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Rough Draft

Agriculture Committee
August 27, 2010

[LR426 LR445]

The Committee on Agriculture met at 1:00 p.m. on Friday, August 27, 2010, at the Bosselman Conference Center, Grand Island, Nebraska, for the purpose of conducting a public hearing on LR426 and LR445. Senators present: Tom Carlson, Chairperson; Annette Dubas, Vice Chairperson, Scott Price; Norman Wallman; and Ken Schilz. Senators absent: Merton "Cap" Dierks; Russ Karpisek; and Brenda Council. Also present: Senator Arnie Stuthman; Senator Tom Hansen; and Senator Mike Gloor.

[LR426]

SENATOR CARLSON: Welcome to the August 27, 2010, legislative Agriculture Committee interim studies. I'm Tom Carlson, Chair of the Ag Committee; our research analyst to my right is Rick Leonard; and the committee clerk on the far left is Barb DeRiese. Next to me on the left is Senator Annette Dubas and she is the Vice Chair of the Ag Committee from Fullerton; over to my right is Senator Scott Price from Bellevue; to his right, Senator Norm Wallman from Cortland; and on the end, Senator Ken Schilz from Ogallala. We also have Senator Arnie Stuthman and Senator Tom Hansen, Senator Mike Gloor with us. So if you've got a tough question we'd prefer you ask them. (Laughter) Senator Cap Dierks and Senator Russ Karpisek were not able to be here. We think Senator Council may be coming and we hope she can find the place and we'll welcome her if she comes in a little bit later. This is for myself as well. Before we begin, please turn off your cell phones and pagers. Now those wishing to testify should come to the testifier's table. If you don't choose to testify, but as I said would like your name recorded as being here, you can sign the white pad there on the front table. Now, when you choose to testify, please bring the green form forward, filled out, and put it in the box down here by Barb. And that's important because the hearing interim study is recorded and we will make sure we have the right name with the right testifier. And if you testify on both bills today, you need to fill out a green sheet for both times that you testify and you're certainly welcome to do both. And then again, part of the reason for signing that is if Barb has a question on listening to and transcribing she knows who to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

contact to make sure that she has the thought that you intended to convey that's proper. As you begin your testimony, please state your name and spell it. Again, that's for the transcribing and try and keep your testimony concise and try not to repeat what somebody else has covered. We don't have a big group today so I don't think that we're going to have difficulty with that. If you have handout material, give it to Barb and she will distribute it to the committee. Are there any questions before we begin? We'll start with LR426 introduced by Senator Dubas to examine issues related to beekeeping and honey production and marketing. And I'll ask Senator Dubas to introduce the study. [LR426]

SENATOR DUBAS: (Exhibits 1-4) Well, good afternoon, committee members, and welcome to Grand Island, the new home of the State Fair. While this isn't officially in my district, my district surrounds it. I tell Senator Gloor we're in Senator Gloor's district. I always tell him, I have him surrounded, so, I mean, we're about a stone's throw away from my district, so I like to claim just a little bit of ownership of the new location of the State Fair, so. Very exciting times for all of us. Everybody should be very pleased with what they're seeing so far, so hopefully it will be a very exciting ten days and I think this is a great way for us, as the Ag Committee who dealt with the State Fair, to have a hearing on the opening day of the State Fair. I guess I forgot to say my name and spell it. I am Senator Annette Dubas, A-n-n-e-t-t-e D-u-b-a-s. I represent District 34. [LR426]

SENATOR CARLSON: Annette, I'm going to ask you to stop a minute. [LR426]

SENATOR DUBAS: Sure. [LR426]

SENATOR CARLSON: Can you hear Senator Dubas? [LR426]

_____: Not at all. [LR426]

SENATOR CARLSON: Some of you can and some of you can't. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR DUBAS: So I need to holler a lot louder. [LR426]

SENATOR CARLSON: We'll try to be as clear as we can. [LR426]

SENATOR DUBAS: I will do that. Okay. I introduced this resolution after working with the Department of Ag and several honey producers to determine if we needed a definition of honey and did it need to be done through Rules and Regulations through the Department of Ag or if we needed to do it through legislation. After some phone calls, conversation, and some research we felt like we probably were going to need to do this through the legislative process. We'll continue to look at that after this hearing unfolds. Mr. Keith Nielson, who is one of my constituents, and I did pass out some information to you before the hearing, and there's a newspaper article that features Mr. Nielson, so I think you'll find that very interesting, but he is the one that contacted me originally with the request to look at adopting a honey standard. So since then, I have learned a lot about honey and honey production in the state of Nebraska. These people take their industry and the work that they do very seriously and are proud of the wholesome and nutritious product that they are able to produce in partnership with our state insect, the honeybee. In 2006, five of the major honey trade groups asked the Food and Drug Administration to adopt a uniform honey standard. There was an international standard adopted but we didn't have one adopted for our country. For a variety of reasons, this route has not been successful. So the American Beekeeping Federation and the American Honey Producers Association, along with other interested producers, decided that a more effective approach would be to have each state adopt the uniform standard. This would serve two specific purposes. With all states, hopefully, having adopted this uniform standard, it would encourage the federal government to then take action. And second, it would give producers standing in court to take civil action to preserve the integrity of the honey industry. One of the largest honey packers in Michigan was sued for adulterating honey. The case was lost because the court said there was no definition of what honey really is. The term "honey" is used very freely in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

our food production business. Consumers' understanding of what honey is, is eroding. A codified definition would build consumer confidence. There's a Web site that I checked out. It's called The Wall of Shame. And this lists many products that we are very familiar with that have honey in their name. Yet many of these products use adulterated forms of honey or some use no honey at all. Several of the products that have no honey in them include Kellogg's Wheatable Honey Wheat crackers, Orville Redenbacher's Honey popcorn, Frito-Lay's Rold Gold Braided Twist Honey pretzels, and General Mills Pop Secret Honey butter popcorn. That Web site is bee-quick.com/wall. And I think you will find it very interesting. They go into all of the different degrees that honey is used in the various products. One of my favorite pieces of candy is Bit-O-Honey. And you know in the ingredients lists on any package they go from the most used ingredient down to the least. And in this piece of honey, less than 2 percent honey is used in this product, yet the word "honey" is used in it. A survey done in 2005 indicated that 82 percent of those surveyed used honey. Yet 42 percent surveyed believed that pure...I really want to emphasize that word "pure" honey contained additives. So even people that like honey and use it still believe that pure honey has additives in it. And 17 percent thought it contained some kind of syrup or other type of additive. So while the honey industry in our state might not compare to our grain or our livestock production, it is still a very viable business, especially in these days with growing interest and farmers' markets and consumers wanting to have a better understanding of their foods. Honey fits very nicely into the niche marketing business. Honey production nationwide is sliding while imports are growing. And there are a variety of reasons and I know there are some honey producers that will be coming forward to testify after I'm done and they may go into that. But there's some disease issues that are seriously impacting our honeybee colonies. But we import a lot and a lot of those imports come from China. China relies very heavily on a lot of antibiotic use in their honeybees. And it's an antibiotic that is not approved for our use in the United States, so it's not uncommon for the FDA to confiscate some of those honey imports because of the amount of this very powerful antibiotic that's in the...has a presence in the honey. This movement to adopt a uniform definition for honey is gaining momentum. Florida, California, and Wisconsin have

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

recently adopted the standard and at least 14 other states are in some degree of process moving that direction. We, as a state, may not see any immediate benefit should we adopt this standard. But if the standard is adopted across the entire nation, all honey producers will have a chance to defend their industry. I hope this hearing will provide us the needed information so that we can move forward with the appropriate legislation to help honey producers in our state establish a standard of identity for their product. You all have a copy of Michael O'Hara's testimony. I'd like to enter that into the record. He kind of goes into a little bit more detail about some of the things I just mentioned. One of the questions I would anticipate that you're going to ask me is, what is this going to cost? And it depends on how aggressively we want to enforce this. If we don't really want to get aggressive with investigating labels and those types of things, we don't necessarily have to do that. In my understanding, I just visited with a lady who is very involved with this grass-roots effort to get this uniform standard adopted. She was responsible for the adoption in Florida and I gave you a copy of their adoption of that standard also. Visited with her the other day and she said, you know, if we can just get all of the states to move this direction it would be a huge step for the producers to be able to take the action that they're looking for. Not necessarily relying on the individual states or even the federal government to take action, but for the producers to step up and try to...and attempt to defend their industry and the product they produce. So you know, I would really look forward to working with the Department of Ag, honey producers, Dr. Ellis from the University, very well-known and respected authority on honeybees and honey. I have had some conversations with him so that I do have some great resources available for my use to move forward with this adoption. So with that, I'd be happy to answer any questions. But as I said, I know there are some producers behind me who are the experts in this area and I'm sure they would be able to answer your questions in a better fashion. [LR426]

SENATOR CARLSON: Okay. Thank you, Senator Dubas. Any questions from the committee? On these products that you named that don't have any honey in them, I guess I've tried a couple of them and I thought there was a honey taste. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR DUBAS: There's probably some kind of a sweetener in it but it's not honey.
[LR426]

SENATOR CARLSON: Okay. [LR426]

SENATOR DUBAS: You know, if you look on the label there's all kinds of different types of sweeteners that would give that, but it's not honey. And so that's, as I said, that's the producers' concern that it's eroding that understanding and that confidence with their consumers. [LR426]

SENATOR CARLSON: Okay. Any questions? Thank you, Senator Dubas. I hope you come back up here because you... [LR426]

SENATOR DUBAS: Thank you. I was going to ask you if I could. [LR426]

SENATOR CARLSON: ...may need to ask some questions. Before we go to the first testifier, Tam Allen just walked in and those of you who may not know Tam, he's been one of the real drivers with the State Fair Board on this whole project. He must not have anything else to do this afternoon so he thought he'd come in here. (Laughter) But what little many of you have seen already, this is a fantastic accomplishment and I think we ought to give him a hand for what's been done. [LR426]

TAM ALLEN: Thank you. It wouldn't have happened without all your support and your coordination. [LR426]

SENATOR CARLSON: Is there anything you'd like to address to the group or you just thought you'd come in and see what's happening? [LR426]

TAM ALLEN: Well, I just...I came for wisdom. (Laughter) I'm lacking wisdom at this point

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

of the fair, but I hope you all stay and enjoy and if any of you attending the hearing or any senators, you know, any questions, I would love to be able to answer them. You honor us by your presence and thank you for everything that you've done to make this happen here. [LR426]

SENATOR CARLSON: Okay. Well, thank you for coming in this afternoon. All right, first, how many people are going to testify? Okay. First one come forward and take your green sheet up here to Barb if you would. And as I indicated earlier, please give your name and spell it and then you proceed with your testimony. [LR426]

KEITH NIELSON: The name is Keith Nielson, K-e-i-t-h N-i-e-l-s-o-n. I would like to thank the committee, Committee Chairman, Senator Carlson, Vice Chair Senator Dubas, and the rest of the Natural Resources Committee for allowing us to have this hearing. To me, honey is a hobby but it's moving to be a business and most of my marketing is done through farmers' markets. And we try to produce a very pure product for the consumer and what I see out in the stores is honeys that are coming into the state that may be altered. They contain high fructose corn syrup. Part of this comes, like Senator Dubas said earlier, it's being transshipped. It's coming from China, goes to India, goes to Argentina, Brazil, and into the United States where packers pack it. It is not fair to our industry to have a product labeled as honey that is not pure honey. High fructose corn syrup should not be added to our product. And with that, visiting with Senator Dubas, we do not have any standards on honey in the state of Nebraska. There's none in any of the Rules and Regulations in the Department of Ag. And that's why we come before this group is to ask you to adopt the Codex standards for honey. It's an international standard. The United States voted not to adopt it. The standards are very specific as to what classifies it as honey. And there are very few exceptions in that rule because of certain plant species that if they're labeled according to that species that produces the nectar that goes into that honey, it will meet those standards. We think it's only right that we have a course of action that we can take as a honey producer for somebody that brings honey into our state that is altered. And they misrepresent our industry and we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

think it's only fair that we have an avenue to take legal action. Are there any questions?
[LR426]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions of the committee? Senator Schilz. [LR426]

SENATOR SCHILZ: Keith, thank you for coming in. I understand exactly what you're saying, things like that. I mean, are you at all concerned about if the law is in place that somebody could accuse you of your honey being adulterated and take you through a process that, you know, in other words, retaliatory or anything like that? Because I'm sure if you're only selling 600 pounds of honey a year, you probably can't afford, you know, spending it on lawyers and attorneys to defend what you're doing. [LR426]

KEITH NIELSON: I can understand your concern, Senator Schilz. No, I'm not concerned about it because my product is pure honey. [LR426]

SENATOR SCHILZ: But you have to prove that it's not if someone would come in and ask you, wouldn't you? If we would set up the law as you ask, wouldn't that be the case? [LR426]

KEITH NIELSON: Yeah, that would be the case. They could come after me but in the testing process of that honey, I'm sure that I would win because my product is going to be pure unadulterated honey. [LR426]

SENATOR SCHILZ: And I'm not disputing that at all. I just wonder about the process of what it would take to prove that your honey is pure. That's a concern that I have because most honey producers, as I understand it, aren't big business and we want to make sure we don't put something into place that could have an adverse effect on what you're doing as well. I understand...I fully agree with what you're saying. I just want to make sure that in trying to find a solution that we don't put you folks in the cross hairs

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

yourselves. [LR426]

KEITH NIELSON: And we have a very good university that's able to do the testing on those honeys, and the costs of those services are minimal compared to the damage that it does to our industry. [LR426]

SENATOR SCHILZ: Okay. Thank you. [LR426]

SENATOR CARLSON: Any other questions? Senator Price. [LR426]

SENATOR PRICE: Yes, thank you again for coming out and testifying. I have a couple, perhaps, questions here. When you made your testimony you stated that walking down the aisle you see honey that may be altered. And also the question comes, how would one...you can put a stamp on anything says it's pure. And as Senator Schilz was saying, pretty much alludes to, I just went ahead and put a label on it. How can you visually inspect a honey and make a determination, this is pure and this isn't pure, from a jar, walking by? So if you're talking about inspection and enforcement... [LR426]

KEITH NIELSON: Honestly, you can't by visual inspection. It would have to be brought before, you know, with our Beekeepers Association where we...if we suspect that those honeys are being tainted, we could actually take those honeys to a lab, like the University of Nebraska, have those tested. Then we would have grounds to take action on the adulterated honey that's in the state. [LR426]

SENATOR PRICE: Okay. So that leads me to my next part. Is there value in researching that in person or an enterprise, because I mean, certified producer of pure honey? So instead of saying, I'm looking at the end product and have to wait for it to be tested, I go to the source and say this person would lose their certification, their ability to put on it, I raise only pure honey, therefore, there's a closer penalty for doing otherwise. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

KEITH NIELSON: That's a thought. I mean, that's an issue that I had not thought of. In other words you're saying it's very similar to the pesticide applicators being certified to apply certain chemicals? [LR426]

SENATOR PRICE: Right. [LR426]

KEITH NIELSON: And there are chemicals that are used by producers out here that are only being used as they are labeled. And, yeah, I guess we could probably go through a certification process to do those. [LR426]

SENATOR PRICE: Just a question and as it applies to then to...you mentioned a Codex, was...I don't have right in front of me but the process by which things are graded. What is that again? [LR426]

KEITH NIELSON: It's the international Codex for honey standard. [LR426]

SENATOR PRICE: Codas? [LR426]

KEITH NIELSON: Codex. C-o-d-e-x. [LR426]

SENATOR PRICE: Okay. I got that part right there. Great. Well, that's what I was looking at. You balance against that if that's what you're going to use as your ruler. So thank you very much, sir. [LR426]

KEITH NIELSON: Any other questions? [LR426]

SENATOR CARLSON: I probably have a question. I'm going to make a statement here. If you're kind of new at this process, we'll simply direct questions at the one that is testifying and your turn, you can refer back to something that was asked and clarify a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

thought if you'd like to do that. Any other questions? As you started to talk about it, I picked up my bottle of water here and I'm looking for the ingredients, which there shouldn't be any. So on pure honey on the shelf, what's on the label? [LR426]

KEITH NIELSON: Well, it would be pure honey. [LR426]

SENATOR CARLSON: It wouldn't be anything else, would it? [LR426]

KEITH NIELSON: It would be nothing else. There are other products out there that I'm sure Warren is going to talk about later. If it is a creamed honey, there is a very fine crystallized sugar and it's only a very small part of that and that would be on the label. Infused honey is where you add cinnamon flavors, lavenders, things like that, it would be labeled as an infused honey, which means that you've added a scent to it. [LR426]

SENATOR CARLSON: So you're not against that as long as it's labeled properly? [LR426]

KEITH NIELSON: That's correct. [LR426]

SENATOR CARLSON: Can you go to...do you think you can go to a supermarket shelf and pick out something that doesn't have anything on the label other than pure honey and say that there's something else in here? Can you identify that readily? [LR426]

KEITH NIELSON: Really, no, I cannot, Senator. But there are certain packers that are suspect of altering honeys for shipment to different parts of the United States. And with the cooperation of other beekeepers associations, we visit amongst each other, along with the American Bee Federation, to where we can identify where these products are coming from. [LR426]

SENATOR CARLSON: Now, I don't know that...I would think it applies to honey, but I

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

think of honey as a product that is used widely and if you end up with a narrow definition, which pure honey is pure honey, and you may have answered this with your response to the last one, you're not trying to outlaw any other kind of product. You just want it labeled truthfully. [LR426]

KEITH NIELSON: [LR426]

SENATOR CARLSON: But, if there's not very much honey in the product, do you want honey in the name? [LR426]

KEITH NIELSON: We're not attacking the packaging of other products at this point. Our point here is the liquid honeys, is what I would like to see, Senator. [LR426]

SENATOR CARLSON: So you don't have any problem with Bit-O-Honey? [LR426]

KEITH NIELSON: No, I enjoy the product as much as Senator Dubas does, but yeah, it is misleading. [LR426]

SENATOR CARLSON: Well, I don't know that it's misleading. It's a bit of honey.
(Laughter) [LR426]

_____ : Just a wee bit. [LR426]

KEITH NIELSON: It's a marketing gimmick, Senator. [LR426]

SENATOR CARLSON: Okay. All right. Thank you. Any other questions? [LR426]

KEITH NIELSON: I would also like to invite the committee over to the Beekeepers Association booth so that you can see what real honeys are. And we do have a very...it's a unique product this year with Nebraska State Fair moving to Grand Island.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

We will have a hard pack honey ice cream that actually uses real honey in it in the process and there's also some honey taffy there as well that was developed by the University of Nebraska Food Science Department working with the Nebraska Beekeepers Association. So I want to thank you for time, Senators. [LR426]

SENATOR CARLSON: You may not be done yet. Senator Schilz. [LR426]

SENATOR SCHILZ: I have one more question. Thank you. Keith, thanks for putting up with me here. You said that there's other larger packers that will collect honey and put it together and then bottle it up. Do any of the...does anybody from Nebraska sell to those larger packers? Do you know? [LR426]

KEITH NIELSON: Yes, there are. In the state of Nebraska about 70 percent of our honey is exported out of the state to packers. Sue Bee Honey is one. They are...they have been a very reliable company that originated with a bunch of growers at Broken Bow, Nebraska, and areas. And they wanted to see a true product out there on the market. To my knowledge, you know, as editor of the Nebraska Beekeepers Association, I can think of only three people in the state of Nebraska that utilize commercial kitchens that can sell retail. And one of those people is in the room today and I'm sure he will be testifying and I know there is one in Omaha and one in Anselmo, Nebraska. [LR426]

SENATOR SCHILZ: And the reason I asked the question is that if by chance a Nebraska producer would sell to one of these packers, and then there would be a question as to whether or not they were actually packaging the honey there, how far down the line does that go? Does that come back to the person that provided them or does that come to the company? Because you would have to find out who is doing the adulterating. [LR426]

KEITH NIELSON: I really think it should lie on the company unless they can prove it

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

back that it came from the producer. But most producers are not going to alter their product going to a packer. And most packers do a test on the honeys...most reputable packers will do a test on the honey before it's packaged. And that's what we're looking at here, Senator, is the reputation of the honey industry in the state of Nebraska.

[LR426]

SENATOR SCHILZ: Right. Don't get me wrong. I'm in cattle so I know exactly what you're talking about when you start talking about your brand and what you're doing. But on the other side of that, we need to...we have to make sure that we don't put you guys in the cross hairs and provide an opportunity for somebody to come back and use it against...use your tool against yourselves. And that's what I'm thinking about.

Appreciate it. Thank you. [LR426]

KEITH NIELSON: And I think the Codex standard will suffice in that. Like Senator Dubas said earlier, Florida led the nation on this. Currently, I think there are 22 states on board that are in the process of adopting a honey standard. New York has adopted one along with Utah as well. And yes, this is a grass roots movement. We're not getting the support out of the Food and Drug Administration like we should and the beekeepers across the nation are uniting on this forefront to give you what you're...what's on the label and what you're buying. [LR426]

SENATOR CARLSON: Okay. Any other questions? Okay, thank you for your testimony.

[LR426]

KEITH NIELSON: Thank you, Senator. [LR426]

SENATOR CARLSON: Next testifier. [LR426]

WARREN NELSON: My name is Warren Nelson, W-a-r-r-e-n N-e-l-s-o-n. Give you just a little bit of a background on me. I was born in Omaha, raised in Bellevue. I've lived in

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

Elm Creek, Sidney, and now Lincoln, so I've been all across this beautiful state and I love every part of it. What got me into beekeeping, I was transferred into Lincoln in 1991; 1992 I took a class at the University of Nebraska on beekeeping, and started out as a hobby and now it's gotten out of control and it's a business. I bought a honey bottling company in 2000 and we distribute in the Omaha and Lincoln area. My wife and I are the two sole employees. I'm a past member of the National Honey Board's Nominations Committee. I was the Nebraska representative for four years with that and I retired from the Nebraska State Patrol in...on October 6, 2008. So been serving the state for a long time, now full-time beekeeper and a honey packer as well. The honey standard is very important to everyone, but it's especially important to the beekeepers that are trying to make a living on honey. You know, they're producing the honey, they're selling it to either the large packers or they're doing the bottling themselves. And there's been many that have blended high fructose corn syrup, you know, to make things that they call sugar-free honey. There's imitation honey out there on the shelves. And when you see these things, it's confusing the customers. The customers will come around...I'll get calls all the time, you know, do you have sugar-free honey? Absolutely not. There's no way. I have pure Nebraska honey. That's it. (Laughter) Well, do you have any of the imitation honey? No, I don't. We don't play around with anything like that. It's all natural honey. What you need to look at with the different products that are out there, like you were looking for the ingredient label on your bottle of water there, generally if it has honey in the name, it's going to be way down on the list of ingredients or it may not even be in the recipe at all. Just misleading. They have something that gives it a honey flavor and there's absolutely no honey in there and that hurts our industry because people think that is...you know, they're using the pure stuff. Twenty years ago, the Chinese didn't make a dent in the worldwide honey market. Ten years later, they're the leading worldwide producer. You know, this...there have been imports coming into the United States, you know, from China. And also in around about way, there is an antidumping tariff that is put on honey that comes from China because it is so cheap. And as Keith mentioned, they're circumventing that by shipping it to other countries, relabeling it, and sending it back in. But just a few years ago, there was a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

study done and over 60 percent of the honey sold in the United States was from China, which really, really takes a bite out of the U.S. honey production. And it also cheapens the price and makes it very difficult for the honey producer in the state of Nebraska or anywhere in the United States to be able to make a living off of it. The Chinese honey, as Senator Dubas had mentioned earlier, has been tainted with antibiotics and the antibiotics that are in there is a last-ditch effort antibiotic when...and I don't know the name of it. It's one of those long multiconsonant spelled names, but the...it's a last-ditch effort. When all other antibiotics that you are prescribed for you do not work, this is the last-ditch effort, so it's a really strong one. And you would be getting a small dose of that every time you're having any of this Chinese honey. The problem with the undercut prices that they have, like I said, makes it very difficult for people like me to compete against those. And there are people, not just the very large packers, but some small regional type packers that are also using this imported honey and undercutting us and making it very difficult. The thing that I'm blessed with is that we started long enough ago, we have enough people that are wanting local honey. And they see our name on there, they've become very familiar with our company, they know that we have only Nebraska honey, and we have developed a following and we do very well. We have...every year we bottle and distribute about 40,000 pounds of honey, 40,000 to 50,000 pounds of honey out of Lincoln. So we're growing, we're continuing to grow, and that's what we're looking forward to. The testing and the equipment to verify that honey is really pure honey, you know, is available and the test is very simple. I encourage you to pass this legislation and the Codex standard. [LR426]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Price. [LR426]

SENATOR PRICE: Yes, thank you very much, sir. Mr. Nelson, in listening to what you said then, if you have a brood box and the super right, I mean... [LR426]

WARREN NELSON: Yes. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR PRICE: What is he...or do you have an industry standard for our region for the yield in a year on a box? [LR426]

WARREN NELSON: It's just like farming. It depends on the weather. You know, one year you may, you know, be very fortunate and get 100 pounds per hive. The next year you may be fortunate to get 40 pounds a hive. You know, it just depends on the crops that are out there and how they're doing and what the weather factor is. [LR426]

SENATOR PRICE: So then looking at that and pricing, what is your spectrum on pricing? When we talk about beans and we talk about corn, we have a spectrum we look at. [LR426]

WARREN NELSON: There's a...I don't want to say a national standard but there's kind of regional prices... [LR426]

SENATOR PRICE: Right. [LR426]

WARREN NELSON: ...that go with the different regions within the United States. And what we look at is just what that average is and try to go with that. As far as the pricing what we do on the shelf, you know, what we sell to the retail outlets, we have to figure in our cost of operations and that kind of thing. So if you're looking at just coming out of the hive, getting ready to pack, you know, whatever that average is for our region is what we use. [LR426]

SENATOR PRICE: What is that today? [LR426]

WARREN NELSON: Today it ranges anywhere from about \$1.60 to \$1.75 per pound. And we usually try to stay right in the middle of that because you have, you know, some areas, obviously, that are more populous than Nebraska and so their prices end up

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

being a little bit higher, and so we try to find a midrange to go in. [LR426]

SENATOR PRICE: Thank you. [LR426]

SENATOR CARLSON: Any other questions? Senator Schilz. [LR426]

SENATOR SCHILZ: Thank you, Senator Carlson. Thanks for coming in today. Being a packer, you said the test is relatively simple. Do you guys routinely test samples that are... [LR426]

WARREN NELSON: We don't. I don't have the equipment to do that. [LR426]

SENATOR SCHILZ: If this is put into place to protect yourself, would you have to start doing that? [LR426]

WARREN NELSON: If that would be the way the legislation is set up, then, yes. [LR426]

SENATOR SCHILZ: Well, and I just...I don't perceive, and maybe I'm wrong, I don't perceive us putting that in there. Maybe you need to but I hope not. But the only question that I have is then as soon as you have a standard, then you have to make sure that everything that you're putting into your product matches up to that, otherwise you open yourself up for liability as well, correct? [LR426]

WARREN NELSON: That's correct and... [LR426]

SENATOR SCHILZ: How much does a test cost? [LR426]

WARREN NELSON: Excuse me. [LR426]

SENATOR SCHILZ: You're fine. Go ahead. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

WARREN NELSON: I know that what I produce is nothing but pure honey. [LR426]

SENATOR SCHILZ: Absolutely, right. [LR426]

WARREN NELSON: And so for me to invest in equipment and do a test on myself wouldn't make a lot of sense. However, if somebody suspected that I was doing something like that, you know, then as Keith mentioned, I can, you know, take it to the university and we can get the test done there. [LR426]

SENATOR SCHILZ: Sure. So you're not buying honey from anybody else? [LR426]

WARREN NELSON: I am buying honey from other small producers in Nebraska. I have known these people for 18 years, some of them I've known longer before I was even in beekeeping, and know how they operate and they're very trustworthy. [LR426]

SENATOR SCHILZ: Sure. [LR426]

WARREN NELSON: And having a law enforcement background makes me skeptical of a lot of people. (Laughter) [LR426]

SENATOR SCHILZ: Well, and once again I just want to make sure that we're protecting our producers... [LR426]

WARREN NELSON: Yes. [LR426]

SENATOR SCHILZ: ...so that we don't have people that can just stand up and say, hey, I don't think yours is pure and then make you go through a bunch of...jump through a bunch of hoops to prove that everything is okay. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

WARREN NELSON: Right. [LR426]

SENATOR SCHILZ: So, anyway, thank you so much. [LR426]

SENATOR CARLSON: Any other questions? Senator Dubas. [LR426]

SENATOR DUBAS: Thank you, Senator Carlson. Thank you, Mr. Nelson, for being here. I appreciate your input. Where does Nebraska rank as far as honey production? [LR426]

WARREN NELSON: Nebraska is in the top 20 states. [LR426]

SENATOR DUBAS: Okay. Has that gone up, down, have we stayed kind of...? [LR426]

WARREN NELSON: We've stayed pretty much the same the last ten years in the same position, in the same ranking. At one time it was higher but it has dropped down. So we used to...at one time we were in the top ten, now we're in the top 20. [LR426]

SENATOR DUBAS: Are we having any issues with colony collapse in Nebraska? [LR426]

WARREN NELSON: Nothing that has been verified. [LR426]

SENATOR DUBAS: That's good. [LR426]

WARREN NELSON: Yes. [LR426]

SENATOR DUBAS: Anything close around us? [LR426]

WARREN NELSON: Every state around us, yeah. How we've managed to remain

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

isolated I'm not sure, but been very fortunate. [LR426]

SENATOR DUBAS: Good. That's good. How difficult is it to adulterate honey? [LR426]

WARREN NELSON: It really isn't. You know, you can take a barrel of honey, you can transfer half of that barrel into another barrel, you can fill the rest with high fructose corn syrup. You have a blender that's going to mix it together and you put it into the tank and bottle it. [LR426]

SENATOR DUBAS: Are there any other types of additives that are used to adulterate honey? [LR426]

WARREN NELSON: There may be. That is the main one, just because it's very cheap. You know they can lower the price that way and make it much more affordable to the consumer. As long as there's no standard, they can just put a pure honey label on there and people don't know the difference. [LR426]

SENATOR DUBAS: Other than cost, is there any other reason to adulterate honey? [LR426]

WARREN NELSON: No. You know, really there's not a reason to adulterate it. You know, there are some unscrupulous people that will do what they can to better the bottom line. [LR426]

SENATOR DUBAS: Now, Keith mentioned Sue Bee Honey and is that the major packer in our particular area? [LR426]

WARREN NELSON: They are the major...well, they're all across the United States, but they started up in Sioux City. There's also Golden Heritage down in Kansas. There's a couple of others that the names slip my mind right now but, you know, with regional and

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

national packers those are kind of the biggest ones. There are a lot of beekeepers in Nebraska...I shouldn't say a lot, but many of the commercial beekeepers that do this for a living do sell their honey to either Golden Heritage or to Sue Bee because they...that's all they want to do is just produce the honey and get rid of it. They're not into packaging it. [LR426]

SENATOR DUBAS: But we...you, as producers, aren't feeling like you have any issues with either one of those packers? [LR426]

WARREN NELSON: No, I just have an issue with them using foreign honey. [LR426]

SENATOR DUBAS: Okay. Oh, I had another question. It just slipped my mind. [LR426]

WARREN NELSON: It's good to see it happens to you too. (Laughter) [LR426]

SENATOR DUBAS: Hopefully it will come back to me and I can ask you afterwards. [LR426]

WARREN NELSON: While you're thinking, just one more thing I have. We do have a Health Department certified kitchen in Lincoln. And when we built it, we contacted the Health Department, we asked them what we needed to do to meet their criteria and we built it around their criteria so that, you know, we're not circumventing any of the rules. [LR426]

SENATOR DUBAS: I remember my question, thank you. As I've talked to some honey producers in other states, they've given me very specific. They've had real issues with a specific packer doing the types of adulteration that we're talking about. I'm not hearing that coming from Nebraska producers. So for us to adopt this standard, it's not necessarily because Nebraska producers are having this issue, you're looking at this as a nationwide issue and you want to join in unity with your fellow producers across the

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

nation to try to protect your industry, support your industry? [LR426]

WARREN NELSON: Yes. Yes. And it would also be to prevent anybody from coming into Nebraska to start doing that. So if, you know, the laws are on the book, you know, then this puts a stop to it before it gets started. [LR426]

SENATOR DUBAS: Now when I visited with the producer in Florida, she talked about the adoption of that standard with deviations. And I understand those deviations were specific to the types of honey that's produced in that state, is that correct? [LR426]

WARREN NELSON: I believe so. [LR426]

SENATOR DUBAS: And so if we adopted something in Nebraska we could put deviations into our standard relative to the types of honey that you produce here in the state? [LR426]

WARREN NELSON: Yes. [LR426]

SENATOR DUBAS: And there are, even though we think of honey as honey, depending on the type of flower or plant that nectar is derived from causes different flavors to the honey, is that correct? [LR426]

WARREN NELSON: That's correct. [LR426]

SENATOR DUBAS: Or even in the look of it, the color, things like that? [LR426]

WARREN NELSON: Yes, color as well. [LR426]

SENATOR DUBAS: Okay. Okay. I think that's it. Thank you. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR CARLSON: Any other questions? Senator Price. [LR426]

SENATOR PRICE: Thank you, Senator Carlson. Just jogged some questions, like numbers. Okay, so we heard earlier that about approximately 70 percent of our honey is exported. Is that honey exported as individual bottles or to packers out of state? [LR426]

WARREN NELSON: It is sent out in barrels to the packers such as Golden Heritage in Kansas or Sue Bee up in Sioux City. [LR426]

SENATOR PRICE: Okay. Great. Thank you. [LR426]

SENATOR CARLSON: Any other questions? [LR426]

SENATOR DUBAS: I have one more. [LR426]

SENATOR CARLSON: Okay. Senator Dubas. [LR426]

SENATOR DUBAS: Thank you, Senator Carlson. So when you send that honey to the packer and they're not going to do anything else with it, are they just taking it as it comes into the plant and putting it into the bottle or the container that they want it and then it's labeled and it's ready to go, or do they do anything at all to the honey once it comes into the plant? [LR426]

WARREN NELSON: As far as the honey itself, do they modify it in any way? No. What they do end up doing, they have very large vats. They'll get a shipment in that could be 100 barrels, and they're 55 gallon barrels, they will take those and dump them into the vat with other honeys that they have received. Just an example with Sue Bee, you go into a grocery store anywhere in the United States and buy a bottle of Sue Bee honey, it looks exactly the same, no matter where you bought it. It tastes exactly the same, no matter where you bought it. So they are blending different honeys together so that they

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

have a very standard product across the board, so no matter where you get it, it always looks and tastes the same. What I do is, when I produce a barrel I bottle that barrel. I don't blend it with anything else. I don't blend it with any other barrels that I have. It's just, you know, one barrel at a time. [LR426]

SENATOR DUBAS: Okay. Thank you. [LR426]

SENATOR CARLSON: Other questions? [LR426]

SENATOR SCHILZ: I just thought of one more. [LR426]

SENATOR CARLSON: Okay. Senator Schilz. (Laughter) [LR426]

SENATOR SCHILZ: Thank you. And I look at this on different levels as well. Do you feel that...I mean, if this standard is put in place, does that take away some of your ability to market your product as being something different than what's out there? [LR426]

WARREN NELSON: No. No, I don't see it being a detriment to the honey industry at all. I don't see it as a cause of nobody being able to bottle honey and sell it. You know, as long as they're meeting the standards, you know, and maybe what we can do is...you know, as a thought, would be to have something that could be put on the label that says, meets the...you know, meets the Codex standards, or meets the honey identity standard of the state of Nebraska. [LR426]

SENATOR SCHILZ: Okay. Thank you. That's it, I promise. [LR426]

SENATOR CARLSON: Okay. Other questions? What are the two or three leading states of production of honey? [LR426]

WARREN NELSON: I knew you were going to ask me that. (Laugh) I should have

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

written it down. North Dakota is one of the top states. California produces a lot simply because of the pollination that goes on there. Three-fourths of the honeybees in the United States are shipped to California just to do pollination for almonds and the fruits and vegetables out there. So there's a lot of honey that's produced out there as well. So that's another one. I can't remember right off hand. [LR426]

SENATOR PRICE: I can't hear you. [LR426]

SENATOR CARLSON: Now we really have difficulty hearing because we've got a thunderstorm, I think, is going on. The concert for tonight is practicing. Now in pollination, and I know very little about this, but California pollination different type. But you said your honey would taste exactly the same as California honey? [LR426]

WARREN NELSON: No. No. [LR426]

SENATOR CARLSON: Well, so the packers they don't blend your honey with California honey, do they? [LR426]

WARREN NELSON: They don't blend my honey because I don't sell to them. I pack all my own. What they'll do, beekeepers that produce semi-loads of honey will ship it to one of these packers. So it could come from California, it could come from New York, it could come from Texas, it could come from North and South Dakota, Minnesota, you know, wherever. As these shipments come in, they get dumped into the huge vat, they get mixed together. And then they start looking for the color and for the flavor, and then they will blend until they get that color and flavor. So like with Sue Bee, they'll take honeys from all over the place, blend them together so it looks and tastes exactly the same in New York City or Los Angeles, California. [LR426]

SENATOR CARLSON: Okay. Okay. All right. Thank you. One final question. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

WARREN NELSON: Yes, sir. [LR426]

SENATOR CARLSON: When did you live in Elm Creek? [LR426]

WARREN NELSON: Uh, 1985 through 87. [LR426]

SENATOR CARLSON: And I assume that you've decided Elm Creek was one of the nicest places you've ever lived? [LR426]

WARREN NELSON: It was. We lived out in the country, had an acreage out there. Absolutely loved it and then unfortunately at that time jobs were very scarce and I lost my job that I had out there and wasn't able to continue so I joined the State Patrol and saw the rest of the state. [LR426]

SENATOR CARLSON: Okay. All right. Good. Well, I grew up 4 miles from Elm Creek so I was interested that you said that. Thank you for your testimony. [LR426]

WARREN NELSON: Okay. Thank you very much, Senators. [LR426]

SENATOR CARLSON: Okay. Next testifier. [LR426]

MICHAEL HUEBERT: Michael, M-i-c-h-a-e-l, Huebert, H-u-e-b-e-r-t. I try to be terse there. Can we draw a comparison here? Producers and consumers both benefit from dairy standards. We expect cream to be 11 percent butterfat, don't we? We expect 3...whole milk to be 3.5; when it says 2 percent on it, we expect 2. If it's skim, we don't need any fat in it. We don't allow Kraft to sell Miracle Whip as mayonnaise. It has to be labeled as soy oil and high fructose corn syrup. It's just a truth in the products. Pretty simple. If it isn't pure honey, it should be labeled as syrup in my mind. That seems fair. If it contains pesticides and antibiotics that are illegal in this country, that product should be illegal in this country. I come from the veterinary world. I went to K State in the '70s.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

We used Chloramphenicol because it was a powerful antibiotic. You had cattle, you know. But it causes an irreversible aplastic anemia in one out of 100,000 people. That was enough to eliminate it from a possibility here in the U.S. It's okay in China, and it's in the honey that comes over here. They also use Ciprofloxacin. That's the drug that we went to in a mass campaign to produce because of the Anthrax scare after 9/11. It's the drug of choice for Anthrax. They use it in their bees because the diseases over there have become resistant to everything else, and it's pretty nasty. I wouldn't buy it in my honey. I wouldn't want it in my honey. We don't know if it's there. And then I also had in my original thing here, let's close the Chinese tariff loopholes and the marketing of honey through second and third parties, many with no honey industry at all. We haven't been able to...and we set up like a 215 percent tariff program against the Chinese. We allowed them to post bond for that tariff with a promise to pay. Those guys would sell for six months and disappear. That money never materialized. They changed countries that they were importing through. So we got caught looking kind of silly on that and the beekeepers were hurt and not protected, so let's look after them too. I would go into CCD but that's really not the deal here unless you have some questions, but I wanted to address those things that you asked that people didn't...were kind of caught with. On the testing, another concern that I have, these big companies will test some of that honey that comes in through other countries, countries that have no bee industry but suddenly they're importing barrels and barrels of honey to us. Our big blenders test those and if they find them unsuitable, they don't report to the authorities that this is contaminated, they return it. And they can get by doing that saying, this was not our honey until we decided to buy it. So that tainted honey gets back in the market until it gets to someone who doesn't have the scruples to say, no, I'm not going to chance blending this, even though there is no really rule banning me from doing so. That's kind of scary, isn't it? Warren can say, I don't sell any of mine to blenders but basically that 70 percent of Nebraska honey that isn't sold direct to people that goes to blenders, that gives those guys credibility and a nice purer product to blend in some of that stuff that's not so sweet, not so true, lots of fructose in it. We didn't talk about...you know, even beekeepers are guilty of this. We will overharvest honey in the fall saying we can keep

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

those bees alive or we can build them back up by feeding them back sugar water. Honey at \$1.75 a pound wholesale, and some of our kids in our Nebraska beekeepers things have their little booths and they're cute kids, they're smart kids, they're ambitious kids, and people reward them and pay them \$5, \$6, \$7 a pound for their honey. It's a money raiser for them and people view it as charity but it's still the real thing. It's nice to see those kids out there. Some of them are cute as a bug's ear, some will be at the booth. You know, we're just about 150 feet over here, so please stop over. Warren and Keith probably regret it but a couple of years ago, a year and a half ago, I applied for membership to the Beekeeping Association. They foolishly let me in, (laugh) but I'm having fun with this and learning all the way. One thing that does concern me and if it's a tangent, please forgive me but there's a state legislator in California that is proposing levying a tax or a fee of \$1 per hive, for every hive to fund CCD research. We're penalizing the victims there. I would suggest, I would hope, maybe we should levy a dollar per ounce of active ingredient on every insecticide toxic to bees. Let's have them pay for the damage they're doing, okay? And I guess another mistake or a faux pas, I would call it, at the national level when the CCD problem came up, we were short of bees and we dropped restrictions on importation of foreign bees and queens and colonies. There was a little bit of CYA research saying, well, we didn't bring any new viruses in that weren't already here, but I worked in the vaccine world, and you all know about how the change of antigenicity in the influenza virus goes every year. Just because it's the same virus doesn't mean it's the same strain. That was a big mistake but we've got these Typhoid Mary things going on and, you know, here we're sitting here worrying about honey. We need to worry about the bee. The bee is in trouble. We need to change our ways and try to preserve the poor little thing. All of our "save the wildlife" things tend to grab the big visible talismanic species. Maybe we need to start from the bee and work up. The bee is responsible for at least a third, up to two-thirds of the food on our plate through pollination. Without the bee to pollinate the alfalfa, the beef aren't going to get much protein through alfalfa, although they're trying to get it through distillers grains but it's still not quite as complete, is it? But, you know, let's do the right thing for the environment, for the bee, and ultimately, us. Probably the most

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

humbling thing, did you hear of Alan Weisman's book, The World Without Us? It made PBS. But he says, if there was some catastrophic thing that took humans out without destroying the world, the only species that would miss us would be cockroaches, pigeons, rats, and domestic dogs. I'd like to be a little more welcome component of the environ, the biosphere, wouldn't you? My preaching is over. (Laugh) [LR426]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Okay. Oh, Senator Wallman. [LR426]

SENATOR WALLMAN: Thank you, Senator. Thank you for being here. I'm sure you watched the movie, the Bees. The bees, did you watch that movie, the Bees? [LR426]

MICHAEL HUEBERT: The Vanishing of the Bees? [LR426]

SENATOR WALLMAN: Yeah. [LR426]

MICHAEL HUEBERT: Yeah, yeah. [LR426]

SENATOR WALLMAN: And so you consider this a food safety issue also, don't you? [LR426]

MICHAEL HUEBERT: Food safety, but survival issue. Without...we've got 250,000 plants on the earth that need animate pollinators. And if we're doing them in with the neonicotinoids, and all the fall-out damage from that, corn's wind pollinated, we're going to have a diet of corn and, I guess, grapes are wind pollinated. There's four or five things that we can survive on but it's going to be a pretty boring diet. (Laugh) [LR426]

SENATOR WALLMAN: Thank you. [LR426]

SENATOR CARLSON: Okay. Any other questions? Okay. Thank you for your

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

testimony. Any other testifiers? Okay, well thank you for...those of you that did and that will... [LR426]

SENATOR DUBAS: I have a few closing comments. [LR426]

SENATOR CARLSON: Yes, excuse me. Senator Dubas would like to close. [LR426]

SENATOR DUBAS: Just a few closing comments. Again, I appreciate the producers that came forward to share their expertise with us on...and I want to make sure. I mean, I'm a corn producer. I know there's corn producers in the audience and as I've talked to producers in our state as well as in other states, there's not an intent to slander high fructose corn syrup or the corn production that we have. As I've talked to these producers, they want to reclaim their industry. They want to reclaim the product that they are very proud of raising. They don't talk about honey as a sweetener. They talk about honey as a food. And it is a food and it is very nutritious, and we use it for a lot of different things. There's been some other issues brought up here that I know on the federal level are being addressed: the imports issue, and those are things that are totally out of our control and really not entirely relevant to this discussion today. And I know when I was talking about the labeling, that might have been a little bit of a tangent or a bird walk, too, related to what we're talking about today. But again it goes back to the honey producers wanting to reclaim their industry and rebuild that confidence that they feel they're kind of losing with their consumers. And stressing, you know, that this antibiotic that's used in China is definitely not one that's approved for our use in the United States. And our FDA, I think, is being as aggressive as they possibly can in making sure that those types of honeys don't get into our food systems for the food safety reasons. So I look forward to continuing the work with the producers, with the committee, with the Department of Ag. I think we could come up with something that we'll be able to put out there that will give these producers, as well as producers all across the nation, that ability to reclaim their industry. So I thank you for your kind attention. [LR426]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR CARLSON: Okay. Thank you, Senator Dubas. Any questions, final questions for Senator Dubas? Okay. Thank you. And with that we'll conclude LR426 and I think we'll take about a 5-minute standing break here. Relief is around the corner, down the hall, if necessary, and then we'll start in with LR445. [LR426]

BREAK []

SENATOR CARLSON: We'll open our interim study on LR445, and I'll ask our research analyst, Rick Leonard, to introduce the resolution. [LR445]

RICK LEONARD: Thank you, Chairman Carlson and members of the committee. I'm Rick Leonard, I'm the research analyst for the Agriculture Committee. Senators asked me to be very short about...this interim study was introduced primarily, we had a case of...we had a pretty good case study of our disease response with an incidence of TB that we had last year. You had wanted to introduce this interim study, Senator Carlson, to get a...as provide a forum where we could get a chance now we're at the waning stages of that response effort to get a chance to visit with the Department of Ag and other interested members of the industry, basically to do kind of a postmortem to look at our disease response and let us, as a committee, get a better understanding of the types of resources and effort that it took to respond to this. As you know, TB is a program disease. It's one of the state-federal industry cooperative programs. Nebraska has advanced to a disease-free status, or the highest advanced state of that. With that there are certain protocols and procedures that we follow to maintain that status. The department did...I think, well, everyone will probably agree, the department did an incredible job of responding to this incident, finding the cattle, finding the herds that were affected, getting the tests resolved, getting that done in a manner that we could maintain our status. We happen to have Greg...we invited Department of Ag Director Ibach will be here and state veterinarian, Dennis Hughes, to be available to answer any questions the committee might have. And I believe I see some industry representatives

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

here today as well. So that was the purpose of this interim study. And I did hand out on your desk in addition to the briefing items I sent you earlier, I did hand out an organizational chart for the Department of Agriculture. It might be useful as a reference as the witnesses come forward. [LR445]

SENATOR CARLSON: Okay. Any questions of Mr. Leonard? Okay, thank you. And I'm going to ask Director Ibach to come forward and be the first testifier, so we appreciate you being here. [LR445]

GREG IBACH: Good afternoon, Senator Carlson, Vice Chairman Dubas, and members of the committee. My name is Greg Ibach, G-r-e-g I-b-a-c-h, and I'm director of the Nebraska Department of Agriculture. I thought that I would offer kind of a summary of our activities with regard to the tuberculosis investigations over the last 18 months or so, with some quantitative analysis, and then I would probably conclude my remarks and let some of the industry groups make their comments, and then make myself available again for questions, maybe at the end. Well, questions first, too, but at the end again as well. We have basically four different categories of tuberculosis activity that I want to talk about today. The first one and probably most well-known is the Bassett, Rock County cases that occurred. And we had 20 counties were involved with the quarantines of those as a result of that tuberculosis investigation. We've tested over 22,000 head of cattle and to date, of course, we've only had the 2 cattle that tested positive in Rock County that started that entire investigation. We have involved 61 different herds and the original infected herd in Rock County has finished testing and was released from quarantine in March. They'll have one whole herd assurance test performed in next March to provide that assurance that we did identify all the possible tuberculosis infections in that herd. And we have one herd that still remains under quarantine that has cattle in the feedlot waiting to be released to slaughter. And then we will have concluded that investigation in the Bassett, Rock County area. About the time we had felt we were done with tuberculosis testing, as far as the beef cattle herds, we found out that there was a positive...several positive animals found in South Dakota and

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Rough Draft

Agriculture Committee
August 27, 2010

one of those herds tested in South Dakota had trace-outs to Nebraska. So as a result of those trace-outs from the South Dakota herd, 16 herds in northeast Nebraska were involved that were quarantined and tested. We're in the process of working on those right now. Forty-seven hundred and fifteen head of cattle are tested. One herd had a positive animal which had been purchased from the South Dakota herd, and that herd was depopulated using USDA indemnification funds, and no additional positive animals were found. We also have been involved with three dairies that were quarantined because of animals that were imported from a TB positive herd in Texas brought into those dairies. As of this time we've tested 14,857 head of dairy animals and we have 1 of those quarantines released, 2 additional...2 of the 3 herds remain quarantined for some follow-up testing. All suspects in those herds were negative on supplemental testing except for two which we took to necropsy and they were negative based on the necropsy after they were put down. And this testing was done with the help of some USDA personnel from Colorado, Iowa, Kansas, and South Dakota to assist us in getting those larger dairy herds done in a reasonably quick amount of time. We also probably have more interest, and it's too bad that Senator Dierks isn't here today, but he always has some questions about our current surveillance around the positive cervid herd or the captive elk herd that was discovered in June of 2009. We have...are doing some herd surveillance in cattle herds as a result of that at USDA's request. There are 17 herds that are located within a two-mile radius of the infected cervid herd, and they've been quarantined. We've tested approximately 350 animals thus far, and five quarantines have been released. We have 12 herds left to test with a total of 3,708 animals, and so we plan to have them finished by the end of November. We're working with those producers that have cattle out to summer grass and trying to fit their schedules for when they would want those cattle tested so that they don't have to do special roundups or special gatherings. And then we're also...done some partial testing in these herds as well and no positive animals have been identified in that radius around the cervid herd at this time, which is good news. We're also conducting some wildlife surveillance that is in accordance with USDA's advice and counsel that we're working with. We're cooperating with federal Veterinary Services, as well as the Nebraska Game

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

and Parks, to survey the white-tailed deer during the two weeks of the hunting season that will come up this fall. Based on their estimates of what will be harvested in that radius, we're anticipating to examine 600 full-bodied animals and then collect head lymph nodes from as many other animals as possible in that area. And we feel we'll have a very thorough test at that time that will satisfy USDA that we do not have tuberculosis in wildlife in that area at that time. So kind of in summary, 94 beef herds have been impacted by our testing; 3 dairy herds. We've tested about 30,423 beef animals, 14,857 dairy animals, so we're approximately at 45,000 head of bovines that we've tested as a result of our tuberculosis investigations. Maybe just a little bit of additional information, in June 2010 when we started testing around Rock County and Bassett, the Governor declared an emergency for tuberculosis. As a result of the emergency declaration, the Governor authorized \$727,031 out of the Nebraska Emergency Management Agency, so NEMA, for additional costs. As of current, the department has expended about \$414,310 out of those \$727,000, so approximately 57 percent of that funding. NEMA has utilized a few dollars as well, not significant, though. The Department of Agriculture on our employee reporting service has redirected 15,040 hours of human resource time to the tuberculosis project. And this would be monies that the department had allocated through PSL that we've redirected, so it's not coming out of those emergency funds. It's current money in there that had been focused on TB, and at the average salary dollar of the various types of staff involved with the TB project, this "equivolates" to approximately \$586,600 of Department of Agriculture investment. And, you know, just for comparison purposes, from July 2002 through May 31, 2009, which would be several years pre, the seven years pretuberculosis, through that same ERS system, Employee Reporting System, we logged about 3,565 hours towards tuberculosis related activities and at the current cost, that would "equivolate" to about \$140,000 or about \$20,000 per year. So you can see that our effort has been considerably greater to try to address the concerns that have been...come up over these four incidences that we're concerned about or have been concerned about. And I think that probably the question that, you know, confronts me as the Director of the Department as well as Dr. Hughes as the State Veterinarian is, you know, is there light

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

at the end of the tunnel? Is...will we, just like at the Rock County, we thought we were pretty much done with the investigation, we're going to be able to close the book on tuberculosis and move back to our regular duties, and then we had the traces from South Dakota. We had the dairy herd traces and then we had USDA and their expectations in the radius around the cervid herd, so. You know, I'm hoping that when we get through this fall that maybe we will be able to go back to business as usual in the Bureau of Animal Industry. But, you know, we are subject to additional trace-ins or trace-outs from other infected herds around the nation, and so, I guess, that we, you know, have to be ready to react to whatever the future will deal so far as protecting our livestock herds. With that I would maybe close for now, take a few questions, and...
[LR445]

SENATOR CARLSON: Okay. Thank you, Director Ibach. Questions? Senator Wallman.
[LR445]

SENATOR WALLMAN: Yeah, thank you, Senator Carlson. Yeah, welcome here, Greg.
[LR445]

GREG IBACH: Thank you. [LR445]

SENATOR WALLMAN: It's kind of a person's worst nightmare, isn't it? [LR445]

GREG IBACH: Well, I think it has been several persons' worst nightmare if you work in the Bureau of Animal Industry. (Laugh) [LR445]

SENATOR WALLMAN: But how do you deal with the wildlife? Do you think it actually comes from wildlife, or...? [LR445]

GREG IBACH: No, we don't have any evidence to believe that our wildlife is involved at this time. And we really want it to stay that way because, you know, in Wisconsin and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

states where the wildlife is impacted by tuberculosis, they have long-term movement restrictions on herds in those areas and so keeping it out of our wildlife is very important to us. And so that the testing that we're doing around there to assure USDA that we don't have to impact producers in that area with movement restrictions is a very important step that we need to work with USDA to get them satisfied. [LR445]

SENATOR WALLMAN: And so there's good cooperation between South Dakota and us also, is there? [LR445]

GREG IBACH: Yes. We've shared information with them when we had the Bassett and the Rock County quarantines in place and, you know, their subsequent diagnosis of...you know, they actually have had more cases of tuberculosis in South Dakota than we have. And so, yeah, we share information very well. [LR445]

SENATOR WALLMAN: Thanks. [LR445]

SENATOR CARLSON: Okay. Other questions? Senator Price. [LR445]

SENATOR PRICE: Thank you very much, Chairman Carlson. Director Ibach, the question I have is, compared to other states that have had to deal with things in, say, similar states, like Maryland or something, how are we doing on our costs? If I'm correct, in looking we're saying 94,000...34,000 beef and 14,000 dairy, that's some wild animals there, so we're talking 50,000-plus animals were checked and it looks like the cost is roughly right around a million dollars, maybe just a shade under, \$980,000, \$950,000. So when you do those numbers, is that a...do we follow those averages? Do we do that to see how we did on the job and take in...count the outliers, like, you know, the remote...you know in Nebraska you have a lot of remoteness in getting out, finding (inaudible) these traces? [LR445]

GREG IBACH: Well, you know, making that comparison, you know, we could compare

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

to a state like Texas or California or New Mexico or Arizona that would probably have, you know...but I don't necessarily think that would tell the whole story because if you're dealing with just, you know, mainly dairies that are impacted and most of those states are dealing mainly with dairies that are impacted, they're very concentrated and so, you know, you can do a lot of animals in a relatively short period of time. You know, if you were looking at, you know, 94 beef herds, we have at least 94 different locations and most of those beef herds would have several locations that we test at. So, you know, it's probably hard to say that an industry standard is that it should cost X amount per head of animal tested. But if that's kind of what you're trying to ask... [LR445]

SENATOR PRICE: Well, that's part of what...I mean, maybe against previous one we've had. Have we ever had a tuberculosis drill before? So now... [LR445]

GREG IBACH: We probably haven't had... [LR445]

SENATOR PRICE: ...I'm just trying to find how we (inaudible) metrics for Nebraska. [LR445]

GREG IBACH: I think prior to this, the Bassett tuberculosis diagnosis, I think it was 17 years since we've had the last positive diagnosis of tuberculosis in Nebraska. [LR445]

SENATOR PRICE: Okay. [LR445]

GREG IBACH: So, not really relevant with, you know, inflation and... [LR445]

SENATOR PRICE: Inflation and changes, okay. [LR445]

GREG IBACH: Yeah. [LR445]

SENATOR PRICE: Just trying to find (inaudible) thread, not trying to qualify it or

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

anything like that but just to baseline it so we know when they put a certain budget toward something,... [LR445]

GREG IBACH: Right. [LR445]

SENATOR PRICE: ...we're allocating proper dollars for something that we...then when you do your (inaudible) actions so we can find out where we...where do we make gains. [LR445]

GREG IBACH: Well, maybe one of the indicators I could share with you is when we went to the Governor and asked for the emergency funds, we made some phone calls, Dr. Hughes made some phone calls to some other states to get some estimates about, you know, what kind of dollars we should be asking for so we were prepared. And that's where we came up with the \$727,000. And, you know, we've expended 57 percent of that so we've actually come in well under our estimated costs at that time. [LR445]

SENATOR PRICE: But that also was... [LR445]

GREG IBACH: If that's good news or bad, I don't know. (Laugh) [LR445]

SENATOR PRICE: Actually I think it's even better when you look at it because that was just on the Bassett herd that include the two dairies. You didn't tell the people you asked for, I've got to add dairies, I've got to add this, and the wild animals, so... [LR445]

GREG IBACH: And it didn't include where we're at on...yeah, wild animals as well as the northeast Nebraska and we've been able to convince... [LR445]

SENATOR PRICE: So that's a feather in your cap. [LR445]

GREG IBACH: Well, we hope so. (Laugh) [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR PRICE: Expensive feather. (Laughter) Thank you. [LR445]

SENATOR CARLSON: Okay, other...? Senator Dubas. [LR445]

SENATOR DUBAS: Thank you, Senator Carlson. Thank you, Director. It sounds like this controlling and this eradication has consumed a great deal of time and energy of the department. [LR445]

GREG IBACH: That's correct. [LR445]

SENATOR DUBAS: That would be a very safe assumption and it's also sounding like you have proactive as well as reactive procedures in place so that once we get it, we're going to be able to maintain it. But with that being said and with the number of staff and the number of staff hours that's required to deal with this, and hopefully maintain this eradication, with the budget constraints and things that are coming down the pike, you know, if you have to lose additional staff, what kind of a strain would that put on your ability to continue to make sure that this doesn't get out of hand? [LR445]

GREG IBACH: Right now there's, you know, the department has many statutory expectations as far as other investigations, other inspections that the Bureau of Animal Industry is supposed to conduct on an ongoing basis. And since we've had to redirect staff to be able to address the tuberculosis problem, we are not necessarily meeting our statutory expectations in some of those other areas. And, you know, that's why we keep hoping that we're, you know, near the end of this phase so that we can go back and do some catch-up work and some other disease surveillance work that we're not doing. You know, maybe work to watch the importation of cattle to guard against other diseases coming in that we haven't been able to necessarily do, but which also we haven't had an investigator for a number of years, because of budget cuts, that was assigned that responsibility. And so, you know, yeah, we're struggling in that area. The

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

Bureau of Animal Industry is an area of our budget within the department that is pretty much a general funded division. We don't have cash funds that come into the Bureau of Animal Industry of any significant amount. And we do have some federal funds that come in but they're directed towards specific programs and we have to, you know, in order to be eligible for those federal funds, we have to conduct those specific programs, so we can't really use federal funds to augment our day-to-day activities. And so when cuts to general funds come in that are applied to the Bureau, then, yeah, we have to look at ways to be more efficient in getting done what we are expected to do. And I think that Dr. Hughes has done an excellent job with his staff of meeting that call. And we're also...as you know, we look at future years' budgets. We're trying to, you know, construct those proposals in a way that would keep the Bureau intact as much as possible. [LR445]

SENATOR DUBAS: So if you're not able to devote the type of resources that would be important to keep the proactive-type procedures in place, it ultimately is going to cost you in the reactive areas, so. [LR445]

GREG IBACH: Right. That's correct. [LR445]

SENATOR DUBAS: Okay. Thank you very much. [LR445]

SENATOR CARLSON: Thank you. Other questions? Senator Schilz. [LR445]

SENATOR SCHILZ: Thank you. Thanks, Greg, for coming in. How many different disease eradication...I mean, how many different diseases are you guys keeping an eye on? Are you supposed... [LR445]

GREG IBACH: I would probably look over my shoulder and ask Dr. Hughes if he would... [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR SCHILZ: And that's okay. [LR445]

GREG IBACH: ...or he could come up and maybe later and answer that question.
[LR445]

SENATOR SCHILZ: That's fine. That's fine. Okay. I can... [LR445]

GREG IBACH: Because I can name off several but I probably would miss one or two because, you know... [LR445]

SENATOR SCHILZ: I'll wait. [LR445]

GREG IBACH: And some of them are voluntary... [LR445]

SENATOR SCHILZ: Sure. [LR445]

GREG IBACH: ...because we haven't done statutes to try, you know, like John's is voluntary, trichomoniasis has been a voluntary program that we work with the industry on. But then we have diseases like pseudorabies; it's a hog disease that, you know, we...is a program disease, so. [LR445]

SENATOR SCHILZ: Okay. I'll wait. Thank you. [LR445]

SENATOR CARLSON: Other questions? Well, I'm going to follow up a little bit on what Senator Dubas got into. I put down \$414,000. I think that was 50-some percent of the \$700,000-and-some that you asked for. What would those dollars have gone for? Tests? What...mileage? [LR445]

GREG IBACH: And, you know, yes, we do not...USDA provides all the testing materials and pays for the testing. So basically what that has done is gone for, you know, any

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

overtime that we would have to have paid, additional expenses over and beyond what our day-to-day functions are. We had some equipment that we had to purchase, some chutes, and some working facilities that we didn't have sufficient to meet the need. And then it went to some personnel, some additional personnel we hired like part-time cowboys to help round up and help work some cattle through the chutes in different places, as well as we had a command center up in Bassett that we staffed and manned. And so we lease that for a period of time as well. [LR445]

SENATOR CARLSON: Okay. I think that helps clear it up a little bit for me because I don't think you're overstaffed, but you got this done and yet so part of the reason you hired some temporary help, you paid some overtime. And then some of the statutory responsibilities that you have, in a sense they've just had to take the backseat for a while. [LR445]

GREG IBACH: Right. [LR445]

SENATOR CARLSON: Okay. So that maybe works temporarily but it doesn't work long term. Would that be a fair statement? [LR445]

GREG IBACH: I think that's a fair statement, yes. [LR445]

SENATOR CARLSON: Okay. All right. Thank you. Any other questions? Okay. Thank you for your testimony. Next testifier. [LR445]

PETE McClymont: Chairman Carlson, Vice Chair Dubas, members of the committee, for the record, I'm Pete McClymont, P-e-t-e M-c-C-l-y-m-o-n-t. I'm here representing the membership of Nebraska Cattlemen. I just want to reaffirm a few points that Director Ibach made. Obviously, they did a terrific job, the Department of Ag and the Bureau of Animal Industry, in getting on top of the tuberculosis. I know Director Ibach was in contact with my boss, Michael Kelsey, numerous times in working through this and our

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

help that we were able to give and what Director Ibach needed from us. Getting to some of the staffing issues, a more practical side of this is you saw on the map that Rick Leonard handed out to you where there's only five field vets for our entire state for all species. To say that they've got a lot on their plate in trying to achieve and cover and protect our interest in agriculture, livestock agriculture, is an understatement. So they've done a terrific job. Some facts that I've learned in dealing with the Department of Ag this spring and summer, as probably all of you have heard, in 1990, they had 200 FTEs of state-funded employees; today they have roughly 120. So all the fat is gone, they're down to the bone in terms of the staff that they do to all the numerous programs that you've heard before this committee in your service to the Legislature, especially you heading the dog and cat program. I mean, the list goes on and on of what they're trying to do and cover, so for what they're doing is a tremendous service to us with a limited amount of staff. In terms of the resources, obviously because of the unpredictability of these diseases it's not like you can plan for this. And so it makes it difficult for you as legislators to balance a budget, and then you have something come up like this. And that, from our perspective, obviously where the beef industry is the largest segment of agriculture and the largest part of our state's economy, you got to have coverage needed to make sure to ensure herd health and herd safety for ranchers and all those in the beef industry. And a key component of this that we think we've done and we'll continue to pledge our support as education, obviously, last year in 2009 when Senator Dierks brought LB585 on trichomoniasis, obviously, that was...that can be an insidious disease for reproductive part of the cow/calf herd. And so one of the things that came out of that, obviously, we...I can remember at our summer convention in 2007, our animal health committee agenda was strictly about trich. And so one of the things that we've done...and we opened it up to all nonmembers and members alike for them to attend our meetings, and we did those in conjunction with other associations in the Department of Ag and had great, great attendance. And some of the members out of that from the Department of Ag's Web site and talking to Dr. Hughes, in 2007, there was roughly 45, 48 reported trich cases throughout the state to the State Vet and the Department of Ag; 2008 was less; 2009 it was 12; and currently this year it's 3. And all

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

those have happened in June which makes sense; you turn your bull out when you turn the cows and calves out in the pastures. And so, you know, the point is education isn't a sole component of reducing some of these diseases but yet it's a vital part of help supplementing the interaction between producers and the veterinarians and what they have to do for their own herds. So, you know, still, nonetheless, we still need strategies to be implemented by you as legislators and the Department of Ag in conjunction with the federal government to make sure we have the necessary means to stay on top of these. So at any rate, I just want to conclude my testimony here and say that the key thing is that the Department of Ag staffing is at a threshold that we'd hate to see go any lower. Because as you've just pointed out in your questions to Director Ibach, I mean, we're doing surveillance if we have to actually implement eradication programs, I mean, then it's over all of our heads in terms of trying to get ahead of it. So with that, I'd be happy to try to answer any questions. [LR445]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Schilz. [LR445]

SENATOR SCHILZ: Thank you, Chairman Carlson. Pete, thanks for coming in today. You know, you talked about education and about what you guys are doing there, and quite honestly, I mean, having managed a feedyard and knowing what that's all about you understand...I mean, if there aren't people there from the state to help do this stuff, then it's going to fall on the producers' shoulders to keep an eye out for what's going on. Do the producers really understand the seriousness of some of these diseases that we're talking about? I mean, have there been any educational meetings on hoof-and-mouth disease, things like that to show them exactly what kind of impact that can have if it ever does show up? [LR445]

PETE McCLYMONT: Well, yeah. You've touched upon... [LR445]

SENATOR SCHILZ: Well, let's just get out...I mean, that's the one that would... [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

PETE McCLYMONT: Foot-and-mouth would... [LR445]

SENATOR SCHILZ: ...absolutely destroy us. (Inaudible) [LR445]

PETE McCLYMONT: It would. And, you know, I know that Director Ibach and Dr. Hughes are working with other states because where we get a lot of animals, obviously beef, but swine as well coming into this state, and then going out we're kind of a hub for where activity is. So your point if that happens, that would be devastating to say the least. Obviously you see what happened in Europe and specifically England. So to say we've had educational meetings about those, no, but nonetheless I think some producers are informed, some like getting up and going to work and doing what they have to do for their operations and may not know everything that could affect them positively and negatively. So from that standpoint, there's always more education that can be done. [LR445]

SENATOR SCHILZ: (Laugh) Pete, I'm sure if we did, we wouldn't even get out of bed. [LR445]

PETE McCLYMONT: Yeah, right. (Inaudible) [LR445]

SENATOR SCHILZ: Thank you, Pete. [LR445]

SENATOR CARLSON: Okay. Other questions? Senator Dubas. [LR445]

SENATOR DUBAS: Thank you, Senator Carlson. Pete, outside of education that the Cattlemen provide, are there any other services you provide to your membership as far as technical support, anything like that as recognizing disease, things to look for, any other services? Do you work in conjunction with the Department of Ag on any of these things? [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

PETE McCLYMONT: We...yes, always whether it be our convention or our summer convention, they're always invited and they always participate and we work with them. Beyond that, we have our six respective committees within the makeup of our association, one of which would be the animal health and nutrition committee. So we have a chair and a vice chair, and currently both of those are veterinarians--Ryan Loseke from Columbus and Jeremy VanBoening from Alma, and so anything relevant to that issue, they're always on top of it. So we work with them and it's a two-way street with our members reporting to us and our leadership reporting back. So then obviously we have staff that administer our beef quality assurance program that we do throughout the state in getting producers certified to be good-faith actors and basically have verification that they go through a two-year process in knowing how to handle animals and being on top of things as much as possible. So those are just some tangible evidence of what we try to do daily in our efforts for our members. [LR445]

SENATOR DUBAS: So if there's any disease outbreaks, you...do you have any kind of alerts that you put out to your membership right away? [LR445]

PETE McCLYMONT: Obviously we try to utilize e-mail as much as possible. Different subject, for instance, when we had all the chronic wet period in June and early July, late May, for instance, we were mailing out reminders to our feedlot counts and our members that they needed to file a report if they had a discharge to DEQ. So in the same manner, we would do the same type of thing in terms of animal disease prevention and notification. [LR445]

SENATOR DUBAS: Thank you. [LR445]

SENATOR CARLSON: Okay. Other questions? I'm going to ask you a little different question. Let's set aside the need for profit because that's a concern. And the more profitable your people are, the better off all of us are. And let's set aside the concern

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

about disease because that's...even though that's what we're talking about today. What are the other one or two most pressing challenges you see in livestock production industry in Nebraska in the next two, three years? [LR445]

PETE McClymont: Well, number one, obviously first and foremost is that food safety is number one. And so with that in mind, our beef quality assurance, how to handle animals, where to give the proper shots and vaccines, that's number one because we want our consumers to know that the product we produce is the same product we consume and that they can have confidence in knowing that they're going to have a safe and wholesome product. Number two without question--and it could be argued that it's the most pressing right now--is the efforts of those against the beef industry and livestock agriculture, namely from a couple of groups--PETA and United States Humane Society. So given what they're doing and given that they spend less than 1 percent of their annual revenues on giving monies to shelters, like Judy Varner and the Nebraska Humane Society, they're doing things to try to shut down agriculture and producers in our state and across the country. As you know in Ohio, they've done some things there, there were some agreements reached and some of those things are pretty threatening to all of us here in Nebraska. So we're prepared, we continue to work on it, and obviously this committee would be the first people we'd come to when we have actions relevant to the Legislature and especially the petition process. So that is a huge concern of all of our efforts. [LR445]

SENATOR CARLSON: Okay. Thank you. I agree with you and I think that we've all got to be alert to that. And a good way, and it's very difficult to figure out how, if every one of our students in school really understood where their food comes from and the process by which they get it and the fact that it's safe would be a big step in that direction. But we're going to have a challenge in front of us and we've got to figure out how to deal with it. Any other questions? Okay. Thank you for your testimony. [LR445]

PETE McClymont: Thank you. [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR CARLSON: Next testifier. [LR445]

CRAIG HEAD: (Exhibit 2) Good afternoon, Senator Carlson, members of the committee. My name is Craig Head, that's spelled C-r-a-i-g, and the last name is H-e-a-d, and I am the state director of government relations for the Nebraska Farm Bureau Federation. I'm here today on behalf of the organization to really offer our support for the Department of Agriculture and more specifically the Bureau of Animal Industry and all the responsibilities that they have been tasked with as it relates to protecting the livestock industry from disease outbreak and mitigation issues. I'd just start by, as the previous testifier, commending the department for their work on the BT case. Our members had nothing but positive remarks about the way that issue was handled in working with the department and with other officials involved in that situation, so they are to be commended for their efforts in that issue. I think if anything, what happened in the BT case just is a good reminder of just how much of a shield the Bureau of Animal Industry is for our state's number one economic engine here in Nebraska, and that's livestock production. It really is the mechanism that protects our state's economic engine and it's important that we don't forget that. You know, I'd looked at some numbers. These numbers change every year, and I think that's why protecting the Bureau of Animal Industry is not just important to agriculture but important to everybody in the state. We're number two nationally in the number of cattle and calves across the country. We're number one in commercial slaughter. We're sixth in hog and pig production. We, obviously, in our organization have a multispecies involvement. We're tenth in terms of egg layers. And so the agriculture industry is large in Nebraska and I know this committee knows that. In 2008, livestock was an \$8.3 billion industry; it was about 50 percent of all of our cash receipts. And I think the other thing to keep in mind as we talk about protecting our livestock sector; still in Nebraska, about half of all farms have livestock on them, which sometimes we don't think of it that way in this modern age, but still about half of the farmers out there have livestock in some capacity. So the work that the Bureau of Animal Industry does is really a shield that protects our entire state. In our

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

organization's perspective, we don't have any specific policy on how we fund protection for the department, but this last case really drove home the fact that when this agency and this particular department within the agency has a need as it comes to livestock disease, they need to not only have resources but make sure they have timely access to resources. And that's really why I passed out the sheet that you have in front of you. This is some information going back several years to shortly after 9/11; there was a lot of talk about agriterrorism and what that could mean. And USDA had put together a series of slides about what would happen if someone introduced foot-and-mouth disease or that was able to enter the United States. And you can see as you look through, it only takes one case in one area, and in 60 days the outbreak, the cost involved, tremendous expenditure of resources that would be needed to be done by both federal and state agencies. And also on those sheets you can see some of the projected costs of what it would take to address animal losses in that situation and all the other types of activities that would need to be done. So, again, we're very supportive of the department and needing to make sure that the resources that are provided to that agency are in place. I guess the only other thing that I would point out is the last two slides on the page were generated by the Department of Agriculture, and that just shows you some animal movement, both within Nebraska and outside of our borders. Again, to give the scope of if you look at it from, as discussed earlier, a preventative-type measure, you can see that we're better off investing in prevention than trying to recoup on the backside based on the economics of the situation. So with that, we just wanted to reiterate our support for the department and if there are conversations about how we fund the agency moving forward to address the issue, we are certainly interested and think that is a very important conversation to have. So with that, I'd conclude my comments. [LR445]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions for Craig? I'll ask you the same question I asked Pete. Would you agree on challenges with what Pete brought up? [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

CRAIG HEAD: Yeah, I do. I agree with Pete, except for I almost think they're the same challenge. And I go back to what's recently happened with the egg situation in the way that's been portrayed in the media. It is about food safety, but some of the groups who are looking at the way we raise animals are trying to make that connection that the way we raise animals is a factor in food safety and regardless if that's the case or not. And so I think Pete is right on the money with his assessment. That is a major challenge for us and they're tied together because that issue when it resonates with the public about from a food safety perspective and it's tied back to the way animals are raised, it makes it very easy for groups who are out to...maybe not in favor of the agriculture sector to advance their cause. And I agree with the earlier comments. We're going to have some work to do in terms of educating the public about where their food comes from. [LR445]

SENATOR CARLSON: And I didn't ask Pete this so I don't know what he would have said about the Cattlemen, but as far as Farm Bureau members, are you confident that the vast majority of your members understand the seriousness of this challenge? [LR445]

CRAIG HEAD: We've been having conversations with them, there's no question about it. I think what happened in Ohio recently got a lot of people's attention. And we've been doing some regional meetings across the state as part of our policy development process. We're just in the startup phase of that, and that's one of the topics that we have visited with them about, and there is a lot of interest out there. Would I say that everybody grasps the full challenge of what's ahead on this issue? I'm not sure everybody is making the connection yet, but I do know the number of people who do is growing in the state and that's going to be very important to us. [LR445]

SENATOR CARLSON: Okay. Thank you. Any other questions? Okay, Craig, thank you for your testimony. [LR445]

CRAIG HEAD: Nope, thank you guys for your time. [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR CARLSON: Next testifier. [LR445]

RUSTY KEMP: Chairman Carlson, Senators, my name is Rusty Kemp, that's R-u-s-t-y K-e-m-p. I'm a cow/calf producer, stocker, operator from Tryon, Nebraska, up in McPherson County, north of Senator Hansen's district. I'm in...actually a constituent of Deb Fischer. Just here, wanted to have a conversation with you folks about the trichomoniasis issue and what really an insidious disease it can be, and try to voice some of the concerns that cow/calf producers have about that disease. I think it was kind of to the point of maybe being addressed a couple of years ago, was getting some legs under it, and then this TB deal came up and that kind of deservedly so took the full attention of everybody. But, you know, this is just something that I'd like you guys to keep, you know, keep in the forefront of your mind because it can really be a financially devastating disease to the cow/calf producers. And I think it's something...it's more of a western Nebraska issue. If you're in eastern Nebraska, a lot of times you'll have a cornfield in between your pastures. You know, if...in some instances I've got three to four strands of wore out barbed wire between myself and a calamity, you know, because it's a venereal disease; it's spread by bulls and infected cows. And bulls are like teenage boys; sometimes they run away from home searching for things that they aren't supposed to have. And it's...and the really troublesome thing about trich is it's so hard to detect. There's a gentleman behind me here that I think could probably address that easier...you know, a lot better than I can. I don't want to really get into the science of things because I don't think I'm qualified for that as well as other people here. But being you can have it and not know it, you can be doing everything right and get it. And probably my main concern is right now the way that disease is classified, if somebody across the fence from me has it, the...my local vet and the State Vet cannot inform me that it's there. And there's...you know, there's some confidentiality issues there, legally, they can't. And that...I guess I feel that needs to be addressed. You know, if there's something that's going to wipe me out, put me out of business across the fence, it would really be kind of nice to know about it. And that's kind of the main concern. The

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

bordering states: South Dakota, Colorado, Wyoming, are addressing this. And I know Mr. McClymont said, you know, we did have kind of a spike, spike in cases and it is coming down, but, you know, this is something I feel, you know, an ounce of prevention is worth a pound of cure because it's...it gets pretty expensive if you get that. And we've been fortunate we haven't got it, but, you know, there's a lot of high-risk behavior going on around us and that it's, you know, as far as some unscrupulous producers, and it's just kind of a matter of time it seems like. And so that's just something I'd like you folks to take a look at, maybe look at what South Dakota is doing. I know in the state of South Dakota it's illegal to bring weigh-up cows back to the country because that's...you know, that's kind of where...how a lot of it gets transmitted. Bulls have to be tested. I think nonvirgin bulls have to be tested, and your bulls can't go back to the country. I don't know if that's working. I'm the last person that wants more regulation, especially if it's unnecessary. But I think we're in a position in Nebraska, if you're going to do this, there's some neighboring states that have been trying to address this for a number of years and I think, you know, there's an opportunity there to visit with their state vets, some of their senators, and see what's working and what isn't. [LR445]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Wallman. [LR445]

SENATOR WALLMAN: Yes. Thank you, Chairman Carlson. Yeah, thanks for coming. [LR445]

RUSTY KEMP: Thanks for having me over. [LR445]

SENATOR WALLMAN: (Inaudible) conversation here. Is it a high cost to test bulls or cows? [LR445]

RUSTY KEMP: That I'm not sure. It's about \$30 to test a bull but it's...you have to test them three times. [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR WALLMAN: Wow. [LR445]

RUSTY KEMP: And they don't like it very much. I'd just as soon not get into the...
[LR445]

SENATOR WALLMAN: (Laugh) Yeah, that's okay. Thank you. [LR445]

RUSTY KEMP: And it's...and, you know, even a third time you can't catch it. You know, the really scary thing about it is it's really hard to detect. There will be a certain percentage of cows that will be carriers and can actually remain pregnant and still carry the disease. Normally how you find out you have this disease is 30, 40, 50 percent of your cows are open. But there's a certain percentage of those cows that really get you that will carry the disease and infect bulls and other cattle but still retain their pregnancy. And that's...and they'll stay in your herd and keep infecting. And the...you know, right now where you...most producers if they get it will inform their neighbors. You know, and it's a tough thing to do. There's kind of a stigma attached to it. You know, gosh, my cows have got VD. And...but most people...you know, we're fortunate we haven't had it yet. But, you know, there's a percentage of people that don't. They haul their cows to the sale barn, ship them out of state, and make it somebody else's problem. And that's the way it is. And so, you know, if I leave nothing else here, you know, I would like to stress the fact that I'm not sure what it takes. I think we need to change the status of the disease is...and that would be a good question for the State Veterinarian. But, you know, if there's something right across the fence that will put me out of business, like I said, it would be awful nice to know about it, you know, because there's some things we can do. We can move breeding stock to the other end of the ranch or some other things. And if...you know, if everybody was going to know about it when you got it, I think that would cut down on a little bit of the high-risk, unscrupulous behavior that goes on. A lot of people just buy them weigh-up cows and taking them back to the country and putting bulls with them. And that's...like I said, that's a little troublesome when you see that

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

across the fence from you, so. [LR445]

SENATOR CARLSON: Okay. Any other questions? Hearing none. [LR445]

RUSTY KEMP: That was easy. I appreciate all you senators for taking the time to listen to us. [LR445]

SENATOR CARLSON: Okay. Thank you for your testimony. Other testifiers? Then I'm going to take prerogative as Chair of the committee to ask Dr. Hughes to come forward. And you'll have to go through the same procedures as everyone else. [LR445]

DENNIS HUGHES: I didn't sign in yet, is that all right? My name is Dennis Hughes, D-e-n-n-i-s H-u-g-h-e-s, State Veterinarian. [LR445]

SENATOR CARLSON: And I asked you to come forward because of Mr. Kemp's testimony and would just like you to comment, if you would, on his concerns and thoughts that you might have. [LR445]

DENNIS HUGHES: Well, I presume trichomoniasis is the...what you're speaking to. Probably the thing that just puts you kind of up to speed, trichomoniasis is an old disease; it's not new. We've seen it for probably 50 years, but what we became aware of probably in the last 10 or 15 years that states west of us had a real problem. And because we are such a large state as far as livestock markets, bringing in cows from neighboring states, we discovered that in essence we were becoming a dumping grounds for other state's problem herds. In other words, they were selling their cull cows or nonpregnant cows into our livestock markets. I was warned by that by surrounding state veterinarians that, you know, you need to know that we've got cows from our states that are quarantined that are coming to Nebraska. Well, this sent off a huge red flag. So we implemented an import order in 2008. Basically it puts in place requirements for nonvirgin bulls or bulls over 18 months to have to be tested for trichomoniasis to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

come into the state. We also require that cows that are not virgin heifers either have to come from tested herds or have a calf at side or be 120 days pregnant. Since we've put that in place, I can tell you that I feel fairly confident that we've cut down the instance of at least of animals coming into our state as far as us being a dumping ground for trichomoniasis. Now we know we already had probably a disease in our own native herd and probably a lot of that got started maybe with what was imported. University of Nebraska Veterinarian Extension and my staff, basically, we put on basically a dog and pony show where we put on seminars for producers across the state in the year 2008. I would say for the most part a lot of producers have never heard of trichomoniasis, it wasn't even on their list of diseases of even the thinking about. And I feel like it was fairly successful. We've educated producers out there about what trich is. We've seen the instance come down, at least on a reportable diseases, from about 45 herds discovered in 2007-08 to about 12 in 2009. It's still out there; we realize that. But right now with funding issues, yeah, we have to prioritize where we spend our monies, Director Ibach has talked about. We've got this disease basically where we feel like if we can curtail what comes into our borders, we've got basically a better shield out there now than we did before for preventing the disease spread. It is a very devastating disease. It can literally wipe herds out in just a period of months. I'll share a personal story. When I got out of veterinary school a long time ago, one of the first herds I...I was practicing in Knox County, Nebraska, and I tested a large beef herd at that time, about 250 cows. And the first ten through the chute were open, not pregnant. Well, just being out of vet school this guy is thinking this guy don't know how to pregnant check. (Laughter) So he's very skeptical and he's getting upset with me. And through that course of that herd test--it took me, you know, as a rookie, all day to do 250 head--but he came up with 100 open cows out of 250 and the other 150 were spread out all the way from May calvers clear through September. Right away this is not good and he doesn't believe I know anything about preg checking. And long story short, next day he has one of these cows that I had preg checked abort a calf. Of course now he's mad a me, so he wants my senior partner to go and check this situation. Come to find out these diagnostic samples come back and it was positive for trichomoniasis. And that's

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Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

what...it put this guy out of business. You know, that was in 1982. So a situation like that, they have devastated several herds across our state. And it definitely needs reigning in. Right now I guess we're kind of in the mode of educating producers of what they need to do as far as proper biosecurity, make sure you don't go and buy somebody else's cull cow or somebody else's used bull. You buy virgin bulls. You buy tested bulls. You don't go buying somebody's used cows. You know, that practice has been a biosecurity nightmare disaster waiting for a place to happen. We can introduce a lot of diseases besides trichomoniasis when you implement those kind of things. So I guess that's probably where I would address the whole trichomoniasis issues. We continue to do our best to try to educate producers. We appreciate Nebraska Cattlemen, University of Nebraska Veterinarian Extension and what they've assisted in that process. It's still on the radar screen but as you've heard in the last year and a half, TB has been full blown; that's been number one priority. [LR445]

SENATOR CARLSON: Okay. All right. Thank you. Any questions? Senator Schilz. [LR445]

SENATOR SCHILZ: Yeah, thank you. Back to my question on how many diseases you are tasked with keeping an eye on out there. Do you...are there... [LR445]

DENNIS HUGHES: Well, actually our reportable disease list includes about 160-plus diseases. But we have, you know, the big ones, you know, that are state and federal program diseases. You know, whereas brucellosis which is, you know, right now confined to the greater Yellowstone area, we've almost got that one stranglehold. We think nationwide that the only brucellosis left in the United States is in the greater Yellowstone area. Of course, there's tuberculosis and that one has, really we've gone the other way where we've got several states now that are involved with tuberculosis. And I predict there will be more before this thing...we get ahold of it. You know, pseudorabies is one of those things that we've had eradicated, but as a word of warning I can tell you that the biggest fear among state veterinarians right now is we've got a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

huge problem with feral swine, huge problem with feral swine. They're just exploding, particularly in states south of us. And we've got major dangers out there with the movement of feral swine that are moved illegally into states with domestic swine. And we sit on pins and needles hoping that we don't break with pseudorabies again. There's also swine brucellosis which is different than cattle brucellosis which is also a high prevalence in feral swine. So those are probably the three that, you know, fairly regularly that we deal with. But we're also involved with BSE surveillance. We work with FDA on surveillance of feed plants, with the renders on making sure that all the federal statutes are in place there that we work with. Chronic wasting disease, you know, the cousin of mad cow, is a disease that cervid species get. We're constantly...any domestic cervid species over 60 months of age that is butchered, that is struck by lightning, that's killed by any means at all, we're pulling brain stems and submitting them for CWD surveillance. Scrapie is the major TSE in sheep and goats. We still get anywhere from five to ten infected scrapie flocks a year; that's coming down. The national eradication for that program was to be in 2010; we're not going to make it but I think it won't be too much longer we'll have that one handled. Trichomoniasis, again, we spoke about that. Vesicular stomatitis is a disease that typically we get of migration from Mexico into the southern states every year. This year, New Mexico broke with it and it looks like it's going to get stopped there, not moving further north. West Nile, we're involved with that one as far as a lot of times it's education of people about handling birds. And the big thing in 2002, we had a high instance in equine species with West Nile. With active vaccination, we've pretty much got a handle on that one. Those are just probably the ones that, you know, come to mind real easy. But we're also, you know, surveillance for the major vesicular diseases that...the big one is foot-and-mouth disease, as you've just heard there, that's a scary one. That's one that would devastate us and drop us to our knees overnight basically. [LR445]

SENATOR SCHILZ: And speaking of that one, I mean, as I look at the map here and it's absolutely amazing, I notice one of the things is other activities required. What are those? [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

DENNIS HUGHES: Well, we are by statute required to inspect all livestock markets, make sure that they're following our import orders, making sure that they're back taking cattle that are involved for brucellosis surveillance, back taking swine that have been involved in pseudorabies surveillance, inspections of making sure that all our import requirements are met as well as federal statutes. [LR445]

SENATOR SCHILZ: I'm sorry,... [LR445]

DENNIS HUGHES: Yeah. [LR445]

SENATOR SCHILZ: ...but I'm looking at this as far as hoof-and-mouth. [LR445]

DENNIS HUGHES: Yes. [LR445]

SENATOR SCHILZ: If you look at that and where it's showing these green dots, all within and outside of the areas that have been (inaudible), are we talking about eradication of herds, getting rid of them? Is that... [LR445]

DENNIS HUGHES: Well, yeah, let me give you a little secret there. That's been probably the program standards, but now the secret is, is that we think we've got some vaccines out there. We may be able to vaccinate and stop the spread of it. Now that's...some of this is top secret stuff. We...Plum Island does not tell you which strains they have on hand because we don't want the bioterrorist to know what strains there is, but that has evolved just in the last two or three years now where instead of depopulation and euthanasia of all infected herds now we talked about maybe vaccinate to chill where we at least stop the spread of it and then kill those animals later. We don't have to try to get this fire put out right away. And there's some new technology where we actually maybe implement a gene to leave vaccines like we do the pseudorabies where we can differentiate a vaccinated animal from a nonvaccinated animal. Prior to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

this, you know, when you vaccinate an animal for foot-and-mouth disease, zoologically it will look just like an infected animal. Now we're talking about gene to leave a vaccines that can differentiate infected animals from vaccinated animals. And that's a really great technology. Yeah. [LR445]

SENATOR SCHILZ: Well, I mean, just knowing what I know about it and seeing what I've seen, I don't think we can impress enough upon everybody how important it is that if that would ever happen, being ready for it. And, you know, when you sit here and you talk about limiting livestock movement and human movement, I mean, we're not talking about...I mean we're talking about some pretty major-type stuff, and we aren't even...we're just considering the cost to the livestock at this point. All of a sudden now if you're restricting humans from moving anywhere, what do we do with that? I mean, how are you going to...because if I'm getting paid for my livestock having to be disposed of or whatever, what about that guy that can't go on the road to do his sales? And then I'm just thinking I'm not sure that we've actually considered all of the relevant costs even now. [LR445]

DENNIS HUGHES: Yeah. [LR445]

SENATOR SCHILZ: So that's pretty... [LR445]

DENNIS HUGHES: Well, we are involved with Homeland Security, Emergency Management protocols and standards. Quite honestly some of those things would scare you. [LR445]

SENATOR SCHILZ: Um-hum. [LR445]

DENNIS HUGHES: And I'm not here to do that but I can tell you that there are some pretty drastic steps that will be put in place. [LR445]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

SENATOR SCHILZ: Maybe we do need to be scared a little bit because I tell you what, if that would ever happen here in the state of Nebraska, I mean, and you guys don't have the ability and the federal government doesn't have the ability to get control of it quickly, we'll be more than scared and we'll be done... [LR445]

DENNIS HUGHES: Yeah, I agree. [LR445]

SENATOR SCHILZ: So I just...I mean, I've seen some of the videos and things like that about what would happen. And I just cringe if you think about 100,000-head feedyard with an outbreak and how do you take care of that, I mean, in a fashion that gets you where you need to be as quick as you need to be? [LR445]

DENNIS HUGHES: We have plans in place. [LR445]

SENATOR SCHILZ: I understand. Appreciate that. Thank you. [LR445]

SENATOR CARLSON: Okay. Other questions? Yes, Senator Dubas. [LR445]

SENATOR DUBAS: Thank you, Senator Carlson. Dr. Hughes, would you comment on the fact of not...on the classification of trich and not being able to tell neighbors when specific herds are infected? [LR445]

DENNIS HUGHES: Well, I guess I'm going to have to go with what my legal experts tell me. There is an issue with confidentiality. And because it's not a program disease in Nebraska, now, you know, possibly if that was to occur, then things could change because it's a nonregulated disease, and our legal experts tell us that we have to be very careful who we disclose that information to when you're a nonprogram disease. Maybe that's...I don't know if that answers your question. [LR445]

SENATOR DUBAS: I guess I do understand that but with...I can relate to the separation

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office
Rough Draft

Agriculture Committee
August 27, 2010

between herds with just a few strands of rusty barbed wire, we're always getting our cattle in or getting someone else's cattle out, so I see the potential there is... [LR445]

DENNIS HUGHES: Yeah, it is. [LR445]

SENATOR DUBAS: ...it's pretty real. [LR445]

DENNIS HUGHES: It is. [LR445]

SENATOR DUBAS: So I guess I would have some concerns while I do understand privacy. When somebody else's herd can have that kind of an impact on my herd, I think privacy maybe needs to become a secondary issue. Thank you. [LR445]

SENATOR CARLSON: Any other questions? Okay. Thank you for coming forth. []

DENNIS HUGHES: You bet. [LR445]

SENATOR CARLSON: (See also Exhibit 3) Any other testifiers? Well, we appreciate people coming today for these interim studies. Appreciate Senator Dubas bringing forth hers, and appreciate the work that Rick Leonard has done and Barb DeRiese being here today and the rest of the committee and for those of you coming. And with that, we'll close the interim study on LR445. And let's enjoy the State Fair. [LR445]