

SENATOR SCHROCK: Corn doesn't gravitate north. You will find that the price of grain on the Kansas border is five to ten cents higher than it is in Hastings or Aurora because what determines the price in southern Nebraska is the feedlot business in Kansas or is the export market, like in Superior, so the corn does not naturally gravitate north because you can take the average elevator price on the price of corn in Nebraska and the average elevator price for corn in Kansas, and you will find Kansas is always ten to fifteen cents higher, depending on what part of the state you are in. You go to southwest Kansas, where the feedlots are, they are 25 to 30 cents higher, easy.

SENATOR JANSSEN: Is that because of the feedlots in Nebraska or in Kansas?

SENATOR SCHROCK: That is because of the feedlots in Kansas.

SENATOR JANSSEN: So the feedlots in Nebraska are buying corn at a better rate than they are in Kansas?

SENATOR SCHROCK: Absolutely, because Nebraska is a net exporter of corn, Kansas is a net importer of corn.

SENATOR JANSSEN: What about grain sorghum?

SENATOR SCHROCK: The same is true. You will not find much grain going north. The only thing Senator Coordsen and I are talking about is the two or three miles, four miles, maybe, south of the border where it may be closer for them to go to a country elevator in Nebraska.

SENATOR JANSSEN: Now if I understand this right, now if a farmer in western Iowa brings corn into Blair, then he is going to have to pay....

SENATOR SCHROCK: If he sells it at the ethanol facility (interruption).

SENATOR JANSSEN: How about if he sells it at the coop or a grain storage or elevator in Blair and not to the ethanol plant?

SENATOR SCHROCK: Then he will not pay that, or they will not pay that. And I am not that familiar with the situation there, but I suspect a lot of that doesn't take place.