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Agriculture Committee February 6, 2024

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HALLORAN: Good afternoon. I don't mean to be so harsh, but I had to get your attention. Welcome to the Agriculture Committee. I'm Senator Steve Halloran. I'm from Hastings, Nebraska, and represent the 33rd Legislative District. I serve as Chair of this committee. The committee will take up the bills and confirmations in the order posted on the agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. Committee members might come and go during the hearing. This is just part of the process as we have bills to introduce in other committees, I ask you to abide by the following procedures to better facilitate today's procedures. Please silence or turn off your cell phones. Please move to the reserve chairs when you are ready to testify. These are the first two chairs on either side of the main or-- main aisle in the front row. Introducers will make initial statements, followed by proponents, opponents, and neutral testimony. Closing remarks are reserved for the introducing senator only. If you are planning to testify, please pick up a green sign-in sheet that is on the table at the back of the room. Please fill out the green sign-in sheet before you testify. Please print. It is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to the page or committee clerk. This will help us make a more accurate public record. If you do not wish to testify today but would like to record your name as being present at the hearing, there's a separate white sheet on the tables that you can sign for that purpose. This will be part of the official record for the hearing. If you have handouts, please make sure that you have 12 copies and give them to the page when you come up to testify, and they will distribute those to the committee. If you do not have enough copies, the page will make sufficient copies for you. When you come up to testify, please speak clearly into the microphone. Tell us your name and please spell your first and last name to ensure that we get an accurate record. We will be using the light system for all our testifiers. You will have-- how many are here to testify on LB844, LB844? OK. Each will have 5 minutes to make their initial remarks to the committee. When you see the yellow light comes on, that means you have 1 minute remaining. And it's not like when you're driving, OK? It's not like when you're driving, when you have a yellow light, it means you should be prepared to stop. So when the red light indicates your time is ending. Questions from the committee may follow. No displays of support or opposition to a bill, vocal or otherwise, are allowed at the public hearing. Committee members will--

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with us today will introduce, introduce themselves, starting on my far left.

HUGHES: Hello, Senator Jana Hughes, District 24: So it's Seward, York, Polk and a little bit of Butler County.

BREWER: Tom Brewer, District 43: 11 counties of central and western Nebraska.

HALLORAN: To my far right.

HOLDCROFT: Rick Holdcroft, District 36L west and south Sarpy County.

RIEPE: Merv district-- Riepe, District 12, which is greater Omaha area.

HALLORAN: Thank you. To my right is committee research analyst, Rick Leonard. And to my left and the lights came on when Senator Hansen came in so [INAUDIBLE]. And to my left is committee clerk, Payton Coulter. And for pages today, I'm going to let you introduce yourself.

MOLLY PENAS: I'm Molly Penas and [INAUDIBLE].

HALLORAN: Thank you. All right. With that, we will start our proceeding with LB844, Senator Erdman.

ERDMAN: Thank you, Senator Halloran. My name is Steve Erdman. I represent District 47. You spell Erdman and Steve this way, S-t-e-v-e E-r-d-m-a-n. I'm here today to bring to your attention LB844. LB844 is a similar bill to what we had last year. We had a bill similar to this, but it had way more information or corrections in it than need be. The problem we're trying to solve is to make sure that local people can work in detasseling and roguing before they hire H-2A workers. The issue is that oftentimes they hire those workers, H-2A workers, before they give the local people a chance. And so this is an opportunity for us to make sure that the local people are taken care of first. That's what the federal law requires, but we don't seem to adhere to that very well. So that's what this is trying to do. So let me start with a few talking points about what LB844 is going to do or try to do, and then I'll open it for questions. So the problem is the seed companies, they've been hiring the-- they, they have been hiring an adequate number of-- haven't been hiring a lat-- an adequate number of local roguing and detasseling companies. And so the federal regulation says H-2A workers can only be hired if you cannot find local work to do the job. So the U.S. code further stipulates that

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employers are required to demonstrate their need for specific H-2A workers. And the law-- and the laws are not being adhered to or enforced by the federal government. So this is our opportunity to make sure that these people are taken care of. In September-- on September 20, 2019, then-Governor Ricketts wrote a letter to the U.S. Department of Labor urging them to require detasseling companies which hire migrant workers to include in their petition for H-2A workers a certification that the benefiting seed company had already solicited bids from, from work at the local companies. And no bids-- if no bids were available that did that, then they could use H-2A workers. The federal government never took action on his recommendation. In 2019, Nebraska detasseling-- local detasseling companies had 710. They had 710 local employees on the waiting list to do detasseling. So a lot of these detasseling companies that had workers that needed work could not get work because H-2A workers replaced them. So since 2019, there have been 9 detasseling companies go out of business because they were not able to get the desired acres or the acres they needed to continue. So what has happened with some of the detasseling companies that have hired these H-2A workers? They have not been as, what shall I say, diligent in taking care of their health needs, and a couple of them have died in the cornfields. So this is an opportunity for us to make sure that we have local people and their health is considered before they send them out in the fields. So LB844 clarifies how this income, how the seed companies are to go about soliciting for bids for contract labor from roguing and detasseling. And there will be people behind me that will be able to describe for you the difference between detasseling and roguing. So it's an important differentiation. The bill creates a transparency for disclosing whether local companies with a valid certificate of exemption aren't being considered or bypassed in the bidding process. A farm labor contractor whose primary residence is in Nebraska may apply for a certificate of exemption only when 80% or more of their workforce is comprised of individuals 17 years or younger. And so there's a lot of young people that work in the detasseling industry in Nebraska. Between August 1 and September 1 [INAUDIBLE] each seed company would supply the Director of Agriculture with important information for holding them accountable. The information would include the following: the current year, seed corn companies would supply the Director of Agriculture with the number of acres that required manual labor for roguing and detasseling work. The seed corn company would then supply the director with the name of each company under contract that was utilized would specify those in the process-- those in possession of a valid certificate of exemption, and those not in possession of a valid certificate of exemption. Seed corn

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companies would also disclose the number of acres each contract company has assigned to the roguing and detasseling work needed. After the Director of Agriculture would then publish information in a report to be posted on the Department of-- department's website no later than September 30 of each year. So the opportunity here is for everyone to know how many acres there is to be done, to make sure that the local people are getting a chance to do those acres before they're offered to H-2A workers. So the opposition will try to argue that there's not enough local workers to do the detasseling work. As I stated earlier in my testimony, 19-- in '19, there were 200-- 710 young people that couldn't find work because the H-2A workers had replaced them. So Senator Ricketts, now Senator Ricketts, then Governor Ricketts wrote that information to the Department of Labor. The opposition will also try to argue that at 848-- LB844 infringes on the growing-- on the corn growing season. No detasseling work has ever been done in September. So they had put an information out there that they need workers clear through the month of September, which is false advertising. The opposition will complain that LB844 caused them to disclose proprietary information, making the competition-- making the competition unfair. All seed companies operating in Nebraska will have to disclose the same information. So I'm not sure how that is information as proprietary. So LB844 is an opportunity to solve a problem that we have, that young people in Nebraska that want to work can't find work. And so I bring this to you today for your consideration, and I pray that you would advance this on to the floor. One thing I might mention that I didn't talk about, there is an amendment. The amendment is AM2208. And basically what that amendment does, it makes sure that all of the certified-- all the people who are certification of exemption is sent out so the seed companies know exactly who it is that's looking for work. And so they can't complain that we didn't know that that group was in the area to do work. And so that information will be sent out registered letter so that all the seed companies have an opportunity to see who those people are. So that's the summation of what I think is important. There will be people behind me that can answer more and more direct questions about detasseling and roguing. But I will tell you, those people following me have all experienced rouging and detasseling in their younger days and [INAUDIBLE] to be a very, very beneficial job. And I think it's important that we have our young people learn the very, very important thing of how to work. So that's LB844.

HALLORAN: Thank you, Senator Erdman. Questions from committee? Senator Riepe.

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RIEPE: Thank you, Chairman. You can reflect on this one. Do you recall from last year that the local employers were given preference over the H-2--

ERDMAN: H-2A workers this last year?

RIEPE: Was it last year?

ERDMAN: No, I-- you know, Senator, I don't know the information now but I think there are people behind me who could answer that better.

RIEPE: OK, I was just--

ERDMAN: But in the past it's been that way. And as I said in my testimony, there have been 9 detasseling companies, local detasseling companies have gone out of business because they couldn't find work.

RIEPE: OK.

ERDMAN: So we're just trying to protect those people that are local.

RIEPE: Chairman.

HALLORAN: OK, OK. Thank you, Senator Riepe. Senator Hughes.

HUGHES: Thank you. Thank you, Chairman. Thanks for bringing this, Senator Erdman. I detasseled back in the day, and all my children have detasseled as well. So just clarification on-- for the reporting from the seed producers. That doesn't fall on, like, the farmer that has the seed corn. It would be from, like, the Pioneer or Syngenta or whatever.

ERDMAN: That's correct.

HUGHES: OK. Just making [INAUDIBLE]

ERDMAN: That's correct.

HUGHES: Thank you.

HALLORAN: Thank you, Senator Hughes. Any further questions from the committee? OK. Seeing none, you'll stick around for close?

ERDMAN: I will.

HALLORAN: Thank you.

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ERDMAN: By the way, this will be my last time ever appearing before you.

HALLORAN: Well, we should have brought a cake.

HUGHES: That's sad.

ERDMAN: Yeah.

HUGHES: You gonna cry or are you happy?

ERDMAN: [INAUDIBLE] I'm not sad. I'm not going to cry.

HALLORAN: All right. Thank you, Senator Hughes. All right. We will begin with proponents for LB844. Good afternoon.

MATTHEW SCHULTE: Good afternoon, Senators and committee members. Thanks for your time. My name is Matthew Schulte, M-a-t-t-h-e-w S-c-h-u-l-t-e. I am a father of 4, a husband to 1, and a commissioner on the Lancaster County Board. Even though I represent nearly 50% of rural Lancaster County, I am not here to testify in my role as a county board member. I am here to testify as a father, Nebraska native and former detasseler. My wife and I both grew up spending hours and hours on the family farm, especially in the summers. I remember being with my cousins, having fun. I also irrigated, rogued, detasseled and rode along with my grandfather. My wife remembers fun with cousins riding the combine with her uncle. As a matter of fact, my parents and my wife's parents all grew up on farms but in 4 different states. So we covered Montana, Nebraska, Texas, and Minnesota, which is kind of interesting. Our uncles took over the family farms, and so we have ended up being a generation away from the farm. I live and work in Lincoln, but I still want to instill a love of agriculture and understanding of agriculture in my kids, my 4 kids. So how does one do that? Detasseling. Detasseling has been a good way for us to expose our children to Nebraska's greatest economic driver. We have decided that each one of our kids will experience one, at least one summer walking the cornfields of this great state. They will learn what hard work and early mornings produce. They will earn their paychecks. They will sweat. They will learn the meaning of hard work, even at a young age. And for many Nebraskan teens like mine and me too, detasseling is a rite of passage, a first paycheck, a step towards the strong work ethic we hope to instill. There's a grave threat to detasseling in Nebraska. Multiple states across the Midwest have lost the ability for local teens to detassel because large seed producers have found that

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they can improve their bottom line by outsourcing detasseling and roguing-- roguing to migrant workers, work card companies. These crews hire migrant worker teams who might travel the country, living in tents and working the fields. These workers, classified as seasonal workers, are not subject to the labor laws of some local crews and FICA, things like that. Additionally, these migrant workers are not teenagers, so they're not limited to some of the standard hours that are required. Yet even in light of the excessively long hard work days, they can still be paid below a respectable earning or charged back for excessive fees and equipment. We need to protect Nebraska jobs. We need to protect migrant workers from these unhealthy, harsh conditions. Nebraska can do that by passing LB844. This bill protects Nebraska jobs by requiring big ag companies to prove that they first tried to hire Nebraskans before hiring migrant workers. The company our kids work for consistant-- consistently has a waitlist because there are so many teen-- teens waiting to detassel. The abilities for these great-- the ability for these great local summer jobs to be filled by Nebraskans is a great issue, and I'm proud to stand here and testify before you. And I urge you, our state senators, to prioritize Nebraska jobs and protect migrant workers by voting to prioritize LB844. I would gladly take any questions if anybody has one.

HALLORAN: All right. Thank you, Mr. Schulte. Any questions from the committee? No questions. It's interesting you use the term "rite of passage."

MATTHEW SCHULTE: It definitely was for me a rite of passage. Sorry, I didn't mean to interrupt.

HALLORAN: No, you're fine. I had just jotted that term down before in the middle of I think Senator Erdman's introduction. But I think that's very descriptive.

MATTHEW SCHULTE: Yeah.

HALLORAN: Nobody knows the pleasure and pain of detasseling and the joy of earning a hard, hard buck doing good, healthy work and that's what detasseling is

MATTHEW SCHULTE: Absolutely.

HALLORAN: Appreciate you being here.

MATTHEW SCHULTE: Yep. Thank you.

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HALLORAN: Additional proponents, LB844? Hey, good afternoon.

NICOLE ANDERSON: Good afternoon. My name is Nicole, N-i-c-o-l-e, Anderson, A-n-d-e-r-s-o-n, and I had the privilege and the experience that so many other teens in Nebraska have had growing up and get to share along with myself and my-- 4 of my 5 siblings. I've lived in Lincoln my whole life, and I proudly call it home. At the age of 13, I got my first job detasseling and I now work as the worship director at my church. I'll admit my first day on the job was a bit rough. Out of all the 8 seasons that I've detasseled, I think the first day was the hottest. But that first day and every day since then taught me a valuable lesson. It taught me that I was stronger, more resilient, more capable than I ever thought I could ever realize. It helps lay the foundation for valuing hard work, camaraderie with my peers, and the ability to overcome difficult situations. Not only did it instill in me the importance of perseverance, diligence, and integrity, but it also impressed on me the qualities of a great leader. Seeing our boss, bus assistants and team leaders in the trenches working alongside us, I began to recognize that leaders come in all shapes and sizes. But a good leader does not do things that they-- does not ask others to do things that they themselves are not willing to do. A good leader is an encourager. Is humble, offers direction and energy, and brings out the good in others. These skills and many more things I have carried into my jobs as I've grown up and as also I've-- as I've faced life's challenges. I think we can all agree that our city and our state will continue to thrive if we're raising the next generation to value the qualities that I've mentioned thus far. I ask that you preserve a valuable character-building tool by making LB844 a priority bill. Thank you for listening and for your time.

HALLORAN: Thank you, Ms. Anderson. Are there any questions from the committee? You must have been pretty thorough.

NICOLE ANDERSON: [INAUDIBLE] Thank you for your time.

HALLORAN: Additional proponents for LB844? Good afternoon.

BETHANY SVOBODA: Good afternoon. My name is Bethany Svoboda, B-e-t-h-a--n-y S-v-o-b-o-d-a. So I am originally not from Nebraska. I'm actually grew up a lot in Illinois for quite a bit in my life. But I can attest to detasseling because I've done it both in Illinois and now in Nebraska. So I did detassel in Illinois for 5 years, and it was rough. As much as I loved the job, my first year there, man, it was hard work. And as a 13-year-old, that was really instilled in me and

pushed in me. I was fortunate to where I could actually go up with the boss that I worked for, and my siblings and I all got to go up so we got there early in the morning and we left late, but I wouldn't trade it. By detasseling in Illinois, I was given a hard work ethic and the ability to work with people that I may not generally work with or be able to work around different compromise or find just new abilities. And being in Illinois, it gave me that ample opportunity to work in the summer in the fields, which then allowed me to be able to even put myself through high school and later college. I am-- I am sad to say, though, that between my 4 siblings, we all worked anywhere from 2 to 7 years detasseling. My youngest sister, she had 1 year of detasseling before the Illinois crews were shut down. And you cannot work in Illinois as a local crew anymore. It has been sold out. So then I came to Nebraska and I decided to work 1 year here a couple of years ago, and it was wonderful. My husband has been working for a group here, Sloup Thorell. He had worked there for 7 years. So his 7th year and my 1st year in Nebraska we got to work together. And it is a lot of fun to trudge through knee-deep, foot boot-deep like mud with your husband and get to go out in the field jamming out to music. That was great. But I, I loved getting to work there, and I really value the importance of having small town crews because so many kids have that opportunity, they want that opportunity. So I think that we should continue, possible, to let teenagers have that opportunity because it does instill hard work ethic into them. But it also allows them to kind of get out, get out into the fresh air and enjoy that time and be able to earn money and then have that foundation when they're older, they can earn money but then know how to use it. So thank you for your time.

HALLORAN: Well, thank you, Ms. Svoboda. Appreciate your testimony. Questions from-- yes, Senator Riepe.

RIEPE: Thank you, Chairman. Thank you for being here. How many in your age cohort feel the same way that, you know, you're interested in fresh air and hard work? Is, is that sort of the new standard? And, of course, I come from an urban area where it's maybe not quite as obvious to me that there are the young people out there that want that get up in the morning, work all day hard, and come home and maybe make a little bit of money that they can't get off of mom and dad. So-- but where I'm leading that is, are there others in your group that feel that same way, enough that we can justify some exclusivity for this?

BETHANY SVOBODA: Yeah, I believe so. I mean, in Illinois I detasseled with people for 5 years in a row, and they continued to come back even

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after I moved out of state. And I, I'm 24 now and my husband, if he didn't have a full-time job, he would be detasseling every summer as well. So I believe so.

RIEPE: Well, we think our Nebraska kids would do better than the Illinois kids [INAUDIBLE].

BETHANY SVOBODA: Oh, I don't doubt that. I agree with you there.

RIEPE: OK. Thank you. Thank you, Mr. Chairman.

HALLORAN: Thank you, Senator Riepe. Additional questions? One last question, it's kind of a loaded question and Senator Riepe kind of beat me to it a little bit. But you're so glad you're here in Nebraska, aren't you?

BETHANY SVOBODA: I am. I am.

HALLORAN: All right. Thanks for your testimony.

BETHANY SVOBODA: Thank you.

HALLORAN: Additional proponents to LB844? Good afternoon.

JONATHAN RYAN: Good afternoon, Senators. My name is Jonathan Ryan, J-o-n-a-t-h-a-n R-y-a-n. And as you might notice, I'm pretty young. I'm only 17 years old. But that doesn't mean I haven't had my fair share of life experiences. And one of those is detasseling. I've detasseled for 4 seasons now. And through that, I've gained 2 significant things in my life that I would like to share with you. First, I want to explain why detasseling isn't just a job where you work for a paycheck, and second, why detasseling is the best place to find lifelong friends. To begin, detasseling was my first job, serving as my launchpad into the workplace; and for that, I couldn't be more grateful. Being able to enter the real world at the ripe age of 13, I was faced with my fair share of challenges. And I want to sit up here and tell you that wading through water halfway up my leg was fun but that's just it. The charm of detasseling is overcoming those challenges. Detasseling wasn't just an advantageous job for me because I was getting paid to do it, but because of its nature. I'm not going to lie. Detasseling is a tough job, but it instilled in me many reput-- reputable characteristics such as diligence and perseverance. These qualities are things that I can now take and apply to any job I walk to in my life, as well as apply to any challenge that life can throw my way. The second thing I want to talk to you about is that

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detasseling is a great way to find lifelong friends. Perhaps there's something just about waking up at 4:30, 4:30 in the morning and getting bused out to a cornfield in the middle of nowhere that just brings teenagers together. But many of the people I walked alongside in those corn rows are some of my closest friends today. One of the only things you can do while detasseling is talk to the people around you. And that provided me the perfect opportunity to get to know each and every person, person on my bus individually. Detasseling has given me opportunities to evangelize. It also has given me an opportunity to wrestle with philosophy with the people around me as we try and interpret the world ourselves. It's provided me-- it's also just given me time to reflect internally about my own life. In conclusion, detasseling isn't just a mindless task that needs to be completed in order for ag business to thrive. It's a breeding ground for young individuals like me to enter the workforce in the real world, teaching them diligence and perseverance as they overcome the challenges in their way. Detasseling also gives the opportunity to individuals to get to know the people around them that are the same age and build lifelong friendships, even if it's in a rather unconventional way. Even though I'm-- even though I was only 13 year old-- 13 years old when I made the decision to first detassel, I might not have known it, but it's been one of the best decisions of my life. And it's the reason that I'm able to stand here today and [INAUDIBLE] that detasseling has brought me to the man I am today, and also teaches me every day how to become the man I want to be. However, I can only truly be thankful for one thing: the opportunity to do it. Thank you.

HALLORAN: Wow. Very good, Jonathan. Yes, Senator Hughes.

HUGHES: Thank you, Chair. Thanks for coming in, Jonathan.

JONATHAN RYAN: Of course.

HUGHES: OK, first of all, I feel like it's a speech contest, and I want to give you a ten out of ten.

JONATHAN RYAN: Thank you.

HUGHES: Second, I'm assuming you're still in high school.

JONATHAN RYAN: Um-hum.

HUGHES: Are you a senior or a junior?

JONATHAN RYAN: Junior.

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HUGHES: OK. And where do you-- you don't have to-- kike, are you in Lincoln or you live in a smaller community?

JONATHAN RYAN: Lincoln, yeah.

HUGHES: Lincoln. What-- is there a big cadre of your friends that do this, or what made you decide to detassel--

JONATHAN RYAN: So--

HUGHES: --when you were 13?

JONATHAN RYAN: My 3 older siblings all detasseled.

HUGHES: OK.

JONATHAN RYAN: And I was just counting down the days until I could do it--

HUGHES: Make some money.

JONATHAN RYAN: --myself. Exactly. It was my first paycheck. And then, yeah, I knew friends originally that were going into it, like, the same year I was.

HUGHES: OK.

JONATHAN RYAN: And then also the friends I made and just come back year after year.

HUGHES: Just wondering if my kids would get up on-- up here and say the same thing, because I made them all do it too. And I think it makes you appreciate the value of a dollar as well--

JONATHAN RYAN: Um-hum.

HUGHES: --so when you work that hard work. Well, thank you for coming in. It's really great.

JONATHAN RYAN: Thank you for having me.

HALLORAN: Thank you, Senator Hughes. Additional questions? Senator Riepe.

RIEPE: Thank you, Chairman. You're 17. You're a junior. How long do you think that this car-- you can expand this career out?

JONATHAN RYAN: Detasseling?

RIEPE: Will you be doing this when you're 30 years of age?

JONATHAN RYAN: It's tough to say. I mean, I've loved every year that I've detasseled that I've gone. So I don't necessarily know what the future holds for me, but.

RIEPE: Since you're experiencing, do you ever see college kids that are doing this [INAUDIBLE]?

JONATHAN RYAN: Oh, yeah. They're, yeah.

RIEPE: OK. I know some teachers do it as well.

JONATHAN RYAN: Yeah. The bus drivers I know they like to drive the buses for companies. It's really advantageous for them because they have the summers off.

RIEPE: It's all in the family.

JONATHAN RYAN: What was that? Sorry.

RIEPE: Sounds like all in the family with the bus driver and all jumping in. OK. Thank you very much. Thank you, Mr. Chairman.

JONATHAN RYAN: Thank you for your time.

HALLORAN: Thank you, sen-- well, I just got to say something real quick. I almost feel like I should refer to you as Dr. Ryan, with a Ph.D. in the philosophy of detasseling. You did a very nice job.

JONATHAN RYAN: That's very kind.

HALLORAN: Additional proponents, LB844? Hey, welcome, [INAUDIBLE]

TORI RYAN: Thank you. Thank you for your time today, Senators. We sincerely appreciate your consideration of this bill. My name is Tori Ryan, T-o-r-i R-y-a-n. I'm a mother of four here in Lincoln, Nebraska. And every summer for the last 10 years, I've had at least 1 and up to 3 of my teenagers detasseling. Detasseling has been a part of what has shaped our summers and each of my kids' lives. I'm not always encouraging my kids to work a lot of hours at a job during the school year. And so summer detasseling has offered many advantages for my kids over the years. The first advantage is allowing them opportunity to actually start earning a wage at a younger age. Some of my children

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began at 13, some of them at 14, in their first season of detasseling. Then we set up a savings account for them, and the majority of their paychecks go into savings, with a portion of it kept out so they can enjoy the fruits of their labor. Each of my children then in turn, used part of that savings to buy their first car, and then usually the remaining portion in their first year or 2 of college, except my youngest, who hasn't gone to college yet, but he has a healthy savings account waiting to take him there. This naturally leads to the second advantage of learning how to handle money, learning to be generous with what you've been given, to save for the future, and to enjoy a bit of what you've made. Having the opportunity to help our kids learn this philosophy is overwhelmingly helpful for their future. Instilling these principles at a younger age, I believe, makes them more foundational as they go forward. Another advantage is learning how to work hard for something that you want. Detasseling is hard work. We've heard it here today. No one will argue with that. I saw my kids pour their energy into this with a commitment that I could hardly understand. Early mornings, long bus rides, cold wet fields, hot sticky fields, blisters on your feet, blisters on your hands. But somehow, in the middle of all of it, these kids find purpose. They find camaraderie, and they find enjoyment and a sense of accomplishment. As some of them moved on to other jobs elsewhere, a listing of working for a detasseling company on their resume has always been a feather in their cap, because I believe that other employers know what detasseling builds in a teenager. I know that the detasseling company that my children work for has helped hundreds and hundreds of teenagers in similar ways like mine. Many of those teens are now adults, and what they learned in detasseling, I believe, has helped make them who they are today. You're hearing from several of them today, and there are many, many more. I would like to please urge you to make this bill a priority on your schedule. I understand that with the H-2A program, seed companies can hire migrant workers to these detasseling positions if there's a shortage of local workers. I don't see how there's a shortage of local workers. There are hundreds of kids who want to, to detassel and try to detassel every summer. The seed companies should be required to use local contractors using American teenagers before they are allowed to seek out temporary foreign workers. Let's give Nebraskans jobs who want them. I have a serious concern-- concern for the-- for the foreign workers as well. I understand the oversight on them is less and therefore the potential of them to be taken advantage of is high. Just this morning, I had coffee with a young college student whose family has a farm in central Nebraska, and I told her of my opportunity to speak before you today,

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and she was thrilled. She mentioned a unique opportunity, and I was excited to add that to my listing today. Detasseling offers urban teenagers to be brought into agricultural situations, understanding and appreciating what they might not have before. I'm a city girl myself, but I know that agriculture is the backbone of our state. And I think that our state and our people need to be invested in the future of it and to protect it and to protect it for as-- a nation as a whole. This bill provides protection to that end by continuing to offer Nebraska teenagers opportunity and to not create more problems with migrant workers, problems for themselves and the state. Thank you for your time today.

HALLORAN: OK. Thank you, Tori. Senator Hughes.

HUGHES: Thank you, Chairman. OK. Thank you for coming in.

TORI RYAN: Thank you.

HUGHES: And then how many years, because you said 4 kids, what was the first year they started?

TORI RYAN: So I try-- I figured it out. It was about 10 years ago.

HUGHES: OK. Have you seen acres decline? I'm assuming they all use the same company.

TORI RYAN: Um-hum.

HUGHES: Have you-- have you seen acres decline from 10 years ago to today?

TORI RYAN: Unfortunately so. Yeah, I have. They don't--

HUGHES: Do they not hire as many crews or [INAUDIBLE] days.

TORI RYAN: The company obviously that my kids work for hires teenagers and not migrant workers.

HUGHES: Yeah, right.

TORI RYAN: So from like my first son and what he was able to do, my last son has less that he's able to do because they're just not able to get the acres because the seed companies are hiring migrant workers. And the one that my detasseling kids work for then just can't get as many acres. So I have seen a decline.

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HUGHES: Thank you.

TORI RYAN: Yes.

HALLORAN: All right. Thank you, Senator Hughes. Further questions? Seeing none, thank you so much.

TORI RYAN: Thank you.

HALLORAN: Additional proponents to LB844? Good afternoon.

JOHN HANSEN: Good afternoon, Chairman Halloran, members of the Ag Committee. For the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n, and I appear before you today as the president of Nebraska Farmers Union. We supported this bill last year. We support this bill this year. We have done a fair amount of research, and we believe that there is a compliance problem. And the question I think that we ought to rightly focus on is how do we get compliance? Because I do not believe that my friends in the seed business are complying with the, the federal rules as they're written. I do not think that they're taking advantage of local labor first. I think that that's why we're seeing 2 things. We're seeing a proliferation of H-2A migrant work crews that work across the country. They come in and they're here, and then they're gone. And a lot of times while they're here, they garner press coverage for the poor working conditions, but also the poor living conditions that they suffer through while they're here. And so while you see that proliferation, you see folks that are teachers, coaches, local folks who work with local kids who have that connection to kids who organize and run these crews going out of business. So when you look at the facts and you look at those 2 things, what's going on here? Well, the seed companies are simply choosing to voluntarily not comply with the provisions. And so what are the consequences? Is there enforcement or their actions? There doesn't seem to be. So what would be a good remedy? I think a good old fashioned infusion of sunshine and transparency would be helpful. And I think that that would be the first best step to try to get more compliance. I think that the values and the benefits of helping train our own kids on how to work and the value and the benefit for that are pretty clear by this point in the hearing. And I would say that every conversation I have with my friends in the business community, as well as a lot of folks in the ag community, ends up getting part around the topic of workforce development. And here we are struggling to find folks who are willing to work and that are capable and properly trained. These kids are, in my view, a great way for Nebraska to do

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workforce development because they are learning the benefits of hard work and the value of it. And they're here saying we want a job and we want to have that opportunity. So I thank Senator Erdman for all the work that he has done. Lastly, as an economic model, I would say if you think about the, the total amount of money that gets paid to do this kind of work, which model provides the most economic benefits to the local community and the state as a whole? We, we know that all of that money that we pay these local workforce providers and their workers are staying in our communities and being put to good use in helping drive our own economy at the local and the state level. And I would encourage the committee to be favorably disposed to move this bill forward. And I think that it does warrant priority consideration. With that, I'd be glad to answer any questions.

HALLORAN: Thank you, Mr. Hansen. Questions? Senator Riepe.

RIEPE: Thank you, Chairman. Mr. Hansen, thank you for being here. I wanted to go back. When you started your testimony, you were talking about and it made my note here that says, is this a compliance issue, or is it a need for more regulatory legislation? I mean, if we have it on the books, but it's just they're violating the [INAUDIBLE] laws, is that the problem, the compliance?

JOHN HANSEN: I think-- I think as I look at it, based on what I've seen, I think we've got a compliance issue here. And so I think a little transparency would help improve compliance.

RIEPE: What kind of enforcement is there? Who's responsible for any enforcement?

JOHN HANSEN: Well, I think it's a federal issue. I think there may be a state component. I'm not as clear on that as I should be. But it's primarily federal. But, you know, we have-- it's the old stop sign question, you know. If you-- if you don't ever arrest anyone for running a stop sign, is it really a stop sign? Because after a while, there's only a small percentage of the population that even slows down for it. And unfortunately, we've got some fairly strong willed players who, you know, they will go as far as compliance as they're-- as they're kind of forced to. And so I look at this as an area where, given the articles that I read, it seems like the feds are not doing their job either.

RIEPE: Is there some agency that they could be a whistleblower? You know, the small firms that are looking that is threatening their

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business and so that they could-- they could make a file form, make a call, do something that would draw someone's attention that would make then someone verify that they have in fact done the steps in trying to hire?

JOHN HANSEN: Well, I think you could go that way. I think you just have to be cognizant of the fact that the local providers who are working with the kids that are running these local crews are, are scared to death to get-- to get on the bad list. And if they, you know, the companies have too much power.

RIEPE: The battle is with the company, not the [INAUDIBLE]

JOHN HANSEN: That's right. The battle is with the company. And so if the company thinks that you're creating a problem, why then you're the-- you're going to find a lot fewer opportunities to work theIr acres.

RIEPE: I could see that. Thank you very much. Thank you, Chairman.

JOHN HANSEN: Thank you.

HALLORAN: Senator Holdcroft.

HOLDCROFT: Thank you, Chairman Halloran. Thank you, John, for coming to testify. Senator Erdman mentioned in his opening about a reluctance by the seed companies to report the number of acres that they're detasseling. Are you aware of that? Is that an issue that you're aware of?

JOHN HANSEN: Well, I suspect when we-- when we run out of proponents and we get to opponents, we'll probably be more clear about that. But, you know, based on some of the things I've seen so far, they're, they're, assuming not very excited about the prospect of having to report their actual acres. If they report their actual acres then to the Nebraska Department of Ag, you can look at those numbers and you can figure out whether or not they are, in fact, making a good faith effort to take advantage of local work crews first if their numbers continue to get worse and more and more out of alignment. And so if they're, they're hiring a relatively small percentage of local workers and a very high percentage of, of H-2A migrant workers, and so, you know, the effort on the part of the department to put together the list of local providers and make them available to the seed companies I think is a positive way to help make sure that everybody knows what's, what's going on there and what's available so that no one can

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come after the fact and say, gee, we had no idea that these folks were available. So you're, you're, you know, you're, you're doing kind of simple stuff, simple steps that are-- that are I think together, are worth the effort. I think for the-- for the cost and the time, I think that it's in our benefit to try to increase local workforce first. So I think we ought to give it a shot.

HOLDCROFT: OK. Thank you.

JOHN HANSEN: You bet.

HALLORAN: Thank you, Senator Holdcroft. Any further questions? Seeing none, thank you, Mr. Hansen.

JOHN HANSEN: You bet.

HALLORAN: Appreciate it.

JOHN HANSEN: Thank you.

HALLORAN: Next proponent, LB844. Good afternoon.

ALEX ROUSSEAU: Good afternoon. My name is Alex Rousseau, A-l-e-x, Rousseau is R-o-u-s-s-e-a-u. I, this summer will be my 17th summer detasseling. I started as a teenager working the fields, as you've already heard testimonies like that, and I have not stopped since. I've been very fortunate to have jobs that are flexible enough that I was able to work my way up through the company. The company I work for, be a supervisor and a bus driver now and then also a director of personnel. And so very fortunate for that. I love detasseling. You can ask anyone, it's my favorite thing in the world. I'm a proponent of this bill, LB844, because for 2 reasons. One, it curbs against injustice and it's good for Nebraska. As we've heard many people say already, it is good for Nebraska. It's good for our workforce, good for our teenagers. But it really does curb against injustice. As you've heard, we've seen-- I've seen over and over and over the last few years smaller detasseling companies not being given acres. They are being closed down left and right. And this is-- this is sad for our state, but the reason is because these companies are moving to use H-2A workers, migrant crews. The reason is because, I would submit to you that they are vulnerable and that is easy to take advantage of them. In 2018, Cruz Urias-Beltran was a migrant worker that in-- that was killed-- that died in a cornfield detasseling. He died 100 feet from the end of the row in the field. And they did not find him until the next morning. They were attempting to cover a 200-acre field with

24 workers. That is wild. I could go into details about that, but it's, it's wild that they would do that. And they didn't even know that he was gone till later. They reported it that night. And then they didn't find him until the next morning. They didn't even know where he was. It's heartbreaking. For our local teen power crew, if that happened to us, I mean, it would've been-- the backlash would've been incredible. You all would have been looking at it a lot sooner than, you know, here we are now almost 6 years later, talking about trying to remedy that. These crews-- I can speak to more and more stories of ways that these crews, if you are interested in more specific examples of ways that our crew-- local crews compared to migrant crews are treated and ways of taking advantage of them. But it's happening to the worst possibility, like I said, death. We, we do incredible amounts of work to keep our detassellers safe. And detasseling is a job that needs to be done, and we make it happen safely. The second reason that this-- I'm a proponent of this bill is it solidifies detasseling work for Nebraskan generations to come. For my kids, I can't wait to share to be the bus driver for my kids, who are 3 and 2 right now and the one that's going to be on the way anytime now. Myself, over the years, through detasseling, I used detasseling money to buy my first car. I used detasseling money to buy my second car. I used detasseling to help pay for college. I used detasseling to help pay for my wedding ring, my engagement ring. I used detasseling to put a down payment on my house; to pay for the birth of my first child, my second child. Money sitting in the savings account to help pay for my third child. It's very expensive. Lives have been transformed through this opportunity, as you've already heard. I can share more specific stories, but what this really comes down to at the end of the day is detasseling is a job that needs to be done. Who's going to do it? Do we ask teenagers who are available, who want to work, who can do the job, who are able to make happen and who we can keep safe doing it? Or we can-- there are migrant workers who are willing to do the job, who are usually able to do it. But as we've seen, are taken advantage of and are not safe to do it. This bill is a good thing for our state because people work here, we want them to be safe and we keep our crews safe. And sadly, there are these corporations want to take advantage of people who cannot be kept safe.

HALLORAN: OK. Thank you. Appreciate it. Questions? Senator Hughes.

HUGHES: Thank you, Senator Halloran. Thanks for coming in, Alex. So what is your day job that you think detasseling is the best job ever? Because I am not going to lie, the minute I had a driver's license and could get a different job, I was like, yeah, that's for me.

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ALEX ROUSSEAU: Yeah, that's-- and that's a lot of the teenagers' stories. They take the skills they use into that.

HUGHES: Right, absolutely.

ALEX ROUSSEAU: For me, I run a couple of nonprofits. I'm a part-time stay-at-home dad.

HUGHES: OK.

ALEX ROUSSEAU: So, yeah.

HUGHES: Very good. Well, I love the passion and I think you would be a fun crew leader, so keep doing what you're doing. Thank you.

ALEX ROUSSEAU: Thank you.

HALLORAN: Thank you, Senator Hughes. Senator Riepe.

RIEPE: Thank you, Chairman. I promised my benchmate here that I would ask some of his questions. He had to leave to another meeting.

ALEX ROUSSEAU: OK.

RIEPE: And I'm not sure that I'll have an opportunity later on, so I'm going to try to address those at this time. You're a veteran. You have 17 years of experience. You should know everything about it.

ALEX ROUSSEAU: I try to.

RIEPE: We'll see. OK. His first question was do seed corn companies have to report the number of acres to the federal government?

ALEX ROUSSEAU: Currently, I do not believe so. I do not believe that they have to report their acres. No.

RIEPE: OK. OK. And that might not only be federal government, any state agency [INAUDIBLE].

ALEX ROUSSEAU: Yeah. I'm not-- I'm not 100% sure about that.

RIEPE: OK, well, maybe somebody else will, but I just-- I need to get these out of the way for him.

ALEX ROUSSEAU: Yeah.

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RIEPE: Why is the reporting of detasseling acres considered proprietary?

ALEX ROUSSEAU: Say it one more time.

RIEPE: Why is the detasseling effort considered proprietary by some firms, or is it?

ALEX ROUSSEAU: Yeah. I don't know if it is considered proprietary. I'm sure the genetics sort of pieces and some of the mapping of the actual seed of the-- of the, the DNA of the seeds and the different strains that they have are proprietary. But I don't believe the actual acres themselves are.

RIEPE: It's not like the young people out there detasseling are sticking a kernel in their pocket and walking off with it.

ALEX ROUSSEAU: Yeah. That-- and that is, yeah. The, the-- those-- that is the policy is we cannot take any of the-- taking those things out of there. We cannot take any plant out with us.

RIEPE: Or pictures or anything else.

ALEX ROUSSEAU: Yeah. We don't do, yeah, nothing like that. I know we can take pictures like there at the field. But, yeah, we can't take any of the actual plant with us. That's not our job.

RIEPE: His other question involves seed companies operating in Nebraska have to report the same information. Is that considered then fair or unfair?

ALEX ROUSSEAU: Say it one more time.

RIEPE: If all of the seed companies operating in Nebraska and I think we're talking about the seed corn companies.

ALEX ROUSSEAU: Yeah.

RIEPE: If they have to report the same information, do they have to report the same information? There's no exceptions to the information that's reported, like acreage or anything else?

ALEX ROUSSEAU: Yeah. I think the intent of the bill, I didn't write it, but I-- if I understand the value of the bill is it will increase transparency for workers that are-- or for these-- the companies being

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able to clarify who are they hiring? Are they utilizing the available detasseler-- detasseling companies that are there to work? And or are they choosing, before they go to H-2A workers, like they, they have a freedom to use H-2Aa workers, but just the ability to report those things at the end, just creates more transparency and allows freedom for more conversation and, and those different pieces. Because currently, as, as has been said, that is the, the mechanisms for proving that there are no one willing to do the work, I think, as Senator Erdman spoke to earlier, are shady, I would call it.

RIEPE: OK. Fair enough. Thank you very much. And, you know, I might ask the same questions to others, not that I--

ALEX ROUSSEAU: Yeah.

RIEPE: --challenge your [INAUDIBLE].

ALEX ROUSSEAU: No. Yeah. Thank you. Yeah.

RIEPE: I'm just-- just to see if we have different opinions.

ALEX ROUSSEAU: Yeah.

RIEPE: Thank you, Mr. Chairman.

HALLORAN: Thank you, Senator Riepe. Any further questions? If I knew for sure what you were taking besides detasseling for your enthusiasm, I would take some. Thank you very much.

ALEX ROUSSEAU: Yes.

HALLORAN: It's very informative, appreciate it. All right. Additional proponents, LB844? I should have asked the previous testifier if he-- if he bused in all testifiers. Good afternoon.

HEATHER CURRY: Good afternoon. My name is Heather Curry, H-e-a-t-h-e-r C-u-r-r-y. I live in Lincoln and I'm a mother of 3 children. My older son has detasseled for the past 5 years, and my younger son has spent the past 3 summers in the fields. My daughter is anticipating next year when she'll be old enough to detassel. Detasseling has provided them with many character-building lessons, such as the opportunity to work hard, to persevere, and to develop good work habits. They have learned how to work well with others, take direction from a bus leader, and train others who are new to the job as well. They have also made a lot of friends. Detasseling has also helped them earn

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money at an early age when many other jobs could not hire them. They have used their earnings to learn the discipline of saving for larger items, such as cars, as well as purchasing items throughout the year that have aided them in their personal and educational pursuits. These have included collectibles to buy and sell, a computer, 3D printer, and payment for extracurricular activities. This source of income for them has been important, especially to a working family such as ours, in an economy where even daily items are becoming increasingly, increasingly more expensive. Their detasseling income has provided them opportunities that might not be available to them otherwise. I wanted to ask you to continue to allow the young people of Nebraska to participate in a long-time industry that not only supports the agriculture of our state, but provides invaluable character building lessons and income for the future of our state's young citizens. Thank you.

HALLORAN: OK. Very nice. Thank you. Any questions from the committee? Seeing none, appreciate you being here.

HEATHER CURRY: Thank you so much.

HALLORAN: All right. Additional proponents to LB844? Additional proponents? Seeing none, opponents for LB844? Opponents for LB844? Neutral testifiers? Seeing none, Senator Erdman, you're up.

ERDMAN: Thank you, Senator Halloran. After hearing those testifiers, I would sure like to be a detasseler. We had mundane things to do like irrigation. So, Senator Riepe, let me talk a little bit about your comment about what the transparency, what the problem is. I alluded to this somewhat in my opening in-- on September 20, 2019, then-Governor Ricketts wrote to the Department of Labor. That's who is supposed to look after these, these issues. And he encouraged the Department of Labor to enforce the rules. And the rules state that you should have to require-- you're required to contract or seek out local workers before you can use H-2A. And he stated that in his letter. And he wrote that to the Department of Labor and absolutely nothing happened. So the issue is because it hasn't been enforced by the federal government, somebody needs to step up and do it. And so that's what we're trying to do. And he went on to say in his letter, this requirement of having transparency would ensure that the hiring of American workers is prioritized to prevent seed companies from manipulating the system by indirectly employing H-2A workers through the utilization of a third-party harvest company. And that's basically what they do. A third-party harvest company hires those H-2A workers

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and brings them into our state. And so they have no indication of who is available to do the local work. And that's why it's important that we re-- we report to the seed companies exactly who's available. I also mentioned in my opening that 9 seed companies had-- detasseling companies had gone out of business. I want to restate that. Since 2019, 9 companies have gone out of business. It's not like it was over a long period of time. That's only been 4 years ago. So we have lost the local see-- detasseling companies because of the H-2A workers have taken their place. And so I think you've heard from people who understand what learning how to heart work-- hard work is all about and how to become part of the workforce, as Senator Hansen alluded to or, excuse me, as John Hansen alluded to. So it's an opportunity for us to make transparency and opportunity for young people in the state of Nebraska and to keep that economic benefit local. And you know as well as I do, when the H-2A workers get money, whatever immigration that-- whatever they immigrate from, that money will go back to them. It doesn't stay locally. So I think it's important to understand that what we're trying to do is just protect the Nebraska workforce and the companies who work here, who provide work here. So that's, that's kind of a summation. I do appreciate everyone who came in to testify. I think it's important. I think they've described for you the benefits of it. I think you understand from those young people that said this is something that they cherish to do. And you heard the guy that's been there 17 years. That's amazing. He was just that enthusiastic last year when he came. So he hasn't lost any enthusiasm, Senator Halloran, He's got the same as he had last year. So I appreciate that. If you have any questions, I'll try to answer them.

HALLORAN: Are there any questions for Senator Erdman? Senator Riepe.

RIEPE: Thank you, Chairman. Thank you. Thank you for the clarification on that. My question would be then, by extension, Governor Ricketts wrote the letter. Senator Rick-- I guess Governor at the time that he wrote the letter to the federal Department of Labor.

ERDMAN: That's correct.

RIEPE: If they fail to perform on that, does that not cascade then down to the state Department of Labor to do the enforcement that the feds wouldn't do because it is a state issue? And if so, has our Department of Labor failed us by ignoring that or just not doing what they should be doing?

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ERDMAN: That's a good comment. Maybe I'll check with Director Albin and see exactly what the status is. I never thought of that, but, but that's true. But that was, you know, Senator Ricketts, Governor Ricketts back then realized the issue back then. That's been 5 years ago. And so because of the-- of the not in, in, in, what shall I say, enforcing what the Department of Labor is supposed to do, we lost 9 companies over that period of time. So had maybe they enforced what they were supposed to do, maybe we wouldn't have lost those people. But that's a significant drain on our economy.

RIEPE: Thank you. Thank you, Mr. Chairman.

HALLORAN: Thank you, Senator Riepe. A quick couple questions. Has any other state passed similar legislation?

ERDMAN: You know, I don't know that. I don't-- I don't know. I don't know the answer to that. I just know that it's a very serious thing here in Nebraska. I never dreamt that there was that many people involved in detasseling until I started doing this. It's amazing how many calls and emails I've gotten from people who either still do detasseling, or did it at one time that really appreciated doing that because in my area we don't do that. So it was kind of foreign when I first started this.

HALLORAN: I had no idea there were this many upbeat people that were involved with detasseling either. All right. Thank you, Senator Erdman.

ERDMAN: Yeah. Thanks again. I appreciate your time. It was great. Thank you.

HALLORAN: Before closing on LB 844, for the record, there were 102 online positive proponents, 1 in opposition and 0 in neutral. Officially close the hearing on LB844. With that, as the room clears, we will move on to LB1061.

RIEPE: My day has arrived.

HALLORAN: Welcome.

TYLER MAHOOD: Good afternoon, Chairman Halloran and members of the Agricultural-- Agriculture Committee. My name is Tyler Mahood, T-y-l-e-r M-a-h-o-o-d, and I am Senator Ibach's legislative aide. She apologizes for not being here today, so she sent me in her stead. Today, I am here to introduce for your consideration LB1061, which

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updates the Nebraska Corn Resources Act. For background, the Legislature created the Nebraska Corn Board in 1978 with LB639 and revised the statute, statutes and rates in 20-- 2012 by a vote of 44-0. Today, 12 years later, the effects of higher than average inflation rates and 2 years of drought has significantly diminished the actual value of the corn checkoff by nearly 25%. The Nebraska Corn Development, Utilization and Marketing Board or the Nebraska Corn Board is an agency of the state of Nebraska that manages the corn checkoff program. It was established in the interest of public welfare so that corn producers are permitted and encouraged to develop, carry out, and participate in research, education, market development, and promotion programs. For over 45 years, the Nebraska Corn Board has invested in various programs to protect and foster its people's health, prosperity, and general welfare by protecting and stabilizing the corn industry and the economy of the areas producing corn. LB1061 increases the current half cent per bushel corn checkoff rate to 1 cent on October 1, 2024, and to 1.25 cent in 2031. This bill also repeals statutes concerning the checkoff to USDA for corn grown under loan. This more accurately follows the definitions of the first purchaser and commercial channels currently defined in law. The Nebraska Corn Board is composed of 9 members, 8 of whom are appointed by the Governor, serving by district. Updated language in LB1061 clarifies these appointments. And other changes in LB1061 include an adjustment to the per diem rate from \$25 a day to \$50 a day, and decreases the percentage of the budget that can be utilized to influence federal legislation from 25% of the annual budget to 10% of the annual budget. LB1061 also clarifies that the board's annual report may be electronic, and that board members may recommend geographic adjustments to the 8 districts for redistricting purposes. Our consumers expect increased transparency as farmers pursue expanding new and current markets, and growers seek greater efficiencies. And as pressure increases to reduce the industry footprint, footprint, the corn checkoff will remain critical. LB1061 ensures that the checkoff will continue to invest in various programs to address the challenges that our corn growers face. Thank you for your time and for your consideration of LB-- LB1061. Should you have any questions, testifiers following me will be better than happy to answer them for you-- will be more than happy to answer them for you.

HALLORAN: All right. Thank you, Tyler. It's our custom not to interrogate staff, so we're going to let you go.

TYLER MAHOOD: Thank you.

HALLORAN: Appreciate you opening. All right. We will start with proponents for LB1061. Good afternoon.

CHRIS GRAMS: Good afternoon. And thank you, Chairman Halloran and members of the committee. I am Chris Grams, spelled C-h-r-I-s G-r-a-m-s. I serve as the president of the Nebraska Corn Growers Association and farm near Upland. I here-- I am here to testify in support of LB1061, a bill to increase Nebraska's corn checkoff. I want to thank Senator Ibach for introducing the bill and many of you for cosponsoring this important piece of legislation. In 1978, members of our association approached the Nebraska state senators on an agricultural, Agriculture and Environment Committee to introduce a bill that would initiate a program where we, as corn farmers, we could self-invest in our industry. Through these discussions and support, the Nebraska Corn Resource Act was introduced and passed. Over 45 years later, the original intent of developing, carrying out, and participating in programs of research, education, market development, and promotion still stand strong as a strong foundation of investment in our industry. I have seen my checkoff, my corn checkoff investments in the ethanol industry, increased demand for corn and biofuels. Investment in research impact millions of acres across the state. Investments are reaching youth through research, education and communication programs, and we are expanding demand through Nebraska's livestock industry. This past year, the Nebraska Corn Board, which is responsible for the investment of the corn checkoff, adopted a new strategic plan. The plan contains 4 priorities: increase grassroots engagement, grow demand, strengthen corn's reputation and professional development. Through the development of the strategic plan, it was apparent that the board members, allied industries and partners are optimistic on the future demand. As the Nebraska Corn Board and Nebraska Corn Growers Association discussed the current rate of the checkoff, it was not taken lightly to request an increase in the checkoff. But inflationary pressure and 2 years of drought have significantly reduced the real value of the current half cent of one cent per bushel corn checkoff. With the opportunity for additional revenue through the request of an increase, the Nebraska Corn Board has further outlined key strategies of investment that expand economic value across the state. These are 5 areas that align with the strategic plan, and including elevating and leading collaboration to the expansion within Nebraska's Golden Triangle: focusing on our livestock and our bioeconomy; expand and develop initiatives around domestic and international trade development; invest in research focused on input efficiency; enhance partnerships and assist

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agricultural education expansion; and provide strategic investments with crop operators to enhance programs and expand trade. In closing, I want to thank again Senator Ibach for introducing LB1061 and the early members of this legislative body that introduced and passed LB639 in 1978. For over 45 years, we've had a strong support of the Legislature and corn farmers across Nebraska. A survey with responses to date indicate that nearly 77% of farmers either somewhat or strongly agree that the corn checkoff returns greater than a half a cent per bushel they invest in. I like-- I would ask for your vote to support LB1061 and would be happy to answer any questions you may have. Thank you.

HALLORAN: OK. Thank you, Mr. Grams. Any questions? Senator Hughes.

HUGHES: Thank you, Chairman Halloran. Thank you for coming in, Chris. What was the percent you just said that--

CHRIS GRAMS: 77.

HUGHES: 77 today of the corn growers think that the half cent they pay is good.

CHRIS GRAMS: Yes.

HUGHES: So one question, I saw that in there that you're lowering the cap. You can only spend up to 10% of that on lobbying federally.

CHRIS GRAMS: Correct, federally.

HUGHES: What-- what did-- why did you guys go that route? What was that impetus?

CHRIS GRAMS: That I do not know the answer to correctly?

HUGHES: OK.

CHRIS GRAMS: So there's someone behind me--

HUGHES: Someone behind will. OK. Great. I will save that question.

CHRIS GRAMS: He knows that very well.

HUGHES: And then second, because it's odd that I saw this, you have really cool corn socks.

CHRIS GRAMS: Thank you.

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HUGHES: And I feel like, you know, the Ag Committee needs some corn socks.

HALLORAN: Cornstalks?

HUGHES: Yeah. Can you-- can you share.

HALLORAN: Corn stalks?

HUGHES: Socks.

HALLORAN: Did you say cornstalks?

HUGHES: Hold up your foot. They're awesome. He was sitting there and right? Well, it's just I just sit here and I'm looking around and like, oh, those are cool corn socks. [INAUDIBLE] Anyway, cool. Thank you.

CHRIS GRAMS: Thank you.

HUGHES: I'll ask that question for the next guy.

HALLORAN: All right. Well, thank you so much, Senator Hughes. Senator Riepe.

RIEPE: I'm not near that clever. My question is this. Is your organization the beneficiary of any checkoff financial increases?

CHRIS GRAMS: That I do not know the exact answer to.

RIEPE: Who does benefit from the increase?

CHRIS GRAMS: The checkoff does. I'm the president of the association, which is a membership.

RIEPE: You're the president of the checkoff?

CHRIS GRAMS: No.

RIEPE: I mean, checkoff [INAUDIBLE]

CHRIS GRAMS: I'm the president of the association. There's the association and then there's the checkoff. The association [INAUDIBLE]

RIEPE: Is the checkoff made up of people or is it [INAUDIBLE]

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CHRIS GRAMS: Yes, it's a 9 board mem-- it's a 9--

RIEPE: So that board receives the money.

CHRIS GRAMS: Yes.

RIEPE: OK.

CHRIS GRAMS: And then they invest it in research.

RIEPE: Do they have an executive in charge of the board?

CHRIS GRAMS: Do, do they have what?

RIEPE: An executive in charge of the board?

Yes.

RIEPE: Is that you?

CHRIS GRAMS: No.

RIEPE: Oh, OK. OK. I'm just trying to figure-- trying to follow the money here. OK. Thank you. Thank you, Chairman.

HALLORAN: Thank you, Senator Riepe. I misunderstood. Senator Hughes said, I like your corn socks. Being a farmer, the first thing that I heard was I like your cornstalks. And I was a little bit confused on how she would know anything about your cornstalks. But you do have attractive corn socks.

CHRIS GRAMS: Thank you.

HALLORAN: All right. All right. Next proponent. Thank you.

CHRIS GRAMS: Thank you for your time.

HALLORAN: Good afternoon.

JAY REINERS: Good afternoon, Senator Halloran and members of the Agriculture Committee. I am Jay Reiners, spelled J-a-y R-e-i-n-e-r-s, and I am a corn and soybean farmer from near Juniata, Nebraska. I am here today in support of LB1061 and want to thank Senator Ibach for introducing the legislation. Annually as a producer, I invest in not only my operation, but also in the crop that I will be planting each spring. Some of those investments are short term, while others are

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longer term, longer term vision. One of those investments in the future of my operation, I feel, is the corn checkoff. I returned to farm in 1990 to begin farming during my tenure in the Army National Guard, and thus began my involvement and investment in the corn industry. In the nearly 34 years of my farming career, I have witnessed investments through the checkoff at the local level; in research and education at the state level; and have taken part in market development missions, thus seeing checkoff investments domestically and internationally. The investments that I make locally with my first purchaser, whether it's my local co-op, CPI; Gottsch Feed Yards in Juniata; or Chief Ethanol east of Hastings create direct investments in programs, initiates partnerships that extends my [INAUDIBLE] checkoff domestically and internationally. Specifically, as we look at return on investment, checkoff programs this past year alone have taken part in increasing livestock demand by 1.7 million bushels in Nebraska alone. Through on-farm research, there is a cumulative value of over \$10 million. Through education, ag cycle-- ag sack lunch is reaching nearly 5,000 youth across the state last year alone. This is return-- this is a return on investment that I appreciate, have been happy to take part in and support increasing. In closing, the checkoff from my perspective is an investment in my future. I thank you for listening and would ask-- and would ask for your support of the increase and would be happy to answer any questions that you may have.

HALLORAN: OK. Thank you, Mr. Reiners. Any questions from the committee? Are you pointing over here?

HUGHES: No, I'm raising my hand.

HALLORAN: Senator Hughes.

HUGHES: Thank you, Chairman. OK, so I'm sorry I missed the very first part of it, but can you answer the question why we went from 25% for the federal lobbying to down to 10?

JAY REINERS: We were just not spending the money--

HUGHES: OK

JAY REINERS: --by doing that. So that was and--

HUGHES: Because it's more of a local.

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JAY REINERS: [INAUDIBLE] answer further. But that was the primary reason that we just don't spend that much money.

HUGHES: And it won't put us at a disadvantage or anything because you weren't doing it anyway, so why have it in there. OK. Thank you.

HALLORAN: OK. Thank you, Senator Hughes. Any further questions? Seeing none, thank you, sir. Next proponent, LB061. Good afternoon.

DAWN CALDWELL: Good afternoon. All right. Chairman Halloran and members of the Ag Committee, my name is Dawn Caldwell, D-a-w-n C-a-l-d-w-e-l-l. I'm the executive director of Renewable Fuels Nebraska. RFN is the policy organization for Nebraska's ethanol industry, and we are proud to have 100% of the ethanol production in Nebraska in our membership. I'm here today on behalf of RFN and the Ag Leaders Working Group to offer support for LB1061. For your reference, the Ag Leaders Working Group membership are all listed on your copy of the testimony. LB1061 is a testament to the proactive stance our corn producers designed to propel our ag community forward, ensuring the vitality and growth of our corn industry and by extension, the renewable fuel sector. The bill proposes an adjustment to the corn checkoff fee, increasing it from the current half cent per bushel to 1 cent per bushel, with a plan to further adjust to 1.25 cents by 2031. This initiative is not merely about adjusting a fee. It's a strategic move by the corn producers themselves to invest in the sustainability and competitiveness of their industry. By choosing to increase the checkoff on themselves, they are effectively laying down the groundwork for a future where the corn industry remains at the forefront of agriculture and economic development, particularly within the Nebraska bioeconomy. The Nebraska Corn Board's commitment extends beyond just financial contributions. Their support encompasses a wide array of initiatives aimed at bolstering the bioeconomy, including Nebraska's Golden Triangle of corn, livestock, and ethanol. This includes research, market development, federal policy advocacy, educational programs, collaborative efforts, and sustainability projects. These endeavors are crucial for not only fostering the growth of the ethanol sector, but also for achieving broader objectives such as sustainable economic growth, rural development, environmental stewardship, and overall energy independence. The interconnection between the success of the corn industry and the vitality of renewable fuels and livestock sectors cannot be overstated. Renewable Fuels Nebraska, alongside Ag Leaders, implores the committee to lend their support to LB1061. This legislation embodies a progressive agricultural policy that is essential for the

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enduring prosperity of our state's corn industry and its substantial contribution to the renewable energy and livestock landscape. We encourage the committee to advance LB1061 to General File. And I'm glad to answer any questions.

HALLORAN: OK. Thanks, Ms. Caldwell. Any questions from the committee? Senator Riepe.

RIEPE: Thank you, Chairman Halloran. My question is on your listing you have Nebraska Cattlemen.

DAWN CALDWELL: Um-hum.

RIEPE: And I noticed it and I, I don't have it in front of me, but one of the opponents was from the Independent Cattlemen of Nebraska. Is that a different organization?

DAWN CALDWELL: Those are-- those are very different organizations. They are both dues paying membership organizations. Independent Cattlemen of Nebraska is a much smaller organization, oftentimes primarily small grazing operations. Nebraska Cattlemen is a very large cattle membership organization that really has robust membership from all sectors of the cattle industry.

RIEPE: Do you have any understanding of why they might be opponent?

DAWN CALDWELL: They would be against checkoffs in general. Independent Cattlemen of Nebraska oppose checkoffs in general. All checkoffs, including beef.

RIEPE: OK. Thank you. Thank you, Chairman.

HALLORAN: OK. Thank you, Senator Riepe. Any further questions from the committee? OK. Seeing none, thank you, Ms. Caldwell.

DAWN CALDWELL: Yep. Thank you. Good question.

HALLORAN: Additional proponents, LB1061? Additional proponents? Seeing none, opponents for LB1061? Good afternoon.

JOHN HANSEN: Good afternoon again, Chairman Halloran, members of the committee. For the record, I am John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I am the president of Nebraska Farmers Union, and I appear before you today as our president and also our lobbyist. First, I want to thank Kelly Brunkhorst for the heads up that this bill was

coming. So we've known about it for some time. And historically, we've not been on the same page. And so some of the issues that I'll get into will say why. But I would say that, that we are pleased with a lot of the things that the Corn Board is doing and also our colleagues in the Corn Growers are doing in their efforts in renewable fuel and conservation and healthy soils, and a lot of those things. So the, the issues I want to bring before you today are, are not based on big differences in policy or we're not unhappy with what they're doing. But the handout that I gave you illustrates the phone calls that I made to start, for about a week now, I have been calling a lot of my corn growers. And, you know, what do you think about all of this? And so the, the, the funding structure of the Soybean Board, first of all, they like it better because they, they like the idea of the, the board that they're helping fund going up and down in the price pool with the producer is a good thing. And that-- so they they, you know, when times are better, you're getting in more money. When commodity prices go up, you, you get a higher percentage. So if you look at that funding structure of the Soybean Board, it's, it's a stark contrast to the way the Corn Board has historically done theirs, which is just tied to the bushel regardless. And so now we're, we're looking at really getting to the second issue. Is now a good time to increase the checkoff? And so, based on all the folks I've talked to, and a lot of them have very sharp pencils, they think that the cost of production on corn is somewhere in the neighborhood of \$5 to \$5.30. And there's, you know, folks that are below that, folks above that. But that's the-- those are-- that's the most common trading range that I heard of our producers. So if \$5, \$5.30 is the cost of production, what's the price of corn? Today, the price of corn in Newman Grove is \$4.30 a bushel. And so if I look at my terminal bids, I look at the ADM, which is the closest to our farm and closer to Newman Grove actually, that's \$4.24. And so here we are. We're a dollar a bushel below the cost of production, and we're going to double the rate of the checkoff, which seems to be unfortunate timing, if nothing else. And then the automatic increase also didn't serve well. At the end of the day, what are these things we're talking about? These are excise taxes. Are they voluntary? No, they're not. They are mandatory excise taxes. And so where's the representation? Which is the final point is that the Soybean Board is elected by producers. The Corn Board is appointed by the Governor. And so our folks don't feel like they're getting taxation with representation. And so that is a burr that is under their saddle. It was under the saddle however many years ago, the last time we raised the checkoff rate. And when I made the phone calls, it's still there. And so for those reasons, I'm following the

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direction of my board of directors, who very clearly gave me directions to not support this bill. And with that, I'd be glad to answer any questions.

HALLORAN: All right. Thank you, Mr. Hansen. Questions? Senator Riepe.

RIEPE: Thank you, Chairman. Going into this, I'm looking at Nebraska, and it's corn growers, it's corn resources. And your handout talks about soybeans.

JOHN HANSEN: Yeah.

RIEPE: Does this checkoff apply across the board?

JOHN HANSEN: It is an example of an alternative structure. So here you have 2 commodities. You have corn; you have soybeans. Corn does it this way. How do soybeans do it? So I thought it was just such a good clean example of an alternative way of looking at a pricing structure for helping fund it. So it does go up and down in the price pool. The revenue does go up and down the price pool with the price of soybeans. And so I just thought it was a neat and clean alternative example of another way of doing it. But a lot of the phone calls I did make to producers, they did bring that up and they, they like the soybean approach better. And they certainly like the idea of voting for who sits on the board that oversees the program.

RIEPE: With the legislation in front of us, LB1061, applies to the corn growers, not the soybeans.

JOHN HANSEN: Yes. Not soybeans.

RIEPE: OK.

JOHN HANSEN: So I didn't mean to cause any confusion.

RIEPE: I'm easily confused. But thank you.

HALLORAN: But just for-- just for clarity, Mr. Hansen, what Mr. Hansen's pointing out is soybean checkoff is, is reflective of market value.

JOHN HANSEN: Yes.

HALLORAN: Correct. And the corn checkoff is per bushel per unit of production. And I think the point, correct me if I'm wrong, Mr. Hansen

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is suggesting is, is that it would be in some people's estimation a better form-- format, format or formula would be based on the market so that the checkoff goes up and down with the market relatively. Am I?

JOHN HANSEN: That's correct. And, you know, the final thought was that they said, you know, obviously it's better when you get paid a fair price for what you produce. And so, when your, your income stream is tied to the price of the commodity, soybeans are rewarded when soybean prices go up. So if you're doing a good job and things are coming together and soybean prices go up, your revenue goes up. And so they, they thought that was a, a good incentive. And they, they like the idea of going up and down on the price pool with their own board. So that way the board is sensitive to their condition.

RIEPE: But, Mr. Chairman, are you talking that this has the potential of being an amendment to LB1061, what Mr. Hansen is proposing? Is someone proposing that as an amendment to change LB1061 or is that just a discussion?

JOHN HANSEN: That is an example of an alternative approach that is widely used and widely supported.

RIEPE: I'm going to take example as being discussion.

HALLORAN: Senator Hughes.

HUGHES: Thank you, Chairman. How's the beef checkoff? That's not a percent, is it?

JOHN HANSEN: It's so much a head.

HUGHES: Yeah. Just a flat rate. It's kind of like by bushel.

JOHN HANSEN: Yeah. It's a flat-- it's a flat rate.

HUGHES: OK. Thanks.

HALLORAN: OK. Any further questions from the committee? All right. Seeing none, thank you, Mr. Hansen.

JOHN HANSEN: Thank you. And thanks to the committee.

HALLORAN: All right. Additional pro-- opponents, excuse me, LB1061? Seeing none, anyone neutral? My favorite position, neutral. Welcome.

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KELLY BRUNKHORST: Good afternoon, Chairman Halloran, members of the committee. My name is Kelly Brunkhorst. That's spelled K-e-l-l-y B-r-u-n-k-h-o-r-s-t. I'm here to help answer any questions in a neutral capacity. I do serve as the executive director of the Nebraska Corn Board. A couple of questions that were raised earlier, and I'll just try and answer those and then be happy to answer others as they come about. Senator Hughes, you asked in regards to why did we lower the percentage of the checkoff that can be used for federal lobbying. We increased it. And, and Jay did a very good job of outlining that we aren't using all those funds, that availability to use that percentage. We decided to lower it because we defer to a lot of our partners, a lot of those associations, membership-based organizations that do take federal positions. And then, Senator Riepe, you asked in regards to where some of the funding goes, where do our board of 9 invest that in? Those are farmer growers themselves and they invest it all the way from the local level, all the way to the international level where we have partnerships that we believe extend the value of that checkoff into opportunities where those investments return a good investment or a good return on investment that we have. So like at the local level, like the efforts of Alliance for the Future of Agriculture in Nebraska, who does responsible livestock expansion in the state, obviously, we're very supportive of livestock expansion. At the national level, we work with National Corn Growers Association that represent us in areas in regards to market development on more of a federal level. And then at an international level, we work with the U.S. Grains Council, U.S. Meat Export Federation, or other cooperators that extend the value of that half of a cent per checkoff, or half a cent per bushel checkoff at the local level, all the way into the international marketplace where we open trade and create those conversations and relationships to open up those markets. So I'll be glad to answer any questions

RIEPE: A follow-up, what's the value of your portfolio at this time?

KELLY BRUNKHORST: About \$7 million right now.

RIEPE: OK. Thank you.

KELLY BRUNKHORST: Yeah.

HALLORAN: OK. Any further questions for Mr. Brunkhorst? All right. Seeing none, thank you, sir.

KELLY BRUNKHORST: Thank you.

HALLORAN: All right. Any further additional neutral testimony, LB1061? All right. Seeing none, for the record, there were 3 proponents, online proponents; 1 online opposition; and 0 neutral for LB1061. It officially closes our hearing on LB1061. We're going to take a little better than 5-minute break. We'll reconvene at 3:05.

[BREAK]

HALLORAN: Well, good afternoon, everyone. We will reconvene, reconvene the Agriculture Committee hearing this afternoon and we will kick it off with LB1301. Senator DeKay.

DeKAY: Good afternoon, Senator Halloran and members of the Ag Committee. For the record, my name is Senator Barry DeKay, B-a-r-r-y D-e-K-a-y. I represent District 40 in northeast Nebraska, and I'm here to introduce LB1301. That is my priority bill for the year. A bit of history first. Our current foreign ownership statutes were first enacted in 1889 and are presently found in Chapter 76, Article 4, of Section 76-401 to 76-415. Section 76-402 presently states that aliens and corporations not incorporated under the laws of the state of Nebraska are prohibited from acquiring title to or taking or holding any land or real estate or any leasehold interest extending for a period of more than 5 years, or any other great-- greater interest less than fee, excuse me, in any land in this state. The impediments for these fairly broad restrictions is in part tied to foreign citizens buying up large parcels early in our state's history. If you review Section 76-401 to 76-415, you will see that other than a few updates, most of these sections were last amended in 1943. According to the National Agricultural Law Center, approximately 24 states specifically forbid or limit nonresident aliens, foreign business entities, or foreign governments from acquiring or owning an interest in private agricultural land in their state. Nebraska is very fortunate to be one of those states with existing laws on the books dealing with foreign land ownership, but it is time for us to review and update our own statutes. Obviously, it is not World War II anymore, and the times and current threats to our national security, food supply and agriculture sector has changed dramatically in the 81 years since these statutes were last updated. LB1301 would adopt the Foreign-owned Real Estate National Security Act. This bill proposes to modernize Nebraska's existing statutes pertaining to foreign-owned ownership of land in this state. The bill would provide a mechanism for reviewing land purchases and establishing a process for divestment of individuals and entities determined to be in violation of this act. The bill would also tighten up existing exemptions, such as industrial

use or gas leases, as they currently apply to what the bill designates as a restricted entity. First, I want to try to walk everyone through what has not changed in the bill since we just finished negotiations. Currently, county attorneys are, are tasked with enforcing Nebraska's existing foreign land ownership statutes. In visiting with the Nebraska County Attorneys Association, they have discussed this duty, but they are constrained in what they can do, primarily due to time and resource constraints. LB1301 would instead task the Nebraska Department of Agriculture and the Attorney General to review and enforce our statutes. The AG's office or retain counsel would need to-- reasonable cause to believe that there is a violation. If there is reasonable cause, discovery can be carried out as per regular legal proceedings. Second, LB1301 would provide for a process of divestment. It is not the intent of this bill to have the state control the land longer than needed. We would have a receiver manage and control the real estate through the final disposition of real estate. I will note that Nebraska Land Title Association has identified other areas where we need just to add or tweak some words. We are happy to work with the committee to ensure that divi--the divi-- divestment process will stand up to the scrutiny in court. Third, LB1301 would also create the designation of a restricted entity. I defer to the handout I provided, which breaks down the entities involved. All we are saying in the bill is that if you are, are or have ties to an identified foreign adversary or a sanctioned person or an organization of the Office of Foreign Assets Control list, you should be subject to greater restrictions on owning land in this state. My intent with this bill is not to go after our country's allies and those working in good faith with us. By referring to federal lists, we are not just picking names out of the hat, and the lists allow our statutes to be adaptable. Success of our country will no doubt change in the decades ahead. For example, in my lifetime we went from considering an Iran as an ally prior to 1979 to now where we are now shooting Tomahawks at their proxies in Yemen due to their attacks on commercial ships in the Red Sea. Additionally, I provided a handout which outlines how the dive--divestment process works. What my bill proposes is that anyone can report a violation. And if the violator fights the divestment proceedings and loses, the person, the person who reports gets 30% of the remaining balance once taxes and assessments, cost of litigation, and lienholders are satisfied. This is Senator Bostar's idea, and he described it as a good incentive to encourage reporting. We are happy to work with the committee if there are any thoughts on how this idea might be refined or if we just need to strike it from the bill entirely. The final unchanged portion of the bill mirrors a Texas

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proposal, but just provides a mechanism for the Attorney General to report concerning non-notified real estate transactions that the Attorney General has identified in Nebraska to the Committee on Foreign Investments in the United States or CFIUS. CFIUS reviews the national security implications of foreign investments in the United States companies or operations before they can go forward. I also want to discuss the most recent negotiations, which will need to come in the committee amendment, which was handed out. First, language will be added to, to provide the designated restricted entities that have undergone review through the CFIUS process can remain here in Nebraska and be able to renew existing leases under the existing Section 76-413 industrial or manufacturing use of exemptions. These entities would be required to report their CFIUS status to the Nebraska Department of Agriculture. However, the entities that have undergone the CFIUS process would not be allowed to expand their land footprint. Essentially, we are maintaining the status quo with this change. Other states like North Dakota have also adopted similar language. I will let the impacted parties speak more on what CFIUS is all about and entails later on. Second, the foreign agricultural land owners would be required to report to the USDA through a final report form FSA-15 or risk enforcement of that divestment proceedings. This language adds another mechanism to weed out bad actors and provide better data for foreign land holdings in Nebraska. Third, the language involving military bases, the 10-mile radius and the Real estate Commission map will be stricken from the bill. There was some confusion on this restriction, so we will apply the restricted entity prohibitions to the entire state. This change should hopefully curtail ambiguity concerns by making the application of the law equal across the state. Fourth and finally, language will be added which reinstates the exemption in Section 76-404, 76-412 and 76-413. These sections contain exemptions relating to oil and gas leases, railroads, public utilities, common carriers, and filling stations or bulk stations. There are foreign companies operating pipelines in this state. Under federal law in cases of pipeline spills, the EPA or other federal agency may require the company to purchase land for remediation. Reinstating these exemptions would ensure Nebraska does not prevent those companies from complying with federal law and minimize its Commerce Clause problems. Restricted entities would still be unable to utilize those exemptions, however. In summary, what we are doing is something that is not radically different from our current statutes. Nebraska has existing restrictions on foreign land ownership. All my bill is doing is modernizing our statutes to help bolster our state's response to foreign adversaries, especially when we consider our

state's role in our nation's agricultural production and housing critical locations such as Offutt Air Force Base. Now I know that ag groups expressed concerns regarding CFIUS review companies which should hopefully be addressed by the amendment, letting them stay in Nebraska, while some language still needs to be cleaned up for the title association. I am happy to try to work with the members of this committee and those testifying behind me. With that, I am open to any questions. Thank you.

HALLORAN: All right. Thank you, Senator DeKay. Any questions from the committee from the introducing senator? OK. Seeing none, you'll stick around for close?

DeKAY: Yes.

HALLORAN: Thank you. All right. We will begin with the first proponent of LB1301. Welcome, Governor Pillen.

JIM PILLEN: Good afternoon, Chairman Halloran. Thanks for the opportunity before all the members of Ag Committee. My name is Jim Pillen, J-i-m P as in Paul-i-l-l-e-n. I'm incredibly humbled to serve as the Governor of the great state of Nebraska. Maybe just have a brief comment, a little bit unrelated, but kind of related is, I've been out across the state, I think I've had 10 town hall meetings in the last couple of weeks, maybe 2.5 weeks. And I was in Platte County early this morning for an ag day, ag safety day. And there's 3 things that's consistent with the feedback from Nebraskans everywhere I go. Number one, fix property tax. Number two, the southern border line up. Thank you. Thank you, thank you. And then number three, this bill, LB1301, to be sure that we are securing our land. So I just want to say thanks for the opportunity to address the committee. I think this is an incredibly important bill. And I appreciate the partnership with Senator DeKay and other senators to bring forward this piece of legislation. It's fair to say it's been decades since Nebraska's revised-- reviewed the laws prohibiting foreign ownership of land. Needless to say, we all agree the world has changed dramatically. And it's important we take this opportunity now to look around and make sure we are protecting our ag land from undue foreign influence, particularly from foreign adversaries. Nebraska, without a shadow of doubt, has some of the most productive agricultural land in the country, if not the world. Because of Nebraska being innovators, entrepreneurs, risk takers, we exceed and can compete with anybody in the world. And as a result, Nebraska has applied science and the latest technology to become one of the most sustainable bread baskets

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in the world. As we love to say, we feed the world and save the planet. Food security is national security, and it's imperative that we Nebraskans take stock of who owns our land. We should be focused on maintaining domestic ownership over the assets that provide food security of our state and our nation. Further, we absolutely, positively must protect our incredible pot of gold, the Ogallala Aquifer. It's hard to believe that right here in humble Nebraska, the use of our groundwater is specifically tied to the beneficial use of the water on the land above it. We must not be blind to the fact, and we quite honestly need to brag about it, that our aquifer is the largest and only sustainable aquifer in the Western Hemisphere. Hard to believe, Western Hemisphere. And in the coming years, this may draw attention to many bad actors. We believe through LB1301 we can ensure the foreign governments or their agents cannot own ag land. We give authority to the Nebraska Department of Agriculture to investigate violations and spell out the consequences of violating this, the act and divestment procedures. We believe this bill provides an opportunity for the Legislature to review and revise our old laws, some of which date back almost to the founding of our state. We remain committed in working with everybody through some amendments that may be needed before the bill gets to the floor. But together we can identify ways to help protect Nebraskans and protect agriculture. I believe together we can and together we must. So I appreciate the opportunity to testify. I'd be happy to take any questions.

HALLORAN: All right. Thank you, Governor Pillen. Any questions from the committee? We're going to let you off easy.

JIM PILLEN: All right. Thank you. Have a great afternoon.

HALLORAN: Thank you.

JIM PILLEN: Thanks for all you do.

HALLORAN: Additional proponents to LB1301? Additional proponents. Good afternoon.

JON CANNON: Good afternoon, Chairman Halloran, members of the Agriculture Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm the executive director of NACO which you may also know is the Nebraska Association of County Officials. We're a trade association representing all 93 county governments in Nebraska, here to testify today in proud support of LB1301. We'd like to thank Senator DeKay for working with us on this bill. He had originally come to us in the off

season and talked about the principles behind this bill, which we certainly support. But he asked, you know, in practicality, how could this work in a way that's the least disruptive and gets us the most bang for our buck? We went through, actually, a pretty, pretty long couple of times that we visited in the off season, where we talked about the process that accompanies the [INAUDIBLE] of land in Nebraska's counties. He's worked with us in order to make sure that the police-- the policing of this is in the proper place with the Department of Agriculture and the Attorney General's office. And with that, we're certainly happy to help in whatever way we can. We value the intergovernmental partnership between our state and also our federal partners. And so, with that, we're happy to support this bill. Happy to take any questions you may have.

HALLORAN: Thank you, Mr. Cannon. Any questions from the committee? Seeing none, you're wearing-- we're wearing them out here, I think.

JON CANNON: Well, I guess so. This is my only time in Agriculture this year so.

HALLORAN: We have to have a question for you, but we'll let you pass.

JON CANNON: Next time, sir. Thank you.

HALLORAN: Thank you. Additional proponents, LB1301? Proponents? Opponents to LB1301? Good afternoon. I think he gets some frequent flier miles today.

JOHN HANSEN: I do. Mr. Chairman, again, good afternoon. For the record, my name is still John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I'm still the president of Nebraska Farmers Union. We'll have to see how long that lasts. But we were involved in, in efforts earlier with this committee. And we commend the committee for having the hearing that it did earlier on this issue. And it's an issue that garners a fair amount of ongoing phone calls to our office. People are concerned about a lot of different things. This bill, I think, is a good faith effort to address things that can be addressed. And so the issue of identifying countries that are-- they're clearly, at this particular point in time, not on the-- not on our friendly fly list. And those 6 countries, I think that's a good, reasonable list. And so those are folks that ought to get more attention and treatment. So we think that's positive. You know, what we-- some of the issues we raised before was the business of if you have a law on the books, then it ought to be in, in reality and in practice as well as in theory. And

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so, you know, the lack of enforcement of the bill that we've had on the books for a very long time has sort of been crying out for attention and some remedy. And we think that, that Senator DeKay has done a good job along with the Governor of, of coming up with an approach that we think makes sense. And if it gets by Jon Cannon and NACO, it must be OK. So we think it's a reasonable enforcement mechanism. And we realize that while this bill does, we think, things that need to be done, it's not going to solve some of the issues that some of the folks who call our office want some sort of remedy for, which is a much more difficult challenge, which is every time there's a report in the paper about Bill Gates or, or Ted Turner or the Mormon Church buying up more farmland, our phones ring, and they want us to do something about it. But as we all know is the case, if you're an American citizen and you have money and you want to spend it on farmland, you can, for the most part. And so it's very difficult to fence those kinds of issues in. And this bill doesn't deal with those, nor should it. So we would just favorably recommend that the committee support this bill, which we think is a positive step in the right direction. And with that, I'd be glad to answer any questions if I could.

HALLORAN: OK. It threw me off, Mr. Hansen, and it's probably because I wasn't speaking clearly enough. I thought we were done with proponents and I called for opponents. But working our way through your testimony, I struggled to find opposition, so I'm guessing for clarification, you're a proponent.

JOHN HANSEN: I am a slow proponent.

HALLORAN: OK. All right. Any questions from the committee?

JOHN HANSEN: I thought there was going to be more proponents than me--

HALLORAN: I see,

JOHN HANSEN: --Mr. Chairman. So I was giving them every opportunity to get ahead of me, as they should.

HALLORAN: You're just being humble. OK. Any questions from the committee? Seeing none, thank you, Mr. Hansen.

JOHN HANSEN: Yours and support. Thank you.

HALLORAN: OK. Additional proponents of LB1301? Proponents? Seeing none, opponents? Opponents of LB1301? Good afternoon.

SAM COOPER: Good afternoon, Senators. My name is Sam Cooper, S-a-m C-o-o-p-e-r. I'm the president-elect and legislative chair of the Nebraska Land Title Association. We're just what it sounds like. We're the association that represents title companies for the most part in Nebraska. So when you think of us, think of title and escrow companies, the people that close real estate transactions. We are coming out in opposition to this bill. But I want to stress right off the bat that we don't have a policy or political opposition to this bill. As I think Senator DeKay mentioned, we have suggested several cleanups that we think are important so that we can continue to go about our daily practice and confidently pass title of the land in Nebraska. I do want to jump off right off the bat and say thank you to Senator DeKay and his office. They've been very receptive to several of the suggestions that we've had. I believe there was an amendment that I, I recently saw a copy of, about 2:15 got emailed me. I don't know if it's been submitted yet. Addresses some, but not all of our concerns. And we're going to continue to work with Senator DeKay's office on those. And I'm confident we'll be able to get to a workable solution. But as of now, we do still have some concerns. Our concerns largely lie in clarity of the bill, the ability of the bill to allow us to confidently pass title to real estate, and the ability of, of our practitioners to confidently find the divestment procedures in the county land records, and some concerns about whether or not some of the provisions might create unmarketable titles in the future. I'll click through these relatively quickly. I think some of them may be addressed by the bill amendment that is being submitted shortly, and I think we can work through many of them with Senator DeKay's office. But without further ado, one issue we have was that the restricted area definition, which I think will be cleaned up by amendment, [INAUDIBLE] refers to military installations either under the jurisdiction of the Department of Defense or the jurisdiction of the Air Force and Strategic Air Command. Those terms were used a little bit ambiguously or interchangeably and we felt that left some ambiguity. In a review of the bill, it was difficult for us to determine where the actual prohibition language in the bill was. We do see that it defines a restricted area and does define a restricted entity. But the prohibition statute, which I think is the 402-- 76-402, doesn't actually seem to prohibit a restricted entity. So we're just unclear about what exactly restricted entity was prohibited from owning, again, I think something we can clean up in the bill. We were concerned about a close reading of the amendments as proposed in 76-414 and 76-413. When read together, it's difficult to tell if a restricted entity would be prohibited from owning a manufacturing or

industrial site or not. I believe those sections as drafted are in conflict with one another. So that was a concern for our membership about whether or not those-- what exact prohibition would be created by those bills as-- those specific sections as currently drafted. At current, it looks like the bill as drafted would allow the action to be brought either in the county in which the property is situated or in Lancaster County. The, the current statutes, which again are very old, but they do require to be brought in the county where the land is situated, which as a title examiner, that's where we look, is the county in the land-- where the land is situated. We will [RECORDER MALFUNCTION] county, so we think we can clean that up with just some notice provisions. We would like it-- we believe there is some ambiguity about whether the divestment procedure would apply to a past owner in the chain of title, so we don't want to create a situation where future titles or titles which have a foreign owner back in the chain, could be subject to a divestment procedure. We did submit some language provided by our national association, the American Land Title Association, to clean up that. And we're hoping that we can get that done, as well. Again, we had some questions around how exactly the restricted areas would be defined. I won't go into that too deep because I believe that will be satisfied by the amendment. We did have some reservations around the 30% cut of the proceeds, which would go to the reporting party. Again, I don't-- around that-- on-- we're-- we-- my membership was unfamiliar with any other case in which a reporting party was incentivized that way and whether or not that could create issues later, if it was found to be an unreasonable use of the proceeds of the sale. And lastly, the bill as drafted would require the land to be sold just at public auction. It doesn't give us any further specificity about the way that sale is to be conducted or notice given of the sale. Typically, the old statutes, I believe, referenced the-- reference back to the sale by partition, which gives us a good groundwork or a good framework for how that sale is to be conducted, what notices would be provided, and so on. So we'd look for maybe some more specificity about how that sale is to be conducted, so that when we look back at [INAUDIBLE] in the chain of title, we can confidently say that the sale was conducted in a manner that comports with the statute, as opposed to what is now a rather vague description, just at public auction. So those are our concerns. I think we'll be able to work through them with Senator DeKay's office. And we're hopeful that-- and, and we will continue to be a, a receptive partner going forward to get those things cleaned up. With that, I'll take any questions.

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HALLORAN: OK. Any questions from the committee? Senator Holdcroft.

SAM COOPER: Yes, sir.

HOLDCROFT: Thank you, Chairman Halloran. That's quite a list.

SAM COOPER: Yeah.

HOLDCROFT: How quickly you think you can get through that with Senator DeKay?

SAM COOPER: I think we got through a few of them with the current amendment, and I think the rest of it, we have proposed language. I'm, I'm willing to work as hard and as quick as I need to, to get it done, because I understand that it's an important bill.

HOLDCROFT: Yes. I also noticed that you referenced Strategic Air Command. Strategic Air Command was a unified Air Force command that when it was decommissioned in 1992, its U.S. Strategic Command, which is the joint command currently headquartered at Offutt Air Force Base.

SAM COOPER: Correct.

HOLDCROFT: So--

SAM COOPER: Yeah, and I--

HOLDCROFT: And I would make that correction, because if you say that to U.S. Strategic Command, you'll-- it won't be pleasant.

SAM COOPER: I understand. I was just referencing straight to the bill.

HOLDCROFT: That's all I have.

HALLORAN: That's all you have? Thank you, Senator Holdcroft. Senator Hughes? No. As, as Senator Holdcroft observed, that was quite a list. Might have been simpler if you would have just told us the few things that you liked. I'm not trying to be smart, but, I mean, you know, we hope that you will work with Senator DeKay on this.

SAM COOPER: Yep.

HALLORAN: On a scale of 1 to 10, 1 being not likely that you'll come with some kind of an agreement, mutually, 10 being very likely-- and with 10 being very likely and still having the intent of the bill intact?

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SAM COOPER: I don't think any of our suggestions would hurt the intent of the bill. Obviously, Nebraska has had foreign land ownership restrictions since 1889. We've dealt with those as land title professionals since that time. So I think, you know, the intent of the bill would be fine. Just want to make sure that we, again, can use it in a way that we can be confident that we're passing land titles and not creating unmarketable titles in the future. And I, and I will also say, I think some of the-- our membership, myself included, can be a little bit, well, at least, at least at the moment are a little bit sensitive because of what happened last year to our tax sale statutes, which were ultimately found by the United States Supreme Court-- well, sorry, a very similar tax sale structure in Minnesota was found by the United States Supreme Court to be unconstitutional, which had-- has had ripple effects through our industry in a way that made past titles unmarketable. And, and I think we're a little bit sensitive to that, that's just-- I want to be careful up front.

HALLORAN: Yeah, and I understand-- yeah. I under-- yeah I, I understand the, the concern. We don't want to make things harder on sellers of land--

SAM COOPER: Right.

HALLORAN: --or buyers of land for that matter. We just want to be able to make sure that there's some level of protection for, for national security interests, particularly.

SAM COOPER: Absolutely.

HALLORAN: All right. All right. Thank you for your testimony.

SAM COOPER: Thank you, sir.

HALLORAN: Additional opponents to LB1301? Good afternoon.

DYLAN SEVERINO: Good afternoon, Chairman Halloran and members of the Agriculture Committee. My name is Dylan Severino. That's D-y-l-a-n S-e-v-e-r-i-n-o. I'm here on behalf of the ACLU of Nebraska, and I'm here in opposition to LB1301. As policies and practices at all levels of government continue to disproportionately burden racial and ethnic minorities, the ACLU works to combat all forms of racial, alienage, and national origin discrimination, including in housing and property ownership. It's no coincidence that today, at the height of 21st century anti-Chinese and anti-immigrant sentiment, we were discussing the revivification and empowerment of a law written at the

height of anti-Chinese sentiment in all of U.S. history. In 1882, the Chinese Exclusion Act was passed into law to prevent immigration to the U.S. for all Chinese individuals. Seven years later, in 1889, against a backdrop of national anti-Chinese sentiment and violence, Nebraska opted-- adopted the alien land laws, preventing foreign ownership of land. In 1921, the alien land laws were amended to be stricter, as anti-Japanese sentiment in Nebraska flared. Last year, Governor Pillen requested the introduction of LB1301, which would build enforcement mechanisms into the alien land laws without fundamentally changing the provisions that were used over 100 years ago, to discriminate against racial minorities. Beyond the statute's history and the questionable motivation behind its current amendment, LB1301 is unconstitutional. LB1301 prevents a "nonresident alien," undefined in the bill, from purchasing, taking title to, or holding any leasehold agreement or similar interest of over 5 years in real estate, unless the real estate is in or within 3 miles of an incorporated city or village. A quote "resident alien," also undefined in the bill, can only obtain title by device or descent of real estate not within 3 miles of an incorporated village or city, and must sell it within 5 years. LB1301 is unconstitutional under the Equal Protection Clause of the Fourteenth Amendment, which prohibits discrimination based on race, alienage, and national origin; under the Due Process Clause, which requires unambiguous process of laws that otherwise constitutionally discriminate by race, alienage, and national origin; and under the Supremacy Clause for violating the Fair Housing Act, which declares invalid any law of a state that permits or requires a discriminatory housing practice. Moreover, LB1301 provides financial incentives, potentially a portion of the divested land-- I'm citing here, Section 6, 6 subsection (7)(e)(iv), for reporting potential violations of the proposed statute. I'm quoting here, Section 6, 6 subsection (3) "Any person may notify the Department of Agriculture or the Attorney General of a violation or potential violation of the Foreign-Owned Real Estate National Security Act." Providing a financial incentive to report anyone who looks like an alien is deeply problematic and will only lead to further discrimination and harassment of Nebraskans based on national origin, alienage and race. Despite the reality that there are Chinese and Hong Kong interests in only 2 parcels of Nebraskan land, fewer than 100 acres total, this bill adds mandatory enforcement mechanisms to a statute that has repeatedly been used to discriminate against racial minorities. It strictly limits "aliens" and again, an undefined term in the bill, a term carried over from the statute used to discriminate against racial minorities in Nebraska for over 100 years, from holding

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land in any of Nebraska's almost 100 unincorporated communities, and monetarily encourages people to report possible violations. This bill is unconstitutional. Please indefinitely postpone this bill and do not perpetuate this historically discriminatory statute. Thank you. I'd be happy to answer any questions.

HALLORAN: OK. Thank you for your testimony. Any questions from the committee? Yes, Senator Hughes.

HUGHES: Thank you, Chairman Halloran. Thanks for coming in. Not a lawyer, just saying that. This, this is an amendment to something that we currently have. So are you saying what we currently have is illegal, too, or unconstitutional, too?

DYLAN SEVERINO: There are a great many bills that may have been written-- could have been constitutional in the past. As federal laws, even state laws and constitutions change, they became unconstitutional. They remain on the books because nobody notices them. This is a relic of Nebraska's old racist past. It will not be a part of Nebraska's future. Nebraska does not have a racist future. This bill will not be part of it. Please do not take a step down that path.

HUGHES: So I'm going to take that as a yes. As written, as-- the-- what was here already is [INAUDIBLE].

DYLAN SEVERINO: Yes. Everything in here is still discriminatory. Without an enforcement mechanism, it likely hasn't come up, to the point where it's needed to be addressed. The last amendment made was in 1943. That's before ACLU was in the state.

HUGHES: OK. Thank you.

DYLAN SEVERINO: Thank you.

HALLORAN: Any further questions? Senator Riepe.

RIEPE: Thank you. Is, is it fair to assume that you, as the ACLU, that you will challenge this if passed?

DYLAN SEVERINO: We uphold immigrants' rights in any capacity. If any bill passes that's going to challenge immigrants' rights that they are guaranteed under the Constitution, we will address that in court.

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HALLORAN: May I ask you a question? I think it's. I think it's fair to say that this may be potentially unconstitutional, but it's not unconstitutional until a court rules on it. Am I correct on that? We're making an assumption here that-- or assumptions are being made that this is unconstitutional.

DYLAN SEVERINO: That's correct. A court needs to, needs to rule on it. If-- may I add something?

HALLORAN: Sure.

DYLAN SEVERINO: I feel confident in saying that it's unconstitutional.

HALLORAN: Well, I, I feel confident we'll know when the court rules on it.

DYLAN SEVERINO: I also feel confident, in that case.

HALLORAN: OK. Thank you. Any additional questions from the committee? All right. Seeing none, thank you for your testimony.

DYLAN SEVERINO: Thank you, for your time.

HALLORAN: Additional opponents to LB1301? Opponents? Opponents? We've got a lot of audience and no testifiers. All right, neutral capacity. Neutral capacity for LB1301? Good afternoon. Just so I'm clear, because I've been wrong in the past, this is neutral? Is that right?

SCOTT MERRITT: Neutral.

HALLORAN: OK. Very good. Good afternoon.

SCOTT MERRITT: Good afternoon, Chairman, members of the committee. My name is Scott Merritt, S-c-o-t-t M-e-r-r-i-t-t. I serve as president of the Nebraska Agribusiness Association. We are a trade association that represents retailers, distributors, manufacturers of agricultural inputs, supplies, and services to Nebraska's farmers and ranchers. First, I'd like to say that we are not opposed to the policy of the restrictions and oversight of foreign ownership of agriculture land. But we are here in neutral today because LB1301, as presented, had some issues regarding some of the regulatory side. I would like to start off by thanking Senator DeKay and the Governor's Office. Over the past 10 days, I know they've been working with our team and agricultural stakeholders in the state to address some of these 3 amendments. And I believe that there was an amendment-- I did not have

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the opportunity to see it. I think it was-- came out of the Bill Drafters Office at 11:00 today. But I believe with the intent, and the discussion, and the original drafts that I've seen, that we would be very comfortable with them if they're implemented. Kind of the focus of, of our issue was a manufacturing plant in Omaha that supplies a major amount of product in not only the state of Nebraska, but across the Midwest. And when we looked at the consequences of this bill, original-- the original draft of the bill and what some of the consequences would be, I will tell you that my retailers and wholesalers became very concerned about loss of product, and also disruption in the supply chain by losing a major production facility in their home state. And that lesson was still very fresh in their minds from the disruptions we experienced during the COVID era. A key discussion that, that will come out, and it's in the bill in several places, has been the oversight and security. The Committee of Foreign Investment in the United States is the review-- federal review group that has overseen prior sales and prior purchases, and will continue to. Not only do they review it and approve it or disapprove it, they also have the regulatory capacity, if you want to say, to monitor. And I've been spending quite a bit of time in the last 2 weeks learning about the conference. And I've, I've got a handout with you. The CFIUS-- and, and I, I have to share with you that I-- Rick Leonard and I had this discussion. It's a deep read. It's very complex. It's very deep. And their authority goes way beyond the scope that I ever thought that they had. So in the bill and I believe, the, the amendment, they referred to it that if a company goes through this process and has the federal regular-- regulatory oversight of this committee, that we should have confidence and be able to move forward. Again, I appreciate the, the work of senate-- of the Senator and the Governor's Office trying to, trying to address some of these concerns that my folks have. And as I said, we're not opposed, and, and we support the oversight, the regulation and probably auditing of foreign land ownership in agricultural production land. So with that, I, I tried to put together a quick summary sheet of what exactly commit-- Committee of Foreign Investment in the United States, who they are, what they do. And it's very difficult to crowd it onto 1 page. But I think the first thing that I saw is when I see the departments and the folks that are involved in this, I, I have a high level of confidence. The only thing, on a side note, is the U.S. Department of Agriculture is brought into this committee when they feel it's a food or food security issue. Several of the ag groups, including our folks, have been pushing for USDA to have a permanent seat on this board, because we feel that it would be a, a good addition to that. So with that,

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that's a quick summary of my testimony, and we look forward to working with the Senator and his staff to get these amendments done.

HALLORAN: OK. Thank you, Scott. Any questions? Senator Holdcroft.

HOLDCROFT: Thank you, Chairman Halloran. So I guess there's nobody here from Syngenta. Is that, is that fair? So I would ask these questions of them, but you may know. Has Syngenta gone through the process of some kind of a certification yet, from this organization?

SCOTT MERRITT: Oh, yes. Before, before-- 7-8 years ago, they've gone through it and they are still under contract. I do not know details of the contract, but yes, they are.

HOLDCROFT: And do you know, with that certification, how quickly the federal-- if, if they violate the contract? Or in this case, if they become-- it's out-- it, it becomes illegal, I suppose, with the passing of the law, how quickly could the federal government then come in and shut them down?

SCOTT MERRITT: I'm not an expert on this, but I do know that these regulatory agencies that they're under contract with have total authority, that they can arrive on the property at any time and do anything they want, so to say.

HOLDCROFT: OK.

SCOTT MERRITT: And that's kind of the extent of, of what I know of, of their deal now. How soon they shut down, I don't-- I haven't way-- waded into that's-- that deep.

HOLDCROFT: OK. Thank you very much.

HALLORAN: Thank you, Senator Holdcroft. Additional questions from the committee? Seeing none, thank you so much.

SCOTT MERRITT: Thank you.

HALLORAN: All right. Additional neutral position for LB1301? Good afternoon.

TODD BARLOW: Good afternoon, Chairman Halloran, members of the committee. Thank you for the opportunity to appear before you today. My name is Todd Barlow, T-o-d-d B-a-r-l-o-w, and I do work for Syngenta. And I'll try to answer your questions there, as well, sir.

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Syngenta is a global agriculture company headquartered in Basel, Switzerland, and I'm here today to testify in a neutral capacity. Syngenta employs more than 57,000 people in over 100 countries. And with our North American crop protection headquarters are located here in the U.S., in Greensboro, North Carolina. And our Global Seeds headquarter is located just outside of Chicago, Illinois. But particular to Nebraska, Syngenta has 3 major production facilities here in Nebraska, along with many others. Those 3 major ones would be located in Omaha, Waterloo, and Phillips, Nebraska, and they employ 350, 350 residents who research, produce and market seed and seed and crop protection products, of which the vast majority of that material remains in the United States. Before Syngenta's purchase in 2017, the company submitted a request, a request for clearance from the Committee on Foreign Investment in the United States, often referred to as CFIUS. CFIUS is, is an interagency committee chaired by the United States Department of Treasury, and has the authority to review the potential national security effects of any transaction that could result in foreign control of any U.S business, as well as covered real estate transactions, which is real estate transactions that are located in proximity to designated ports, military, or government facilities. As part of the clearance process, Syngenta provided all information requested by CFIUS, including disclosure of our flagship production facility in Omaha, located near Offutt Air Force Base, a CFIUS-designated facility. There are 160 full-time employees working at that Omaha facility, which Syngenta and its legacy companies have operated since 1955, and we produce high-quality plant protection products for the benefit of farmers and ranchers here in Nebraska, as well as across the United States, to ensure an adequate U.S. food supply. As a condition of approving the acquisition, Syngenta entered into a national security agreement through the CFIUS-- or with the CFIUS process. The, the Department of Defense and the Department of Agriculture were appointed as Syngenta's CFIUS monitoring agencies. The company, Syngenta, is required-- was required to divest of certain assets and identified locations, and other restrictions were put in place on Syngenta that, that we must comply with. For example, the terms of the National Security Agreement also ensure supply commitments of certain proprietary products to the united-- to the United States market. Syngenta also appointed a national security officer responsible for ensuring the company's compliance with the terms of its National Security Agreement, who provides routine, periodic updates to the CFIUS monitoring agencies. The CFIUS, CFIUS monitoring agencies included representatives from the Treasury, from the Department of Defense, and from the United States Department of

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Agriculture most recently conducted site visits at our Greensboro, North Carolina headquarters, as well as one of our major seed production research sites, also located in North Carolina. Syngenta has a long and proud history serving farmers in the United States, including the great state of Nebraska. We take our national security obligations extremely seriously as we make our commitment to provide innovative, top quality solutions to Nebraska farmers and ranchers to enable them to continue to be among the most productive growers in the world. Through the proposed amended language in LB1301 and our communications and commitments from Senator DeKay and the Governor's Office who have all been very good to work with and very communicative, and we're thankful for that, over the last couple of weeks here, Syngenta will be able to continue to operate in Nebraska and employ Nebraskans to carry out important research, development, production, and commercial activities that bring new tools to growers here in Nebraska and across our great nation. Thank you, Mr. Chairman, members of the committee.

HALLORAN: All right. Thank you, Mr. Barlow. Senator Hughes.

HUGHES: Thank you, Chairman. Thank you for coming in. Good to see you again. I'm not going to say what I-- what we talked about yesterday. You say you're neutral. Is this-- does this amendment address the concerns you were talking about?

TODD BARLOW: We think the amendment addresses many of the concerns. We think there are a couple of just small things that we want to look at. We just received that amendment just a short while ago. And I, and I certainly believe that the intent of the, the bill sponsor, Senator DeKay, and-- as well as the Governor's Office, we're all on the same page. We just need to get the ink to the paper that, that, that I think we'll all be comfortable with.

HUGHES: All right. Very good. Thank you.

TODD BARLOW: Thank you.

HUGHES: Good to see you again.

HALLORAN: Senator Holdcroft.

HOLDCROFT: Thank you, Chairman Halloran. Just some specifics about one plant, the Omaha plant, I guess it is, 8 miles from Offutt Air Force Base, southwest?

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TODD BARLOW: It's just to the north, along the river, about 7, roughly 7.2 or 3 miles, from Offutt Air Force Base. Yes, sir.

HOLDCROFT: And do you have any interface at all with the base? I mean, do you provide any services to the base, products to the base?

TODD BARLOW: Not to my knowledge. I know we've had communications with the base through our security teams of-- for example, one example that was given to me was once we had a, a, a van of people come up, approaching our plant that we didn't feel comfortable with. And through the local authorities, we were able to reach out to the base to also give them a heads up. And they did investigate and discovered what the party was.

HOLDCROFT: So you have your own security?

TODD BARLOW: Yes.

HOLDCROFT: What, what kind of-- what kind of security measures do you have for the plant?

TODD BARLOW: Well, that plant-- and I'm, I'm certainly not the expert to answer all those questions, but I know you don't just walk in. You come in, and you prevent your-- present, your ID, sign in; same way with trucks that come in and go out. And I, I could certainly investigate and give you more details on the exact security, but that is part of, of that plant's routine. Yes, sir.

HOLDCROFT: OK. Thank you very much.

HALLORAN: Thank you, Senator Holdcroft. Any further questions? Sounds like they have better security than we may have here in the Capitol.

HUGHES: Well, yeah. Doesn't take much.

HALLORAN: So you've been through quite a bit. I mean, you've been through the CFIUS pro-- process, right?

TODD BARLOW: Yes, sir.

HALLORAN: Would it, would it be possible-- and maybe you've already shared this, I don't know, maybe with Senator DeKay, but would it be possible to provide some of those documents that transpired with CFIUS to, to demonstrate the questions answered and, and so forth?

TODD BARLOW: Senator Halloran, I think the easiest thing to say is some of those documents, the federal government would not allow us to share those documents. If, if the federal government-- I think, I think it's safe to say that if the federal government would provide that permission to do that, we would be glad to do so. But I know that the information within CFIUS, because I have spent a lot of time looking to find it, is not disclosed on the federal-- the federal government site. And, and I know, for example, you cannot even FOIA that information, as well. So it-- for whatever reason, the federal government, the Department of Treasury, Defense, or whomever, typically chooses to keep it confidential.

HALLORAN: Sure. I understand. Mostly, I was looking for your willingness to share it if you-- if it was available. So, seeing no further questions from the committee, I appreciate your testimony. Thank you.

TODD BARLOW: Thank you.

HALLORAN: Any additional neutral for LB1301? Good afternoon.

BRUCE RIEKER: Good afternoon. Chairman Halloran, members of the Ag Committee, my name is Bruce Rieker, B-r-u-c-e R-i-e-k-e-r. I'm the senior director of state legislative affairs for Farm Bureau. I'm also here on behalf of the Nebraska Corn Growers Association, Nebraska Pork Producers Association, and the Nebraska Soybean Association. Two of those have been added since the draft of the testimony. We appreciate [INAUDIBLE] joining on. Yes, we're testifying in a neutral capacity. We believe the intent of this effort is good. I have forward the amendment to our leadership. They have asked me to review it with the other ag groups to do a more careful analysis. So until we are able to look at the, the construction of the language of the amendment and how it meshes with the original bill, we respectfully request some time to analyze it, rather than giving you a quick answer to, to whether or not we support the amendment. I appreciate Senator DeKay, and Turner needs a shout out, too, for working so hard on this effort. I appreciate what the Governor said, about food security is national security. This is a very important issue to us in agriculture, but to our state and our country, when the Governor said that food security is national security. It was only recently that the federal government declared the food production complex of this country as a critical infrastructure component to national security. And so we want to make sure that we share with you how important this is. Yes, we'll have some other questions. I already told you that we need to analyze this.

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If I may take a moment-- when I heard-- I'm going to deviate from the bill and the amendment for a second and challenge all of you to work with us on something else. When Senator DeKay mentioned that we're amending laws that were created in 1943, yes, we need to bring those up to speed, but there's a much bigger issue that is a threat to agricultural production and national security. And that's cyber threats to agriculture. When we vetted this bill with some of our colleagues in the federal government, some of the-- those that have jurisdiction under the Department of Justice, they said that their-- I'll summarize. Their comments were, this is a good effort, but the physical location of restricted entities is a small threat compared to the cyber threat that poses itself to agriculture. I'll base that off of last year, in June, Nebraska Farm Bureau in partnership with the FBI, we hosted a cyber threats to agriculture conference at the University, Innovation Campus. And we had 400 people from across the country, from Department of Justice to a lot of the entities that were already mentioned in previous testimony, talking about what those threats mean to our ability to feed our country. And so, one of those things we'll be working on-- for all of you that are going to be in the Legislature for years to come, I would ask you to help work with us on those issues, because we can't be trying to bring 1943 statutes up to date, and hope that we solve the problem. There's a physical and there's an invisible threat to agriculture and how we feed the world, and I'm asking you to help us there. Those are my comments.

HALLORAN: All right. Thank you, Mr. Rieker. Senator Brewer.

BREWER: Thank you, Mr. Chairman. Help me to understand what all you're encompassing in that statement you made there, because-- and the reason it kind of perked my ears up is when I was in Ukraine last summer, they were losing all of their modern equipment, combines, tractors, through a process where the Russians would jam their ability to receive signals. And it would basically cause the tractor or the combine to just blink out and, and, and flatline, and it was of no use to them. So they were forced to go back to the older generation stuff so they could continue to farm in the fields. Is this kind of what you're talking about here? Are you talking about EMP or--?

BRUCE RIEKER: That's exact-- what you just described is exactly what we're talking about. Through our work, through the right to repair issue, we became deeply immersed in the data side, and the data side of security for the machinery. We're not here-- or our effort is not to bring any company down. That's not it. So when I mention a company's name, here's what we're talking about. John Deere is the

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largest equipment manufacturer in the world. OK. They are tracking hundreds of lines of data about production and everything that goes on to the production of food, both our inputs as well as our outputs, working with various other input and producer networks, things like that. So John Deere currently is collecting data on 300,000 acre-- excuse me, 300 million acres of farm ground in this country. Nebraska has 22 million acres of farm ground. So they're collecting it on 15 times the size of Nebraska, which Nebraska is the third largest ag complex in this country. We're a big deal. But we're also at risk. And if they get in and meddle with the source codes of those machines, they can manipulate them to great degrees or small degrees, which change how much we produce or how much we don't produce, and things like that. I don't want to take all of your time, but this is an incredibly important issue that I hope in future years we're able to tackle with you folks.

BREWER: Roughly 100 kilometers from the front was a swath of land that become unusable. Not because of the, the bombs or mines or anything else, because the equipment would not operate in it unless it's, you know, there's essentially mechanical generation equipment. And so it's interesting you brought that up, but thank you.

BRUCE RIEKER: Yeah. It-- I will say that I flared up against somebody from John Deere that said it was impossible to hack a tractor. And I said, well, then what happened to 40,000 John Deere tractors that were in the Ukraine? Because they, they jammed all of their systems and shut them down. Part of that battle was over food. And the Ukraine is one of the largest bread back-- breadbaskets in the world. So there's a whole other issue out there, that-- yeah. I really do, I apologize because I didn't have a lot of substantive things to say as far as LB1301 and the amendment, but I did want to take the opportunity to present this to all of you.

HALLORAN: Senator Riepe.

RIEPE: Thank you, Chairman. Is it safe to say-- and thanks for being here-- it's almost like we need to divide the question here, because LB1301 is for a threat to national security. The other division is a threat to agricultural production based on cyber security. That sounds like something that I'm sure is being addressed at the national level, and certainly something that, in the very near future, maybe even next session, next year, we need to bring some legislation that tries to address that. And I have no idea what that might be at this time.

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BRUCE RIEKER: Right. So I am not trying to minimize the importance of Senator DeKay's efforts. It's very important. But some folks that we work with, Homeland Security, FBI, said that there's a bigger threat to this country's national security, with restricted entities leasing a commercial building or renting an apartment and doing things with a cyber threat rather than a physical threat.

HALLORAN: All right. Thank you. Senator Riepe. I don't think there was any question ever that it was, was not a concern about a physical threat. But it was, in fact-- it was, in fact, going to be a cyber threat of some fashion. That's-- and proximity can be important. It can be some distance from, from the tactical position. This is an interesting breadbasket of committee topics that we brought to one committee. It's very interesting that you did that. But back to LB1301. What is it that Senator Dick can do to get you off of neutral?

BRUCE RIEKER: Allow us reasonable time for the groups-- it won't take us long.

HALLORAN: Can you tell me the specific issues that you're looking at that are troubling to you?

BRUCE RIEKER: I-- I'll tell you that-- specific issues very quickly, reviewing the amendment. I think that the amendment is probably constructively flawed as to how it is constructed to say, to try and achieve the things. I need to lay it down beside LB1301 to make sure that what I read just a few minutes ago, or well, hour ago when I got the amendment, is to make sure it covers things. One of the things that we have a question about our leadership has posed this to me, is what does this mean for leases, when we talk about expansion? Does that include a lease? That-- and I'm speaking figuratively now. If there is a lease of property where you have a livestock producer growing animals for Smithfield, does this affect their lease? And if so, what-- yeah, sorry, Rick, got to think about this. But those are things that they have challenged me to work with the rest of the ag groups to make sure that there aren't unintended consequences. Just-- we want to make sure the construction is accurate. We'd just like a little bit of time to go through that. Senator DeKay has been very committed and willing to work with us.

HALLORAN: OK. All right.

BRUCE RIEKER: We've had several conversations. I don't think that's a problem. We just need some time.

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HALLORAN: OK. I appreciate that. All right. Any, any questions from the committee? No? Seeing none, thank you, Mr. Rieker.

BRUCE RIEKER: Yeah. Thank you.

HALLORAN: Any additional neutral? OK. Seeing that, Senator DeKay, would you like to back-- come back and close, please?

DeKAY: Thank you, Committee, for hearing this bill today. I want to address a couple of things that were brought up during testimony from all 3 groups behind me: the opponents, the proponents, and the ones at neutral. First, we talked a little bit about lack of enforcement. We are working on that. And we have addressed that with the-- this is not just a feel-good bill. This is going to have teeth to it, and we will work on divesting foreign entities that pose a national security threat to us. So, enforcement mechanisms are in place on this. And this strictly addresses foreign entities. Part of it was-- something was asked about clarity in-- on radius from different military installations, we stricken that 10-mile radius away to, to cover the whole state, so it should alleviate any concerns on where people are at buying or selling property within that 10-mile radius, so they'd know what the boundaries are. Now, it's statewide. Manufacturing, they would still have to adhere to the CFIUS program that's in place, and divesting would be taken care of by a different state agency and not the Nebraska Legislature. I would also say that this bill has nothing to do with people from foreign countries. This bill strictly deals with people that are foreign adversaries to us and our direct security risk to our state and to our country. We need to eliminate the bad actors from-- that do pose this real risk to us. It has nothing, absolutely nothing to do with any group of people worldwide. So, I have real concerns. I have a little heartburn over that, because we're not going after anybody but bad actors that have ties to foreign governments that are adversaries to us. So with that, I'll move on with the rest of my closing. Again, what we are doing is not radically different from our current statutes. In closing, I have been farming and ranching in northeast Nebraska for well over 40 years, and my generation is retiring with few young people in the pipeline to keep operations like mine around. Something like 40% of all U.S. farmland is expected to change hand in the next 2 decades. I do not want to do here now, or once I leave the Legislature that some farmland got sold to a businessman on a OFAC list, or that some adversarial nation purchased land to go after the Ogallala Aquifer or set up shop to spy on the Panhandle missile silos. LB1301 is certainly not the end-all answer, but it gives us a chance to update our existing 1889 and World

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War II-era statutes. If we want to ensure that our state's land and agriculture continues to contribute to the security of our country, our food system, and our economy, the time is to start acting now. If there are any further questions, I would be happy to try to answer them. Otherwise, I would appreciate a favorable consideration of LB1301 and advance to General File. Thank you for your time.

HALLORAN: OK. Thank you, Senator DeKay. Senator Hughes.

HUGHES: Thank you. Chairman. To the Rieker question, does this bill prohibit leases by foreign land individuals, or do you--

DeKAY: What's that again?

HUGHES: Does the bill prohibit leases by foreign versus-- because this is about owning the land, but could you lease the land if you are from one of those countries?

DeKAY: It's going to be-- the way I read it and the way I want to be read, is that it's going to keep foreign countries, regardless if they own, lease, or whatever, to--

HUGHES: All of it. OK. Thank you.

HALLORAN: OK. Additional ques-- Senator Holdcroft.

HOLDCROFT: Just a statement, Senator DeKay. I'm very disappointed that the bill has nothing in it to build up the Nebraska State Navy. And perhaps you and I can work on that bill.

DeKAY: If I knew where the Nebraska Naval Yard was at, we would put a radius around it.

HOLDCROFT: We have a lot of admirals, a lot of admirals, and no ships.

DeKAY: So.

HOLDCROFT: Thank you.

HALLORAN: Thank you. Senator-- Captain Holdcroft.

HOLDCROFT: Admiral, actually.

HALLORAN: OK. Any additional questions? Seeing none, thank you, Senator DeKay. And thank everyone for being here. For, for the record, for the record, for the record, there were 3 positive online comments,

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0 opponents, and 1 in the neutral capacity. Thanks, everybody, for being here.