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April 22, 1999 LB 835

PRESIDENT MAURSTAD: Thank you, Senator Chambers. Senator Raikes, on the Brashear amendment to LB 835.

SENATOR RAIKES: Thank you, Mr. President, members of the Legislature. I am giving strong consideration to supporting this amendment in spite of what I think have been some very valid points offered by Senator Dierks and Senator Chambers and Senator Coordsen. My notion here is that state government, in this matter, has to act or preferably is going to be most successful acting as a facilitator rather than trying to be an enforcer, although the latter may be needed. I think, as I've mentioned before, some realistic objectives for state government here are to provide access for producers to market opportunities, to see that prices are responsive and representative and that there is not price discrimination, and to see that transaction costs can be minimized, simply because that puts Nebraska's industry on a competitive advantage...or in a competitive advantage which it needs to be compared to that of other states. It is not realistic, I think, for the state government to adopt the goal of making livestock production profitable for producers in Nebraska. I think that's just simply beyond the reach of what we can expect to accomplish. We do need to allow for technological advance in livestock production. Without it, our industry simply will...will not be able to compete, either with other states or with other commodities. The potential shortcomings of the bill, as far as I'm concerned, it attempts to regulate business practices, which I think gets us into a tough area. If the regulation works, the business practice will change and then you have to change the law. If the regulation doesn't work, well, then the business practice remains and the law was not effective anyway. It is a concern that we would involve the state Department of Agriculture in price reporting and, depending upon what happens at the federal level, the state department now does not do that. Depending on what happens at the federal level, they may end up into that game for a very, very short period of time. They would hire some staff and so on to do that and then, in a matter of a very few months, no longer need that staff. I would also mention another issue is that of price discrimination. We want to avoid price discrimination. Price reporting certainly helps, but price reporting is really market history more than market