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Agriculture Committee
January 28, 2014

[LB884 CONFIRMATION]

The Committee on Agriculture met at 1:30 p.m. on Tuesday, January 28, 2014, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB884 and gubernatorial appointment. Senators present: Ken Schilz, Chairperson; Norm Wallman, Vice Chairperson; Dave Bloomfield; Tom Hansen; Jerry Johnson; and Steve Lathrop. Senators absent: Burke Harr and Ernie Chambers.

SENATOR SCHILZ: Good morning, everyone. I see it's just past 1:30 in the afternoon, so I will call to order the Ag Committee hearing today. My name is Ken Schilz from Ogallala and Chair of the committee. And I think I'll do things just a little different. We'll go around the room and we'll let everyone introduce themselves, that way I don't get their names wrong nor do I forget them, which you wouldn't think that would be a problem for someone my age, but you never know. So, Senator Lathrop, we'll start over here with you.

SENATOR LATHROP: Steve Lathrop, State Senator from District 12 in Omaha.

SENATOR HANSEN: I'm Tom Hansen, District 42, which is all of Lincoln County.

SENATOR JOHNSON: Senator Jerry Johnson, District 23, Butler, Saunders, and Colfax Counties.

SENATOR WALLMAN: Norm Wallman, District 30, pretty well goes south into Lincoln with Kansas.

SENATOR SCHILZ: And then to my right here, we have Rick Leonard, the research analyst for the Ag Committee, and to our left, we have Christina Case who is filling in for Jamaica Erwin as our committee clerk. And we have two pages today. How lucky are we? Colton. Where's Colton from? From Lincoln, and Chandler who is from Scottsbluff. Westerner....got to like that. So, we'd like to thank everybody for coming here today. Oh, Senator Bloomfield, go ahead and introduce yourself, if you would.

SENATOR BLOOMFIELD: Senator David Bloomfield, District 17, in the northeast corner of the state.

SENATOR SCHILZ: Very good. Today we have one bill on the agenda and a confirmation. If you are here to testify, we would appreciate you filling out a testifier sheet there. Please make sure that your cell phones are either on vibrate or silent. And with that, we won't use the light system. I think that everybody here has probably testified before and so we appreciate that and we understand we won't use the light system. But if it does become apparent that we're taking more time than we need to under a certain testifier, I may ask you to move along and finish up. So, don't worry, we

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won't try to cut off any of your testimony, but we want to make sure that things work efficiently. And so with that, we will go ahead and start with an appointment. Mr. Fahleson, I see is here. You can go ahead and take your seat and this will be for the State Fair Board. And as we get started here, Mr. Fahleson, if you could, just take a little time to introduce us to yourself for the record, tell us a little bit why...a little about yourself, of why you think you'd make a good fit for the State Fair Board, and we'll take it from there. So, Mr. Fahleson, it's all yours.

MARK FAHLESON: Thank you, Mr. Chairman. Good afternoon, Chairman and members of the committee. My name is Mark Fahleson. I reside at 1045 Fall Creek Road, Lincoln, Nebraska. [CONFIRMATION]

SENATOR SCHILZ: And one more thing before I forget. Anybody that is testifying, if you could say and spell your name, please, for the record. Thank you. [CONFIRMATION]

MARK FAHLESON: Okay. It's Fahleson, F-a-h-l-e-s-o-n. I want to thank Governor Heineman for nominating me for the First Congressional District position on the Nebraska State Fair Board, a position previously held by Tam Allan, whose leadership and service are worthy of recognition. He did a lot of work for the State Fair. I also want to thank Jana Kruger, the present chair of the Nebraska State Fair Board, who is in attendance today. A little bit about my background. I grew up on a small farm near Davey, Nebraska, and graduated from Waverly High School. Although my late father did not farm, he often told stories of his days of showing cattle and living out of the back of a stock truck at the Nebraska State Fair back in the 1940s. I was intrigued, so when I was about ten years old, I convinced my dad to allow me to take out a production credit association loan, with an interest rate of around 16 percent at the time, to purchase my first Angus heifer and from there I built a small Angus herd, which I ended up selling to go to law school. I showed 4-H and FFA at the county fair and the Nebraska State Fair until I went to college. By my count, I've only missed a couple of Nebraska State Fairs since I was a kid, and I even ran the inaugural State Fair half-marathon last year. While in 4-H and FFA, I was also active in livestock and meats judging and was fortunate enough to be a member of the national champion 4-H meats judging team. I attended the University of Nebraska at Lincoln, initially majoring in animal science, and graduating in 1989 with a degree in agricultural honors. As you may recall, the ag economy wasn't very good back in the 1980s, so I did what any Nebraska kid would do when your job prospects are slim, and your wife-to-be doesn't have a Sandhills ranch that you can one day take over, so I went to law school. I graduated from the University of Nebraska College of Law in 1992 where I was fortunate enough to serve as editor-in-chief of the Nebraska Law Review. After law school, I served a one-year clerkship for a justice on the Nebraska Supreme Court and I practiced law in Omaha. After that, I left to work on Capitol Hill serving as legislative director and chief-of-staff to a member of the United States House of Representatives. In 1997, my wife and I were

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expecting our first of three daughters and I accepted a position with the Rembolt Ludtke law firm here in Lincoln where I continue to practice law today. I'd be honored to serve on the Nebraska State Fair Board. The transition of the fair to Grand Island has been a success. I believe it is important to continue to strengthen and improve the fair and ensure it remains relevant to all Nebraskans. It is fitting that today's hearing is being held on what would have been my late father's 86th birthday. I think he would be proud that I'm helping further a grand Nebraska tradition that meant an awful lot to him. With that, are there any questions? [CONFIRMATION]

SENATOR SCHILZ: Thank you, Mr. Fahleson. Any questions, anyone? Mr. Fahleson, you mentioned...you talked about improvement for the fair going forward and maintaining the relevancy. Can you explore that a little further with us to understand what your thoughts are? [CONFIRMATION]

MARK FAHLESON: Sure, I attended my first State Fair Board meeting last Friday and, obviously, I have a lot to learn as far as the budgets and the expenditures and the capital improvements out there. But one thing that I believe as the first district rep is important is that obviously since the transition of the fair from Lincoln to Grand Island, we've seen a decrease in the number of people attending from the Lincoln area. You know, one of the expenditures that was approved by the board last week was a survey to determine why it is folks from Lincoln aren't attending the Grand Island fair to the extent they used to. And some may say it's distance. I don't think that's the only issue. But I think in order for the State Fair to continue, it's got to be relevant not only to agriculture, it's got to be relevant to the entire state, to urban Nebraska as well. And so one thing that I would hope to do is to make sure that the fair remains relevant to all of Nebraskans, not just the agricultural community. [CONFIRMATION]

SENATOR SCHILZ: Very good. Thank you. Any further questions? And maybe we need to explain that the earth doesn't just have a cliff out there somewhere. Maybe that's what it is, they're afraid of that cliff? (Laughter) [CONFIRMATION]

MARK FAHLESON: Yes. [CONFIRMATION]

SENATOR SCHILZ: Not sure of western Nebraska, right? Very good. If there's no other questions, Mr. Fahleson, thank you for coming in today. We appreciate it and you'll hear from us soon. Thank you. [CONFIRMATION]

MARK FAHLESON: Thank you very much. Thank you. [CONFIRMATION]

SENATOR SCHILZ: Thank you. With that we will close the hearing on...oh, I'm sorry. Is there anybody here to testify in support of Mr. Fahleson's nomination? Anyone in support? Is there anyone to testify in opposition? Seeing none, is there anyone in the neutral capacity? Seeing none, now we will go ahead and close the hearing on Mr.

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Fahleson's nomination and thank you very much for coming in today. At this point, we will move on to LB884. Senator Hansen will introduce and we will open up the floor to him. Welcome, Senator Hansen. [CONFIRMATION]

SENATOR HANSEN: Well, it's good to be at this end of the table again. Mr. Chairman and members of the Agriculture Committee, my name is Tom Hansen, T-o-m H-a-n-s-e-n and I represent Legislative District No. 42, and reside north of North Platte. LB884 will help the Department of Ag to be proactive in protecting the health and safety of Nebraska's livestock industry by more closely regulating the types of livestock and animals being sold, purchased, or bartered, or otherwise transferred through exotic animal auction meets, auction or swap meets, including sheep and goats. As with the judicial livestock auction markets, exotic sales and swap meets are concentration points for animals. It is this fact that more than anything else that is concerning about the possibility of rapid dissemination of a disease. This is the reason for the requirement for an accredited veterinarian to be present at an auction market. LB884 redefines and expands the authority to regulate exotic animal auctions or swap meets by requiring each livestock type of animal changing ownership, be accompanied by a Certificate of Veterinarian Inspection. This inspection is issued by an accredited veterinarian within the last 30 days. Traditional bovine or cattle or porcine, pigs, would still be prohibited from being sold through these venues. Currently, the department only requires that exotic sales and swap meets notify the department of their sales and keep records of animals sold. This bill would also require that a permit is issued to the sale organizer for each sale being held. Goats used for meat and dairy are a growing segment of the livestock industry. They sometimes graze in the same pastures as cattle and are used to reduce weeds in that pasture. Their ability to carry and spread exotic diseases is a real concern. A zoonotic disease is a disease that can be passed between animals and humans. Zoonotic diseases can be caused by virus, bacteria, parasites, and fungi. These diseases are very common. There is currently no disease surveillance being carried out on these animals during slaughter as there is for cattle and hogs. Thank you. Are there any questions? [LB884]

SENATOR SCHILZ: Thank you, Senator Hansen. Any questions for the Senator? Seeing none, thank you very much. [LB884]

SENATOR HANSEN: Thank you. [LB884]

SENATOR SCHILZ: We'll take the first testifier...proponent testifier for LB884. [LB884]

JEREMY VAN BOENING: (Exhibit 1) Thank you. Before I forget, I would like to submit written testimony for the Nebraska Livestock Markets Association...submit it to the record. Thank you. Chairman Schilz, members of the Ag Committee, my name is Jeremy Van Boening, J-e-r-e-m-y V-a-n B-o-e-n-i-n-g. I am chairman of the Nebraska Cattlemen's Animal Health Committee and a veterinarian from Alma, Nebraska.

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Nebraska Cattlemen support LB884. LB884 creates Exotic Animal (Auctions) and Swap Meets Act. The bill is a proactive animal health bill. The bill redefines and expands the Department of Agriculture's authority to regulate exotic animals' auctions and swap meets. Exotic animal swap meets would be required to register with the Department of Agriculture in the same way that livestock markets are required. A livestock veterinarian would also be required to be on site. Lastly, any livestock animal change in ownership must be accompanied by a Certificate of Veterinarian Inspection, meaning those animals will be subject to veterinarian inspection within 30 days of change of ownership. With the historic draught impacting the Great Plains, Nebraska saw many animals brought to the state without proper health papers and vet inspection. This bill is an attempt to learn from the past and bring the Exotic Animal (Auctions) and Swap Meets Act up-to-date with current livestock market statutes. This is especially true as many sheep and goats are being sold through these type of markets. Currently, livestock markets must contract with the state who then contracts with an accredited veterinarian to inspect all livestock sales. Veterinarians that become accredited through USDA, FSIS, are trained in disease surveillance. Credited veterinarians renew their status every three years and are required to have six hours of continuing education to be kept up on how the surveillance system works. A contracted auction market veterinarian on the day of a sale will walk through the pens inspecting animals for any signs of disease. The veterinarian does have the authority to stop sale of suspected diseased animals and quarantine an animal if further diagnostic testing is needed. The auction market veterinarian is also responsible for issuing Certificates of Veterinarian Inspection, commonly known as the CVI, for any animals that leave the state. The CVI is expected to meet the federal and state requirements for both shipping and receiving states. The great concern we have as cattlemen is the spread of potentially devastating disease. Many of the animals at swap meets are taken home and commingled with other animals. Animals such as sheep and goats are often pastured and will have direct contact with our cattle herds. Diseases like tuberculosis, brucellosis, that we work very hard to keep out of our state, can easily be let in and become untraceable. The inability to trace animal movement creates a potential disaster to our cattle industry and our state's economy. Of grave concern would be the introduction of a foreign animal disease like foot-and-mouth. Some animals at swap meets do originate from other countries and countries that likely harbor foot-and-mouth disease. If foot-and-mouth disease were introduced it would be...it would immediately cause a stop movement of cattle, of all animals. It becomes imperative that animals can be traced to lessen the impact of such a devastating disease. I'll give you an example of how animals might move in Nebraska. Let's say we have a swap meet in Fremont, Nebraska. There's a goat received that came from Texas and the goat has sore feet at the sale. It's sold or exchanged, bartered to a producer from Gothenburg, Nebraska. The owner then notices that...the sore feet and decides he would rather sell the animal than deal with the animal's problem. The goat is taken to the sale barn in Gothenburg, penned next to cows waiting to be picked up from the previous day's sale. The cows are going to ten different locations, all over the state of Nebraska, other states as well. The goat goes off

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feed, is developing sores in its mouth, is now unwilling to rise at the sale barn. The market vet is called. The vet believes the goat may have foot-and-mouth disease. By this time, the sale barn is ready for its next auction, has feeder calves in for the sale, more cattle have been exposed. Stop movement of cattle is issued. Fat cattle can't go to slaughter, feeder calves cannot move to their point of sale, affected cattle and livestock must be destroyed. The economic and emotional toll to Nebraska's producers would be devastating. We believe LB884 brings harmony to the statutes for the sales of exotic animals and livestock. Thank you for your time. I would be happy to answer any questions. [LB884]

SENATOR SCHILZ: Thank you. Mr. Van Boening. Any questions for him? Senator Lathrop. [LB884]

SENATOR LATHROP: The swap meets, is this where you go and trade furniture and guns and...are these all animals only? [LB884]

JEREMY VAN BOENING: Yeah, these particular would be animals only. There's several advertised in the state for the coming year already. [LB884]

SENATOR LATHROP: Okay. Who is sponsoring these things? [LB884]

JEREMY VAN BOENING: I can't answer that question. [LB884]

SENATOR LATHROP: Are they done to raise money? I don't understand the whole concept of a swap meet over animals. So, is this where people just show up because they're into little goats and... [LB884]

JEREMY VAN BOENING: Right. Hobby. [LB884]

SENATOR LATHROP: ...I mean, that's their hobby. [LB884]

JEREMY VAN BOENING: Hobby, yep, that's my understanding. [LB884]

SENATOR LATHROP: Okay. And so they show up in Fremont or someplace like that and they buy and sell... [LB884]

JEREMY VAN BOENING: Sure. Trade. [LB884]

SENATOR LATHROP: ...animals that aren't necessarily bred and raised for human consumption. [LB884]

JEREMY VAN BOENING: Correct. Although there are many sheep and goats that do come through those sales. They're miniature cattle that come through those sales that

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obviously could be consumed by people. [LB884]

SENATOR LATHROP: This bill would require what? If I'm going to sponsor it, one of these swap meets, now I've got to have a vet on the premises that can look around and make sure the animals are all fine? [LB884]

JEREMY VAN BOENING: Right. Correct. It would be...need to be inspected similar to how the auction markets are inspected today. [LB884]

SENATOR LATHROP: If we pass this, will there be a vet that looks at each one of these animals or does he just walk around and kind of see what he notices, or she? [LB884]

JEREMY VAN BOENING: Right. I believe...depending on if they need to write a health certificate, absolutely they'll need to be inspected to know that there's no disease present. [LB884]

SENATOR LATHROP: Tell me the...how this works. How many animals show up at these things and how many vets are there to do the inspections? [LB884]

JEREMY VAN BOENING: At these there would be one veterinarian do the inspections. [LB884]

SENATOR LATHROP: So we're going to have one vet, and our example is a swap meet in Fremont. How many animals are likely to be there? [LB884]

JEREMY VAN BOENING: You know, I don't know how many show up at these things. I've actually never been to one myself. There may be somebody more qualified to answer that question here. [LB884]

SENATOR LATHROP: Is it just like 25 or do we have a couple hundred? [LB884]

JEREMY VAN BOENING: I think there's...from the pictures I've seen on the Internet of these swap meets, there's probably several hundred. [LB884]

SENATOR LATHROP: Okay. So, if I'm going to bring an exotic goat from Texas to the swap meet in Dodge County or up in Fremont, am I going to pay the \$25 just to have my animal at that on the chance that the vet might do an inspection? Or do I pay when an inspection is done? I'm just trying to get the idea...there's a vet there, there's 300 little miniature goats or something? [LB884]

JEREMY VAN BOENING: Right. And I think that... [LB884]

SENATOR LATHROP: Is the vet going to look at each one of them and then charge the

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owner 25 bucks for each one of them? [LB884]

JEREMY VAN BOENING: Yeah, and I'm not...I guess I'll let the...I see the Department of Ag is here and I assume they're going to testify. (Laughter) I'll probably let them answer that question. [LB884]

SENATOR LATHROP: I'm just trying to get an idea of the problem. And then, I guess my next question is going to be, in your hypothetical, the animals go from a swap meet, somebody loses their interest in this animal... [LB884]

JEREMY VAN BOENING: Right. [LB884]

SENATOR LATHROP: ...and do they then take them to a sale barn with regular cattle moving through there? [LB884]

JEREMY VAN BOENING: They can because a goat is...they sell them at the sale barn that I'm involved with, that sheep and goats will be at the same auction as cattle. [LB884]

SENATOR LATHROP: Even these designer goats or whatever you call them? [LB884]

JEREMY VAN BOENING: It's pretty amazing what will show up at the sale. (Laughter) [LB884]

SENATOR LATHROP: Well, we'll wait for the next testifier. Thank you. [LB884]

SENATOR SCHILZ: Senator Wallman. [LB884]

SENATOR WALLMAN: Thank you, Chairman. Now mainly you consider goats an exotic animal, even in my area they have chickens and ducks and it all goes to the sale barn east of Lincoln? [LB884]

JEREMY VAN BOENING: Yes, yes, there will be ducks and chickens and...yes. [LB884]

SENATOR WALLMAN: Thank you. [LB884]

SENATOR SCHILZ: Thank you and one question for you, so I understand it. If these animals would go through a sale barn that's set up already, all that would happen anyway. They would be inspected for veterinarian certificate and everything else would be just fine. [LB884]

JEREMY VAN BOENING: Correct. [LB884]

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SENATOR SCHILZ: It's only because of these swap meets that we have to make sure that they're getting inspected at the point of sale, as far as I understand. [LB884]

JEREMY VAN BOENING: Correct. [LB884]

SENATOR SCHILZ: Senator Bloomfield. [LB884]

SENATOR BLOOMFIELD: It's not so much a question as a possible clarification. I think the term swap meet here is far less inadequate. These are auction sales. I attend them every once in a while. I have yet to see anybody say, I'll trade you my duck for your goat. (Laughter) [LB884]

JEREMY VAN BOENING: Sure. [LB884]

SENATOR BLOOMFIELD: They trade them for cash. As to how many may be there, the one at Fremont we attended last year, if you count chickens, there were thousands of animals there, not a few hundred. I would guess there were probably 5,000 chickens alone. And if you think one veterinarian is going to walk around and look at every one of those chickens, give us a health certificate, I think we're going to have some awfully tired vets at the end of the day. And again, there were probably 100 to 150 different goats there, and pot-bellied pigs, and every form of creature that you can actually imagine in God's creation, probably comes through these things. But to call them swap meets is to me a misnomer. [LB884]

SENATOR SCHILZ: Thank you. Any other questions for Mr. Van Boening? Thank you very much for your testimony today. [LB884]

JEREMY VAN BOENING: Thank you. [LB884]

SENATOR SCHILZ: Our next proponent for LB884. Director, welcome. [LB884]

GREG IBACH: (Exhibit 2) By popular demand, I have copies of my written testimony here. [LB884]

SENATOR SCHILZ: Good afternoon. [LB884]

GREG IBACH: Senator Schilz and members of the Agriculture Committee, my name is Greg Ibach, G-r-e-g I-b-a-c-h, and I am the director for the Nebraska Department of Agriculture. I'm here to testify in favor of LB884. LB884 amends provisions related to the exotic animal auctions and swap meets, and amends and repeals section of the Livestock Auction Market Act. The department, under the current exotic animal auction and swap meet provisions, keeps records of where and how many of these events are taking place across Nebraska, and department employees periodically attend these

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events to observe the type of animal species moving through these events. By location, Nebraska has approximately 20 different sites around the state which host these events, with a total number of animal sales of approximately 90. Large animals, sheep, goats, miniature bovine, are being transferred through approximately 80 of these venues. Although animals moving through exotic animal auctions and swap meets are not supposed to include animals which go through livestock auction markets, we have found that an increasingly nonexotic sheep, goats, and certain species of bovine are being transferred through these venues. Because these animals can transmit a wide range of diseases, including diseases which have been eradicated in Nebraska such as brucellosis and tuberculosis, the department believes a veterinarian inspection of such animals prior to them having the opportunity to commingle with traditional livestock animals is essential. Outbreaks of these eradicated diseases in our beef or dairy cattle herds could cost both Nebraska its accredited TB-free status, its brucellosis-free status, or both. In addition, because tuberculosis and brucellosis are zoonotic diseases, which pose a threat to not only the health of livestock, but humans as well, additional requirements need to be in statute for controlling and tracing potentially diseased animals through the use of Certificates of Veterinarian Inspection. CVIs are currently used to trace animals moving interstate. Thus, the department supports the proposed new provisions which require exotic animal auction and swap meet organizers to apply for a permit, contract with an accredited veterinarian during such events to visually inspect animals, and to issue the necessary CVIs, the Certificate of Veterinarian Inspection, when required. We believe this will help protect Nebraska's livestock industry from the potential introduction and spread of dangerous, infectious, and otherwise transmissible diseases. Again, to emphasize, without this legislation, the department is concerned that an exotic animal, specifically those of beef, camelid, caprine, ovine, or porcine species, being purchased, sold, bartered, traded, given away, or otherwise transferred at these exotic animal auctions or swap meets can carry animal diseases which could then be transmitted to traditional livestock. The results of a foreign animal, zoonotic, or other dangerous, infectious disease outbreak could seriously negatively impact progress Nebraska has made in the areas of animal disease control and eradication, and livestock biosecurity. We'd be happy to answer any questions. [LB884]

SENATOR SCHILZ: Thank you, Director. Any questions for Director Ibach? Senator Wallman. [LB884]

SENATOR WALLMAN: Thank you, Chairman. Yeah, thank you, Director, for coming. Miniature cattle aren't classified the same as regular cattle, then? [LB884]

GREG IBACH: What...yeah, they're bovine species and so, you know, theoretically, they should move through the livestock auction market system. But, increasingly, the buyers for even Longhorns as well as miniatures, are choosing a different venue. These swap meets are what considered exotic animal auctions to facilitate the trade of those

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animals. And we have even in the goat industry and the sheep industry, there's some sale barns that no longer feel that there's enough mass and that they can attract buyers, or the sellers are finding out there's not buyers present at the Livestock Auction Market, so they're choosing more and more to use these targeted swap meets or exotic auctions as their preference. And so this legislation will kind of bring them up to an even expectation with the sale barns to be able to have the vet there. You know, if we have animals coming in from out of the state, they're supposed to have the certificate of vet inspection to show up, but not all of these are sophisticated producers that understand, you know, the regular rules of the livestock trade and animal disease control. So that having a vet there would be able to look at those out-of-state animals to determine that they're healthy when they came in, provide some traceability that they came in and got the proper documentation. And then also it helps producers that are coming from out of state that are buying animals, that they leave the state and are following the same expectations that we expect animals coming in. They can get that health certificate written so they go out with the right paperwork and traceability as well. [LB884]

SENATOR WALLMAN: I just twisting it around. If an out-of-state livestock comes in with some kind of disease, you quarantine them? [LB884]

GREG IBACH: You know, if they're so sick that they're obviously impaired at the auction, then, yes, we would take the...the veterinarian would be expected to take the necessary steps or notify the department to help them...assist them in that determination which could include quarantine, yes. [LB884]

SENATOR WALLMAN: Thank you. [LB884]

SENATOR SCHILZ: Senator Bloomfield. [LB884]

SENATOR BLOOMFIELD: Thank you. Director, how much involvement did the department have in drafting this legislation? [LB884]

GREG IBACH: You know, to be honest with you, a lot of involvement with this legislation. We actually, kind of, identified this as a concern area last summer and then we worked with the Cattlemen and other industry partners to share our concerns with them. And the Cattlemen felt that this was an important issue for them and they actually worked with Senator Hansen to have this bill introduced. [LB884]

SENATOR BLOOMFIELD: When you were talking to the Cattlemen and such, did you also talk to the sheep producers and the goat producers? [LB884]

GREG IBACH: The sheep and goat producers, we might not have had as much direct conversation with as we've had with the Cattlemen, Farm Bureau, the Livestock Auction Market Association. [LB884]

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SENATOR BLOOMFIELD: Fun bit of useless information, I happen to be a sheep producer, so... (Laughter) [LB884]

GREG IBACH: My brother is too. [LB884]

SENATOR BLOOMFIELD: ...and it would have been nice if we would have had them put on this as well. [LB884]

SENATOR SCHILZ: Anything else? Thank you, Senator Bloomfield. Any other questions for Director Ibach? Director, so if I understand correctly, you haven't come right out and said it, but these auctions are growing and more and more animals coming into them all the time. Is it just an attempt to make sure that we're keeping all of our prerogatives in place to make sure that we don't have any problems with these diseases moving forward, is that correct? [LB884]

GREG IBACH: Yeah, you know, I think that it's just a way to have them come into compliance with what's expected out of food animals. And a lot of these...some of the goats and sheep are being traded under, you know, Weed Eaters and stuff like that so they're not necessarily trading even for the meat purposes at these swap meets. But it levels the playing field with the current livestock auction markets. It also provides oversight in a health...some type of health oversight that we think is important to protecting our livestock industry. [LB884]

SENATOR SCHILZ: Sure. Do you have any idea of how many...just for my own curiosity, how many animals a year are being traded this way? [LB884]

GREG IBACH: No, I don't...you know, I think that like Senator Bloomfield pointed out, that I'm not sure that we've gone through and counted all the snakes and chickens and parrots and everything that trade at these auctions. And so, no, I don't know how many animals are being traded. [LB884]

SENATOR SCHILZ: Okay. [LB884]

GREG IBACH: We don't attend all of them, necessarily either, currently. [LB884]

SENATOR SCHILZ: But the understanding is when we see that one section here in the bill strikes provisions for that \$25 minimum for the vet, what I'm hearing from you is that with the number of animals there, that's probably not going to be an issue moving forward. I mean... [LB884]

GREG IBACH: Yeah, and the certificate of health inspection wouldn't be required on every animal that, you know, a Nebraska animal that is staying in Nebraska may not

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require that health inspection, just...but the vet is expected to have done a cursory overview to make sure there's not any obvious health concerns. [LB884]

SENATOR SCHILZ: Right. And then the other thing that I see there is that there would be an opportunity for rules and regulations to define then what that minimum level would be going forward, correct? Okay. Thank you. And then, I guess one other question before I'm done. You know, is there...who then, if we come up with the minimum then and then it's not, you know, we don't meet that threshold, if the market is not liable to pay for that, you guys will have to work that out on how you'll work that going forward as to who pays? [LB884]

GREG IBACH: I think...yeah, I think that we would...I think we have certain circumstances probably even within the current Livestock Auction Market system that, you know, we've addressed that issue. And, you know, and I think that, you know, if somebody is bringing in, it's not per animal. I think there might have been some confusion about that earlier. You know, if somebody brings in, you know, 20 sheep, the Certificate of Veterinarian Inspection is going to apply to all 20 of them, not 20 different certificates, so. [LB884]

SENATOR SCHILZ: Right. Sure. Understandable. Thank you, sir. Senator Lathrop. [LB884]

SENATOR LATHROP: I do have a few questions about how this works. Do you know how many of these swap meets we have regarding livestock? In rough numbers in the state a year. [LB884]

GREG IBACH: Yes, we have...we think that there's 20 different locations around the state that are hosting these events and that there are approximately 90 sales per year across those 20 locations. [LB884]

SENATOR LATHROP: So they're doing two or three... [LB884]

GREG IBACH: And we think...and we believe 80 of them are trading, you know, the food animal type that we're concerned about. [LB884]

SENATOR LATHROP: Some of them might be snakes and parrots. Would the department send the vet out or would a vet from a local community attend? [LB884]

GREG IBACH: The host of the swap meet or auction would be responsible for contracting with a veterinarian to be at the sale. [LB884]

SENATOR LATHROP: If I want to host one of these things after the bill passes, do I have to get a permit from you? [LB884]

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GREG IBACH: You'd get a license. Yes. [LB884]

SENATOR LATHROP: And so we'll have 90...approximately 90 applications to your office for various permits. And what criteria are you going to use before you issue a permit? [LB884]

GREG IBACH: I think that the purpose of the permit isn't necessarily to provide an evaluation or grant permission to host one. It's more of a notification that one's going on, and an opportunity for us to communicate with them what is also expected of them, if this passes. [LB884]

SENATOR LATHROP: Are you going to confirm that they have a vet there? [LB884]

GREG IBACH: Yes, I think that would be part of the process of the permit. [LB884]

SENATOR LATHROP: So if I want to have one of these meets, I get a permit and somewhere in that permitting process, you're going to say, Lathrop, do you have a vet there and prove it. [LB884]

GREG IBACH: Yeah, or we're going to have you...probably the way it would more accurately work maybe is that you would as part of the permitting process, you would agree to the fact that you would have a vet in attendance at your event. [LB884]

SENATOR LATHROP: And will you confirm that that happened? [LB884]

GREG IBACH: Yes, I think that would be important for us to do. [LB884]

SENATOR LATHROP: Is somebody from the Department of Ag going to go to these meets to see that there's a vet there? [LB884]

GREG IBACH: We...we're already attending. [LB884]

SENATOR LATHROP: Or you just going to take the word for it? [LB884]

GREG IBACH: We're already attending quite a few of these auctions and meets because it's part of our avian influenza surveillance project that we do because there's so many of those type of animals that are there. And so, yes, we will...we may not attend every one but we will, you know, try to take...do a sampling to make sure that there's compliance. [LB884]

SENATOR LATHROP: Did the Fiscal Office at some point ask you your thoughts on a fiscal note, or your office? [LB884]

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GREG IBACH: No, and I don't think that...I don't believe that a fiscal...I'm not too worried about that impact. [LB884]

SENATOR LATHROP: I get that because there's no fiscal note. And I just want to know how you did this because I don't have as much luck as you're apparently having with this bill. (Laughter) It says there will be an additional cost for administrative time to handle the increase in the number of certificates a veterinarian inspection issued and the potential for additional enforcement work. And you're going to absorb that in the department without any additional expense? [LB884]

GREG IBACH: I think that at this time we feel that we can absorb that in the department. We know that it's going to maybe increase some work load or there will be, you know, some additional time spent concentrating on this, but we do not feel that it requires additional staff or funds to be able to meet that expectation. [LB884]

SENATOR LATHROP: Okay. It's good to know that happens. (Laughter) [LB884]

SENATOR SCHILZ: Senator Bloomfield. [LB884]

SENATOR BLOOMFIELD: Thank you. I am not totally adjusted to this whole bill yet, but I think I found in there where this also affects the sale, like, at the farm store of baby chicks. And I would have to assume rabbits. That Bomgaars is the branch up in our part of the state. They sell numerous baby chickens every spring to people that want to raise their own eggs or raise their own meat chickens. Are we going to send an inspector to look at these chickens that Bomgaars sells also? [LB884]

GREG IBACH: I don't think that that's a target area of concern, those type of sales. I would need to get some clarification on that because that's not something that I've been part of the specific discussion on. [LB884]

SENATOR BLOOMFIELD: Yeah, and I need to dig a little deeper into it, but I also... [LB884]

GREG IBACH: I can do some checking and send you a note. [LB884]

SENATOR BLOOMFIELD: I also wonder...I know there are a number of people, again, that raise chickens and order their baby chicks from out of state. Is that going to become an issue? [LB884]

GREG IBACH: I would assume that those types of already established lines have...are complying with our regulatory expectations at this time. [LB884]

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SENATOR BLOOMFIELD: You used the word that we all like to make fun of there when you said, "I assume." (Laughter) Thank you. [LB884]

GREG IBACH: Right. [LB884]

SENATOR SCHILZ: Thank you, Senator Bloomfield. Any other questions for Director Ibach? Seeing none, thank you for your testimony today. Now, further proponents for LB884. Welcome. [LB884]

MICK MINES: Thank you, Senator Schilz and members of the committee. For the record, my name is Mick Mines, M-i-c-k M-i-n-e-s. I am a registered lobbyist for the Nebraska Humane Society. We come at this bill from a different angle. We're concerned about the pet animal provision of the bill, and I want to thank Senator Hansen and Barb Lococo for working with us. Actually, working with us and other welfare...animal welfare organizations. We deal in exotic animals. We deal in primates, we deal in snakes, and all kinds of animals, but we don't sell in an auction environment. We don't sell in swap meets, we don't participate in those, but we were concerned when the bill was originally drafted that we were then included if we would take in a primate that was being neglected and bring that primate back to health and then we sell the primate for what we've got in it. We worked with staff and Senator Hansen and we are now defined as not being a swap meet or an auction and we sincerely appreciate that. And I also...Senator Lathrop, I was...I didn't know a thing about swap meets and auctions, exotic animal swap meets, and after a little bit of research, my goodness sake, the Nebraska exotic animal association is headquartered in Omaha. They have a big gala at the Ramada Inn on 72nd in October. Palmyra sells exotic birds every Saturday. It is everywhere. And again, we're not involved in that and we appreciate Senator Hansen carving us out so that we can simply do our...do what we do. And with that, I would entertain any questions. [LB884]

SENATOR SCHILZ: Thank you, Mr. Mines. Any questions for Mr. Mines? I see none. [LB884]

MICK MINES: Thank you. [LB884]

SENATOR SCHILZ: So I take that that in what you say here today that the Humane Society of Nebraska is not into little goats, right? (Laugh) [LB884]

MICK MINES: Unless they're abused or neglected, and then we're into them. [LB884]

SENATOR SCHILZ: Okay. Thank you. Next proponent. [LB884]

BRUCE BRODERSEN: Hello. My name is Bruce Brodersen, B-r-u-c-e B-r-o-d-e-r-s-e-n. Good afternoon, Senator Schilz and committee members. I'm a veterinarian

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representing the Nebraska Veterinarian Medical Association and providing testimony in support of LB884. We believe passage of this bill will help reduce potential spread of disease in the livestock industry in Nebraska. This will also improve the ability of the staff of the Animal and Plant Health Protection Unit of the Nebraska Department of Agriculture to track and trace animal movement within the state. There's several species which are traded through the exotic animal markets, as we've heard already today, and many of these species can be infected with agents that cause disease not only in livestock but also communicable diseases that are zoonotic or diseases that can infect humans. Should such an event occur where there's an outbreak of disease and a source of the infectious agent is an animal that passed through one of these markets, it will be quicker and less expensive to determine the current and past locations of said animals as well as other pertinent information. One well-known example of such a situation is where a foreign disease was spread through the practice of these exotic animal markets or swap meets, was the "monkeypox" incident of 2003. I don't know if anybody remembers that or not, but "monkeypox" was transmitted to pet prairie dogs from Gambian rats which were imported from Africa. Over 71 exotic pet dealers, pet owners, and--I know it's kind of funny, isn't it? Gambian rats--the owners and veterinarian care workers developed disease as a result of exposure to this virus. Of these, at least 14 patients were hospitalized, one of which was a child less than ten years old that developed encephalitis. Fortunately, there were no fatalities or mortalities during this outbreak, however. The disease spread during a one-month period of time to six different states, originating from Illinois spreading across the Midwest. And there was also a suspected case in Nebraska where a prairie dog had been transferred to Kearney and so that prairie dog was also collected and examined for "monkeypox" virus. So it is...I mean it's a real issue. There's no reason a similar situation can't occur with diseases that can be transmitted...other diseases that can be transmitted to humans, but just as easily to livestock in Nebraska. The question about the CVIs and the overwhelming number of animals that have to be inspected, I think the bill makes a provision where animals can have a CVI issued before they attend the auction or swap meet. And that CVI is good for 30 days prior to that auction. And that's listed on page 17 of the bill. One other issue that we have regarding the introduction of this bill is, we would ask that there's removal of the requirement...or there is in the bill removal of the requirement for payment of a daily fee to veterinarians by auction markets. And that's listed on page 26. Granted, the amount of money is small, and that's an issue for future discussions. The commitment of time by veterinarians to an auction market needs to be compensated. We ask that part of Section 29...that that part of Section 29 not be removed from the bill. This will put the minimum compensation into rules and regulations and take out of the hands of the Legislature this provision for compensation of veterinarians. So, if you have any questions, I'd be happy to answer them at this time. [LB884]

SENATOR SCHILZ: Thank you, sir. Any questions? Seeing none, thank you for your testimony. [LB884]

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BRUCE BRODERSEN: Thank you. [LB884]

SENATOR SCHILZ: Further proponents. Good afternoon. [LB884]

ANTHONY AERTS: Good afternoon, Senator Schilz and other members of the Agriculture Committee. My name is Anthony Aerts, A-n-t-h-o-n-y A-e-r-t-s. I serve as the assistant director of state governmental relations for the Nebraska Farm Bureau and I'm here today to testify in support of LB884 on behalf of the organization. Farm Bureau does not have any specific policy which speaks to exotic animal sales, nor the regulations surrounding these events. However, our members have been consistent in their support of the enactment and enforcement of laws and regulations in the state of Nebraska which assists in the prevention and control of the spread of disease within the livestock industry. This bill, obviously, intends to further that objective and, therefore, we urge the committee to support this legislation. And I'd be happy to try to answer any questions that you have. [LB884]

SENATOR SCHILZ: Thank you, sir. Any questions? Seeing none, thank you for your testimony. Further proponents. Seeing none. Any opposition to LB884? Seeing none. Any neutral testimony? Seeing none. Senator Hansen, you're welcome to close if you would so wish. [LB884]

SENATOR HANSEN: Thank you, Mr. Chairman. I thought since this was the only bill today, I should close, and this won't take more than 45 minutes. (Laughter) I've never attended one of these sales either, but I understand the potential problem that could come about. I know Senator Bloomfield has questions on, and experience at these things. I do know that he bought a billy goat a couple of weeks ago. (Laughter) [LB884]

SENATOR BLOOMFIELD: It wasn't one of these, though. This was at the regular sale barn. (Laughter) [LB884]

SENATOR HANSEN: It wasn't? Okay. But he did pay money for a billy goat, so. But the exotic sales, and it looks to me like maybe a little bit of going around the sales, the auction barns. I think the competitive markets letter you can read that and see that they want to make a level playing field with their auction barns and these sales. So, the least we can do is to appreciate what the department wants to do in inspecting these animals. They can...Senator Lathrop...Senator, whoever asked, at the sale barn in Ogallala, on their big days, they sell 7,000 head of cattle and those are all health-inspected. The money comes out of the proceeds of the cattle. This is feed at the sale barn, trucking, whatever, the checkoff money, comes out, they'll come out of the proceeds of the sales of the animals. So, how these exotic swap meet sales fund that, I'm not sure. If they want to take it out of the proceeds of everybody, or the person in charge provides for the veterinarian and his fees during the course of the day, I'm not sure how they'll

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handle that. But I think the department is willing and we should be appreciative of what they're trying to do for us. [LB884]

SENATOR SCHILZ: Thank you, Senator Hansen. Senator Bloomfield. [LB884]

SENATOR HANSEN: Yes, sir. [LB884]

SENATOR BLOOMFIELD: Senator Hansen, when one of these 7,000 cattle go through the sale barn out west, how much is that inspection fee, roughly? [LB884]

SENATOR HANSEN: I don't remember. I've seen it on the bill. [LB884]

SENATOR BLOOMFIELD: What is the estimated value of that animal? [LB884]

SENATOR HANSEN: Oh, several hundred dollars. [LB884]

SENATOR BLOOMFIELD: A chicken might bring \$2. What kind of a fee you were going to put on that chicken for the veterinarian to look at and not even make the price of the chicken? Uh, yes, I did buy a gentleman goat two weeks ago at the regular sale barn for \$250. The year before that, and this goes to your bill, in fact, I bought one at the West Point Exotic Sale Auction, a purebred Boer goat for \$275, which when we were through with him, we sold through the sale barn at Norfolk again at the regular open market. So, yeah, they do move from one place to the other, there's no denying that. But I think when we start getting into chickens and ducks and such things, we maybe doing a little bit of an overreach. But there's a lot to be looked at in your bill yet and we'll go there. Thank you. [LB884]

SENATOR HANSEN: Okay. I appreciate that. [LB884]

SENATOR SCHILZ: Thank you, Senator Bloomfield. Any other questions for Senator Hansen? Thank you, sir, for introducing the bill. And with that, that will end our hearing today. Thank you for everyone attending and have a good day. [LB884]