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LB 536

Nebraska because of the ethanol market not having the federal subsidies and those plants go up? We've lost jobs in other sectors and we lose the gains we had projected with LB 536. It is certainly a concern to me. I did support the refer to committee motion and I will support the reconsider because I think that there are some issues here that we need to look at. I have to tell you that Senator Raikes, I think, has an excellent idea. When we look at increased...

PRESIDENT MAURSTAD: Time.

SENATOR REDFIELD: Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Redfield. Senator Connealy, on the motion to reconsider.

SENATOR CONNEALY: Thank you, Mr. President, members. Ethanol production in the state of Nebraska has been very, very good for the state of Nebraska. I used to do technical analyses, I don't do as much of that as I used to, of commodities back in the eighties and in the seventies to some extent. One of the things that you looked at in technical analyses, that's the bar charts on price of grains or the like, one of the things that we looked at all the time was basis. And basis is the difference between the...of your local price between what would be in here in Lincoln or in Tekamah, Nebraska, relative to Chicago Board of Trade price. What we've done over the last 20 years is that we've moved the basis tighter in Nebraska. Nebraska, traditionally the northeast corner of Nebraska was probably the least expensive place in the world to buy grain. You couldn't buy corn cheaper anywhere in the world than in northeast Nebraska. We've changed that. We've moved that low point of grain north and east of us, and that's happened through industrial uses of grain. We've traditionally had the water, the feed usage here. We haven't changed patterns of exports. What we've done to change that basis in Nebraska is by crushing corn, by expanding the use of crushed soybeans in Nebraska, and eastern...and western Iowa, I should say. So by doing that, all the state of Nebraska has increased the amount that they get for corn by I would guess about 10 percent over the last 20 years. That's a huge benefit and that comes from the long-term work to