

March 5, 1982

LB 786

SPEAKER MARVEL: Senator Schmit, do you want to explain the bill?

SENATOR SCHMIT: Yes, Mr. President, members of the Legislature, I would like to explain the bill. The bill was introduced by myself and I have several changes in the bill that impact upon the Wheat Checkoff Board of the State of Nebraska. First of all, on page 2 it removes the Director of Agriculture as an ex officio member who does not now have a vote from the committee. At the present time the director does serve on there. He serves there strictly as advisory capacity and does not have a vote. We also provide for, in the past there has been a restriction and I would like to call your attention to this, on page 4 there has been a restriction that reads, the Wheat Development, Utilization and Marketing board shall not be authorized to set up research or development units or agencies of its own, but shall limit its activity to cooperation, and then it goes on with the Department of Agriculture, entities of agriculture at the University of Nebraska, other local, state and national organizations, public or private. The reason for this amendment is because the various commodity boards met with me last September 10th shortly after we had seen a dramatic decline in the value of all commodities in the State of Nebraska, discussed what they could do that might be of assistance in turning around the commodity prices. I want to point out that at time the drop in commodity prices had probably cost the State of Nebraska in excess of \$1 billion. Since that time the further decline has resulted in a cost of more than \$2 billion to Nebraska farmers. Now we are arguing in this body over \$15 million more or less of our budget, we are arguing over a total budget of \$730 to 50 million and yet Nebraska grain producers have lost more than \$2 billion... \$2 billion in purchasing power in the past six months or seven months of those commodities. The various commodity boards meeting in my office recommended to me that they felt it would be wise to pursue a policy where they could all join together and jointly construct an alcohol distillation plant. It is no secret to all of you that for years I have pursued that kind of a goal. It is also no secret that the financing of that sort of an operation is very difficult to come by. The process is by no means fool proof. The process is by no means a guaranteed solution to the ills of agriculture, nor I might add to the rest of the economy. But the members of the Checkoff Board, a majority of them at least of the various checkoff boards thought it would be a good idea to see if it were possible for them to do this, to use the funds collected through

8383