r-i-a-n W-h-i-t-e-c-a-l-f, white like the color, calf like the cow. I'm from Grand Island. And I believe there is concern about the future of our economy and jobs availability. I worked at St. Francis for seven years in emergency room health care, and I hold a value of being pro-life. And I know many of you have also made dedications to be pro-life as well. If you are concerned about the unborn children of Nebraska, I definitely believe that you should be concerned about millions of birds that will carry diseases and viruses and contaminants, whether it be fecal matter or feces or whatever you want to call it, that the groundwater, or like I would like to say is our drinking water, will have potential to be contaminated, and young mothers with fetuses within their bodies will be exposed to these chemicals and have been and will in the future. I spent many nights checking in children that did not survive, many mothers that had a miscarriage and blamed themselves. So I believe that Nebraskans have to be committed to the most strictest regulations of protecting our drinking water, that we must do everything possible to make sure that when I'm driving down the highway, I'm not exposed to any type of virus from an avian bird flu or anything like that from a truck. I don't live very far from Swift meat-packing plant. In about 2004 a pipe broke, and people from my church were-- that live just east from the meat-packing plant, all their water around them, their lake, was all contaminated. Eventually

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they were pushed right off their land and their houses bulldozed. Tyson chicken factory over there in Lexington, I think it was 2006, somewhere around there, they dumped a bunch of waste into the Platte River. I can only imagine if children were swimming in there, and what they were exposed to. Maybe years from now they'll be checking into the hospital because they have cancer, and they don't know where it came from. Senators, I hope that you-- that you choose people over profit, that if you're concerned about cheap chicken that you should be equally concerned about priceless human beings. I foresee this as a foregone conclusion, that somewhere around here it's going to be built. The chicken-processing plant will be built. And so I believe that you should do everything possible to protect us from Costco because they don't live here. They're not family farmers of Nebraska. They're never going to-- maybe never even visit us. They don't have to drink our water. They don't have to breathe our air. I don't know if they're going to really care about the farmer who has something happen to their barn. Most likely, they'll get a lawyer. They'll have a lobbyist. They'll be in Washington, D.C. They won't be here to protect us. You are the front line for the families of Nebraska to keep them safe. Thank you for your time and commitment to making sure that we do this right.

HALLORAN: Thank you, Mr. Whitecalf. Are there any questions?

BRANDT: Yeah.

HALLORAN: Sure, Senator Brandt.

BRANDT: I just-- I had a couple. One is a point of clarification. Lexington is a beef plant, not a chicken plant.

BRIAN WHITECALEF: Sure. Sure.

BRANDT: In Lexington.

BRIAN WHITECALEF: I believe they still dumped waste into the Platte River around 2006, 2003. Yeah.

BRANDT: I'm unaware of that. But that's-- that's a possibility.

BRIAN WHITECALEF: No.

BRANDT: And I guess the second thing is we have the Department of Environmental Quality, now called DEE, Energy, and-- and they are tasked with going out and approving permits for all livestock

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operations and packing plants and even things of a nature not of a packing plant. And I guess if you have concerns about that, that would be the place to start right there because that's their job. And every state in the nation has, it may be named different, but they have a permitting process for that to protect the water, you know, and other things, so.

BRIAN WHITECALE: Well, Grand Island has a lot of-- you know, has a city map of a lot of red areas where it's been contaminated. And when-- the quickest way to-- whenever that's discovered, I mean up to then, those people were drinking that water and being exposed. So and they could be in court forever trying to get their medical bills paid for if anything happened to them. And I think it can be prevented. And there's not enough agents to go around this whole entire state to test all the water. That's my concern.

BRANDT: All right. Thank you.

HALLORAN: Any further questions? If not, thank you so much.

DREW BROSKE: Is it getting cold in here or not? I just want to make sure. I like it cold but I just want to make sure other people are not. I don't want people being freezing, but I don't want you to fall asleep either.

HALLORAN: Good afternoon.

JANE KLEEB: Good afternoon, Senators. My name is Jane Kleeb and I live in Hastings, Nebraska. Scott and I also have land out in Ayr. So happy to be with you today, and thank you for putting up this legislative resolution to look at how we can expand agriculture and the opportunities of people in Nebraska.

HALLORAN: Ms. Kleeb, would you spell your name for us?

JANE KLEEB: Sure. It's K-l-e-e-b. Looks like Kleeb, but it's Kleb [PHONETIC]. I don't like fake milk. I don't like fake meat since my husband's in the cattle business. I also don't like the fake promises that big corporations often make when they come into our state whether that's TransCanada, whether it's Costco, or whether it's the big corporation five years from now, selling promises of huge economic gains for our local communities, but on the backs of our families. When you are talking about the need to have a million or two million birds processed a day, that is a huge responsibility and a huge shift

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of infrastructure on to family farmers. If Costco wants to process two million chickens a day, then they should build the infrastructure needed to grow those chickens. Instead, they're turning to family farmers who are facing already razor-thin margins with their family farms and giving them a false promise that they're somehow going to be able to dig out of debt and pass on a family farm to their kids if they just sign a deal with their chicken barns. It's not right. In any other industry, you couldn't imagine a big corporation going to a family and saying take on the infrastructure costs of our business. And that's exactly what Costco is doing. And in a sense, that's also what TransCanada is doing. So as you're looking at what is the future of agriculture in our state, I think you should start with creating a bill to end eminent domain for private gain. Farmers and ranchers should be able to protect their property rights first and foremost before we start looking at building massive chicken barns or putting in massive oil pipelines into our land, that could potentially impact our water. So that's all I wanted to say today. And I appreciate you coming out into the community and doing this hearing.

HALLORAN: OK. I have one question. It's-- it's-- to my knowledge, eminent domain isn't a process that Costco used in dealing with these producers. They made a contract with them, laid out what they would be paid per bird for producing those birds. Was eminent domain ever used?

JANE KLEEB: I am talking about eminent domain in a much larger sense when it comes to agriculture in our state, which is what your legislative bill hearing was about.

HALLORAN: I know, but you made-- you made reference to-- to eminent domain for use in contracts.

JANE KLEEB: Eminent domain just-- maybe you aren't aware, but eminent domain was used in Dodge County for a essentially waste pond for the processing plant.

HALLORAN: Can you think of a better model?

JANE KLEEB: Yeah. I disagree with the Trump administration's motto that--

HALLORAN: No. No. A better model for ag production--

JANE KLEEB: I was getting there, yes, for agriculture, yes.

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HALLORAN: OK.

JANE KLEEB: I disagree with the Trump administration's model-- motto that you have to go big or go home. I still believe in the small family farmer and rancher model. I think we could lead the way in the nation by creating a state law that says that our schools, our hospitals, and our prisons have to use at least 20 to 30 percent of food from local growers. That would be one example.

HALLORAN: OK. We've got to transition quite a bit to local gardens to do that, so. Are there any other questions?

JANE KLEEB: Don't be-- first of all, don't talk down to me like that.

HALLORAN: I'm not talking down to you, but it is a practical question to ask. How do we transition from a--

JANE KLEEB: Sure.

HALLORAN: --large-scale production agriculture to one that is small scale. And I have nothing against small scale,--

JANE KLEEB: And I don't have anything against large scale.

HALLORAN: --but the marketplace tells us that we have a challenge with that because corn at \$3.20 a bushel is hard to have a farm of 160 acres and make a living. And you can lay that analogy on every type of ag production there is. The stuff we produce is just too cheap.

JANE KLEEB: Yeah. And Costco telling consumers when they walk in their doors that a roasted chicken costs \$5 is not right, and it sets up the expectation that that's how much it costs when it doesn't. And Costco even admits that their chickens cost more than that \$5, and they use that to lure in customers. If Costco really was a good neighbor, if they cared about family farmers, ranchers, and our water, they would be honest with consumers about what a good quality chicken raised costs.

HALLORAN: OK. Any other questions from the committee? Senator Lowe.

LOWE: I just got one. You say for our schools and our prisons, our jails, and such and so forth, buy locally. Wouldn't that raise the cost to our taxpayers--

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JANE KLEEB: I don't think so.

LOWE: --that are already taxed with property tax?

JANE KLEEB: When we could-- I was on the school board in Hastings, as Senator Halloran knows. I ran on making sure that our schools were purchasing more local food. And last time I checked, our taxes weren't outlandish or different than when we started without producing and purchasing more local food.

LOWE: All right. Thank you.

HALLORAN: Any other questions from the committee? OK, thank you, Ms. Kleeb. Next testifier, please? Good afternoon.

STEVE MARTIN: My name is Steve Martin, S-t-e-v-e M-a-r-t-i-n. I'm the executive director for the Alliance for the Future of Agriculture in Nebraska and also the executive director for a group called We Support Ag. Today I'm here in that capacity to talk about what we can do to support and grow the agriculture industry in Nebraska. And from the two organizations that I represent, that is our main mission, supporting and growing the livestock industry in Nebraska. And again, we don't pick sides. Big, small, medium, we want them to be viable, sustainable, economical, and of course, responsible operations. In Nebraska, as I travel around the country and have an opportunity to work with all of our different commodity groups, we have a tremendous opportunity here to-- to grow the agriculture industry. There is a lot of focus and interest in, as we've already stated, the climate here works very well for lots of different types of livestock. And as been, I guess, talked about, the Costco opportunity, as that comes on-line and proves itself to be a great opportunity for the state, we're not just focused on that one industry, although there is lots of opportunity for more poultry in the state, not just boilers, but egg layers, turkeys, just lots of opportunities. But we also work with the-- our-- our folks at the beef industry, swine. There's also even some interest in aquaculture in the state as world production shifts from ocean fishing to whether it's some type of aquaculture. Land-based aquaculture is starting to prove itself out too. So as we look at what the opportunities are to grow the livestock industry, that really supports the rural economy. We have a certain amount of land, a certain amount of farmers that can farm that land. And so what we need is diversification. That diversification is going to be livestock. And whether it's an independent producer doing something or contract production, either way, that's definitely a viable option for

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us. One of the things I wanted to talk about today is county zoning. And-- and that's really kind of where I want to focus today. My previous role before this was with Nebraska Department of Agriculture. I was the administrator for the Livestock Friendly County program and also instrumental in developing the livestock siting matrix. So just talking about Livestock Friendly for a minute, we have 49 designated counties. We have one county, Cass County, that recently voted to apply. So hopefully with that approval, we'll be at 50 counties here in the near future. And one of the things I will say about the program-- and when I was asked by counties, what's the benefit that we get out of that, in my mind, one of the biggest benefits is the conversation that we had about regulations, being prepared, making sure their process was robust and in place. And going through that evaluation, we had a good handful of counties that went through the whole process and then decided not to apply for one reason or another. But they still got the benefit of that conversation and looking at their own regulations and having to kind of discover if they really are ready for a conditional use permit to be brought to them. So I think that's one of the real benefits of Livestock Friendly. When those counties that have gone through that process, designated or not, my observation, as we've gone through time and we've had zoning meetings and the county boards have had to look at conditional use permits, the counties that have gone through that were definitely better off. They were prepared. Their process was in place. They were much more able to handle that type of a situation. The livestock zoning siting matrix was another tool that was developed through the legislative body. And ultimately what came out was a voluntary product that the Department of Ag and a committee put together as something that a county can use to help in their decision making. I don't really know what could be done to encourage the adoption of that. It is really a good tool that a county can use because it lays everything out in front of you. You check the boxes; you get a score. It's very objective. But we have encouraged our livestock producers that as they go for conditional use permits, to submit a copy of the matrix, whether it's required or not by the county, as a supplemental document. And I think that's helped grow that a little bit. And I guess that's going to hit right on there? So I guess the last thing I'll just wrap up. Again, we support all livestock. One thing I will point out, even-- and-- and that is, when we talk about regulations, is that we-- we had a situation roughly five years ago where the packer ownership for hogs was removed from legislation. And there was a lot of fear at that time about somebody like Smithfield coming in and building all these barns and taking over livestock or hog

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production in-- in Nebraska. And it didn't happen. It could happen. But what did happen is, we had a group of independent hog producers named "Pipestone" bought the Hormel plant in Fremont, renamed it WholeStone, and that's our vertical integration. It's independent producers moving up and becoming processors. So I think as we look at regulations and statutes that maybe have a ban on certain things, some of those unintended consequences are-- are maybe something we should think about too. So with that, I would take any questions. Thank you.

HALLORAN: Thank you, Mr. Martin. Any questions for Mr. Martin? Questions? Well, you've done some homework on this, I can tell. I appreciate your testimony.

STEVE MARTIN: Thank you.

HALLORAN: OK. Next testifier? Good afternoon.

TYLER FITZKE: Good afternoon, Senator Halloran and members of the Agriculture Committee and other guest senators we have. My name is Tyler Fitzke, T-y-l-e-r F-i-t-z-k-e. First, I'm a first-- like to share a little bit of my experience. I'm a fifth-generation farmer, third-generation in the pork industry. I've had some experience with local planning and zoning rules. I was wanting to site a hog-finishing facility. Currently our operation is a farrow-to-finish operation, and-- and I wanted to build some finishing facilities. I worked with A-FAN. Tried to work really-- really good with my neighbors and-- and tried to-- to-- tried to take all the right steps to be a nice neighbor. When-- and I met all the county zoning rules and regulations, I met all those. But the final vote for me to get my permit came down to emotions, and it passed by one vote for me to get my permit. Now, there was a few neighbors that were really upset with me. So I decided not to build. And now I finish a lot of our hogs in Iowa. Those pigs are eating Iowa corn and Iowa soybeans. Now, on our farm, like I said, third-generation pork producer, our house-- well, where I live is right next to the hog barns. Our house well and our other wells around, being that we own the land around, is under 2 parts per million nitrate. So really I feel that we have done a very responsible job as a farmer to keep producing livestock. And I think a lot of other farms, farmers, they care for what they do out here. If they build a chicken barn, if they build a hog barn, they will care for their soil because they care for their family that they're raising. I have four kids, and I hope that my kids will have a future in agriculture in Nebraska. And they enjoy livestock. But with not being able to get permitted or having neighbors that are upset with

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livestock, it becomes hard for my kids to be able to, like we've talked to earlier today, you can't farm. I can't expect to bring those kids back and make a living off of 160 acres. So with the livestock facilities that permitted are like all of our livestock facilities, we have a DEQ permit that dots the i's, crosses the t's, that we are doing the right thing in application, and are not polluting our land. Are there any questions?

HALLORAN: Thank you, Mr. Fitzke. Any questions? Senator Brandt.

BRANDT: Thank you, Chairman Halloran. Thank you for testifying today. And I think this sort of highlights the conundrum of what-- what-- what's happening is, you get a big corporation in here and they're going to build all these houses. But my experience is very similar to yours. You have-- I have a son that's-- that's a little younger than you. You have a fifth-generation farmer that wants come back to the farm. And your farm isn't that big. And the opportunity is in livestock. There aren't any neighbors knocking down my door to give me 1,000 acres to rent. And that was probably your situation also. But there is an opportunity in livestock to do this. And we have a tendency to maybe blame acreage people. But I would-- I would suspect probably some of the opponents also were local farmers that live around you. And I think we tend to forget how we started or our grandparents started or what the opportunity was in this state. So I've always voiced it to the-- if you're opposed to this and you're going to take this opportunity away from this family and maybe he could have made \$20,000 a year, pay him the \$20,000 a year not to build the hog barn. That never comes up.

TYLER FITZKE: No, it don't.

BRANDT: So I don't know what your experience-- it's unfortunate that you did not build it. I think once it's built, it's like everything else. People start driving past it, and they forget it's even there, so. And I think your family does a lot with manure application too, does it not?

TYLER FITZKE: Yes, we do.

BRANDT: Yeah. And do you have anything to share on that-- that aspect?

TYLER FITZKE: Well, I mean there's lots to share. I mean we take-- we-- we do the liquid manure application, and we try to do it very responsible, I guess. You know, we-- we test the buildings. We have

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the manure sample tested. And so we only apply, you know, if they're going to grow a corn crop the next year, you know, that-- what we apply is not over and above what that corn crop can use, and all. So we-- we inject it in all-- a few inches underneath to try to minimize the odor. We have had no complaints in-- in what we do.

HALLORAN: OK. Senator Murman, please.

MURMAN: Yeah. Thank you, Senator Halloran. And thanks a lot for coming in, Mr. Fitzke. If I could just second the motion about what we've been talking about. Tyler has pumped out the reused pit at my dairy and less than 50 yards from my house and absolutely no odor at all off of it. And we could use less commercial fertilizer because of that, so thank you very much.

TYLER FITZKE: Yeah.

HALLORAN: OK. And other further questions or comments? Thank you, Tyler.

TYLER FITZKE: Thank you.

HALLORAN: OK. Next testifier? Don't be bashful. Good afternoon.

CHAD NABITY: Good afternoon. Thank you, Senator Halloran. There you are. Thank you. My name is Chad Nabity, C-h-a-d N-a-b-i-t-y. I am the Hall County planning director and have been since 1999. Prior to that I was in Madison County. I have had-- I will tell you that in Hall County in the last 20 years, the number of conditional use permits that we have issued for livestock is zero because that's how many have been applied for, believe it or not. We have had expansion of livestock in Doniphan within their 1-mile jurisdiction with the Robb Feedyard and in Cairo within their 1-mile jurisdiction at the Ford feedyard. So those communities-- most of the livestock in Hall County is within the jurisdiction of the communities. Baxter's feedyard is a quarter mile from my house with 25,000 head of cattle across the road from me. So to give you some thought processes on there. We do allow up to 1,000 animal units-- sorry, we do allow up to 1,000 animal units. A thousand animal units is the equivalent of 1,000 head of cattle, feeder cattle, 2,500 head of hogs, 47-- not 47,000, 100,000 chickens. So a chicken barn that Costco would allow-- would want, at 47,000 on a farm of 20 acres or more, if you meet the minimum set back of that facility being a quarter mile away from a neighboring house, not a neighboring property, but a neighboring residence, you could put

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two of those on a 20-acre piece of ground with no additional permitting in Hall County. Get your building permits. So to give you an idea of what our regulations are like-- now, we did change our regulations a year ago. We adopted the livestock zoning matrix. The livestock zoning matrix, in the way we adopted it, only applies for over 1,000 animal units. So below that 1,000 animal units-- and in 2004 when we adopted this, we did that very deliberately with the intent that family farms, diversified agriculture, are important. And if you are at that 1,000 animal units or less on a farm, that's not a big operation. That's not-- any of you that are involved in agriculture would probably agree with me. That's not-- that's a family-sized operation. That's somebody doing this to supplement their income, to diversify, to do something a little bit different. Up until June of last year, we did require a conditional use permit for anything between-- anything over 1000 animal units. We modified that to say that if you can meet the setbacks, that's worth 25 points on the matrix. If you get your DEQ permits, DEE permits now, that's worth 25 points. You also need to get another 25 points on the matrix from the 3 pages of things that you can get points for, that are part of that matrix. So you need to get a third for meeting the setbacks or having a waiver from your neighbors. You get along with your neighbors, and they'll give you an easement to be closer, OK? We're good with that. Then the DEE permits and finally, the additional 25 points, you can now go up to 5,000 animal units if you get your 75 points with 25 points in each of those categories without a conditional use permit. Over 5,000 animal units, it still requires a conditional use permit. But that's what Hall County has done to try to encourage that diversification and investment in agriculture. The other side of that is, we've got really good irrigated farm ground. And it's really hard to take irrigated farm ground out of production to put something else in. So the market at that point is saying, no, we're going to keep it irrigated farm ground and put an end gun on that pivot. With that, I would be happy to take any questions. I guess I-- one other thing that I would say before I end is that the absolute worst conditional use permit hearings that I've been involved in with livestock facilities in my career have been disagreements between family members because this person-- this nephew is going to have 100 head of hogs more than I do. That-- that's a hard place to be as a planning director.

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HALLORAN: All right, Mr. Nabity, thank you for your input, a lot of good information. Any questions from the committee? All right. Thank you, sir.

CHAD NABITY: Thank you.

HALLORAN: Good afternoon.

EDISON MCDONALD: Good afternoon. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d, and today I'm representing GC Resolve and GC ReVOLT. We work on developing regenerative agriculture and solar projects. First of all, I'd like to thank Senator Halloran for having us out here. I really enjoy getting that [INAUDIBLE] coffee up the street. It's fantastic. Secondly, I wanted to talk a little bit today about the great transition for family farms. The narrative that you've heard from some is that there is only one future for agriculture, that ag has to get bigger, have more inputs, and be more aggressive to neighbors in order to survive. We don't believe that's true. There are other visions of family farming for the future. Ours is one where we treat the land well because it's treated our family well for generations, for instance, my family farm where we've added winter rye as a cover crop, bees, a small garden, walnut trees, and even an old shipping container that is powered by solar and battery. This isn't all of our farm, we have two more traditional plots, but it is part of how we're transitioning into that next generation. We're seeing better returns. As a kid, I remember walking through this field and the soil being junk, it just really crumbling underneath your foot. Over the last ten years, we've worked to transition that, and we've seen some tremendous benefit. The soil recovered, and it shows. You can feel it. You can see it. And you can see it in your bottom line. So I'm asking that instead of looking at picking winners and losers, that you open your minds up to other opportunities. Today, I didn't see Costco in the LR, so I wanted to talk about some of the other barriers to agricultural development. In particular, I think one of the biggest things is that narrowing of the potential processing operations. And that really has made things difficult. When we have larger, vertically integrated companies that take over the market and eliminate competition, that can be problematic and make it hard to go and develop-- there are crops like, for instance, our winter rye, going and finding a processor. They are are fewer and farther between. And figuring out how we go and process those crops and get them to market becomes more difficult. We're also looking at agroforestry markets and how farmers can really work to begin engaging in agroforestry. Another

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issue that we're concerned about is raw milk, and the failure to be able to sell raw milk in stores limits that potential development. Right now you can only sell it on the farm. And so I don't know about you. Getting somebody to go and drive out to a farm in order to sell your product and not being able to deliver it in stores, that's-- that's pretty limiting. Third, I wanted to talk a bit about cover crops. I know we've talked a bit about this previously. Cover crops really offer a significant benefit, especially with the concerns this year over flooding. One of the things that I learned, from NDEE actually, about cover crops is that they can help to mitigate approximately 50 percent of the impacts of flooding. I think the [INAUDIBLE] potential impacts that we could see on our state, that could be huge, especially as I think was stated earlier, we're looking at further flooding. Then kind of last thing I wanted to talk about is cover crop-- or cottage crops. I know that last year you passed a bill on cottage crops, and we've started to really see that implemented successfully. And I've heard from several folks that, that has really helped smooth over the process. So thank you for that action. Then, shifting to the Costco side of things, it's not just about do we want to have these, do we not. It's making sure that there are quality standards that are fair and based upon local zoning and local neighbors and being fair to-- and being a good neighbor. So we want to ask you to look particularly at ensuring that there are setbacks, ground and surface water tested-- testing, a nutrient management plan, environmental impact reviews, and a disaster fund and a decommissioning fund paid by the parent company, not by the farmer. Ultimately one of the scariest aspects about this project is that Costco doesn't have any liability if things go wrong here. And making sure that they have that liability and not just that it's settled on the back of the family farmer is tremendously important and then last thing, making sure that there are hauling agreements to make sure, again, that other family farmers aren't negatively impacted. With that said, thank you very much for your time, and I hope-- I'd be open to any questions now.

HALLORAN: Thank you, Mr. McDonald. Any questions from the committee? OK. Seeing none-- yes. Senator McDonald.

BRANDT: I like your points on cover crops.

EDISON MCDONALD: Um-hum.

BRANDT: Those have exploded exponentially in southeast Nebraska where I'm from. My son bought a 30-foot drill just to do cover crops 3 years

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ago, and maybe did 500 acres. They've had a college kid on this drill for 4 straight weeks, and they still got another 1,000 acres to go.

EDISON MCDONALD: Um-hum.

BRANDT: And it's just amazing. If we could find-- now, we're just using the cover crop as a scavenger and a protectant.

EDISON MCDONALD: Um-hum.

BRANDT: But a lot of that rye does-- does come to fruition. If we could find a market for that in Nebraska, I mean we're talking about livestock processing sort of in that vein, but I would like to see us do more on the grain side. I think there is a tremendous potential out there for that. Do you agree with that?

EDISON MCDONALD: Yeah. Oh, yes. I think the thing is really figuring out if you can get past that first-year hurdle and start to get it implemented, I think then-- and making sure that people understand it. I know you've also passed the Healthy Soils Task Force, and they've started to meet and look at doing some good work to really work on developing that. I think that, that could be a tremendous impact for the future. One other thing I wanted to say, we've also been concerned about the 1 percent cap on solar. Currently in the state, due to the state law on net metering, we have prevented ourselves from being able to develop past 1 percent of the utility. So in Senator Hansen's district, we've started to go and hit into this cap. Mitigating those electric costs are huge for a great many family farmers. And if we could mitigate that 1 percent, we could do some really great things and help to continue to grow family farms and ensure long-term sustainability.

HALLORAN: OK. Anyone else? Thank you, Mr. McDonald.

EDISON MCDONALD: Thank you.

HALLORAN: Appreciate your testimony. OK. Next? Good afternoon.

SHANNON GRAVES: Hello. My name is Shannon Graves, S-h-a-n-n-o-n G-r-a-v-e-s. I'm from Bradshaw, Nebraska, which is in York County. I've been to enough of these dog and pony shows to start with saying that I am not paid to be here today. This is my very own testimony. And whether it's, you know, these big corporations coming in, whether it's a 36-inch pipe of poison and sludge going 275 feet from the side of my house or a 16-barn chicken project that is being built as we

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speaking, 2.5 miles from my house, one thing we need to keep in consideration is transparency. I had no idea that project was happening. I read about it in the newspaper after the commissioners had already approved it. I had no recourse. I had no ability to ask questions. I have questions, and I have no answers. I think putting a statute or zoning something that you give people within a certain amount of mileage, I'd say three miles to five miles would not be unusual, to have the notice to go to these meetings, to hear about these things, to ask the questions. Two and a half miles, I wasn't included, in York County. Their zoning is-- land abutting the project is who got notified as to what was going on. So I would like to keep zoning in place for the transparency of permitting processes. There is no road haul agreement in York County because all farming uses heavy-- heavy equipment. But when we're talking 16-barn project, that's 40 trucks a week on our roads. That's not a tractor and a combine and a-- and a grain truck a couple of times a year. That's 40 trucks a week, 52-- 52 weeks a year. And that's the citizens of, now, York County that are footing the bill for a multi-billion dollar corporation to line their pocket. And that's not fair to Nebraskans. I also would like to see a cap on projects. Somebody mentioned pivot corners. Put a-- put a barn on every pivot corner. That would be much preferable to a 16-barn project on 160 acres. That's not-- that's not farming; that's a factory. And York County is not zoned for a factory. That's ag land. I really-- I don't have anything more to add than that so if you have any questions.

HALLORAN: OK. Thank you, Ms. Graves. Any questions for Ms. Graves? Senator Brandt.

BRANDT: Thank you, Senator Halloran, and thank you for testifying today. Did you talk to your planning and zoning board on what their limit is in York County because I think every county adjusts that differently on their notification?

SHANNON GRAVES: We-- my husband and I went to the county commissioners and, you know, were-- were able to ask a few questions. The zoning that we looked up-- are you talking permitting for per number of animals?

BRANDT: Well, first of all, I guess maybe I should-- maybe I should start.

SHANNON GRAVES: Yeah.

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BRANDT: I think all but ten counties in Nebraska have a planning and zoning committee. Does York County have a planning--

SHANNON GRAVES: It is a volunteer committee.

BRANDT: [INAUDIBLE] is--

SHANNON GRAVES: And it is an appointed committee--

BRANDT: That's right.

SHANNON GRAVES: --that the planning-- the planning-- or I'm sorry, they call him the zoning administrator calls the committee together whenever there is something that comes up. They don't have any regular meeting dates. They have no minutes posted on-line, no agenda. It's just--

BRANDT: That seems unusual because I know a lot--

SHANNON GRAVES: --called up-- called up as-- as needed.

BRANDT: --yeah, because in Jefferson County, they do. And we have, I think, nine people on ours. And I would suspect yours is the same.

SHANNON GRAVES: I believe it's about the same.

BRANDT: And they have a heck of a time finding people to serve on those committees.

SHANNON GRAVES: Um-hum.

BRANDT: And I guess I would encourage you to contact them to see if you could do that. And it goes to the planning and zoning committee first.

SHANNON GRAVES: Um-hum.

BRANDT: And their job is to spend the time to ask the questions to sort of clean this up before it goes to the supervisor.

SHANNON GRAVES: Absolutely.

BRANDT: And I--

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SHANNON GRAVES: And those-- and those meetings are posted-- are in the-- in the York News-Times, so that there's something that's this long and this wide in the legal section--

BRANDT: Um-hum.

SHANNON GRAVES: --that says they're going to be meeting about a conditional use permit. Nowhere in there does it say anything about chickens or Costco or integrated feeding or CAFOs or anything like that. It's just-- it's this big.

BRANDT: Um-hum. Yeah.

SHANNON GRAVES: So there's where-- that's where my transparency question lies.

BRANDT: Yeah. And I mean the issue is always going to be somebody is always outside of the limit. I don't know if they have a one-mile limit or adjacent-land limit. Every county is set up different. And maybe you could talk to them about increasing that or notification.

SHANNON GRAVES: Well, my understanding here today is that you gentlemen are looking at doing some sort of legislation on a statewide level. Is that correct for these things? This is what your-- your bill is?

HALLORAN: We're looking for in-- we're looking for input and feedback and see if [INAUDIBLE]--

SHANNON GRAVES: OK. This is my input. My input is to have setbacks, have the transparency, and have more than just three miles or half mile or whatever. Make it a general three-to-five-mile range because I guarantee you that this-- this family that had-- is having the 16-barn project had hogs for decades in York County. And I could smell them at 2.5 miles away. I guarantee you I'll be able to smell their chickens. I will also be able to say at 16 barns, I'm going to see their-- their lights at night. So it's going to ruin my stargazing. So I'll have the light pollution. I'll have the traffic of 40 trucks a week. And I don't think it's fair to put that on the citizens of Nebraska.

BRANDT: OK. Thank you.

HALLORAN: Any further questions? Thank you, Ms. Graves.

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MURMAN: Oh, I've got just one quick question.

HALLORAN: Oh, I'm sorry. Senator Murman.

SHANNON GRAVES: Absolutely.

MURMAN: So are you in favor of local zoning or statewide zoning because you mentioned that we should make a rule from the state level or you thought maybe we should make a rule?

SHANNON GRAVES: Well, I thought that's what you're investigating. I thought that's what you were getting together to talk about is to get input from us on what you think you should be doing. Am I-- am I mistaken in that?

HALLORAN: To date, we haven't interceded in to dictating statutorily what counties can do in their zoning.

SHANNON GRAVES: Absolutely. But what's your mission here today, then?

HALLORAN: Well, to see if there are state regulations that-- to look at the processing and production and-- and make the opportunities where they might be without-- and limiting regulations if they're a hindrance or if necessary, create regulations to protect the citizens. That's all--

SHANNON GRAVES: There's my point.

HALLORAN: OK.

SHANNON GRAVES: Does that answer your question?

ANDREW TONNIES: Hey.

HALLORAN: Good afternoon.

ANDREW TONNIES: My name is Andrew, excuse me, Andrew Tonnies, spelled T-o-n-n-i-e-s. I'd just like to say to start with that my first job in high school, I spent three years working on a hog farm. And it was a good job. It paid \$4.75 an hour, which was pretty good back then for a 16-year-old. And it taught me hard work, and it taught me a love of animal husbandry, something-- things that I carry with me today. That said, I now farm on a small scale in Dodge County. I have a 16-acre, I guess you would call it a hobby farm. But it keeps me busy full time. And I wore this shirt today because I do love bacon, in fact, and also

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because I want to dispel the myth that someone in my position, who can be opposed to Costco or other vertical-- vertical integration, is somehow an out-of-state animal activist. I am not. I slaughter my own animals. I raise pigs, cattle, and chickens. They go to my freezer and I eat them. They are delicious. I am not out-of-state. My family, since Pavel Buzek settled near Milligan, Nebraska, has been here since 1870. So October of last year I became involved in all of this kind of stuff when I found out from a Facebook post that Costco wanted to build a 24-barn operation near my farm. I didn't know a lot about it, started researching it, went to talk to my neighbors. I never got a letter. It was a Facebook post. It was going to be 47,500 birds, 24 barns, 1.14 million birds at a time, 6 times a year. That's 11,400 animal units. And even the standard 4-barn set that Costco promotes is classified by Nebraska as a large confinement with 1,900 animal units. So yeah, the previous speaker was talking to the public notice, and I think they're completely inadequate. Public notices are completely inadequate. In my case, only a handful of landowners who had adjacent property were notified via mail. Otherwise, it was in the newspaper, which meets the county requirements. But quite honestly, how many people read the tiny print? I don't even have a subscription to the Fremont Tribune. So I-- like I said, I found out on Facebook. And this is the 21st century. It would cost a county nothing to put up a Facebook page or a Web site where they publicly announce these things. And in reference, Senator Brandt, to your question about asking to be on a zoning board, I did ask to be on the Dodge County zoning board. I was told by the administrator that there are no openings, and there will not be any openings. Even though they are term limited, as long as people are willing to serve, they just keep serving. As to-- I think that we should consider retaining some sort of, what I call, a human-eye test on a case-by-- case-by-case basis and supporting that at the county level because my place had a unique geography. You can't think of every possible scenario in the matrix that you might come into. It's a standardized test. Everyone knows standardized tests, things slip through the cracks. They're not perfect. So the area near my home is in the Platte Valley, and I am on the slight upward grade heading up to the north-- the hill to the north of the Platte Valley, north of North Bend. There is a very shallow water table there. My well is 26 feet deep. We have good water, and we drink it. I am very glad for it. It's good water. Irrigation wells up north of me where this facility was to be located require three or four daisy-chained wells together at a depth of about 15 feet to put together enough water for one pivot. So they wanted to put 24 barns on this site, which would have taken, well, by their-- their pamphlet here, they

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should have 2 80-gallon-a-minute wells for every 4 barns. And that would end up being like 18 barns-- 18 wells for the 24 barns, times 2 for the backup wells. There wasn't anything in any county code to address that or at the NRD. So I'm glad that there was some discretion amongst the county board members that they could look at a situation like that and say there might be some unintended consequences of having that many wells concentrated in a small area and it could possibly affect the irrigated acres around it.

HALLORAN: OK, Mr. Tonnes, you're red light is on. You can finish up your thought, if you would.

ANDREW TONNIES: All right. So I want to talk about the owners of this place. They were supposed to be a small group of farmers from Arkansas. In fact, they were from Oklahoma. They were the largest-- second-largest growers, poultry growers in Oklahoma. Costco sent out a good-neighbor letter and lied to all of us in the neighborhood about who these people were. And-- and once we found that out, support for the project quickly evaporated. Also, 132 of Costco's barns are owned by a North Carolina investment banker. That is a full quarter of the 520 Costco bar-- barns in eastern Nebraska owned by one person. Now, I don't believe we can construe that as small family farms.

HALLORAN: Mr. Tonnies, let us see if we've got some questions. We're way past our five minutes that [INAUDIBLE]--

ANDREW TONNIES: Thank you for allowing me the time.

HALLORAN: That's fine. Are there any questions from the committee? I see none, but thank you so much for your testimony.

ANDREW TONNIES: Thank you. Oh, I'm sorry. I do have some handouts here, but I didn't print enough copies because--

DREW BROSKE: That's OK. We'll-- we'll make sure they-- they get copies later.

ANDREW TONNIES: OK.

DREW BROSKE: So you got one of each; is that what that is?

ANDREW TONNIES: Yes.

HALLORAN: Good afternoon.

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MINNIE GAIL SPRAGUE: Good afternoon. My name is Minnie Gale Sprague, and that's M-i-n-n-i-e G-a-i-l S-p-r-a-g-u-e. I live in northeastern Howard County, and I have been in this big CAFO fight for many years. First thing I want to be sure and say is that CAFOs, confined feeding operation, animal feeding operations are not family farms and are not farmers. I live on a family farm. Am I against farmers having cattle and having feedlots? Absolutely not, if it's within the regulations. Once you get way above this, you're not-- you're destroying our quality of life. I heard you just say something about the planning and zoning members. In Howard County, when we first started fighting the CAFOs, we had planning and zoning members who were not in favor of them. And they were released and replaced with people who were feedlot owners. And I can guarantee you I will never be asked to be on a planning and zoning committee although I have the experience because I was deputy county clerk of Howard County for five years, so I do know county operations. We were told that Nebraska farmers were going to operate the barns. And now we know that they're operate-- they're being owned and operated by agribusiness. Again, that's not a family farm. My dad-- my family farm has been in the family for a 117 years. When my grandfather first bought it, he had 17 buildings on the place. Of course, they're not there now. My father had the foresight, because he knew he would have a shortened life, that he turned everything into pasture land so it would be easy for my mother to continue with renting the land and keeping it in the family. I am one of the few people here that actually lives near confined animal feeding operation. Five miles east of me, I have a cattle operation. And 5.5 miles northwest of me, I have Pillen's, Wolbach Foods, hog operation. I can tell you there are days that if the order-- if the odor is from the correct direction, we can hardly stand to be outside. This morning before I left, I vacuumed out 500 to 1000 flies from my back-- back hall. And if you go on the outside of my house, there are thousands of flies out there. And I will have this as long as it's warm. This usually starts in October. However, the year that my mother passed away, she and I drove in the pasture, and we could not open the windows because of flies. This is not something that people tell you about confined feeding operations until you have to live by them. We have the odor, and we have also the possibility and probability of them destroying the quality of water that we drink. And we have to have water. Water is life. I'm asking you to please take into consideration our quality of life. I represent myself. I, too, am not being paid to be here. I also represent your constituents. We live on our farms. It is our place. It's our way of life. And we need you, as

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our representatives, to protect us and our way of life. And I thank you.

HALLORAN: Thank you for your testimony. Are there any questions? Seeing none, thanks again.

MINNIE GAIL SPRAGUE: You're welcome.

HALLORAN: Good afternoon.

JULIE HINDMARSH: Good afternoon. Julie Hindmarsh, J-u-l-i-e H-i-n-d-m-a-r-s-h, 2015 Bramblewood, Fremont, Nebraska. First, I'd just like to commend the speakers that came before me that were speaking about property tax. The one single thing that you could do to help us would be decreasing the burden on farmers and putting it on some of the property taxes for corporations that come in. Some of you may remember me for speaking before the Agricultural Committee in favor of the cover crops. I thank you for your work with that. I am in the process now of convincing my farmers that, that's a good idea after the flood, and it's an uphill battle. So I come to you as a fourth-generation farmer. I also come wearing a hat as being a public health faculty with Johns Hopkins University School of Nursing. It has been said that if you have your health, you have everything. And a health is a person's greatest asset. In an agricultural state such as ours, adequate nonpolluted water is Nebraska's greatest asset. The real question is, if you choose to do streamlining in this process, will be-- will we be protecting people's health and water quality in Nebraska? Local governments know their people and their land best. Local boards are responsible for protecting the health of their people and the health of the water. Expediting approval of industrial farms could harm both Nebraska's waters and its health. As you know, nitrogen and phosphorus are present in chicken manure. If there's too much runoff and they get in waters, nit-- nitrogen and phosphorus are associated with thyroid problems, diabetes, cancer, blue baby syndrome, impairment-- neurological impairments, diarrhea, and rashes. We know now that many of Nebraska's waterways have over the recommended limit, which is ten parts per million. And I commend Tyler, that your farm has less than two; that's-- that's a really good record. You know now, that Hastings is undertaking a project that is going to cost them \$46 million to mitigate the problem of nitrogen in their water system. A careful environmental assessment by an objective third party is needed before siting any CAFO. When we started this process in Dodge County, I had asked the city board as-- as well as the representatives of Lincoln Premium Poultry to do a baseline

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assessment of both water and air before any of this process started. And that was not done. So what we did was formed a coalition with Peter Kiewit Institute of Engineering and the University of Nebraska Medical School and are training up citizen scientists to do their own testing of both well waters and groundwaters because this is what we need. We need to know when there is a chain, so that we can mitigate quickly. Industrial farms are not self-policing. A passing score on the livestock matrix does not guarantee good or safe placement of CAFOs. Kathy talked about the flood plain. The matrix does not protect the flood plain. In Washington County, as you may know, LPPs environmental assessment OKed the building of 16 barns or 6-- 760,000 chickens on a flood plain. No plans were made to build this up to the federal standards. The open, three-sided, mortality shed was placed on Fish Creek, whose waters flow into the Missouri close to Blair. And-- but the county supervisors because they were local, and-- would not permit-- permit this massive structure. They know the land, and they value the people's health. The-- James Merchant, founding dean of the public school at the University of Iowa, said: numerous studies in the last decade also documented the impact of CAFO air emissions on the health of neighbors, finding significant increases in childhood asthma, adult asthma, airway obstruction, and irritant-linked eye and upper airway symptoms. So let's focus on the health of Nebraskans and the water of our state. Let's focus on supporting family farms, the smaller family farms, giving them markets, giving them tax breaks, helping them to do the cover crops. Let's keep the profit in state and not in the hands of huge out-of-state corporations. And one last comment, an environmental impact assessment and a health impact assessment should be conducted as part of the application process for any CUP. Careful deliberations need to be made by local boards before siting any industrial farms. I recommend not streamlining the process. Thank you.

HALLORAN: Thank you for your testimony. Any questions? Seeing none, thank you.

JULIE HINDMARSH: Thank you.

HALLORAN: Next testifier? Good afternoon.

JESSICA KOLTERMAN: Hello, Jessica Kolterman, J-e-s-s-i-c-a K-o-l-t-e-r-m-a-n, I'm with Lincoln Premium Poultry. I did think at the beginning I would just go through and clarify a couple of things, lots of talk about our project. So first of all, at this time, Costco and Lincoln Premium Poultry have no plans for expansion in Nebraska.

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Our footprint is what it is. We have, I believe, all of our barns sited at this point that we will need to move forward. So I know there's a lot of people who want us to move forward with a second facility in Nebraska, but that is not in our plan at this time. I also wanted to let you know we do not have any barns-- I think we have one set that just opened in Iowa. So referencing the Iowa question, that doesn't pertain to us. And on the irrigation question, you are correct, our 4-barn operations will use in an entire year what 1 1,000-gallon well irrigation will use in 3 days. So that's the comparison. That is-- we've done the math and figure it out. Also, it's 2 million chickens a week in our facility, not 2 million a day. And no eminent domain was used to build our facility in Fremont. So one of the questions that has been asked of you in this interim study is what Nebraska would look like to have maybe an easier pathway for development and welcoming these types of operations. I can tell you that our company has had a wonderful experience here in Nebraska. We very much appreciated the cooperation and collaboration of many, many, many state and local government entities. But there are some things that, if the area wanted to attract something like this, that maybe they can work collaboratively across a region to streamline some things. So as an example, I'm just-- I'm from Seward, so I'll use Seward County, Lancaster County, and York County, which are in a line down I-80. If that was, let's say, the region that said, I want to work to attract some kind of livestock facility that would be processing, perhaps those three counties would want to work together to collaborate on matching their processes and matching their zoning. That would be a suggestion. I mean I certainly, as a Nebraskan, we've figured out ways to navigate all of the different processes. But for some specific barns, we went through no short of six public hearings. So you have a public hearing in front of a planning commission, a public hearing in front of the commissioners or supervisors, a public hearing in front of a subcommittee of an NRD, a public hearing in front of the NRD, and then another public hearing in front of the planning commission and the county commissioners on the driveway width. So you could have an easier process if counties had a similar process and maybe came to some agreement about what some of those regulations look like in a region, I guess would be an observation that I would share. We have been very excited to have many young families join our project. I was-- I was thinking about-- I talked to Concordia, a new agriculture class yesterday, and they asked how many growers we had under the age of 30. And I went through, and just off the top of my head, I counted 15 that are under the age of 30. That doesn't include the ones under the age of 40 or the ones under the age

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of 50. So the demographic that you shared of age 58, our-- our farmers that are involved with our project are certainly bringing that down a little bit. And we're excited to have them do that. I'm sure there's a lot of questions about our processes and what we've done to have this come into Nebraska and be successful. So I'd be happy to answer any of those at this time.

HALLORAN: OK. Thank you, Ms. Kolterman. Any questions from the committee? Senator Lowe.

LOWE: Thank you, Ms. Kolterman, for being here today. It's been brought up that Costco is a big plant, and they really don't care about Nebraska. Do you have anything to say about that?

JESSICA KOLTERMAN: Of course. So I was actually asked to come help recruit Costco to Nebraska by Governor Ricketts. And that's how I ended up on this project and also really ended up staying on with the company.

HALLORAN: Sorry. Sorry.

JESSICA KOLTERMAN: And so in my role at the Department of Agriculture when I worked with the company to help recruit them here, one of the things that they found very positive about our state was the local people who wanted to be engaged in this process, who wanted to welcome them, who wanted them to come to the area. They looked at Kansas, South Dakota, Iowa, other surrounding states. And what they found is when they would go into some of these other states, they didn't see the same level of collaboration in local and state governments that they saw here in Nebraska. So that was something that they saw as a very big positive. They also found an ease of access in doing business with state government. So when they had a question, they had resources within state government that they could call and ask that question directly rather than calling, you know, the-- the main line, for example. They had a contact within all the agencies to work with. So whether it was a roads question, whether it was something-- some kind of question at NDEE, they found that ease of access. So you know, I think in terms of is Nebraska welcoming, I think there were large groups of people at the very beginning of this project that came to the company and said, we want you to be here. You're going to hear some naysayers, but they don't speak for all of Nebraska. So I-- you know, I've seen the positive impact this has had on people in my life. I have friends and neighbors in Seward County who are growing for Lincoln Premium Poultry. I have a preschool classmate who is growing.

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I have a young lady who I've mentored since she was 12 years old; she is coming back to the family farm to grow. So I think, you know, there's a-- there's a lot of positives that have come out of this. And I think that there's continued opportunities for us to do these kinds of things in the state going forward. Did I answer your question?

LOWE: Yeah, I think so. I asked this of our dairy representative, and Nebraska has good water, good feed, good transportation. Why are not more companies coming to Nebraska?

JESSICA KOLTERMAN: Well, one of the things that the people that I worked with on Lincoln Premium Poultry Costco side, one of the things they said to me when we got into this-- so once they were here and they decided they were coming here, they were shocked at the layers of government we have here in Nebraska. Now, I don't think they knew that up front. They didn't know that we had all these different county-- you know, in-- where-- a lot of places where they had done work previously, you go into the state and there's a set of regulations for the state that's universal for this. I don't know that they're necessarily wanting that. I think it's more of a help having an avenue to understand those regulations and-- and having a way to navigate it that's cohesive. So in our specific circumstances, being a Nebraskan, I knew how county government worked, so I could say, well, we need to go meet with this county government, and this is what it's going to look like for this specific county. And then we're going to go down the road, and we're going to meet with this county government, and it's going to look like this. And then we're going to go meet with this NRD, and it's going to look like this. And you-- they had a-- a-- a person who could help them navigate that. But I don't know if every company has that. I would hope they would. But so that's-- that's one thing that possibly could be, if you want to call it, a barrier, I think there's ways to work around that if counties wanted to collaborate and work together. I also think that-- I will say that they've been surprised by the property tax levels as we've been moving forward. They had originally done some estimates on what they thought the property taxes were going to be on these barns. And some counties, they're right on. But other counties, it kind of depends on what school district it's in, and it depends on the local levy. And it depends on all these things. And I think the fluctuation across these wide areas of our state was surprising to them. Again, I don't know if that's something that they've looked at on the front end in-- in-- in depth or in great detail. There-- obviously, you will be debating LB720 this session. I can tell you that incentive was something they

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did look at. That was-- every other state around us had incentives, and that is something to be considered. Now I can't tell you specifically what they looked at specifically in the incentive but the fact that all of our surrounding states have them. And Nebraska did have one; provided an opportunity for Nebraska to be competitive. But those are things that come to mind.

LOWE: OK. Thank you.

JESSICA KOLTERMAN: Yeah.

HALLORAN: OK. Thank you, Senator Lowe. Any other questions? OK. Seeing none--

JESSICA KOLTERMAN: All right. Thank you.

HALLORAN: --thank you so much. Good afternoon.

JONATHAN LEO: Good afternoon. Good for my knee to actually get up and start walking a little bit. Thank you. My name is Jonathan Leo, J-o-n-a-t-h-a-n L-e-o. I'm from Lincoln. I want to thank Senator Halloran. I want to thank the members of the committee, Senator Brandt, Senator Hansen, the two additional senators who are here. I'm here to speak principally about the importance of local, actually that keeping the existing government structure in place with respect to land use and zoning decisions. I think that the-- there is an importance in having a robust local government planning and zoning process that allows citizens in different parts of the state and in different counties to work with their-- their neighbors, their businesses, and their local legislators to decide what they want in the way of land use choices to be made in their own counties. I'm an environmental lawyer by training. I've been a local prosecutor, a local land use and environmental civic-- civil lawyer as well. I've represented corporations in California, agricultural, commercial, industrial. I've represented counties and cities as well as outside counsel with respect to environmental and land use matters. I've been in Nebraska for two years. What I'm seeing in Nebraska is a state with extraordinary natural resources. I'm in awe of the fact that I'm in-- unintentionally in a state with the most river miles of any state in the United States. I'm very impressed with the natural resource district, the creation of natural resource districts to manage the resources of the state, primarily water resources on a basin-by-basin basis. That is unprecedented in my experience, and I've lived in a number of other states besides Nebraska and California. What I like

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about-- and what I'm seeing, and I've seen it up close and personal in Lancaster County most recently, is a situation in which the local governmental officials, the appointed planning commission-- and the-- and-- and appointed-- and-- and-- and volunteers, not paid planning commission, and the county board of commissioners were confronted with an application from Lincoln Premium Poultry for a-- initially a 4-barn site west of Denton, between Denton and Crete, Lancaster-Saline County line, and discovering that they had inadequate zoning regulations to deal with animal feedlots. There were-- there was a provision in the existing code for animal feed-- animal feeding operations. It was about, I think, 8 to 11 lines of text that simply said there needs to be a Department of Environmental Quality approval of no water pollution. And that's all. The rest of it was left up to the discretion of the planning commissioners and the county board with effectively no guidance whatsoever, no guidance to help them decide how to exercise their discretion in whether or not to grant a conditional use permit. They call it a special permit. So after the 4-barn application from Lincoln Premium Poultry was approved, six to three, by the planning commission, the planning commissioners recommended, by a nine to nothing vote, that the county board create a task force to help improve and make more robust their ordinance to deal with animal feeding operations so they could better understand what should-- what should constrain and what should make more robust their decision-making process. The county board, after a vote of three to two to approve the Lincoln Premium Poultry permit, voted five to nothing to approve the recommendation to create a task force to make the zoning process more robust. They did that. And after approximately a half-- almost a half a year's worth of-- of meetings, the task force decided on a series of amendments which have just been approved yester-- two days ago by the Lancaster County Board to be sent to the planning commission-- well, first to the county attorney for a full text and then to the planning commission for a new set of amendments to improve the process for considering animal feeding operation permits. This, to me, is an example of local government planning and zoning at its best when you're confronted with a situation that you don't have a precedent for, you set up a task force of experts, which included livestock growers, professionals, to consider what needs to be done, and vet that process. I would say that there is very much of a role, critical role, for state government. And you-- you have that already here in Title 130 of the administrative code for livestock waste regulations that set parameters for when nutrient management plans, as part of a larger construction and operation permit, need to be in place. What I would point out is that the small CAFOs are exempt

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from these regulations because they are, in most counties that I've looked at, agriculture as of right. Medium and large CAFOs are not allowed to be sited in agricultural zones as of right. They do have to get conditional use permits, but the structure is in place to do that. And in particular, what I would suggest to you is that there needs to be more rather than less evaluation of the conditions specified in nutrient management plans and water quantity issues, that natural resource districts have jurisdiction over, prior to the submittal of the initial application. And when you're talking about large- and medium-sized CAFO applications-- and I see my time is up, let me just finish my sentence, if I may.

HALLORAN: OK.

JONATHAN LEO: When you're talking about large- and medium-sized CAFOs, then I would say that the-- the larger the-- and better capitalized the applicant, the greater is the responsibility to prove up front that they have the wherewithal to protect the natural resources that may be threatened by the operation. That's not currently the case. Water permits-- pardon me, the pump test to determine how viable the aquifer is, is not-- does not have to be done until after the permit is submitted or until after the permit is approved. The nutrient management plan in most cases does not have to be provided until after the permit is approved. For me, that's the-- the horse after the barn door has been closed.

HALLORAN: OK.

JONATHAN LEO: Thank you for your time.

HALLORAN: Thank you, Mr. Leo. Any-- any questions from the committee? Comments? Questions? Just a quick question and maybe a comment first. But so let me clarify, I am an advocate of local control. That being said, can't local control go beyond just one county? In other words, if two or three counties in the same general topography and aquifer makeup underneath, can-- can it-- is it unreasonable for them to work together to consolidate and maybe even create more in-depth planning and zoning by working together to make sure that there's some-- at least some continuity in their-- in their planning and zoning.

JONATHAN LEO: Very good question. I don't see any principal reason why there should not be a process that is available to more than one county, two, three counties, to make an effort to consolidate their regulatory process for zoning and permitting in connection with any

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particular kind of land use that they feel is integral to their growth and-- and their sustainability. I think what's critical in that context is that there be as much transparency. And there have been references previously to notice, adequate notice provisions being made--

HALLORAN: Right.

JONATHAN LEO: --so that the citizens of those counties-- the businesses and the citizens of those counties have ample notice that their county governments intend or are embarking on a prospect to consolidate or consider consolidation of certain land use and zoning operations. And then have, obviously, a series of hearings in each county that are made available to the citizens of all those counties. Have that process open and robust. And then you have local governments and local people deciding whether they want to collaborate or not. I don't see any reason why that can't be viable.

HALLORAN: Thank you, Mr. Leo. Again, any questions? Senator Lowe.

LOWE: To take that a little bit further, could there be a way to standardize this across the state, that the counties could kind of look at this and then say, OK, we'll get-- we'll take this part, this is great, we'll go with this, but we'll tweak this a little bit more, and kind of standardize it so we're kind of even across the state?

JONATHAN LEO: Even in terms of substantive regulations, you mean?

LOWE: As a part of substantive because, you know, you said Lancaster only had 4 lines of-- of-- of-- of text and make it so that it's kind of just standard across the state. But because each of us are individual, our counties are individual, but to take that and maybe tweak it a little.

JONATHAN LEO: I don't think there's any reason to put impediments in the way of counties from-- making an effort to consolidate their land use and zoning regulations, share the same set of standards and processes that they would bring to bear with respect to particular kinds of conditional use permit applications. I'm concerned about-- what concerns me is the importance of allowing counties to decide for themselves what substantive standards they want to bring to bear with respect in this case to confine animal feeding operations or just generally animal feeding operations. As long as there are no impediments to local decision making about what those standards will

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be, I'm fine with it. I don't believe it's appropriate for there to be a state law that tells local governments what the parameters are within which they can say these kinds of land uses at these levels are appropriate or not. One real quick example that made a very positive impression on me when I was doing research about different counties regulations for Lancaster County purposes. I spoke with the zoning administrator of Saline County, Mr. Weber I think his last name is, because I'd seen in the Saline County maps that around the towns of DeWitt, Wilbur and Crete were areas that were referred to as agricultural-transitional. And I had not seen that particular kind of designation anywhere else. And I called him up to find out what that was and what its purpose was. And what he told me is that they had made a decision that they wanted to allow the cities of-- or towns of agri-- of Crete, DeWitt, and Wilbur to expand over time for residential growth beyond the existing limits that were zoned municipal. They were concerned that there be only limited agricultural growth in those areas that were possible for Wilbur, Crete, and DeWitt to grow into, and specifically, that there not be a permission for additional animal feeding operations to be sited in those, what they now call, transitional-agricultural zones in this buffer area outside the city limits of Crete, DeWitt, and Wilbur. So they permit agricultural uses, but they specifically exclude animal feeding operations from those transitional-agricultural zones. So they allow there to be development of residential growth outside those limits, including agricultural growth, but not including animal feeding operation growth. That seems to me to be a very sensible choice to make to protect certain small municipal areas to be allowed to grow residentially without having to be concerned about enhancing the conflict that comes inescapably it seems to me. There's plenty of examples already here, inescapable conflict between the growth of animal feeding operations on the one hand and the growth of residential expansion on the other hand. Just exam-- as I said, what seems to me to be a wise choice that you would want to allow individual counties to continue to make in their-- in their judgment.

HALLORAN: OK. Thank you, Mr. Leo.

JONATHAN LEO: Thank you.

HALLORAN: Any further questions or comments? OK. Any additional testifiers? Any additional testifiers? Mr. Leo, looked like you had the privilege of being the last one. Thank you. Thank you again, all, for attending today. And thanks again for Doniphan-- or to Doniphan

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and the community center. This is a fine community center. And it's good to bring this out to the second house so you all can have some input. Thank you. Have a good evening. Drive carefully.