

LEGISLATIVE BILL 941

Approved by the Governor March 28, 2014

Introduced by Schilz, 47; Brasch, 16; Davis, 43; Johnson, 23; Watermeier, 1.

FOR AN ACT relating to agriculture; to amend section 54-857, Revised Statutes Cumulative Supplement, 2012; to provide for a dairy growth study and funding for the study; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. (1) On or before November 15, 2014, the Director of Agriculture shall provide a report to the Legislature, in electronic format, that contains:

(a) A quantitative and qualitative description of dairy production in Nebraska, including an overview on the numbers, sizes, and ownership characteristics of dairy operations in the state, current quantity and value of milk production, trends in milk production, and measures of productivity of dairy production in Nebraska;

(b) A comparison of volume and value of milk production and trends in milk production in Nebraska to that of neighboring states and nationally;

(c) A listing and description of milk processing facilities in Nebraska and a description of marketing affiliations and final consumer markets and destinations, including self-processing and direct marketing, for milk produced in Nebraska;

(d) An evaluation of the potential for expanded milk production in Nebraska with respect to (i) the ability of agricultural, institutional, and commercial assets within the state to support expanded production, (ii) the capacity of instate processors to utilize increased instate milk production, (iii) the potential for expansion of self-processing and direct marketing of Nebraska milk and dairy products, (iv) serving new or expanding markets outside of Nebraska, and (v) the potential for investment in new or expanded dairy processing facilities;

(e) A discussion of constraints to the establishment of new milk production facilities, expansion of milk production, and relocation of dairy operations into Nebraska;

(f) A review of public and private programs and initiatives to stimulate expanded milk production in Nebraska and to recruit milk production to relocate to Nebraska; and

(g) A compilation and overview of state incentives and outreach and marketing programs for the recruitment or relocation of dairy production and processing or the stimulation of investment in new or expanded dairy production and processing for states surrounding Nebraska.

(2) In the report, the Director of Agriculture may include any recommendations to the Legislature regarding actions state government may take to aid and encourage expansion of milk production and markets for milk production in Nebraska. It is the intent of the Legislature that the Agriculture Committee of the Legislature shall hold a public hearing to receive the report and to take public comment on the report and any recommendations.

Sec. 2. Section 54-857, Revised Statutes Cumulative Supplement, 2012, is amended to read:

54-857 All money received pursuant to the Commercial Feed Act shall be remitted by the director to the State Treasurer for credit to the Commercial Feed Administration Cash Fund which is hereby created. Such fund shall be used by the department to aid in defraying the expenses of administering the act, to provide resources to prepare the Nebraska dairy industry report as provided in section 1 of this act, and to aid in defraying the expenses related to a cooperative agreement with the United States Department of Agriculture Market News reporting program. Transfers may be made from the fund to the General Fund at the direction of the Legislature. Any money in the Commercial Feed Administration Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 3. Original section 54-857, Revised Statutes Cumulative Supplement, 2012, is repealed.