

# 2016-2017 Nebraska Farmers Union Policy



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# **2016-2017 Nebraska Farmers Union Policy**

*Adopted at the 103<sup>rd</sup> Annual Nebraska Farmers Union State Convention December 10, 2016*

## **PREAMBLE**

Nebraska Farmers Union (NeFU) strongly believes in the values of family farmer and rancher owner-operated agriculture. We believe strong rural communities, the protection of our soil and water resources, and healthy democratic government are linked to the economic well-being of family farmers here and around the world. We believe in more cooperation between farmers both in America and around the world.

A strong rural economic base linked to parity prices is a key building block for a strong local, state, national and world economy. We remain wholly dedicated to the strengthening of the family farm system and resolutely opposed to an industrialized type of corporate farming or to domination of farm ownership and operation by off-farm or alien interests.

## **RURAL POLICY**

### **Family Farm Definition**

A “family farm” is ideally one which is owned and operated by a farmer and his or her family with the family providing labor needed for the farming operation, assuming the economic risk, making most of the management decisions, reaping the gains or losses from the operation, and depending primarily on farming for a living.

### **Rural Economic Development**

NeFU is vitally concerned about the continued deterioration of our rural communities. Land and the crops and livestock raised on it furnish the rural community with its economic base. Any true rural development effort must recognize this fact.

NeFU supports the only rural development policy which will work: one which focuses on vitalizing the family farm (not large industrial farms) through the use of government programs, fair crop and livestock prices, credit, taxes, conservation, farmer and community owned renewable energy development, and good stewardship.

We ask the state of Nebraska to emphasize cooperative development and accelerate the growth of our rural economy, making cooperative development a priority in using our financial and technical resources. We ask the state of Nebraska to model North Dakota, Minnesota, Colorado and other more progressive states in their promotion of rural economic cooperative development. We urge an emphasis on the development of wind energy as a key component of rural economic development.

NeFU opposes the trend in state government of targeting rural programs for elimination or reductions in funding when state budget cuts are required.

### **Land Ownership**

NeFU stands opposed to non-family owned corporations engaging in farming. They have access to capital from other industries that frequently enjoy favored treatment, as well as subsidies, the ability to use tax advantages and the ability to interfere with and manipulate markets for farm products to the detriment of the family farmers.

Corporate farming should be restricted to family farm corporations. Our state must be kept abreast of the number of corporate farms in Nebraska, including partnerships that participate in agricultural production.

NeFU is opposed to the industrialized factory-style, highly concentrated production of livestock and poultry.

### **Rural Zoning**

We urge the state of Nebraska to maintain a process of land planning and develop a balanced land-use plan under local control that takes into account the needs of agriculture, housing, and essential economic activities. The plan should preserve the more productive land for agricultural purposes, and marginal land should be used for urban development, highways, cities, etc. The County Planning Commission should be a majority of rural citizens to assure proper use of agricultural land. We urge NeFU members to take an active part in rural zoning and land-use planning. We recommend that the procedures used by a city be made clear prior to adoption.

NeFU strongly reaffirms its support for rural planning and zoning. We oppose any attempts by the state of Nebraska and/or large agribusiness to weaken the ability of counties to enact and enforce rural zoning. NeFU further calls on all county commissioners and supervisors to resist any performance zoning and all other attempts to weaken or eliminate the power, authority, enforcement and existence of county zoning authorities.

NeFU opposes any legislation or administrative rules that preempt the legitimate role of county zoning boards to decide the size and number of livestock operations. For this reason, NeFU opposes the Nebraska Dept. of Agriculture's "Livestock-Friendly" program in its current form.

### **Right-to-Farm Amendment or Legislation**

NeFU opposes any legislation or Constitutional Amendment that preempts the legitimate right of counties to determine the size and number of livestock operations, or that preempt the right of counties and municipalities to appropriately regulate agricultural entities. Specifically, NeFU opposes any attempt by the Nebraska legislature to pass legislation or a constitutional amendment in any way modeled on the "Right to Farm" amendment passed by Missouri in 2014.

### **Eminent Domain**

More restrictions should be placed on the granting of eminent domain with provisions that provide farmers or other landowners with adequate compensation that reflects future projected income losses when they lose property through eminent domain proceedings.

We urge the Nebraska Legislature to limit natural resources districts' (NRDs') use of eminent domain authority when acquiring land for single-purpose recreation projects. We prefer a willing buyer- seller relationship to meet recreation needs.

We feel that land acquired by natural resource districts, for single- or multi-purpose recreation projects, should not be used for agricultural production.

We oppose the use of eminent domain for the purpose of acquiring property for private development, profit, and benefit especially in the case of a foreign company. Eminent domain should not be used without a proper permit process which includes a public process for determination of public need, access, and best interest.

We oppose use of eminent domain without the developer putting into place environmental safeguards and assuming liability for damages.

### **Public Power Eminent Domain**

We support maintenance of overall eminent domain authority to protect Nebraska's public power system.



## **COOPERATIVES**

### **Support and Recommendations**

We are opposed to any attempt to amend and weaken the Capper-Volstead Act, which gives farmers the right to join together in cooperatives to market their products or to purchase supplies. Farmer-owned cooperatives need to be strengthened. All farmers should help head off attacks on the Capper-Volstead Act and provisions in the anti-trust laws that protect and enhance cooperatives. NeFU has opposed such mergers as Cargill-Continental, Smithfield-Tyson, Monsanto-Novartis and Cenex Harvest States-Farmland, and also opposes the mergers of regional cooperatives. We believe cooperatives should not engage in agricultural production activities in direct competition with agricultural producers.

NeFU supports the establishment of policies and laws that draw a clear line of division between local and regional co-op operations so that regional coops are not competing directly with local coops.

Cooperatives should become more active in grain exportation. This would lessen the stranglehold the large, multi-national grain companies have on America's farmers and our overseas customers.

We support and encourage efforts by large cooperatives to pool sales of wheat and other grains, cotton, soybeans, dry edible beans and other commodities and urge producer cooperatives to participate in such programs where available.

We believe in maintaining the co-op principle of one vote per member.

## **ENERGY**

### **Support and Recommendations**

Our Congress should adopt a comprehensive national energy policy that aggressively incents and grows alternative energy sources. This should include incentives for farmer- and community-owned ethanol, biodiesel and wind energy. One important way is through government incentives such as refundable tax credits directed at biofuels producers. An excess profits tax could be used for this purpose.

### **Renewable Electricity Standard**

NeFU urges the Nebraska Legislature to pass a Renewable Portfolio Standard (RPS), also known as a Renewable Electricity Standard (RES) of 30% by 2020 and 50% by 2030, from renewable Nebraska-generated energy. Renewable energy is defined as wind, solar, methane capture, hydro, and geothermal. We urge Congress to pass an equivalent RPS at the national level.

NeFU supports at the state and federal level that any RES includes a 25% community and farmer owned wind inclusion.

### **Renewable Fuels Standard**

NeFU supports expanding the Renewable Fuels Standard (RFS) to set an ambitious mandate for production of biofuels to make up one-third of the nation's fuel supply as soon as possible. This should include separate mandates of production for each form of biofuel, including cellulosic ethanol and biodiesel.

This full implementation of RFS legislation will supply clean-burning ethanol to reduce air pollution, provide strict anti-backsliding requirements in the RFS to ensure that air quality gains from the reformulated gasoline program are preserved, provide incentives to expand use of other biofuels, and establish separate requirements for non-gas fuels such as biodiesel.

NeFU supports bipartisan legislation to ensure that American farmers, not ethanol importers, would benefit from the RFS; and

NeFU opposes the importation of renewable fuels and ethanol import schemes that would thwart ethanol import tariffs.

NeFU supports federal and state efforts to aggressively provide incentives for the building and utilization of ethanol blender pumps which provides auto fuel users with expanded fuel blend buying options.

### **Ethanol and Alternative Fuels and Lubricants**

NeFU has been a steadfast supporter of ethanol fuel production since its inception in the early 1970s. Ethanol provides a sustainable fuel source for America. Now, more than ever, it is important to rapidly develop ethanol fuels in order to reduce our dependency on unstable and/or unfriendly foreign nations for fuel and to hold down fuel prices. Surpluses of wheat, corn and other feed grains should be used for the production of ethanol.

NeFU believes the state and federal government should assist in the development and utilization of domestic ethanol and bio-fuels.

NeFU shall provide any assistance possible to help cooperatives and others who desire to build an ethanol plant.

We urge expanded research and development of the use of ethanol products and by-products, as well as the use of oilseed crops for lubricating oils and fuels. We further urge more state and federal efforts to encourage the development and wide spread use of the oxygenated-fuel additive ETBE and recommend that all tax credits and incentives now available for ethanol production be extended to ETBE.

We oppose any use of ethanol funds except for ethanol production or promotion.

We support the production of automobiles using an 85% ethanol and 15% gasoline blend. NeFU urges the mandated use of at least a 15% blend of ethanol in the United States.

NeFU supports enactment of legislation to require minimum standards for the use of oxygenated fuels in gasoline made available for sale in Nebraska.

NeFU opposes any increase of commodity check-offs in excess of the one-quarter cent per bushel rates used to fund building of new ethanol plants.

NeFU encourages farmers to use ethanol in all gasoline vehicles and in all gas-powered equipment. We encourage the use of ethanol in local, county and state government vehicles.

We urge all farmers co-ops to offer ethanol and biodiesel for sale and encourage them to pass state and federal subsidies to consumers. NeFU supports policy that encourages farmer-owned cooperatives to actively pursue ethanol and biodiesel use and manufacturing development. We urge the Nebraska Ethanol Board and the state of Nebraska to encourage cooperatives to become actively involved in ethanol and biodiesel production.

NeFU supports an effective state and federal level promotion and development strategy for biodiesel, similar to Nebraska's efforts to develop and promote ethanol.

We oppose importation into and sales within the United States of foreign ethanol and alternative fuels and lubricants, as long as such products can unfairly compete with domestic products.

In order to protect our underground water supply, NeFU supports the complete phase-out of methyl tertiary butyl ether (MTBE) as a fuel additive, and we oppose any liability protection for those who produce MTBE and sell it.

### **Alternative Bio-Fuel Sources**

NeFU supports an effective state and federal level promotion, development, and policy strategy for cellulosic crops to produce ethanol. NeFU supports bio-based fuel initiatives

including biodiesel, ethanol produced from waste products, and any other bio-based fuel sources which will reduce our dependence on fossil fuels. NeFU supports the development of decentralized businesses that create and use locally produced energy sources.

### **Crude Oil Entitlements**

A new crude oil entitlement program is necessary to resolve the serious disparity in price between foreign and domestic crude. Cooperatives and independent refineries are almost solely dependent on foreign crude for their refineries, and this disparity provides a serious competitive pricing advantage for the major oil companies to the detriment of supply cooperatives. We urge the government take steps to provide an equitable crude entitlements program for cooperatives and independent refineries.

### **Rural Electrification and Telephone**

We support the continuation of the Rural Utilities Association as the primary source of financing for the rural electric and telephone systems. We continue to support adequate funding for special low-cost loans for those systems which operate in very difficult economic circumstances, including serving sparsely settled rural areas. We support the efforts of the rural public power districts and rural electric cooperatives in their efforts to secure permanent capital for the Rural Electric Association (REA) revolving fund.

We oppose any efforts to weaken the ability of REA to assist the nation's rural electric systems in their mission to provide reliable, adequate electric service at affordable rates to their consumers.

We oppose any legislation which would result in the loss of electric service areas around the perimeters of municipalities by the rural public power districts and any legislation aimed at reducing payments to rural public power districts which may be made as compensation for the loss of such customers through the course of territorial annexation.

We oppose the sale of government-owned power marketing associations (PMAs) to the private sector.

We oppose any merger in the field of energy that does not benefit all consumers, especially small consumers.

We support the ability of local energy providers, such as REAs, to purchase unlimited amounts of power generated by local renewable energy projects.

### **Public Power**

We support the state public power system and oppose any effort to privatize it. NeFU opposes federally mandated electric deregulation, as rural consumers will be required to bear the cost of large consumers, who, under deregulation, could shop across the country for the cheapest power and leave electric grids at any time without notice.

We support and encourage the development of locally-owned distributed renewable energy sources. NeFU also supports public policies that facilitate locally-owned wind, solar and other renewable energy generation projects.

We propose that rural economic development, use of water, health care costs, environmental costs, and reduction of greenhouse gas emissions be included into state statute regarding public power's mission statement of only providing consumers with lowest present value rates.

We propose that public power account for projected increased costs of fossil fuel generation and transport to maintain long-term low rates.

Given that Nebraska is a public power state, we support future energy generation cost projections include all information used in making these assessments be made transparent to the public.

### **Public Power Rate Structure**

NeFU supports electrical rate structures that reward conservation and increased implementation of renewable energy. Therefore, NEFU is opposed to efforts by electrical utilities to hike the fixed-rate component of electrical bills in an attempt to discourage distributed renewable power generation by individual subscribers.

NeFU opposes utilities moving to increased fixed rates without fully disclosing what costs are calculated in the fixed rate formula.

NeFU supports complete transparency on costs being designated as fixed rates and furthermore the public should be allowed to engage fully with rate structure changes.

NeFU supports a rate structure that treats all utility energy owners fairly and supports local renewable energy development and conservation.

### **Public Power and Transmission**

NeFU calls for an ongoing statewide plan identifying open capacity on existing transmission lines in order to create a roadmap for distributed wind and renewable energy development in Nebraska.

We support state and federal efforts and/or partnerships in the development of enhanced grid capacity including Direct Current (DC) transmission lines to facilitate development of Nebraska's renewable energy resources.

### **Strategic Petroleum Reserve**

We support the program of storing crude oil to provide an opportunity to offset regional and national oil-supply shortages. We urge release of these reserves to cooperatives and other independent domestic refineries at equitable prices in the early stages of any supply disruption in order to minimize economic damage caused by disruption-driven price increases. We support creation of strategic reserves in other fuel sources, including ethanol.

### **Energy Management and Conservation**

We urge consumer-owned utilities to develop, demonstrate and increase the economic feasibility of the use of renewable and other alternative energy systems, including wind energy.

We must halt the leasing of public energy resources to the same private corporations who already monopolize our energy supplies. Public resources should, to the greatest extent possible, be publicly developed on a not-for-profit basis. First preference should be given to publicly and cooperatively owned utilities. Second preference should go to private independent companies who do engage in competitive practices. Consumers need to be mindful of the public service organizations they own. Beautiful buildings, high salaries and lucrative expense accounts generally translate into excessive cost to the consumer. The United States should take steps, in concert with other nations, to bring the operations of multi-national corporations under surveillance and control in the general public interest.

NeFU calls for the auto industry to help solve our energy problems by making cars and trucks that get better gas mileage. The technology is available to make us energy independent.

### **Wind, Solar and Other Renewable Energy**

NeFU supports the development of wind, solar and renewable energy. In order to maximize both environmental benefits and rural economic development, we urge the state public

power system continue to support and expand their renewable portfolio for all power sold in Nebraska. NeFU supports the assertive and positive use of Community-Based Energy Development (C-BED) by Nebraska's electric utilities as originally intended by the Nebraska Legislature. NeFU supports fair compensation to farmers and/or landowners as C-BED is used to generate wind & solar energy in Nebraska. NeFU supports setting clear, fair, and transparent standards for initial wind & solar development lease options and development rights in Nebraska. In order to protect the interests of landowners, the terms should limit the length of years that deal with initial wind development lease options and development rights to a maximum of five years.

NeFU supports efforts to modify the Nebraska Power Review Board's criteria to approve new electrical generation that allows and encourages more renewable energy development, including wind & solar energy.

NeFU supports state incentives that could be used in tandem with federal production tax credits to enable farmers, ranchers, non-profit organizations and community-based public entities to construct their own wind & solar systems.

NeFU supports raising the state cap on renewable energy developed from 1% to 5% per utility.

NeFU supports the Nebraska Energy office to help guide power utilities to create a simple standardized, business friendly interconnection agreement that sets uniform guidelines for the development of distributed renewable energy.

NeFU calls for the prioritization of aggressive modernization and upgrading of Nebraska and national electric grid and infrastructure.

NeFU opposes discriminatory utility practices of increasing rates to consumers for wind, solar, and other renewable energy. NeFU opposes terminology such as "green rate" which is misleading to the public because it falsely implies that renewable energy is inherently more expensive.

NeFU supports methane capture as a new market that will not only deliver new revenue streams into rural areas, but also help combat rising methane emissions.

NeFU urges all insurance companies that sell liability insurance in Nebraska to include coverage for small wind, solar and renewable projects.

NeFU supports balanced local control for planning and zoning, but also supports wind development regulations that protect public health and safety while also allowing commercial wind development. Local planning and zoning regulations should encourage renewable energy development and impose only those restrictions supported by clear and peer reviewed scientific evidence.

Based on the best scientific information available, NeFU supports minimum sound levels of 45 decibels at night and 50 decibels during daylight.

### **Net-metering**

We ask the Nebraska Legislature to institute truly free net-metering for small wind and solar systems. NeFU supports net-metering, increasing project size to 100 Kw or greater.

NeFU supports legislation that provides electrical users with the option to combine multiple meters in a single account, for the purpose of net-metering.

NeFU supports a statewide net-metering rate payback that is equal to each respective utility's annual weighted average wholesale price.

NeFU opposes application fees for interconnection of distributed generation projects that are net-metered.

## **Battery Storage**

NeFU supports electrical battery storage to backup distributed renewable energy. Battery storage increases the reliability of intermittent energy sources like wind and solar, and helps protect food producers during energy outages.

## **Micro-grids**

NeFU supports micro-grids to help further utilize renewable resources as a power source, and also as a means for a more resilient and secure form of producing energy for communities.

## **Wind Energy Education**

NeFU supports and endorses the National Renewable Energy Laboratory (NREL) and Wind Powering America Wind for Schools (WFS) program and thanks NREL-WPA for making Nebraska one of six priority states in this program. NeFU acknowledges the value of the WFS facilitation and outreach work in conjunction with the new Wind Application Center (WAC) at the University of Nebraska College of Electrical Engineering. NeFU encourages the Nebraska Legislature to provide funding in support of the WFS program as requested by NREL given that the program is targeted at helping facilitate rural economic development by helping to create new career opportunities for future generations of Nebraska's young people from rural areas.

## **Natural Gas**

Natural gas is used for a wide number of critical applications in agriculture beyond energy, such as fertilizer production. Because natural gas is a finite resource, we urge industries and power companies to look at alternatives to natural gas.

We support legislation to provide for mandatory allocation of natural gas to fertilizer plants. No nitrogen manufacturing plant should be forced to operate at less than full capacity due to inadequate supplies of natural gas as a feedstock.

NeFU opposes the use of fracking to extract Natural Gas.

## **Pipelines**

NeFU believes that there is a compelling public interest to develop or create a state agency, with equal landowner representation, to regulate and oversee the planning, construction and operation of underground pipelines. The Legislature should designate and authorize the creation of such an oversight authority as soon as possible.

Landowners deserve an understandable process that clarifies when and how eminent domain can be used, what the siting standards and routing criteria are, environmental considerations, and decommissioning expectations and costs. The process should provide for transparency in the planning and routing process including public input, fair compensation to landowners, and a process to deal with landowner and public complaints and conflicts.

Pipeline developers should be barred from using non-disclosure agreements prior to, during, and after contract negotiations.

NeFU supports legislation that would void the exemption of oil pipelines from eminent domain restriction and include them as for-profit projects that are operated for private economic gain. We support legislation that would give eminent domain power to the state alone, and would not allow private corporations to exercise the right of eminent domain for projects that are for private economic gain. Easements obtained without a federal permit by oil pipeline carriers such as TransCanada shall immediately revert back to the landowner and payments made by oil pipeline carriers such as TransCanada to landowners for easements shall remain with the landowner.

NeFU believes oil carriers such as TransCanada using oil pipelines such as the Keystone XL Pipeline shall be 100% liable for any and all expenses related to clean up, including liability

for cleanup caused by natural disaster or ‘Act of God’. The only exception shall be deliberate, malicious damage caused by the landowner, which shall be the landowner’s liability.

NeFU proposes that privately owned pipeline companies must build an escrow, based on percentage of dollars earned through the volume of the product transported, to pay for all road construction, emergency response situations, training of local emergency response providers (i.e. Fire department, hazmat, and paramedics), etc.

NeFU supports the creation of Exclusion Zones and Avoidance Areas regarding the siting of oil pipelines. These Exclusion Zones and Avoidance Areas would be defined as part of a public planning process necessary for satisfactory siting and routing for oil pipelines in Nebraska.

NeFU requests that the US Department of Transportation Pipeline and Hazardous Materials Safety Administration institute research and recommend guidelines related to tar sands crude oil setback requirements for county zoning entities. Setback requirements are defined in the case of natural gas, but since no research has been done to understand the potential risks and volatility of the tarsands oil mixture, research is necessary.

Where water of the State of Nebraska is used for pipeline service, the Natural Resources District protocol must be met. NeFU calls for a regulatory and permitting process that balances the needs of agricultural and municipal water use against the large water requirements of hydrostatic testing.

NeFU supports a public and transparent hydrostatic testing process for pipelines. The water used for appropriate testing standards when discharged should be compliant with point source discharge standards and regulations for water quality.

NeFU calls for easements purchased for purposes that have been abandoned to be rescinded within one year of project abandonment without the requirement of easement payments to be returned.

NeFU strongly supports the repeal of LB1161 through the legislative or legal process.

## **ENVIRONMENTAL QUALITY**

### **Commitment**

NeFU supports a less partisan selection process and greater accountability for the members of the Environmental Quality Council and the executive director of the Nebraska Department of Environmental Quality (NDEQ), to better protect the natural resources and represent the interests of all the citizens of Nebraska.

We urge both the government and private groups to squarely face the pollution problems that plague our country.

While we are firmly committed to preservation of the environment, we are opposed to arbitrary and capricious action taken by EPA to remove certain farm chemicals and pesticides from the market unless their potential harm can be clearly demonstrated by a scientific process.

NeFU proposes that any and all sanctions or controls (such as water special use areas) should apply to all users – Ag, industrial, commercial and municipal - and should not be discriminatory.

We support more local input from those affected on decisions regarding hazardous decontamination projects.

We oppose efforts to weaken clean air standards through the rollback of emission standards for existing power plants.

## **Disposable Wastes**

We urge manufacturers to limit the use of hazardous materials where other alternatives are available.

We oppose any nuclear or hazardous waste site being placed over any underground water supply or near any flowing stream.

Residents of areas in the vicinity of proposed hazardous waste disposal sites may have reasonable and just cause to oppose such activities. Therefore, we encourage the Nebraska Environmental Control Council to give highest priority to the licensing of hazardous waste areas in locations which are most environmentally acceptable for that purpose and to continue requirements providing that hearings be held within the immediate vicinity of potential or proposed waste disposal facilities to allow for reasonable public input.

Transportation of hazardous wastes presents as much or more danger on rural roads as on the Interstate. Therefore, we oppose the present practice of transportation of hazardous wastes on secondary highways and roads.

We encourage all agricultural producers to practice recycling of pesticide containers, use of soluble packaging and returnable and/or reusable containers.

Because of our concern over the disposal of materials such as chemical containers, X-ray apparel and low-level nuclear waste, we support research and development for a better way of treating all waste materials that face us today, both hazardous and non-hazardous.

NeFU supports the removal of toxic and hazardous waste from commercial fertilizers.

## **Livestock Waste Management**

NeFU supports fair, appropriate and reasonable enforcement of NDEQ regulations regarding Title 130. NeFU supports fair, appropriate and reasonable regulations and penalties for air, water and dust pollution. No construction of any kind should be allowed until a workable construction permit has been approved and issued. If any construction is started without a permit, a permit will automatically be denied. Inspections should be made on a regular basis on existing facilities. We urge that allowable limits be observed and/or established as to the amount of nutrients on the land and not allow more nitrogen and phosphorous than a crop can use.

We support establishment of a graduated scale of fees, regulations and inspection to move the focus to large operations and to exempt small producers from fees, inspections and most regulations. We call on NDEQ to deny any permits to operations that have been labeled as bad actors in other states.

Large-scale operations should be required to have financial assurance (such as bonding), including in the event of bankruptcy, to cover closure and cleanup as a part of the permit process.

Dead animal disposal should be limited to proper incineration, rendering or composting.

All existing large-scale operations need to be brought into compliance with current regulations as they are updated.

NeFU supports efforts to force NDEQ to hold community hearings for large livestock facilities proposed in unzoned counties.

Title 130 should include:

1. Identification and purging of bad actors;
2. Development of regulations for site selection for confined animal feeding operations (CAFOs); and
3. Regulation of large CAFOs as industrial sites, instead of as farms.

## **Global Warming**

NeFU recognizes climate change and global warming as clear dangers to our planet. NeFU believes that agriculture can be the most powerful resource for mitigating climate change



and global warming, both through carbon sequestration and through renewable energy production of all types that is carbon neutral. NeFU supports international global warming treaties that are binding on all countries, developed and developing, and that incent agricultural based solutions to this serious global challenge.

### **Climate Change Legislation**

NeFU recognizes the 2007 Supreme Court ruling that requires EPA to enforce regulation of GHG emissions in the United States under the Clean Air Act. NeFU opposes EPA enforcement of the regulation of agriculture and supports climate change legislation policies that will ensure the involvement of farmers and ranchers through realistic opportunities and guidelines.

### **Carbon Sequestration**

Evidence exists that increasing levels of atmospheric carbon dioxide pose a threat to agriculture's ability to produce food. Proven ag practices are known to trap (sequester) carbon dioxide in the soil, increasing soil organic matter and so making the soil more resilient to erratic and severe weather, particularly wind and water erosion. Research of cover crops to use full potential of the growing season, increased diversity of crops grown, best soil management practices, crop residues and incorporation of livestock grazing needs to be promoted and implemented to increase carbon sequestration. NeFU supports a carbon credit program to compensate farmers and ranchers for and encourage them to sequester carbon in the soil. Any carbon credit payments by polluters should be paid to farmers and ranchers via a carbon based market system.

NeFU supports voluntary apportioning of felled trees and other viable wood refuse for reintroduction into agricultural lands as an agent of soil building, nutrient retention and carbon sequestration. This can be accomplished by repositioning, burying, and creation of biochar.

### **Cap-and-Trade**

NeFU supports a national mandatory cap-and-trade system to reduce non-farm greenhouse gas emissions if the following conditions are met:

- 1). Agriculture is not considered a covered entity and will not be subject to the emissions cap or the bill's greenhouse gas reduction requirements;
- 2). USDA is granted control and administration of the agriculture offset program, rather than EPA;
- 3). Early actors are recognized;
- 4). No artificial cap is placed on domestic offsets;
- 5). Carbon sequestration rates are based upon science; and
- 6). Producers are permitted to stack environmental benefit credits.

### **Recycling**

In order to reduce environmental damage, conserve natural resources and prolong the useable life of landfills, we support and encourage programs at the local, state and national level that will collect and recycle both solid and fluid materials. We urge that all retail outlets serve as recycling collection points or work together to provide such points in the community. If necessary, we support passage of a container deposit and recycling law to promote and fund recycling programs.

### **Alternative Agricultural Practices**

Because of our commitment to environmental quality, we support alternative agricultural practices that prevent erosion and promote clean air, soil, and water, including organic farming

and ranching, crop rotation, stream bank protection, grass-based livestock production and phytoremediation. Increased diversification of crop rotations, including small grains, cover crops or alfalfa, increases potential carbon sequestration and erosion control. We encourage organic farmers and their neighbors to work together to promote responsible chemical application. We call for consideration and respect of buffer zones between organic farms and non-organic farms.

## **FARM BILL LEGISLATION**

### **Parity**

NeFU's commitment to the parity price formula, using the base years (1910-1914) established by law as the standard to determine prices for agricultural commodities, is unwavering. NeFU believes that price supports for agricultural commodities should be linked to the parity index so that the levels of support of farm prices will be adjusted regularly to reflect changes in costs to farmers producing farm commodities for family living.

We consider the parity system to be as realistic, justifiable and up-to-date as the Consumer Price Index, upon which almost 100 million Americans rely for adjustments in their economic returns, wages, benefits or retirement pay as costs rise.

NeFU calls for a return to the Carl Wilkin parity concept used in the Franklin Roosevelt-Truman administration to maintain 100% of parity, plus or minus a 5% tolerance for all agricultural and mineral productions, as the basis for stabilizing our economy.

We favor an "equity of trade" form of foreign trade, whereby all trade between countries shall be conducted through a computerized bartering system with prices based on our parity price for all items of trade.

Our organization further commits itself to working within the written framework of Farmers Union policy to educate the public and policy makers on the parity concept.

NeFU calls for an ongoing National Farmers Union campaign to press Congress to establish Commodity Credit Corporation (CCC) rates based on parity prices for storable farm commodities.

### **Need for Effective Farm Programs**

Farmers of our nation are plagued by a "cheap raw material and low farm price" policy. This policy results in the devaluation of our agricultural, energy and water resources, without compensation to either the farmer or the nation. This policy carries over into an international policy of refusing to cooperate with other nations in developing international commodity agreements. As a result, the underdeveloped, as well as some developed nations, may lose the incentive to produce agriculturally or develop their rural economies. On a global basis, this policy contributes to widespread unemployment, cheap labor, malnutrition and political instability in developing countries.

A large percentage of the people both in Nebraska and in the nation depend on agriculture and agriculture-related enterprises. Many of these enterprises are now depressed economically because of lack of purchasing power by farmers.

Delayed interest payments and delayed principal payments, although helpful, are not the answer to our problems. What farmers need now is a fair profit from our products.

The answer to the problems of the city, of joblessness, bank failures, agriculture lenders, other rural businesses and the balance of payments is the establishment of full parity for the American farmer, to put him on a level playing field with the rest of the U.S. economy. This answer would no doubt positively serve many other areas of the world as well. We therefore call

upon our government to expedite those provisions now in law, and to support new provisions that will raise prices of agricultural products to equitable levels.

### **Recommendations**

We support a supply-management program that would keep supplies of grain in balance with demand and stabilize prices at a level that would provide producers a reasonable profit and consumers a dependable food supply.

We are opposed to “de-coupling,” triple-base option, revenue assurance, block grants and other farm program proposals which would phase-out farm programs in five to ten years.

We believe the acreage-reduction program should be replaced with paid land diversion set-aside programs which would do away with inequitable historical acreage bases and allow producers to plant any crop they want as long as they comply with the prescribed set-aside and paid land diversion requirements of these programs.

Since the production of crops for feed, fiber and food has increased greatly in the world in recent years, and since the prospects of the United States increasing its exports of such crops are bleak, the NeFU believes that research for new uses of these crops such as sweeteners, alcohol for fuel and biodegradable plastics should be expanded immediately.

We urge continuing support and involvement in the Campaign for Sustainable Agriculture.

The 1996 Freedom to Farm Act severely undermined the farm economy. The most recent farm bill is also inadequate. We call for a rewrite of current farm policy. The next farm bill, at a minimum, should sharply increase the CCC loan rates, institute a farmer-owned reserve, allow inventory management of excess stock, require mandatory price reporting and country-of-origin labeling (COOL), ban packer ownership of livestock, and include a permanent disaster provision and a strong competition title.

We urge the elimination of the LDP policy option in farm policy and urge its replacement with only a non-recourse loan.

In order for non-recourse loan rates to maintain the historical stabilizing effect on commodity prices, the short-selling of commodity futures contracts by hedge funds must be limited by the Commodity Futures Trading Commission (CFTC).

NeFU opposes the release of CCC loan balances of commodities still under loan, on a county basis. This information is used by grain buyers to determine free stocks of grain in the area.

We believe farm program payments should be based on updated base and yield data.

### **Price Support Loans**

CCC loans should meet the following requirements:

1. Commodity loan rates should be the primary component of the price support system. Loan rates should be non-recourse and at least 90% of parity;

2. Wheat, feed grain and oilseed producers should have the option to extend their price support loans for an additional year and receive storage payments for doing so;

3. A revolving fund for CCC loans should be established, similar to those used by other federal lending programs, thereby eliminating the problem of CCC loans being called budget expenditures. Commodity loans from CCC are fully collateralized, and borrowers pay interest on these loans. Such loans should not be considered as budget expenditures;

4. Disparities between county loan rates should immediately be corrected, by either administrative or legislative action by going back to the formula used to establish county loan rates in 1986 and prior years;

5. There should be no difference in the CCC loan rates between states;

6. Posted county prices should be based on local terminal markets rather than Gulf prices; and
7. Any legislation which gives the Secretary of Agriculture the discretion to lower the CCC loan rates established by Congress should be repealed.

### **Grain Reserve Program**

NeFU supports the creation of a Strategic National Food Reserve for national food security purposes and a strategic national energy reserve for renewable energy production. The policy and objectives will be to ensure a reliable source of food and renewable energy to the U.S. consumer and a reasonable income to the U.S. producer. The Farmer-Owned Grain Reserve (FOR) should be reinstated with the following provisions:

1. Loan rates should be the same as the regular non-recourse CCC loan and not less than 100% of the cost of production;
2. The trigger release level should be not less than 110% of the loan rate;
3. Storage payments made to farmers should not be less than the average commercial rate per year, paid in advance;
4. The upper limits should be no more than two years production for any producer;
5. Farmers will have the option of one, two or three years participation in this reserve;
6. The CCC should reinstate the program for producers to build on-farm storage with low cost loans. Farmers should have the option to extend their CCC grain reserve loans for an additional year;
7. Producers will be able to substitute grain in this reserve as long as the substitution occurs within the county or farm operations;
8. Immediate entry into this reserve;
9. Reserve grain will not accrue interest;
10. The full compaction factor will be used when measuring farm-stored grain and the County Committee will have the final say in dealing with grain shrinkage;
11. The amount of grain in the FOR should include a minimum of 500 million bushels of wheat and 1 billion bushels of feed grains. There should not be an upper limit; and
12. Anytime the FOR does not reach the minimum level, the CCC will purchase grain in order to maintain reserve levels.

### **Targeting Farm Program Benefits**

The preservation of viability in the farm sector is a key component of the national economy, food security, and national defense. NeFU supports wise use of taxpayer dollars in support of a safety net in the Farm Bill.

Target price and CCC loan coverage should be limited to a sufficient volume of production (bushels, pounds, bales) to yield a fair labor and management income to each producing family. Such an approach would include:

1. Within such an overall limit, varying target prices for such farmers' first block of production, then lower target prices for successive blocks of production; and
2. Limiting the total amount received from USDA payments to \$175,000 annually;

### **Conservation Programs**

NeFU supports the Environmental Quality Incentives Program (EQIP), with a \$30,000 cap over five years. The Agricultural Conservation Program (ACP) and the Great Plains Conservation Program should be reinstated and fully funded, so that any producer who wants to do conservation work would be eligible to receive up to \$5,000 in cost-sharing funds annually.

These programs are now being funded by the dollar amounts that they were 50 years ago. The Gross National Product has increased 40 to 50 times since then.

We recommend that farmers be given an option to construct new dams, regardless of crop history or acreage size, and that land designated as a dam site be eligible for ACR acres. We believe this will provide adequate financial incentives to encourage farmers to increase wetlands, create areas suitable for tree planting, control flooding and improve water quality and wildlife habitat.

### **Conservation Stewardship Program (CSP)**

The Conservation Management Tool (CMT) used by the Conservation Stewardship Program (CSP) needs to be expanded and revised in order to recognize and reward different conservation practices that are appropriate for different climatic and production regions.

The CSP needs to rank existing conservation practices equally with enhancements for purposes of scoring.

The list of enhancements available under CSP needs to be expanded to provide an adequate number of regionally appropriate enhancements.

For producers who are otherwise practicing sound conservation, and who are unable to obtain payments for carbon offsets under proposed climate change legislation, the CSP needs to provide assistance to help offset increased production costs that may result from carbon mitigation.

### **Conservation Reserve Program (CRP)**

CRP has helped protect our more fragile soil and water resources and provides benefits to all commodity producers because it prevents price-depressing overproduction on fragile land. NeFU supports increased funding for CRP and expansion of the number of marginal acres eligible to be protected.

NeFU urges examination of the process now used to enter land into CRP.

NeFU opposes the early withdrawal of CRP land by USDA to increase commodity production, since CRP is not designed to be a supply-management program and since doing so would undermine the protection of fragile land and wildlife habitat.

### **Normal Cropland Acreage**

To maintain flexibility in cropping systems, we favor reinstating the Normal Crop Acreage (NCA), which would allow a producer to plant any crop he chooses after complying with set-aside and land-diversion provisions for each crop grown on the farm. Normal cropland acreage should include legumes and tame grasses.

We also favor a provision that says that NCA cannot exceed 90% of the total cropland on the farm. NCA base should not be lost due to the under-planting of program crops.

### **Crop Insurance**

NeFU supports the federal crop insurance program.

NeFU supports a requirement of conservation compliance to obtain federal crop insurance.

The final planting dates for Nebraska for wheat, grain sorghum, soybeans and corn are currently inequitable in some areas, comparable in some cases to final planting dates in Colorado (where elevation and climate are significantly different), instead of final planting dates in Kansas (where elevation and climate more nearly resemble ours). We recommend that the final planting dates for crop insurance for Nebraska in areas similar to adjoining states should coincide with FSA crop reporting dates.

We recommend extending the acreage reporting dates to be more reasonable.

## **Dairy Program**

NeFU believes the dairy industry should be included in supply-management legislation.

We believe the Dairy Termination Program was very successful in reducing CCC purchases and further believe a supply-management program must be instituted to keep production in the long run in line with demand.

We believe the special milk program should be reinstated in schools at 1980 levels. NeFU supports breakfast being offered in all K-12 schools in Nebraska and nationally which offer a school lunch program.

We support the 36-member Dairy Promotion Board.

We also believe that our nation's dairymen should not lose needed revenue when more than hundreds of millions of dollars of dairy products other than casein and billions of dollars of meat and meat products are imported annually.

We believe that:

1. CCC-stored non-fat dry milk should be offered to the bakeries of our country for domestic consumption at the world market price;
2. The Food and Drug Administration (FDA) should increase the federal minimum standards of fluid whole milk to 8.7% milk solids non-fat; 10% for low fat; and 9% for skim solids non-fat; and further, that the FDA, in the best interest of both consumers and dairymen, should do everything in its power to ensure that all milk marketed as fluid milk meet or exceed these standards;
3. Since products containing imported casein, such as non-dairy creamers and whipped toppings, displace domestic sales of dairy products, we urge USDA and FDA inspection and regulation of casein, milk derivatives and milk adhesives imported for food use. The federal government should establish tariffs on the import of all dairy ingredients that displace domestically produced milk usage, including animal feed ingredients; and
4. Imported milk protein concentrate and ultra-filtered milk products have created a significant loophole in U.S. dairy trade policy and have distorted the U.S. milk market. We support maintaining FDA's current definition of milk to prevent milk protein concentrate or ultra-filtered milk from being used for standardized cheese.

Any new farm bill must include an inventory-management program and must set dairy price supports at levels that ensure producers receive a fair return on their labor and investment. Dairy price supports should be adjusted annually to reflect inflation and long-term productivity. Never again should a farm bill be passed that continually lowers the price of a commodity, as the dairy section of the 1985 farm bill did to the milk producer. Dairymen were forced to milk more cows and work more hours to be able to cash flow their operations. Some dairymen, as a result of negative cash flow, brought about not because of inefficiency but because of a lower value of milk support levels allowed in the 1985 farm bill, were forced to quit dairying and lose what had been a lifetime of investment in their operations.

Supply management should include two-tier pricing with the domestic price at 100% of parity.

We support the creation of a National Dairy Farmer Production and Reserve Board.

NeFU supports the Nebraska Dairy Industry Development Act. In the absence of a Federal Order No. 65 promotion agency, this contingency legislation provides the dairy industry of Nebraska the opportunity to receive and disperse promotion income as it relates to Nebraska production and needs.

### **Livestock**

NeFU supports inclusion of a Livestock Title in all farm bills.

NeFU favors legislation that would correct the present price inequity in the meat industry, which causes the unnecessarily large price spread between the producer and consumers.

We urge the exploration of alternatives to implement competitive pricing in the meatpacking industry, such as farmers pooling livestock and different types of farmer networking to increase the value of livestock prices for the producer.

### **Competition and Anti-Trust**

NeFU supports inclusion of a Competition Title in all farm bills.

The concentration of ownership of the nation's resources and wealth, particularly in the food industry, threatens family agriculture, small businesses and ultimately all consumers. Such concentration and agribusiness consolidation reduces or eliminates competition for both farmers and consumers, thereby destroying the proper functioning of our marketplace. Such concentration also interferes in the democratic process of developing sound national farm, food, and trade policy.

Therefore, we support a broad range of measures to restore marketplace competition, promote new competition, provide fairness to farmer/agribusiness relationships and reduce anti-competitive mergers. Such measures should include the following:

1. USDA should help guard against monopolistic unfair trade practices, especially in the food industry. We call for a merger moratorium on all large agribusiness and retail food business mergers, until new effective anti-trust and competition policies can be enacted.

2. Extend consumer protection laws, that prohibit unfair or deceptive acts or practices, to farmers in their marketing relationships with agricultural companies.

3. Regulate captive supplies of livestock through limiting the amounts of captive supplies and/or requiring that such captive-supply arrangements be put out to bid in an open and public manner. We support prohibiting packers and processors of red meats from owning or raising livestock more than seven days prior to slaughter.

4. Farmers' should be able to choose arbitration, mediation or a civil trial in any and all disputes between farmers and agribusinesses. We oppose agricultural or marketing contracts that force farmers to give up rights to mediation or civil trial.

5. Key information in an agricultural production contract should be fully disclosed in plain English on the cover page prior to farmers signing the contract.

## **INTERNATIONAL TRADE**

### **Support and Recommendations**

NeFU has consistently attempted to adhere to the philosophy and practice so ably set forth in the Preamble to the Constitution and in the Constitution of the United States of America. We believe that governance is best administered by the smallest legal unit of society capable of administering any given condition. We further believe that sovereignty is a necessary structure in the administration of governments.

NeFU is discouraged that the World Trade Organization has determined that US Country of Origin Labeling (COOL) is not allowed within the current agreement. Given the fact that

COOL is not allowed by the WTO, NeFU believes that U.S. membership in the WTO should be abandoned in the face of such obvious intrusion into the affairs of a country that wishes to identify the country of origin of their food production.

NeFU recognizes the reality that U.S. membership in the WTO has not benefitted the U.S. economy as promised, therefore we submit the following:

We support the concept that we the people are now living in a progressively smaller, more confined space, in which the facilitation of trade can lead to a better life for all people. Trade as a tool for the accommodation of all people is desirable; however, as a tool to exert power to control, it is destined to create long-range cataclysmic destruction.

With the above in mind, it is evident that the deliberations of the representatives, who should be chosen for their ability to represent all people within their sovereignty, must be open and available to all people. The deliberations must be directed to the enhancement of all people's common desires of tranquility, peace and love. Recognizing that geography, culture and personal interest and capabilities are divergent to an extreme, we believe the rules, regulation and control of any trade process must be flexible, tolerant and arbitratable. It must be kept in mind that any trade is only as good as the satisfaction derived by all parties involved.

### **International Marketing Agreements**

NeFU disapproves of the WTO and the international trading organizations that support the WTO's march to globalization. We urge the Secretary of Agriculture, the president and Congress to support a new trade negotiation process outside the WTO to negotiate a system of shared production cuts between the major agriculture-exporting nations of the world in time of burdensome supply. In addition, they should negotiate a shared international food reserve, which would stabilize agricultural commodity stocks while protecting food security interests. Such agreements could raise and stabilize world grain prices at fair levels and reduce overall trade tensions.

NeFU opposes Fast Track negotiating authority or any similar authority for the president.

The United States shall negotiate with other major grain-producing countries for the purpose of establishing a world price on export grain. The United States is the largest grain-producing nation that exposes its grain producers to the export market without price protection. Farmers, co-ops and farm organizations should be consulted in this process.

If, for any reason, an international grains agreement cannot be reached, we ask that grain-exporting countries form an agreement to provide minimum world trade pricing levels that provide a return to producers to cover the costs of production and a reasonable profit.

We also oppose any trade agreement that does not protect farmers from the negative impacts of import dumping. NeFU is opposed to any trade agreement that allows export dumping. NeFU feels that export subsidies only cheapen the world price and will be met and lowered by the other grain-producing countries. We support trade and farm policies that raise the price levels of U.S. farm commodities to profitable levels for farmers.

Any international trade agreement should include international mechanisms to equalize the impact of relative rates of currency.

We oppose any trade measure that in any way restricts any country from being able to develop or implement internal income supports for their ag producers. We oppose the demolition of tariffs, quotas and other mechanisms that compensate for the differences in cost of production, standard of living and relative value of currency between the various ag-producing nations.

We support as a goal in any trade agreement the concept of mutually beneficial trade for both producing and consuming countries. We believe that the food producers in all countries



should work together to be involved in the trade policy development in their countries. Such agreements should promote a stable system of family farm food production, both in the United States and throughout the world, thereby also encouraging political stability in many underdeveloped nations.

Any trade negotiations dealing with the movement of agricultural commodities must take into consideration the highest possible standards to ensure a safe and healthy product is delivered to the consumer, with a vigorous inspection system to safeguard these high standards. We cannot accept any risk that the safe and abundant food supply developed in the United States will be jeopardized by trade negotiation compromises. NeFU recommends that the quality standards of imported farm products be equal to those set forth for our own farm products. These standards shall be strictly enforced and the cost of inspection and enforcement be paid by the exporting countries.

All farm products imported for sale in the United States shall be plainly marked as imported, even when commingled with American-produced produce. NeFU calls for continuation of mandatory country-of-origin labeling (COOL) for agricultural products as directed in the 2002 farm bill.

NeFU urges the renegotiation of the North American Free Trade Agreement (NAFTA), using a monetary exchange rate and a foreign subsidy program for the basis of the agreement.

NeFU demands that any agricultural trade agreement address the obvious market-distorting influence of monopolistic and transnational private grain-trading companies. We also disapprove of the loss of any U.S. sovereignty, such as absorbing the U.S. cattle herd into a North American cattle herd.

NeFU is opposed to any export controls on farm commodities which have the effect of driving farm prices down at the marketplace, with little effect, if any, on the price of food at the grocery market. However, if export controls are established, they should not be effective when the cash prices of their commodities are less than 120% of parity.

We support the grain reserve program for consistent grain availability for export with these exports priced at 100% of parity.

We oppose grain embargoes due to the unfair burden placed on the American farmer.

We support continued funding of the PL480 program and implementation of the Export Credit Program. We are concerned about the effect of U.S. Cargo Preference on the prices of our farm commodities by the time they reach their destination.

We oppose Export Payment-in-Kind (PIK) and Cargo Preference.

We oppose using the elimination of farm subsidies as a bargaining tool with foreign countries.

NeFU supports the extension of guaranteed export credits to the Commonwealth of Independent States and requests that a significant portion of the guaranteed credit be allocated to feed grains.

NeFU favors the rigid application of the counter-cyclical formula.

Meat promotion funds shall not be used to promote foreign meat. We insist that imported meat be subject to the same sanitation, drug residue and quality standards as U.S. producers must meet.

USDA should reinstate the sugar-import quotas to limit foreign sugar imports; this would stimulate investment and employment in the sugar-refining industry. It would help the United States achieve self-sufficient sugar production, reduce our nation's balance-of-trade deficit, better protect American producers and create a steadily growing market and better prices for the U.S. corn crop.

We oppose U.S. agricultural loans or grants or other assistance to countries whose subsidized agricultural products are in direct competition with our own.

We support a mechanism to implement price reporting on all agricultural commodity imports and exports.

### **U.S. DEPARTMENT OF AGRICULTURE (USDA)**

NeFU is unalterably opposed to any further fragmentation of the USDA. Agriculture is the lifeblood of this country with an essential need for the cabinet-level department in our nation's government.

#### **Farm Services Agency (FSA)**

NeFU opposes any effort to further consolidate FSA offices, which would force farmers to travel unnecessarily long distances to handle their FSA business.

Due to complexities caused by the current farm program and the corresponding workload on staff at the local level, we support funding to maintain adequate staffing at the local FSA offices with current technology in communications. All producers shall have the option to confer with FSA technicians via electronic data transfer, as needed, for the purposes of answering questions, make agreements, resolve differences, and plan for their farming future.

Producers shall have the option to purchase federal crop insurance through county FSA offices.

#### **Timely Payments by FSA**

Farmers should be paid interest on payments due to them if those payments are 30 days or more past due.

#### **Farmer-Elected Committees**

We strongly support the integrity and independence of FSA Farmer-Elected Committees and support their continuance in every agricultural county. To allow for the appointment of local committee members or to encourage merging of committees over a regional basis will decrease democratic participation in this grassroots system and will increase the power and influence of career USDA bureaucrats.

We oppose efforts that would expand the county FSA committee from three to five by allowing the appointment of two non-producers to the committee by the Secretary of Agriculture. This would drastically diminish the concept of producer control and management of the producers' farm programs.

NeFU urges the USDA to change the regulations to allow qualified persons to serve on county committees without discrimination toward those who serve in general farm organizations at the national level.

We support increasing both funding and involvement of Farmer-Elected Committeemen in carrying out the farm program.

Appointees to the state FSA committee which administer farm programs should have previous county FSA experience and be bona fide farmers.

We oppose program-restricting consolidations of USDA agencies within counties or otherwise that would impede their ability to fulfill their congressional mandate.

We ask that agriculture committees of the United States maintain vigilance over USDA activities to assure that there is no decrease in the services provided. We believe that county FSA offices should have authority to set conservation cost-share rates.

## **NRCS Employees**

NeFU believes NRCS employees should be unbiased at administering USDA programs in their own county. NRCS should be audited to ensure no biases as has been done in all previous years. Switching counties and driving back and forth is costly, time consuming, and inefficient.

## **Emergency Feed Programs**

We support a program to make feed grain and hay available at federally subsidized prices to livestock producers stricken by drought and other natural disasters, to enable them to preserve basic herds of breeding livestock, with safeguards to assure that program benefits go to bona fide family farmers and ranchers.

## **Emergency Disaster Assistance**

Future farm bills must have permanent provisions built in to provide emergency disaster assistance. One or more years of natural disaster can and have recently caused many problems for producers in Nebraska and across the country. Crop insurance cannot fully address the loss in income experienced by crop producers and livestock producers who have no program to assist them unless Congress passes special legislation. Disaster assistance should take the form of an off-budget appropriation, funded from the general treasury in the same manner as other natural disasters, and thereby avoid funding disaster assistance through “offsets” in farm bills.

# **LIVESTOCK MARKETS AND INSPECTION**

## **National Animal ID Program**

If USDA establishes an animal identification system to prevent and contain animal disease outbreaks in the United States, NeFU urges consideration of the following concerns:

1. Costs of implementing the program remain uncertain. The Department of Homeland Security (DHS) has stated the necessity of a national animal ID program to combat terrorism; therefore, we urge DHS to provide the full funding necessary to create and maintain the database and provide compensation to producers for their costs of implementing the program;
2. Mitigation of producer liability for contaminated food products. Current processing and handling practices are often the cause of food-product contamination, yet with an ID program, packers and processors could try to transfer liability to the original owner of the animal. A seamless system should be provided at all retail levels that ensures the information gathered through an ID system is complementary with that provided through mandatory country-of-origin labeling;
3. Use of the proprietary information should include clear limits to ensure the information is not used by packers to discount producer prices, be subjected to a Freedom of Information Act (FOIA) request or passed to telemarketers, etc. Access to producer information should be available only in times of animal disease outbreaks or bioterrorism attacks;
4. Ensure uniformity of the ID system with tracking technology and database management; and
5. Control of the database needs to remain under the control of the federal government. The concerns we have with USDA’s proposal to allow a privately managed database system include:
  - a. It forces producers to bear the financial burden, one they cannot afford;

- b. This public database will create a revenue source for private entities seeking to make a profit;
- c. It does not contain oversight to protect confidential producer information;
- d. It does not mitigate producer liability;
- e. It will create opportunities for packers to condition the purchase of livestock upon participation in a voluntary ID program;
- f. It assumes coordination among a complex web of data with no guarantee of success; and
- g. It assumes all sectors of the livestock industry will agree upon the development of maintenance of a single entity to represent each species' interests.

### **State Brand Inspection**

NeFU supports extending the brand inspection program to include the entire state thus unifying all livestock owners under the same statutes and laws. NeFU supports the brand committee's built in administrative fee authority to adjust the fee up to \$1.75/head for inspection across the board for all sizes of producers.

### **Livestock**

We demand more responsible research and reporting to the public of information from the Food and Drug Administration (FDA) concerning nutrition and health hazards. Inaccurate information concerning the nutritional health of certain foods can permanently affect the diets of Americans.

Subtherapeutic drug use in livestock feeding has been found to pose a potential threat to the health of human beings. Therefore, we support legislation that bans the use of subtherapeutic drugs for growth stimulation in livestock.

We urge the USDA to resist any and all efforts being made to label and treat the cattle in the United States as only a part of a North American cattle industry. The importance of disease control necessitates border control and inspection of all livestock imports. Protecting the confidence of consumers in the safety of meat products in the United States and exports to the rest of the world requires a comprehensive border control and inspection system and the immediate implementation of mandatory country-of-origin labeling.

### **Vermiculture and Vermicomposting**

NeFU supports the classification of worms for the purpose of vermiculture and vermicomposting, as livestock. Vermiculture should be considered agribusiness and treated as such.

### **Meat Import/Export Inspection**

We deplore the current U.S. inspection standards that result in multiple contaminated meat export shipments (such as bone fragments). This failing inspection process angers foreign customers and loses export business. We urge a review of the current import/export inspection process to identify statutory and administrative failures that allow such continued violations.

### **Portable Abattoirs**

We support the development and use of portable abattoirs, or mobile slaughterhouses, which will allow small-scale and remotely located meat producers access to USDA-inspected facilities in order to effectively process their products for retail markets.

### **Packers and Stockyards**

NeFU supports new federal legislation that would (1) clearly outlaw packer (including local and regional cooperative) ownership and feeding of livestock; (2) compel packers to report prices paid on a daily basis; and (3) compel retail outlets to label meat as to country of origin.

NeFU supports state legislation that accomplishes these same objectives. We also require that such legislation provide strong enforcement mechanisms.

NeFU supports GIPSA enforcement of the Packers and Stockyards Act of 1921.

### **Country-of-Origin Labeling (COOL)**

NeFU strongly supports mandatory COOL of all food products at the retail level.

### **Bovine Growth Hormone (BGH)**

We oppose the use of BGH. We call for the labeling of milk produced from non-BGH treated cows.

### **Bovine Spongiform Encephalopathy (BSE)**

USDA announcements of suspected BSE cases has often been unsubstantiated, but these announcements nevertheless cause sharp downward pressure on cattle prices and reduce public confidence in our beef supply. NeFU calls on USDA to only publicly release actual fully confirmed cases of BSE, and at the same time, announce all information concerning country of origin of the infected animal.

NeFU supports voluntary BSE testing of beef intended for human consumption; furthermore, NeFU supports beef producers in their efforts, including testing and labeling, to ensure the safety of their products and to assure potential customers of their safety.

NeFU urges the nations of the world to come together with open minds to learn the true nature of the causes and transmission of BSE.

### **Wool**

NeFU strongly supports renewed funding of the National Wool Act. We encourage congressional field hearings to review provisions of the National Lamb and Wool Promotion Act.

## **GRAIN MARKETS AND INSPECTION**

### **Federal and State Grain Inspection Services**

We support the active and aggressive enforcement of grain-quality standards.

NeFU opposes any efforts at the federal or state levels to privatize grain inspection services. Privatization will not reduce the cost of inspection services, but will reduce the quantity, quality and integrity of our grain-inspection services. In the past, privatized grain inspection has led to grain-quality scandals, lost the confidence of all grain buyers, including export buyers, and severely hurt U.S. farmers.

### **Grain Quality**

We recognize that grain quality has been a problem for U.S. grain exports. Therefore, we call for National Farmers Union to establish a committee of members and experts to propose specific standard changes that will be forwarded to Federal Grain Inspection Services (FGIS) and the Secretary of Agriculture for their action.

We urge a shift to a positive grain-grading system, with price based on the protein content, oil content and dry weight of sound grain, etc., rather than on meeting minimum standards.

NeFU commends the work of the Interstate Grain Compact (IGC) and we urge the Nebraska Legislature to reinstate the IGC.

We ask that the USDA outlaw the introduction or mixing of foreign materials and grossly inferior grains with the exported products. We ask that a minimum grade for exported U.S. grain be established, below which grain cannot be offered to export customers. For corn, the minimum grade shall be U.S. No. 2 corn.

### **Plant and Animal Patenting and Biotechnology**

NeFU urges that more specific health implications be explored concerning the long-term effects of genetically engineered organisms (GMOs).

NeFU supports federal legislation requiring that foods containing ingredients manufactured from genetically engineered commodities be labeled as such so that consumers have a choice.

NeFU supports the rights of state and local governments to enact GMO labeling laws.

NeFU opposes the initiative proposed by the National Grain and Feed Association to legally modify grain contracts in a way that places the ultimate liability on farmers for assuring that the grain they deliver does not contain GMOs. Contract provisions should place the ultimate liability on the seed and genetics companies from whom farmers purchased their seed.

Due to the economic and marketing problems associated with the GMO StarLink, NeFU supports the following guidelines be applied to the biotech industry, USDA and biotech regulatory agencies:

1. Any damages caused to farmers through lower prices, lost markets or contamination should be fully reimbursed to farmers by the company producing the genetically modified product at fault;
2. Government regulatory agencies should not license genetically modified products that are not acceptable for human consumption and animal feed;
3. Government regulatory agencies and marketing agencies should ensure that farmers are informed of all potential market risks and segregation requirements associated with planting any licensed genetically modified crop;
4. Government regulatory agencies should consider domestic and foreign consumer acceptance of the product when licensing genetically modified crops; and
5. Congress should support a moratorium on the patenting and licensing of new transgenic animals and plants developed through genetic engineering until the broader legal, ethical and economic questions are thoroughly explored.

### **Warehouse Protection**

We urge the passage of legislation which reduces the time of settlement of innocent party claims in the occurrence of a grain elevator bankruptcy, segregates stored grain from other grain in a bankrupt facility and gives priority over other creditors to farmers who have sold grain for cash but have not been paid. We urge that there be a rating system established for grain elevators so that farmers not be jeopardized financially if the elevator is closed because of bankruptcy.

We urge the establishment and original financing of a federal storable commodities insurance corporation to guarantee that each farmer will be protected for each commodity stored, delivered or contracted to licensed commodity dealers. Continued financing of this corporation should be by each licensed commodity on the basis of the number of bushels handled.

We support the warehousing act updated in the 1987 session of the Nebraska Legislature as LB164. Every section of that law must be enforced by the Public Service Commission and

other authorities. If funding is not adequate to do this, we urge the legislature to provide the necessary funds.

## **MARKET DEVELOPMENT**

### **Support and Recommendations**

USDA should continue in its market-development efforts. Since agricultural exports contribute to a favorable balance of payments, foreign market-development programs ought to benefit the agricultural economy, as well as the entire nation.

Expanded long-term export markets will depend upon successful and broad-based economic development in poor nations. In most instances, this will mean short-term competition for U.S. producers of some agricultural commodities. We must be sure that export promotion does not undercut agriculture in developing nations, and that U.S. farmers be assisted in adjusting to resulting competition.

We favor negotiations of long-term agreements for purchase of our grains.

We recommend inviting all commodity groups to present their resolutions to state and National Farmers Union policy in the hope that we can present a united front to our elected officials.

We support direct shipments of grain from farm to foreign buyers with state help.

NeFU supports fair international trade.

### **Commodity Check-Off Programs**

Our attitude toward producer-financed commodity research and promotion programs is determined by the extent to which producers control the programs.

NeFU will support research and promotion programs financed by mandatory deductions from proceeds of sales by producers of agricultural commodities, only if the following criteria are met:

1. Disbursement of funds collected is controlled solely by boards of producers elected by the producers assessed, and the operations of the program are controlled solely by those producer boards;
2. Approval is by two-thirds of producers voting in a referendum by mail prior to implementation of the order, with spouses allowed to vote individually and with no block voting allowed;
3. The outcome of producer referenda be determined solely on the basis of one-person, one-vote;
4. Criminal penalties are provided for using funds for personal, political or lobbying activities, and no funds should be donated or contracts provided to organizations that carry out political or lobbying activities;
5. Changes in existing check-off programs, including changes in check-off levies and/or administrative and operational changes, should be submitted to producers affected and subject to approval by a two-thirds vote;
6. After a federal check-off program is in effect, that periodic review referenda should be held each third year with such referenda financed and conducted by the federal government; NeFU strongly supports a national referendum on the pork and beef check-offs.
7. Whenever a commodity check-off is assessed against U.S. producers, a comparable non-refundable fee is assessed on foreign imports of that commodity in either raw or manufactured form; however, no voting privileges should be extended to such importers or handlers;

8. General farm organizations should be allowed to appoint a producer-voting representative to each promotion board;
9. Periodic independent, outside audits should be conducted to ensure that the benefits of the program outweigh the costs to producers, with copies of the audits available to all who pay the assessments;
10. Procedures should be provided to enable producers to obtain annual refunds of the check-off funds they were assessed. Such refund requests should be processed without delay and made available at point of sale;
11. Check-off funds should be available through grants or other methods for sustainable, producer-driven, on-farm research;
12. All members of check-off boards should receive the majority of their income from production of the commodity they represent and anyone who does not fit this restriction should be removed from the board; and
13. Check-off assessment refunds should be offered in those years in which national average commodity prices fall below national average costs of production, as determined by USDA.

Because the current check-off programs do not nearly meet all these criteria, we urge Congress to amend these programs. The new programs lack producer control and allow the confiscation of assessment funds by non-governmental entities without due process of law. If Congress fails to act, we call for an immediate referendum on all these check-off programs. We oppose any effort to combine research and promotion boards, funded by producer check-offs and assessment programs, with private, membership-based political lobbying organizations.

Voluntary commodity check-off programs, which allow producers to refuse to pay assessments, should be considered on their merits. Whenever producers reject a mandatory assessment, they should be entitled to full refunds at the initial point of collection.

We call on the Secretary of Agriculture to use oversight authority to completely review the operations of federally sanctioned commodity check-off programs and issue an independent public report on their effectiveness, including a complete accounting of all funds collected and disbursed. As part of this study, we request the Secretary of Agriculture hold public field hearings to allow producers an opportunity to participate.

For all mandatory check-off programs in Nebraska, 100% of check-off funds contributed by each producer should be eligible for producer designation to any state qualified farm organization. Qualifying farm organizations should be any established farm organizations promoting the interests of farmers and meeting minimum state certification criteria. Qualifying farm organizations will receive check-off funds as designated by individual producers annually, to promote the economic interests of production agriculture.

NeFU opposes the use of agricultural commodity checkoff dollars to satisfy any general fund obligations or responsibilities.

NeFU believes all persons paying into beef, other livestock, and dairy products checkoff shall have the choice at the time of payment to require their checkoff dollars be used to promote beef, other livestock, and dairy products born and raised in the United States.

### **Nebraska Beef Council**

NeFU believes that every cattle producer who pays the beef checkoff at the point of sale should automatically receive a ballot for Nebraska Beef Council elections. It is incumbent upon the Beef Council to make certain that each and every cattle producer be given the same opportunity to elect their representatives to the Nebraska Beef Council.



## **Natural and Organic Marketing Cooperatives**

We support the development of producer cooperative marketing systems for natural value-added commodities. Producer-owned and -controlled value-added marketing cooperatives can establish new market opportunities, replacing the traditional handler control of farm commodity marketing and pricing. We urge NeFU to cooperate with existing organic producer organizations and other state Farmers Unions in the furtherance of these new marketing efforts.

We support state legislation that would create organic standards for the state of Nebraska, consistent with internationally recognized organic certifying entities.

NeFU supports organic standards that are approved by the existing organic certifying agencies and organic growers.

## **Marketing Education**

We request that the U.S. and Nebraska Departments of Agriculture, land grant colleges and extension services provide classes on the various marketing strategies.

## **Value-Added and Direct Marketing**

The Farmers Union symbol is a triangle constructed of education, cooperation and legislation, and Farmers Union is historically a leader in farmer-owned and -controlled cooperative development and has become active in new cooperative development. NeFU shall partner with farmers and other organizations and be actively involved in the renewed interest and efforts, through legislative policy, education and expertise, to develop family farm, value-added, direct marketing enterprises.

## **Agri-Tourism**

NeFU supports the inclusion of agri-tourism as part of the definitions of agriculture and encourages USDA to recognize the value agri-tourism plays in small, diversified farms throughout the U.S. by adopting agri-tourism allowances in its programs.

USDA should develop and implement a program to educate producers about liabilities associated with agri-tourism operations. Subsequently, a limit should be placed on the maximum liability exposure, thus making liability insurance protection more attainable and affordable.

NeFU supports programs that would incent development of agri-tourism enterprises on Nebraska farms and ranchers.

## **Industrial Hemp**

NeFU supports the legalization and promotion of research and development of industrial hemp for the purposes of industrial composites, automobile body parts, building material, carpet, etc., and in the textile and food industries, as other democratic nations are currently producing and exporting to the United States this environmentally friendly alternative crop.

NeFU supports the lifting of restrictions on the growth, cultivation and processing of industrial hemp.

NeFU supports removal of industrial hemp from the controlled substance statutes.

## **National Marketing and Bargaining Agreement**

NeFU favors the extension of a National Marketing Agreement Act that would strengthen market power of farmers by extending marketing order authority to all commodities, providing for good faith bargaining and market supply controls.

We support the Marketing Order concept.

The federal government's price-support and supply-management programs, when adapted to prevent oversupply of particular commodities, can provide a basic framework of protection for farmers in the marketplace.

We support the establishment of a state or regional producer-owned marketing pool, similar to the Canadian Wheat Board. We encourage other organizations and legislators to seriously consider this type of marketing structure.

### **Bargaining Power**

Farmers need to gain a stronger bargaining position in order to obtain fair prices and income. Our members are encouraged to cooperate with other general farm organizations that have the means and know-how to have a definite impact in the marketplace.

NeFU reaffirms its support for enabling legislation to establish a National Agricultural Relations Board or separate board for single commodities or groups of closely related commodities, with authority to bring farmers and farm cooperatives together with handlers and processors for the purpose of bargaining over prices received by agricultural producers. Farmers need and are entitled to a firm legal procedure that will enable them to manage the production and marketing of their products. Such legislation would preserve, unimpaired, the long-standing rights of farmers to participate in bargaining associations and cooperatives without being subject to antitrust action.

We support amendment of the Agricultural Fair Practices Act of 1967 to require buyers of agricultural products to bargain in good faith with associations of producers.

### **Commodity Futures Trading Regulation**

NeFU supports the Commodity Futures Trading Commission (CFTC) to set speculative position limits to control volatility in commodity markets and enforce the 2010 Wall Street Reform legislation that would enforce these limits.

## **SOIL AND WATER**

### **Conservation and Management**

There is an extreme importance in preserving our natural resources for all members of society. NeFU urges the continuation and expansion of soil and water conservation programs as a means of controlling non-point sources of pollution. Records in the past indicate that when the government refused to share costs in soil and water conservation, these efforts suffered a serious setback.

We support the concept of a soil sediment and erosion bill in order to maintain water quality, protect the soil and encourage farmers and landowners to keep the conservation practices already in use.

Where conservation practices have been instituted using tax funds, we call for enforcement of legislation that will require mandatory repayment with interest of those public funds by the landowner if a conservation practice is destroyed.

We realize that some of the burden must fall on farmers to protect our resources. We urge all farmers to replant and retain shelterbelts to provide windbreaks and animal shelters.

When and where highly erodable native prairie is plowed and tilled, this organization is concerned about erosion. We are especially concerned about this practice in the Sandhills, but it is occurring statewide as well. We are in favor of controlling development of these marginal lands in order to stop excessive erosion. NeFU would support legislation introduced into the Nebraska Legislature that would limit the ability of individuals or corporations to abandon or remove center pivots on marginal land prone to erosion problems before permanent vegetation is established.

FSA should provide landowners with instructions regarding the most effective methods of closing waterways following excessive rainfall periods and should further provide cost-share assistance to those who implement those instructions.

### **Soil Health**

NeFU supports efforts to promote awareness that healthy soils have higher water holding capacity, more balanced fertility levels, sequester more carbon, are less erodible and are crucial to long-term sustainable agricultural production by increasing the resiliency and capacity of our soils.

### **Natural Resource Districts**

We call for NRDs across the state to stay true to their primary reasons for being, soil and water protection. NRDs should keep land treatment and other conservation work the major focus of their budgets, and recreation projects should be a lower priority.

We oppose the reduction of farmer and rancher representation on the NRDs.

We encourage everyone to make sure that all of their irrigation wells are registered with the NRD.

We encourage NRDs to use their authority granted under LB665 to treat wells drilled before January 1, 2001, differently than wells drilled after that date.

The NRDs need to take more into account than soil type for new irrigated acre permits. Consideration should be given to avoiding erosion and preventing hardship to neighbors. A common sense rule should be devised to discourage highly erodible land development.

### **Erosion Control Act**

In the present erosion control law, the cost-share is 90%, with the cost-share percentage for concerned farmers practicing conservation by themselves varying in the 60% to 75% range. NeFU believes the cost-share should be set at the same level as the average cost-share in the state, for conservation required due to silt or other damage from a neighbor.

### **Encourage Tree Planting**

NeFU encourages the planting of appropriate trees as a renewable energy source such as cellulosic ethanol, a method of pollution control, an energy-conservation technique and an improvement in our quality of life. We also encourage the use of energy-efficient landscaping to conserve energy. Low-maintenance plants should be used as part of the landscaping of public buildings and right-of-ways. NeFU encourages participation in RE-TREE Nebraska programs.

### **Water Policy**

The historic positions on the distribution and use of water must be adjusted in light of an expanding population and technological and engineering advances. We must realize that this precious resource may be in short supply and can easily become unsafe for human consumption. We submit that the first step in consideration of both short- and long-term water policy must be the recognition that water is not an entity unto itself but a part of the complex ecosystem. All influences within this system must be understood and recognized for their full value.

As the demand for water increases, we as farmers compete against each other and against other members of society. When the competition intensifies, positions become entrenched, and alternate methods and systems are overlooked in the mad scramble for the lion's share of the resource.

Water is a basic necessity for human existence. With this in mind, it becomes apparent that no individual should be denied it. There are secondary uses of water – manufacturing, transportation, recreation, waste disposal and the like – which must receive consideration.

The function of government is to provide the climate for equitable availability and distribution of this natural resource. The NRDs, being the closest to the source and use of water, should be the governmental jurisdiction to oversee soil and water projects. The development of delivery systems of water usage should be paid for equitably by those who receive the primary benefit and those who receive the most valuable secondary benefits.

We should retain as much of our rainfall and snowmelt where it falls as possible. The use of some form of minimum tillage will help maintain adequate cover on our soil. Terraces should be installed and maintained wherever practical. Storage structures, private and public, should be constructed where needed.

We believe it is important to monitor water usage. We support the installation of water meters including existing remote irrigation monitoring and telemetry devices to allow local NRDs to monitor irrigation water usage on agricultural and non-agricultural (including residential, businesses, and utilities) uses alike. We recommend efforts to promote less intensive use of water and greater water stewardship throughout the state. We support statewide riparian (streamside) clean-up and restoration efforts to conserve water and increase stream flow.

NeFU actively opposes any infrastructure or resource development that jeopardizes the health, safety and quality of the Ogallala Aquifer and other freshwater resources.

NeFU supports the water augmentation project in Lincoln County which gives the Republican River Basin in Nebraska legal protection from further legal harassment from Kansas which stems from the 1943 Republican River Compact.

NeFU supports accelerated research and education that encourages water efficiency and appropriate cropping patterns to deal with changing water availability and weather patterns.

NeFU supports a statewide legislative interim study that is focused on how to protect the state's water from rising nutrients, and other contaminants.

### **U.S. Army Corps of Engineers Water Management Plan**

NeFU calls for the U.S. Army Corps of Engineers to alter its Missouri River Mainstem Reservoir System Annual Operating Plan and Master Water Control Manual to hold flood control as the highest of the multiple priorities and move to require a larger storage capacity to be held in its Missouri River Mainstem Reservoir System to ensure that the flood damage that occurred in 2011 does not happen again.

NeFU recommends it be made priority to keep federal funding appropriated by Congress and expended by the Executive Branch to keep the water management infrastructure up to date.

### **Missouri River Water Management**

NeFU supports equal representation among agricultural, wildlife management, and flood control interests on all land acquisitions on the Missouri River, such as the case of the Missouri River Recovery & Bank Stabilization Project.

### **Irrigation**

Water is the resource crisis upon entering the 21<sup>st</sup> century. An estimated 2 million acre-feet of surface water flows into Nebraska in one year, while an estimated 7.2 million acre-feet flow out. Some of this surface water could be captured to give relief and recharge to our groundwater irrigation of Nebraska and instream flow needs, as well as recreational and environmental concerns.

NeFU opposes proposed legislation in the U.S. Congress that would have water users from irrigation districts pay more for their water if they want to participate in the federal farm program.

NeFU opposes any taxation of surface and underground water in the state. Increased costs of mitigation, litigation and settlements should be paid out of the state general fund.

### **Sale of Water**

Since underground water is Nebraska's most valuable resource for agriculture and for humans, and since the U.S. Supreme Court has ruled that unless you can show irreparable harm, you cannot deny water, NeFU opposes the sale of underground water by individuals or by the state for agricultural or industrial purposes or for human consumption (excluding local independent water bottlers) or for uses not known to us today but brought about by advances in technology.

We support the right of Nebraska farmers who have a certified consumptive water use right to compensation due to state takings.

### **Conjunctive Water Use**

We recognize the differences between the ground- and surface-water management systems and legal basis.

When a conflict exists, we prefer that the natural resources district system of resource management have preference over the Department of Water Resources.

We believe it is better to set a conjunctive water-use policy through legislation than through court-mandated policy.

We support legislative efforts to limit or eliminate the Nebraska Game and Parks Commission's ability to apply for surface-water appropriation rights or permits.

### **Nitrate and Herbicide Levels in Water**

The measurable nitrate and herbicide levels are reaching alarming proportions in parts of Nebraska. These levels are extremely dangerous to humans, as well as to our farm animals.

Water runoff from lawns and gardens in our cities and towns, as well as excessive quantities and untimely application by farmers, have all had a part in contaminating our soils, streams and drinking water. NeFU insists that all people using chemicals on their soils do so responsibly by limiting, reducing, or eliminating chemical use whenever possible.

The general public, in problem areas, should be notified of high nitrate and herbicide levels. Our members should work together with the Cooperative Extension Service and the NRDs to organize meetings to inform the public of the possible solutions.

We urge all farmers to use extreme caution when using farm chemicals and fertilizers, which have the potential for polluting surface and/or ground water. The use of safety devices, such as check valves in chemigation systems, which are required by law, should be enforced. Both equipment and practices should be regulated and maintained.

We encourage the fair and effective enforcement of the Chemigation Act of 1986.

We urge farmers to annually test their soil and irrigation groundwater for nitrogen and for chemicals in order to better manage their fertilizer application rates, including careful management of application rates and timing, especially fall application.

We urge the public to encourage their NRDs to more aggressively carry out their water-quality monitoring and management responsibilities.

### **Fracking Wastewater Injection Well Practices**

NeFU supports the development of statutes to protect Nebraskas water resources from the practices of fracking well water injections.

NeFU supports the permit requirements for all commercial fracking wastewater injection wells, to include a permit review and oversight process by the relevant NRD, NDEQ, as well as NE Oil & Gas commission.

## **TRANSPORTATION**

### **Perspectives and Recommendations**

Economical and efficient transportation is a necessity for the function of a complex and orderly society. Although there are local and regional differences in transportation requirements, the modes and regional requirements must be molded together into one national program. Therefore, a federal agency under the jurisdiction of Congress must be held responsible and accountable.

Present transportation facilities are outmoded and inadequate. A new program is needed to devise and construct new and improved systems, just as the interstate highway system was created during the 1950s. The new system must further develop both the gathering and delivery potential for the distribution of agricultural products, coal and other fuels, as well as all other goods and services required in our complex society. Further development of rail, water and truck usage must be coupled with economy and efficiency, and projected plans must include the overall cost in terms of the capitalization, upkeep and environmental impact.

### **Rural Transportation**

Because of the importance of agriculture to our nation's economy and strength, NeFU resolves that efforts be made to halt the deterioration of rural transportation systems so that economic community and business development may be possible.

Abandonment of rail lines, reduction of bus and air service and the inability of state and local governments to finance the cost of repair and maintenance of bridges and secondary roads pose serious threats to agriculture and to community and economic development in rural America.

Due to the huge increases in rail and barge freight rates during the 2005 fall harvest, NeFU strongly recommends that freight price gouging be investigated and in the future monitored to prevent basis-widening, which causes huge monetary losses to producers.

### **Railroads**

To protect agricultural shippers, NeFU asks the Surface Transportation Board (STB) to address the following issues:

1. That the STB require consolidating railroads to preserve competitive options rather than requiring them to propose remedies to mitigate and offset competitive harms;
2. That the STB prohibit carriers from charging shippers higher tariffs to recover the premiums paid for the acquired railroad or to take advantage of their increased market power;
3. That antitrust statutes be applied more rigorously to those Class I railroads proposing further consolidations;
4. That the STB require consolidating railroads to reimburse shippers and other railroads fully for any damages caused by service degradation; and
5. That the STB monitor negotiations between applicants, on the one hand, and shippers and connecting railroads, on the other, to prevent unfair discrimination against smaller shippers and railroads.

Other concerns shippers have include:

1. Full disclosure of terms of contract rates;
2. Required mandatory joint line rates and routes between rail carriers;
3. Establishing new procedures permitting entry of additional rail carriers onto lines dominated by a single carrier;
4. Granting agricultural shippers the right to reciprocal switching at reasonable cost; and

5. Continuing the STB's moratorium on major rail mergers.

Amtrak should be adequately funded in order to become a viable part of our transportation system, and no other cutbacks initiated. We recognize the possibility that federal subsidies are needed to maintain Amtrak service.

Our local cooperatives should be encouraged to provide modern facilities in order to accommodate larger hopper cars and unit trains.

We request that railroad cars have reflectors on the side in order to make them more visible at crossings in the dark. We believe that this would prevent many of the accidents that occur when drivers fail to see the train at the crossing. NeFU also supports the mandatory installation of red lights on the end car (or engine, when the end car is an engine) of a train.

We support the requirement of the railroad's responsibility to keep their right-of-ways clear of weeds and bushes.

Further closing of rail branch-lines should be discouraged. We believe that every mile or rail closed or torn up in this country will be deeply regretted in the future. Losing a railway system will further undermine the viability of small communities and increase transportation costs of products moving through these areas.

We support more efforts at the state and national levels to encourage increased use of rail transport of grain.

NeFU supports adjacent landowners' first right of refusal to acquire abandoned rail lines.

NeFU supports incentives that would promote the use of biodiesel in the railroad industry.

## **Roads**

1. NeFU is opposed to any attempt to divert money from highway trust funds for purposes other than alternative fuels production and highway construction and maintenance, including farm-to-market roads;

2. The Nebraska Department of Roads has a practice of applying an "armor coat" during low temperatures, which causes numerous windshields to be damaged by flying gravel;

3. We urge the highways through small towns be at least 26 feet wide in order to allow safe driving;

4. We urge further testing and use of rubber asphalt to make our roads last longer;

5. Irrigation equipment spraying water on county roads creates hazards that can be prevented. We urge that the law forbidding irrigation water from reaching county roads be enforced to prevent needless accidents;

6. Because of declining revenues, we suggest allowing farmers to mow or put up hay on county roads and highways bordering their farms. "Men Working" signs must be posted. Farmers must be liable for hay bales left in ditches. If hay is not moved (by the time the county mower comes along), the farmer automatically loses the right to put it up. If a neighbor wants to make hay, he must have the farmer's written consent and accept all liabilities;

7. The Gas Tax Fund must assume that the tax on diesel and gas used for off-road agriculture be refunded to farmers. We ask that a fair portion of gas tax funds be returned to rural states. We oppose paying state road taxes for on-farm-produced biodiesel destined for off-road use;

8. We oppose any proposed formula for redistribution of state road funds that would favor urban areas over others;

9. We oppose the state Department of Roads taking over the maintenance of county roads and in return turning over the maintenance of state roads to the county, as this causes an economic burden on the county; and

10. We call for the enforcement of laws that prohibit fencing of ditches along roadsides for pasturing.

### **Highways**

We support the state Department of Roads Twenty Year Road Plan proposed for state expressway and primary roads.

We support the development of Highway 81 and the Heartland Expressway into a four-lane road to help the economy of this state.

We support the development of HWY 281 into a 4-lane highway from HWY 58 to HWY 92 just south of the North Loup River Bridge.

We support a system of identifying county roads to assist fire departments, enhance 911 service, etc.

### **Anhydrous Ammonia Transportation**

We oppose any changes in labeling anhydrous ammonia in a way that would cause any additional licensing on vehicles, both commercial and private.

### **Waterway User Fees**

Waterways for navigation have long been a very important link from the heartland of the United States to our seaports, providing a reasonable and economical way of transportation for many years. No action should be taken to raise waterway user fees to exorbitant levels.

## **ECONOMIC POLICY**

### **Monetary Policy**

NeFU questions the idea that the marketplace and private sector will ever meet the economic, social and environmental needs of a complex society. We challenge the idea that a free market system can ever be achieved and can ever fulfill the aforesaid economic, social and environmental needs, especially when one major part of that so-called free market system, money and credit, is arbitrarily managed and kept in short supply by means of usurious interest rates and can only be replaced or expanded in the economy by borrowing on the part of the U.S. Treasury from the privately owned Federal Reserve Bank.

High deficits on the part of the federal government are having disastrous effects on the national economy and are the largest factor in causing high interest rates.

The U.S. Congress should assume its constitutional responsibility to manage the nation's monetary policy. The Federal Reserve Act should be terminated.

The money system must be changed and corrected to fulfill its only rational purpose to facilitate the selling of goods and services.

Congress should not pass any laws that increase interest rates on loans to farmers covering operating costs. We urge the reinstatement of agriculture in the Truth in Lending Law. Most farmers are good credit customers and have a basic right to loan protection.

We oppose governmental use of advertising. This includes public service agencies, power districts telephone companies, etc. Legal monopolistic agencies have no business placing "public service" ads as such. It all comes back on consumers, who foot the bill. This may help limit the practice of bestowing favors on decision makers within these agencies as well.

NeFU is also concerned about the rapidly declining value of our currency. A strong nation should have a strong and stable dollar. Policies to ensure a stable dollar should be encouraged such as balanced trade policies, balanced budget policies, and decreased reliance on imported oil.



## **Banking Reform**

NeFU favors returning to the Glass-Steagall Act of 1934. While we favor allowing the Federal Deposit Insurance Corporation (FDIC) to borrow enough money for the U.S. Treasury to remain solvent, we oppose further deregulation of the banking industry, which allows interstate banking, interstate branch banking and international banking. Non-banking corporations should not be allowed to own banks.

## **Balanced Budget**

We favor the U.S. government working toward a balanced budget. This will require a careful examination of every part of the federal budget, especially military spending. The latter is particularly inflationary because money paid to suppliers of military goods and supplies does not produce goods for purchase by consumers.

We in NeFU are concerned about the size of the national debt. The president and Congress should take immediate steps to balance the budget by reducing spending. The president and Congress should take the necessary action to cut spending and, if necessary, increase taxes on individuals with high income, whose taxes were lowered during the Bush administrations. We also favor a tax of 0.5% on the transactions of the stock exchange.

## **National Deficit**

We resist the principle of tax cuts, until the budget is balanced and legitimate needs and obligations are met. We propose that spending be cut by reducing waste and the duplication of services at all levels of government.

## **International Monetary Fund**

The International Monetary Fund's (IMF's) current policy is to devalue foreign country currencies as part of their plans for improving foreign economies. Devaluing currency in competitor countries subsidizes their export competitiveness against the economic interests of U.S. producers. Devaluation undermines the stated U.S. policy of increasing U.S. exports. Also, IMF funding by the U.S. Congress directly competes with federal farm program funding.

Therefore, NeFU opposes the unrealistic position, which contends the current use of IMF funding will help alleviate the farm crisis by eventually improving export opportunities.

## **FARM CREDIT**

### **Mediation**

We support mandatory mediation and making it illegal for lenders to require a signature waiving mediation.

We support the Nebraska Farm Mediation Service and the Nebraska Rural Response Hotline.

### **Rural Economic and Community Development (RECD, formerly the Farmers Home Administration [FmHA])**

The RECD, formerly FmHA, since its authorization in 1946, when it replaced the Farm Security Administration, has been increasingly responsible for a wide range of activities for serving rural America. Today, that agency's farm program loans have become a minor percentage of its total annual loan portfolio. The myriad of responsibilities on the agency have made it impossible for the agency to give adequate priority to farm ownership and operating loans. The General Accounting Office has documented the inadequacies of their responsibilities in farm loan supervision. At the same time, Congressional hearings have demonstrated that the USDA has been unable to carry out a coordinated rural development program.

We therefore welcome the reorganization of FmHA into RECD, or FSA Farm Loan Division, or whatever they decide to call it. Its responsibilities in rural development, such as housing, community facilities, business, industrial, etc., should be consolidated. Its farm loan programs should be brought together, with additional authorities as follows:

1. Be restricted to the assistance of family farm units, as the lender of last resort;
2. Provide supervised loan programs for the recapitalization of family farms;
3. Have authority to provide long-term real estate loans, with variable interest rates and flexible repayment schedules in accordance with the producer's annual net farm income;
4. Have authority for production (operating) loans at variable interest rates and flexible repayment schedules;
5. Be authorized to develop innovative programs of finance and assistance for land transfer between generations and the establishment of new farm units, including programs such as the Saskatchewan Land Bank;
6. Work closely with state programs designed for beginning and under-capitalized family farmers and be able to supplement and guarantee such state programs; and
7. Become the primary agency within USDA for researching and developing programs and policies serving the goal of providing security for the family farm system of agriculture.

This new consolidated agency should promote limited resource loans by publicizing their availability, that operating loan and ownership loan limitations should apply to all agency loans (emergency, etc.) and that the agency should speed up processing loan applications.

Due to the economic problems facing agriculture, we favor legislation that would provide that interest rates be subsidized on farmers' debt when they reach a level at least 3% over the annual inflation rate; the legislation must:

1. Apply only to past debt;
2. Have an upper limit of \$250,000;
3. Assist beginning farmers if they have farmed one year; and
4. Require all participants to have indebtedness insurance to cover the loan;

We have reservations about the shift from direct to guaranteed loans. Such loans tend to be selected by private lenders and overlook the special needs of the traditional borrowers.

### **Beginning Farmers and Ranchers**

The number of young people entering agriculture is declining, and primary causes have been low farm prices and income. NeFU supports increasing the number of young farmers and ranchers involved in production agriculture to help ensure adequate human resources as we transition to producing food, fiber and fuel for this nation. We support accelerated state and federal tax incentives to encourage existing landowners to sell or rent farm assets to beginning farmers and ranchers. NeFU supports capital gains tax reduction to retiring farmers who sell land to beginning farmers. We also commend and support organizations in their efforts to educate, encourage and enable beginning farmers and ranchers. Apprenticeships, internships and other opportunities may assist in creating a continuum of land stewardship that will preserve its ecology and unencumbered productivity. NeFU supports incentives to transfer land to beginning farmers

### **Federal Farm Credit System**

We oppose any effort to weaken the federal Farm Credit System (FCS). Steps should be taken to prevent the failure of the FCS, but such actions should also assist financially stressed family farm credit system borrowers.

We support local control of FCS. Steps should be taken to prevent the failure of FCS and oppose concessional sales of FCS landholdings to investors and larger-than-family-sized farms.

We oppose diverting lending resources away from the small-to-medium-sized agricultural producers the FCS was created to serve, and so we oppose proposed rules changes that would expand borrower categories.

### **Foreclosure Information Distribution**

NeFU, recognizing the emotional trauma, as well as the lack of legal information, for those facing foreclosure, will work to facilitate the distribution of information in cooperation with other agencies presently working in this concern.

### **Cost-of-Living Increases**

Cost-of-living increases have historically been a percentage of the past year's salary. This policy has increased the gap between high- and low-income people, rather than helping those with low average income keep up with inflation. These cost-of-living increases should be based on the inflation factor times the national average wage. Dollar amount cost-of-living increases should be the same for all without regard to their present salary.

Wherein, it is the duty and the honor of leadership to lead, we recommend the administration and members of Congress accept reductions in their own lifetime benefits and provide a portion of their own security costs upon retirement. They should do this before asking the old, the sick and infirm, etc., to accept cuts in their benefits.

Citizens of this country are in favor of a balanced national budget to check the runaway national debt and to retard inflation. However, members of Congress have voted themselves pay and retirement increases regularly that are unrealistic and above the inflation rate or national growth rate. To focus Congress' attention on the effects of inflation, NeFU proposes freezing the salaries, pensions and benefits of all elected and appointed federal government officials at the present level until the national budget has been maintained at a balanced level for one entire fiscal year.

### **Restructuring Farm Indebtedness**

We support the continuance of a federal program to help restructure nonserviceable farm debt owed by operators of potentially viable farms. Such a program might include write-down of interest and/or principal and/or deferral of principal and/or interest payments. Losses would be shared by the lenders in exchange for guarantees.

### **Farm Liens**

Farm liens on commodities or property remain attached indefinitely unless canceled by the lien holder. We urge that if no action has been taken on a lien within a reasonable time that the lien be removed from the record to make for a clear title. This would especially apply to companies that merge or dissolve and fail to clear all old or non-existent liens.

### **Bankruptcy**

We ask that National Farmers Union actively address the problem of obtaining continuing operating funds for farmers in Chapter 12 of the Federal Bankruptcy Code. Chapter 12 Bankruptcy should be extended in perpetuity. We call upon the Nebraska Legislature to protect the farmer/dealer who sells seed or ag supplies with a seedsman's lien similar to a mechanic's lien on real estate. We also call on the Nebraska Legislature to protect the farmer/dealer who custom harvests or does mechanic work in the event of bankruptcy.

## TAXES

### Income Tax Reform

We call for the elimination of remaining tax shelters, especially those which grant a competitive advantage to large corporate farms over family farmers, move agriculture toward a system of bigger and fewer farms and encourage overproduction. We support changes to make the tax code more progressive and fairer to family farmers and fluctuating incomes.

Specifically, we support:

1. Elimination of the provision which defines large corporate farms with sales as high as \$1 billion as family farms eligible to use cash accounting;
2. Extend the tax extender regulation section 179 to change the expensing deduction from \$25,000 to \$500,000 single purpose agricultural structures and other farm machinery;
3. Income averaging for family farmers with fluctuating incomes;
4. A deduction of 100% of health insurance costs of self-employed taxpayers
5. A higher tax rate for high income taxpayers; and
6. A reform of the alternative minimum tax (AMT), so that it will not affect middle class families.

We oppose efforts to reinstate tax shelters such as the investment tax credit, the capital gains exemption, unlimited prepaid expense deductions, and the deduction of farm losses by nonfarm investors.

We oppose replacing the progressive income tax with a flat rate or a modified flat rate.

We oppose replacing the progressive income tax with any regressive national sales tax.

We propose replacing personal income tax exemptions with a tax credit of \$300 per taxpayer and dependent.

We urge allowing deductions for those who itemize on: all medical and dental expenses (fully deductible); first \$2,000 of state and local taxes, all charitable contributions; first \$5,000 of personal interest payments.

We support efforts to allow some sort of reduction in IRS liability for farmers in financial hardship cases selling depreciated assets.

We support raising the personal exemption deduction to more accurately reflect the cost of living.

### Federal Estate Tax

NeFU opposes the repeal of the Federal Estate Tax. NeFU supports estate tax relief for family-owned farms, ranches and small businesses in order to facilitate the transfer of those enterprises to the next generation. We also recommend the following:

1. Increase the federal estate tax exemption per estate to \$5 million immediately;
2. Index the exemption annually;
3. Simplify the exemption qualification rules and requirements;
4. Implement graduated rates; and the tax rate for estates above the exemption level should be set at 45%;
5. Stop shifting tax liability from the estate tax to the capital gains tax through the elimination of the “step-up” in basis.
6. Eliminate the charitable deduction to private foundations for estates over \$1 billion.

## **State Income Tax**

NeFU opposes the elimination of the State Income Tax as it is the most fair of all tax revenues based on the ability to pay. The elimination of the State Income Tax would result in a shift to reliance on a more regressive sales and property taxes.

## **County Inheritance Taxes**

NeFU supports raising the Nebraska county inheritance tax exemption to a more realistic level. We oppose the elimination of this tax, since this would accelerate the concentration of wealth over time into fewer and fewer hands and would raise property taxes, unless offset by the state treasury.

## **Progressive Federal Income Tax**

The progressive income tax system has become substantially less progressive as a result of tax legislation in the last 30 years.

As a result, the national debt has increased significantly since 1980. The progressive income tax should be adjusted immediately to begin the process of decreasing the federal debt. NeFU strongly supports the concept of levying taxes on the ability to pay.

## **Capital Gains Tax**

Section 1031 of the Internal Revenue Code creates a tax shelter which unfairly gives a buying advantage to those with capital gains income to shelter, distorting market prices paid for farm real estate, affecting valuation of farm real estate for property tax assessments and making it more difficult for producers to compete in the bidding process for farm and ranch land. NeFU supports tightening the definition of like kind exchange of Section 1031 of the Internal Revenue Code.

NeFU favors modifying the capital gains laws to encourage sale of farm property to beginning farmers. NeFU supports adjusting the state and federal tax code to create special treatment for the retiring farmer's sale of equipment and breeding livestock when they sell to a beginning farmer. The special treatment would allow the tax obligation created by the recapture of depreciation and capital gains to be spread over a 3-5 year period or elected to be taken in any one of the years in that follow up period. The qualifications for the sale of those assets to a beginning farmers would be the same as the beginning farmer qualifications for the Nebraska Beginning Farmer Tax Credit already in place.

## **Cash Accounting**

Current law prohibits corporations with sales exceeding \$5 million from using cash accounting. However, large farming and vertically integrated poultry and livestock enterprises lobbied Congress into exempting these corporations from the \$5 million restriction.

We believe the use of cash accounting gives large integrated farming an unfair competitive advantage over the family farmer. Cash accounting provides enormous tax incentives for livestock expansion in direct conflict with government payments to reduce livestock numbers, as in the dairy buyout program.

NeFU urges Congress to close this tax loophole shelter by applying the cash accounting restriction to all corporation and family farms having sales over \$5 million.

## **Prepaid Feed and Input Deductions**

Presently prepaid feed and inputs cannot exceed 50% of legitimate deductions except in extraordinary circumstances. They are not to exceed the limit in aggregate in a three-year period. Expanding these deductions for corporations having sales of over \$5 million provides a very unfair advantage for large farms over family farms.

NeFU favors maintaining the present tax rules on prepaid feed, seed, fertilizer and chemicals.

### **Balancing Tax Load**

Nebraska has one of the highest property tax burdens in the nation. City, county and other multi-county governmental units (NRDs, community colleges, Educational Service Units, etc.) are largely, if not entirely, funded by local property taxes.

We support all public schools Classes I-VI receiving fair state aid. Tax revenue should be divided as equally as possible between local property taxes, state sales taxes and state income taxes with not more than 40%, nor less than 30%, coming from each of the above tax sources for education. The cost of education should be shared as evenly as possible by all. Presently, property owners are paying the majority of school taxes regardless of their debt or their ability to pay.

We support increased public funding for K-12 education. We support increases in state sales, income and corporate income taxes to reduce property taxes.

### **Property Tax**

We are opposed to a general homestead exemption. We support targeted homestead exemptions based on financial need.

We support a progressive property tax.

If not prohibited from owning American farmland, foreign landowners shall be subject to the same taxation as are resident landowners at a minimum.

The mineral rights have been permanently separated from the surface rights on some property. NeFU endorses charging a part of the property tax to the mineral rights owner with the provision that if the mineral rights owner does not pay his or her share of the property taxes, the mineral rights will revert to the surface right holder.

NeFU calls on the Nebraska Legislature to establish a fair method of valuing ag land for tax purposes based upon earning capacity. In cases of mandated irrigation restrictions, NeFU calls for state mechanisms that require counties to re-assess affected farmland to reflect resulting lower values.

We oppose efforts by community colleges to use the bond process for construction projects which then are paid for solely by property taxes.

We urge the legislature to modify the state school aid formula to recognize the unique needs of rural school districts and reduce or eliminate the need for local property tax overrides.

NeFU supports reducing property tax rates to increase the number of new farmers on the land through incentives. Requirements would include owning, operating and living on or near their land.

### **Sales Tax**

NeFU supports the exemption of agricultural equipment, repairs, supplies, and inputs including, but not limited to, fertilizers, chemicals, and feed from state, city and/or county sales taxes where they apply.

We further urge the discontinuation of state sales tax on used farm equipment and repair parts.

We oppose a sales tax on services.

We oppose a sales tax on farm auctions.

We favor the continuation of the sales tax exemption on energy used in farming.

We are opposed to city sales taxes that are used solely for city property tax relief.

We support a continuing exemption of food from sales tax.

## **Personal Property Tax**

NeFU calls for the elimination of personal property tax.

## **State Lottery**

We oppose existing gaming and its expansion in the state of Nebraska.

## **Value-Added Tax**

We oppose any type of value-added tax (VAT), which is essentially a hidden sales tax. This would place an extra burden on people with the least ability to pay.

## **Special Use Tax**

The cost of maintaining safe water should be shared by everyone, not by a special use tax on chemicals and fertilizer. We oppose discriminatory and environmentally damaging fertilizer taxes.

## **State Aid to Education**

We favor more state aid to school districts for property tax relief on the local level.

We adopt as a goal that no more than one-third of school district budgets be financed by local property taxes.

We believe that LB806, the school finance reform act enacted by the Unicameral and approved by the voters in a referendum, should be amended to provide that half of the funds be allocated based upon the present formula and half of the funds be allocated on a basis of pupils as related to net income. State funding of school operating budgets should be maintained at not less than 60%.

NeFU deplors moves by the state legislature to force more K-12 education costs to property taxes. We call on the legislature to return to the original intent of LB1059 and subsequent legislation, which required the state to participate as a dependable partner in funding K-12 education, with the goal to provide real and lasting property tax relief. NeFU calls for the exploration of alternative state funding mechanisms for K-12 education, which provide more stable and predictable funding streams, such as an "K-12 Education Trust Fund," funded by state taxes devoted solely to K-12 education.

NeFU opposes efforts to eliminate or reduce state aid for any school district.

## **Losses From Farming and Non-Farm Income**

We recommend that net losses from farming operations not be used to offset taxable income from non-farm income sources, with two exceptions;

1. Farmers/taxpayers who use accrual accounting; or
2. Farm families having limited non-farm income.

The maximum loss from farming which any taxpayer may use to offset taxable income from non-farm sources shall be an amount equal to the national median income reduced by the amount by which the taxpayer's taxable non-farm income exceeds the national median income.

## **Court Case Awards Against Local Governmental Entities**

NeFU calls for the state legislature to address the excessive county tax burden created by federal court judgement against a county for the actions of its employees who are found to violate constitutional rights of an individual suspected of a crime that may exceed the existing financial resources of a county and threaten that county with bankruptcy. We support the payment of a final judgement against a political subdivision in this situation to come from the state treasury when such judgements amount exceeds the existing financial resources of the political subdivision and urge that pending obligations be budgeted by the state.

## **SOCIAL POLICY**

### **Membership Responsibility**

The best hope for family agriculture is for producers to join together to build NeFU.

Building the Farmers Union means reaching out to thousands of farmers who are suffering during the agricultural depression and who need the message of hope, which our organization can provide. Many producers are more receptive to Farmers Union's philosophy and goals than ever before. They will sign up if our policies are explained to them and they are asked to join.

Every NeFU member should help enroll new members; however, it is the duty of leadership to lead. Officers should consider it their responsibility to recruit new members and encourage others to do the same.

### **Legislative Responsibility**

NeFU members recognize the relationship that exists between building an effective legislative program and expanding our educational and membership programs. We urge that our program be actively pursued in the national and state capitals.

We urge that candidates for public office be evaluated on the basis of their records and campaign pledges as measured against Farmers Union programs.

We further urge our members continued participation in local, county, district, state and National Farmers Union in maintaining contact with their elected officials. We support publishing the voting records of our elected officials by state and National Farmers Union.

We recommend that the NeFU president decide with the board of directors what action our legislative lobbyist should follow in the event our position is not formally stated in the policy.

### **Religious Freedom**

We believe our nation will survive only by perpetuating the great religious principles upon which it was founded. We oppose any measure that would infringe upon religious freedom.

We vigorously defend the concept of separation of church and state as stated in the Constitution of the United States. State-ordered religion must be prohibited, but not religion itself.

### **Work Ethic**

We believe in the work ethic and believe that counties should provide a system whereby all able welfare recipients would be required to work in order to receive a welfare check. Welfare recipients with children should be aided with work training and childcare to improve children's welfare.

### **Parade of Flags**

NeFU supports the tradition of the Parade of Flags at the NFU Annual Convention.

## **EDUCATION**

### **Schools**

Government regulation should be reduced so local boards have more control over their own programs. If outsiders force alterations in our schools by regulation, then it ought to be their responsibility to find and collect money required to make the necessary changes.

NeFU supports local school boards to make their own independent decisions on school mergers. NeFU opposes the state reorganization committee overriding local decisions.



Unfunded state mandates to school districts are a contributing factor to the crisis in rural education and to the continued property tax burden on farmers and ranchers. NeFU supports a statewide school finance system that provides resources adequate for every student to have an equal opportunity to meet the standards set by the state of Nebraska, no matter the size or wealth of the school district in which each student resides.

We oppose state aid to education being tied to compulsory reorganization of our schools. We favor passage of legislation protecting Class VI school districts (Rural High Schools) from annexation by Class III districts without a vote of the people involved.

We support the re-establishment of Class I schools where appropriate. We believe that all children, urban and rural, are entitled to a quality education. We believe that the state of Nebraska has a legal and moral obligation to assure quality education to all Nebraska students regardless of where they attend school or the financial resources of their parents. We believe that the distribution formula contained in LB806 does not treat rural schools fairly and does not fulfill our state's obligation to provide quality education for all our state's students, and as a result, we should work for the repeal of LB806.

NeFU supports accreditation of public schools only after a review by the State Board of Education to make changes in current accreditation standards with the intent to provide needed services through cooperative means and alternative structures.

At present, multi-school systems report performance by school system. All schoolhouses in the state should report their individual test scores and cost per pupil, to be fully accountable as to their individual performance.

NeFU supports schools participating in the FFA program.

### **Teachers**

NeFU recognized that quality education depends upon the maintenance of quality teaching staff in schools. NeFU believes that in order to more effectively attract and retain quality teaching staff, more teacher benefits programs need to be established. Government programs such as education loan deferment, education loan interest forgiveness, and further education tuition assistance would reduce teacher turnover rates, encourage teachers to obtain further education in their areas of expertise, and increase the overall quality of life for teachers. Any expenditures for state mandated enhanced teacher compensation should be entirely paid through the state-aid formula and not become an unfunded mandate which increases the burden on local property taxes.

### **Rural Distance Learning Program**

Federal programs have not adequately invested in educational development of rural areas. Due to low population and the great distances that characterize many rural areas, our communities, and particularly our young people, have been educationally disadvantaged. Current telecommunications technology would enable the delivery of quality educational services to the remotest parts of our nation. The use of such technology would improve the education of rural students and adult education and provide health education to rural citizens.

We support current legislation calling for the establishment of a "Rural Distance Learning Program." It is in the best interest of our nation to fully develop and utilize the human resources of rural America.

### **School Lunches**

Our public schools should provide nutritious meals through the school lunch program. A balanced diet includes red meat; therefore, we oppose any substitute of red meat with textured vegetable protein (TVP) in our school lunch programs.

Many schools today have vending machines filled with “junk food” which allow students to have inadequate diets. We believe these machines should either be removed or filled with nutritious foods only.

We demand that meats and other food supplies to the schools by USDA meet rigid USDA inspection standards and be of proven quality.

We urge legislation that supports locally produced meat, dairy and other foods be utilized in school lunch and other state and federally funded programs.

### **University of Nebraska and State Colleges**

We recommend, with reservations, that the University of Nebraska and state colleges continue to be adequately funded from the Nebraska general fund.

### **University of Nebraska College of Technical Agriculture at Curtis**

NeFU believes the Veterinary Assistance course offered at the School of Technical Agriculture is the most thorough and up-to-date in the United States.

Since many businesses in seeds, plants and trees recruit graduates in horticulture, and since businesses in central Nebraska recruit graduate students from the Curtis school and all the courses are for two years, and since Nebraska’s young people would have to go out of state to receive training in courses offered only at the Curtis school, NeFU believes the governor, legislature, and the Board of Regents should retain the technical college services that weigh heavily in the economic development of Nebraska.

### **Public Information**

We demand more responsible research by the FDA of products that are potentially hazardous to the public’s health, especially cancer-causing elements. The FDA is then responsible to release the results of research to the public. The FDA should increase efforts to test and disseminate information pertaining to both processed and unprocessed imported foods.

### **Technology Fund for Schools**

New technologies are developing rapidly, and they are expensive to acquire and maintain. We believe our children need to be taught about new technologies and our public schools should provide this service. However, it is extremely difficult to fund such education with existing funds under current tax laws. Therefore, NeFU favors the creation of a statewide fund to finance the integration and maintenance of new technologies in our public schools. This fund could be financed with a 0.5% income tax or a 0.25% sales tax.

## **RURAL HEALTH CARE**

### **Our Right to Quality Health Care**

Health problems of rural Americans are among the nations most severe. The needs of nearly 60 million people living in rural areas are often overlooked. Rural areas have a shortage of doctors, pharmacies, and nurses in relation to populational proportions.

NeFU opposes efforts to repeal the gains made in the 2010 Affordable Health Care Act and calls on Congress to adopt further legislation which increases the availability of universal, equitable health care access.

NeFU supports implementation of the Medicaid expansion plan as provided for in the Affordable Health Care Act.

## **Universal Health Care**

The U.S. is the only industrialized nation without universal health care. NeFU supports the creation of a single payer national health care system. In the absence of such a system we support the privatization of federal legislator health care coverage.

## **Public Health Insurance Option**

NeFU supports a public option health care provider as a means to compete with private insurance, to reduce costs for individuals, families, and small businesses, and to decrease the prevalence of denied coverage due to pre-existing conditions. In the absence of a national public option, we support the right of states to pursue state public option programs without fear of malicious litigation enacted by private insurance companies.

## **Needed Improvements**

NeFU encourages the adoption of federal legislation aimed at providing equitable Medicare reimbursement procedures in order that vital rural medical facilities may survive.

NeFU recognizes the hardships placed on the military and their families including veterans. Health care is a primary concern lacking for many soldiers and veterans. We propose a voucher system to allow veterans to seek health care wherever they desire in lieu of traditional veteran's hospital care.

Federal health policies should be developed to assist and encourage health care providers to serve rural areas. The financial health of our hospitals is essential to attracting and retaining physicians and other health professionals in rural areas. Access to health care can and should be improved by making health care and insurance more available and affordable to all Americans.

Farmers and ranchers who have to provide their own medical insurance should continue to be allowed to deduct 100% of the cost from income tax. Small businesses should be encouraged to provide health insurance to their employees. Unincorporated businesses should be allowed a full deduction for the costs of health (medical) care insurance.

The Privacy Act should be amended to allow hospitals and nursing homes to post patient and resident names to better allow visitations.

NeFU supports changing the law regarding insurance agents and consultants. A consultant should not be allowed to sell insurance, and an insurance agent should not be allowed to be licensed as a consultant at the same time.

NeFU urges the support of alternative health care delivery systems that recognize the special nature of rural communities. These can include health care clinics staffed by nurse practitioners and physicians assistants, improved emergency transportation facilities, training rural people to provide health services in their own communities and making available in-home health care services for the handicapped for more than eight hours per day. The continuing spiral in health care costs has made it increasingly difficult for families to have adequate health care coverage through insurance or other sources.

Other alternative health care services that should be available and covered by health insurance include acupuncture, natural health care, and other disease prevention measures. These preventive services would reduce the cost of health insurance.

NeFU urges Congress to uphold our right to purchase and use nutritional supplements as non-prescription health choices and oppose any efforts to regulate these supplements as prescription drugs.

NeFU supports legislation to approve nurse practitioners and remove legislative barriers that would prevent doctors and other health care practitioners from using any health care treatment option that is safe for their patients.

NeFU supports the option of homebirthing and midwifery.

NeFU supports the availability of proper prenatal, infant care and nurturing for all Nebraskans, which greatly increases a child's potential for success emotionally, academically and life in general.

## **SPECIAL AREAS OF CONCERN**

### **Labor**

Farm safety is an issue of the utmost importance to our organization, and NeFU commends the Department of Labor on its efforts to make workplaces safer for youth. NeFU urges the department to strike a balance between concerns such as parental exemption, proposed new nonagricultural hazardous occupations orders, and modifications to existing and proposed new Agricultural Hazardous Occupations Orders, what is feasible for family farmers and what is enforceable for the federal government. We encourage careful consideration to ensure any new regulations have no unintended adverse effects on family farmers who do not employ non-family labor.

NeFU emphasizes the need for adequate state oversight of labor standards on livestock farms. Too often, the government has ignored the needs and safety of laborers in production facilities. The government provides consistent oversight of livestock packing facilities which should continue. More resources should be directed at the production facilities of livestock and the laborers who work there.

### **Congressional Salaries**

We urge the elimination of all automatic pay raises for congressional members.

### **Regulate Telephone Rates**

NeFU supports returning the ability to regulate telephone rates to the Public Service Commission where it belongs. We urge that all telephone companies provide equal access to all telephone carriers.

### **Broadband High Speed Internet Access**

We support affordable high-speed Internet access for all Nebraskans, including rural Nebraskans. We also support the use of all appropriate technologies and state regulatory reform to include joint private-public entity partnerships in order to achieve that end, including the use of public-power owned infrastructure (also known as "the backbone") where appropriate. We support incentives that would promote the development of universally available broadband infrastructure in rural areas.

### **Drugs**

We support this seven-point substance abuse program:

1. Drug-free work place for all Americans;
2. Drug-free schools and colleges;
3. Up to date treatment programs and facilities;
4. Stepped up drug law enforcement;
5. Drug education in schools and communities;
6. Expanded public awareness of the growing drug abuse; and
7. Any theft of anhydrous ammonia for the production of methamphetamine shall be prosecuted as a serious federal offense.

Ritalin is a Schedule II controlled substance, the same as cocaine and morphine. We discourage the overuse of this drug to modify student behaviors.

Drugs, which include alcohol, are detrimental to the health of people, especially pregnant women. NeFU asks that law enforcement officers and the courts enforce anti-drug laws more vigorously and that the public help and back up enforcement officials. We urge Farmers Union leaders to initiate and assist other community leaders in preventive programs to address the problems of substance abuse.

### **Election of Public Officials**

NeFU opposes the 2010 Citizens United v. Federal Election Commission Supreme Court decision to classify corporations as individuals; therefore, allowing unlimited contributions by corporations and unions for advertising on political campaigns. NeFU supports lending its full and vigorous efforts to see that this decision is overturned. NeFU also supports appropriate legal measures to limit its damaging effects. We support full transparency and public reporting of all sources of campaign funding.

NeFU urges Congress and the administration to limit campaign spending in a manner that cannot be abused by anyone seeking public office, and to limit the period of campaigning for public offices.

NeFU supports a reasonable cap on spending in state and federal races. We also support partial public financing if this is necessary to place an effective cap on campaign spending.

NeFU supports legislation that would restrict the media from broadcasting and predicting election results prior to polls being closed across the nation.

NeFU supports legislation to require that all election recounts be conducted manually.

NeFU calls for the repeal of federal and state laws that permit the use of electronic voting or vote-counting devices, which replace bipartisan vote-tallying committees, the intention being to maintain the integrity of the democratic voting process.

We support closing loopholes on candidate spending and trying to develop integrity in campaigning. We need less negative campaigning and more focus on the important issues.

We support the use of open-sourced, auditable software and oppose the use of privately-controlled, closed software for electronic voting.

### **Voter Identification Laws**

NeFU supports Article 1, Section 22 of the Nebraska Constitution in which voting and voter rights are fundamental principles in our democracy and opposes additional voter identification laws. NeFU believes additional voter identification laws are not needed, waste taxpayer money, and hinder the voting ability of certain citizens, including young people, low income individuals, senior citizens and people with disabilities.

### **Court Limitation**

The maximum number of years that U.S. Supreme Court justices can serve should be limited to 15.

### **Food Assistance**

We should encourage economic development in poor countries. American food and fiber program costs should be charged to the State Department when they are used to support foreign policy objectives, rather than the farm program. We recommend maximum use of food and fiber programs for foreign aid.

### **Retail Food Price Monitoring**

NeFU strongly urges that the government monitor food wholesalers and retailers so that food prices in the store are reduced when farm raw food prices go down just as quickly as they rise when farm prices go up.

We call for an anti-trust investigation into the pricing practices employed by the few companies that dominate the food wholesale and retail industry.

### **Pest and Wildlife Management**

NeFU urges state senators to support a Wildlife Services bill authorizing funding to all counties requesting Wildlife Services officers to eliminate predator problems, even though some counties do not now have Wildlife Services officers.

There is an overpopulation of deer in many areas of Nebraska, causing major crop damage and much motor vehicle damage. The Nebraska Game and Parks Commission should be held financially responsible for damages caused by deer to crops and motor vehicles until such time as they exhibit more stringent control on such by increasing numbers of doe-only permits in those areas where the deer population has expanded at an alarming rate. One suggestion would be to not permit the harvest of a buck until the harvest of a doe has already been reported. The commission should give significant importance to deer damage accident reports and general public input, instead of relying on biological statistics compiled from “desk” surveys and as a result, issue more hunting permits in counties where most deer accidents occur.

Major insurance companies should be called upon to exert pressure on the Nebraska Game and Parks Commission to issue more deer licenses to limit the number of vehicle/deer accidents, so insurance rates can be maintained at a reasonable level.

The Nebraska Game and Parks Commission shall permit the killing of mountain lions, bobcats and other predators by livestock producers to protect their domestic animals without special license or restriction by seasons and at the discretion of the livestock producer as to the threat to his animals.

NeFU supports the management and harvesting of Asian carp, an invasive species of carp that can significantly impact native fish species populations. This will bolster local fishing economies, protect native species, and be useful for agriculture nutrients.

NeFU supports the rehabilitation of beaver population and beaver habitat for the restoration of Nebraska’s natural waterways and preservation of surface water.

### **Petitions**

NeFU favors repeal of the state law making it lawful to pay circulators of petitions in the state of Nebraska.

NeFU urges that the legislature reduce the number of signatures required in the initiative-petition process to be 5% of the number of actual votes in the last gubernatorial race to put a citizens’ initiative proposal on the ballot before voters and 7% to stay implementation of any bills passed by the legislature before the election.

### **Right to Bear Arms**

We are against any gun regulation in Nebraska and the United States that would lead to the confiscation of our firearms. We believe owning a firearm is an American right and privilege. We support our right to bear arms.

### **Rural Crime**

Theft and vandalism of property and equipment from and in homes and businesses in rural areas is a serious problem because of the high value of farmers’ equipment. We support any program to identify farm property in case of theft. We also urge that penalties for theft of farm property be raised to at least twice the value of the stolen property, and that restitution be made to the victim.

## **Rural Crisis Awareness**

We recommend expressions of gratitude to persons in the entertainment business who help or have helped make the public aware of the rural crisis. We support Farm Aid.

NeFU expresses its continuing concern about stress and related problems that are very much a part of our communities. We express the need for continuing education for those in the ag community to understand and deal with stress, including workshops and seminars developed by those in the ag communities. We express our willingness to help those in the caring professions in our communities with our support whenever and wherever we can serve to help deal with this dilemma.

## **Safety**

We recommend that Congress provide for continued exemption of small farms and small businesses who have 10 or fewer employees from the inspection provisions of the Occupational Safety and Health Act (OSHA).

We recommend a deadline of April 15 for removal of studded snow tires.

We support required lights on all slow-moving vehicles or equipment used or driven on roads at night. The lights could be permanent, temporary or portable, and vehicles following shining their lights on the equipment would be an acceptable substitute.

We support an effort to get splashguards on all trucks, similar to those that are standard equipment in Europe, from this time forward on all new trucks and trailers.

We encourage Farmers Union educational efforts to promote farm youth safety.

We recommend that traffic violations committed within defined road construction areas be subjected to a fine of twice the amount stated under current law.

We object to the extended ball hitch on pickups and other vehicles that are left on after being used.

## **Services for the Elderly**

We recommend that the nutrition site programs for the elderly be expanded so the elderly in need of programs can receive this service.

An increasing number of retirees ought to be encouraged to avail themselves of volunteer programs of assistance to their peers.

We support the energy-assistance programs administered by the state of Nebraska to help the elderly poor.

## **Social Assistance Eligibility**

Many governmental programs are based on a formula of need. Two sets of figures are presently used in this formula: a lower amount of income is used to determine eligibility for farmers. This discrimination is based on an unfair and unjustified assumption that farmers can live more cheaply than others. This practice of denying assistance to families of farm people who have the same income as other families constitutes class discrimination.

NeFU requests that assistance programs for medical help, school grants, food stamps, etc. use the same income amount for farm families as others and that the discriminatory formula that qualifies farmers for such programs only at a lower level of income than others be discontinued.

NeFU requests that farmers who do not have the necessary income should qualify for food assistance programs.

Social Service programs should be administered so that they not only help the needy but also encourage them to become productive members of society.

We believe all people are entitled to have access to nutritious food in amounts necessary to sustain good health at a cost that is affordable. No one should go hungry because they are

without money, too old, too young, too ill or too incapacitated to secure a proper diet for themselves. Food is a basic right, and events, programs and policies that promote this right deserve our complete support.

### **Social Security**

NeFU opposes the privatization of Social Security, because it will reduce benefits.

Because farming is more hazardous to the health and a more strenuous occupation than most, many farmers need to retire at 65 years of age. Therefore, we oppose any change in the retirement-age requirements for Social Security.

Full parity for agriculture and full employment of our other citizens can easily cure any so-called shortfall in Social Security, so we recommend this method be used to increase Social Security funds.

Since inflation affects most people alike, Social Security increases due to inflation should not be on a percentage basis, but rather the same for all.

NeFU calls for an investigation of the practice whereby non-citizens of the United States retire to their native countries and receive Social Security retirement benefits. We urge a drive to contact U.S. senators and representatives to amend this practice.

### **United States Postal Service (USPS)**

NeFU urges the U.S. Congress investigate and control the USPS, especially in the areas of rural service. Rural communities and their residents are entitled to full mail service. We encourage any action necessary to assure Saturday mail delivery. We stand opposed to any further postal rate increase until USPS inefficiencies are corrected.

### **Weather**

NeFU supports the National Weather Service. We oppose any and all attempts to weaken or eliminate this essential service system.

### **Animal Husbandry**

NeFU supports good animal husbandry and welfare practices that ensure the health, safety, and quality in the food produced. NeFU will be actively involved protecting the interests of farmers and ranchers during the debate of any proposed legislation concerning animal rights.

NeFU supports transparency in livestock and food production. We oppose “Ag-Gag” legislation that unfairly singles out employees of agriculture and livestock production and imposes excessive penalties on workers who expose illegal acts and methods at their places of employment. We support whistleblower protection laws that enable employees to expose wrongdoing at their places of employment without running the risk of punishment, persecution or future job discrimination.

### **Animal Husbandry Due Process**

NeFU supports due process in all areas that protects citizens’ private property rights and civil liberties consistent with our Constitutional guaranteed rights.

NeFU opposes allowing non-law enforcement special interest groups to trespass on private property or interact with privately owned livestock without owner permission.

NeFU is deeply concerned that current Nebraska law relative to animal abuse and neglect, while well intended, lacks the critical fact finding process necessary to accurately determine the nature of the situation in the case of livestock. An accurate assessment of the situation is essential to determine the appropriate action. There are many reasons why livestock may be showing signs of medical stress.



NeFU is deeply concerned that current Nebraska law violates the 5<sup>th</sup> Amendment because it requires livestock owners to pay law enforcement in advance to take care of their own livestock and face the seizure of livestock without fair compensation.

NeFU is deeply concerned that current Nebraska law violates the 8<sup>th</sup> Amendment because it requires excessive bail, fines, or fees from a livestock owner. The threat of excessive fees is used to intimidate livestock owners before accurate findings of medical fact are made.

NeFU is deeply concerned that current Nebraska law inappropriately utilizes a complaint system against livestock producers that can be used by individuals or advocacy organizations in a punitive fashion for personal financial gain or to further an organizational agenda. In some cases, the animal welfare advocacy organization is actively involved in the complaints lodged, then is involved by law enforcement as experts to determine the medical condition of the animals, then charts the course of management requirements, and is utilized as a care provided for seized animals. This arrangement clearly poses a series of conflicts of interest and role.

NeFU understands the need for law enforcement to engage in cases where livestock is not properly cared for. When drought or other conditions make feed scarce and expensive, it becomes increasingly difficult for livestock owners to find and pay for feed. It is unfortunate when livestock is abused or neglected, and NeFU supports the need to have an appropriate process in place when intervention is needed.

NeFU believes that there are multiple reasons why livestock may show signs of stress or starvation. In some cases, the owner lacks the financial resources to properly care for their livestock. In some cases, the owner suffers from mental health problems. In some cases, owners are simply irresponsible. In some cases, there are less than easily determined medical reasons for why livestock are in declining health.

NeFU believes that it is more appropriate to deal with issues surrounding livestock that include medical, nutritional, or weather related issues be dealt with in civil court rather than criminal court as is currently done.

NeFU believes that a version of the three qualified veterinarians to assess the medical condition of the livestock in question utilized in Statute 54-747 Control of Communicable Diseases should be considered to better assess the nature of the medical situation.

NeFU supports the repeal of current state legislation that allows the sentencing court to order a person convicted of misdemeanor animal husbandry offense not to own or possess any such animal after the date of conviction.

### **World Peace**

NeFU strongly believes the first and best answer to global conflicts should be diplomacy, and we reject preemptive military action as a solution. Military action should be the last resort.

NeFU advocates the need for all regions of the world to operate their own healthy production agricultural sector in their own unique way. This has always been a key in order to maintain political and social stability.

NeFU advocates that all nations of the world join in an effort to reduce the proliferation of nuclear weapons. We oppose the use of nuclear weapons.

NeFU supports the land mine program of the United Nations and the Decade of the Child.

### **Homeless**

NeFU believes more attention should be given to the homeless, This is a regional problem and a national problem, and should be addressed as such.

NeFU believes most importantly that intermediate shelter should be made available to people and families who have been displaced from their homes.

NeFU supports programs on a federal level that will enable people to purchase homes with low-cost loans.

### **Tractor Testing**

The Nebraska Tractor Testing Laboratory has served the farmers of Nebraska in assuring dependable tractor design and power. The laboratory evaluates the advertised performance claims of manufacturers of tractors. The laboratory has remained in the forefront of developing operator safety features for farm tractors. The operation of the laboratory does not require any tax money, as it is funded by testing fees paid by the manufacturers. More tractors are being manufactured for export from developing countries that do not have independent testing facilities, and the laboratory is a stable economic development activity in Nebraska. NeFU does not approve of efforts that call for repeal of current state law that requires tractors to be tested and certified before they can be sold in Nebraska per approved sales permit.

### **Local Control**

It is the firm belief of NeFU that those who live and work in a community are the best judges of what is acceptable and necessary for that community. NeFU advocates as much control as possible be vested at the local level for such areas as zoning, education, water use, cooperatives, the FSA and the FCS

NeFU supports the use of vacant lands in urban and rural settings to be used to revitalize communities through public projects, agriculture and community gardens.

### **Direct Milk Marketing**

NeFU supports the following options to improve diversity and profitability for the dairy industry:

1. Advertisement, delivery, and direct sale of raw milk from “Grade A” dairies; and
2. State regulations that are simplified to encourage local processing yet meet the safety standards for public health. These processing facilities would be allowed to retail products within the state of Nebraska.

### **Unicameral Government**

We support the Unicameral form of Nebraska state government. A change to a bicameral system would result in increased costs and would not improve our existing legislative system.

### **Class V Combines**

NeFU recognizes a significant percentage of U.S. farmers would benefit from the renewed availability of new Class V straw walker combines, which manufacturing in the U.S. has been discontinued. NeFU proposes Agriculture Committees of Congress arrange that the USDA incentivize a five year manufacture schedule of a competitively selected former Class V straw walker combine model to help meet an untapped demand for averaged sized farmers.

### **Urban Agriculture**

NeFU supports urban agriculture to further develop our local food production system.

### **Red Cedar Trees**

NeFU supports the education and promotion of integrated management techniques of Eastern Red Cedar to provide employment in local lumber and to maintain a healthy ecosystem on Nebraskan farmland.

## **Resource Management – Organic Materials**

NeFU supports initiatives that seek to utilize excess organic materials in productive ways, in addition to further popular education on the matter. NeFU encourages programs that explore the benefits and versatility of various composting methods and their applications throughout the state. NeFU opposes dumping organic materials into landfills for the sake of obtaining methane.

## **Horse Slaughter**

NeFU supports safe and humane horse slaughter for human consumption.

## **Rural Radio**

NeFU supports allowing members of Rural Radio Association to vote for board candidates by mail or email to create a more equal vote in relation to membership.

## **Immigration Reform**

NeFU supports immigration policies which not only address public safety and legal immigration status, but also address the very real, urgent, and appropriate needs and concerns of persons around the world who are suffering persecution, extreme hardship, and fear for their lives and the lives of their children.

## **Biodegradable Containers**

NeFU supports a farm commodities market that encourages biodegradable consumer packaging as the standard consumer choice for storage containers, packaging and bags.

## **Right to Repair**

NeFU supports Fair Repair and Right to Repair legislation that would allow farmers and independent mechanics access to diagnostic software, information, and other tools in order to repair modern equipment.

## **Nebraska Farmers Union State Convention Special Orders of Business**

### **1) Nebraska Brand Committee**

Whereas, Nebraska Farmers Union policy supports extending the brand inspection program to include the entire state thus unifying all livestock owners under the same statutes and laws; and

Whereas, Nebraska Farmers Union policy supports the Nebraska Brand Committee's built in administrative fee authority to adjust the fee up to \$1.75/head for inspection across the board for all sizes of producers; and

Whereas, Nebraska Farmers Union has been a long-time supporter and partner of the Nebraska Brand Commission and its mission to fairly and efficiently provide services while carrying out its statutorily derived responsibilities; and

Whereas, the Nebraska Brand Committee has received two extremely unfavorable reports from the Nebraska State Auditor without adequately addressing the areas of concern; and

Whereas, the Nebraska Brand Committee board members are all appointed by the Governor;

Therefore, Be it Resolved that Nebraska Farmers Union strongly opposes the Nebraska Brand Commission's proposal that would remove feedlots from brand inspection services and fees, creating a very substantial hole in the enforcement network as well as the funding of the Nebraska Brand Committee; and

Therefore, Be it Further Resolved that Nebraska Farmers Union urges the Governor to appoint new Nebraska Brand Committee members that believe in the mission of the Brand Committee, have the best fiscal interests of the Committee in mind, are willing to address the issues identified by the Nebraska State Auditor, and reflect the diversity of the farm and commodity organizations that represent cattle producers. There are currently nine organizations that are USDA certified National Cattlemen's Beef Board nominators for example.

## **Nebraska Farmers Union State Convention Special Orders of Business**

### **2) Climate Change, Carbon Sequestration, & Soil Building**

Whereas, Nebraska Farmers Union has been a long time leader in the development of all forms of renewable energy, climate change education, market based carbon sequestration programs for agriculture including signing up 1.2 million acres of Nebraska farm and ranch land signed up in a voluntary market driven carbon sequestration program; and

Whereas, the University of Nebraska at Lincoln study, *Understanding and Assessing Climate Change: Implications for Nebraska*, says the extreme heat and drought we experienced in the summer of 2012 will become typical by mid-century; and

Whereas, Nebraska and Midwest agriculture's ability to grow crops and livestock will be severely impaired and our state's underground water resources and sustainable irrigation capacity will be overwhelmed if our typical weather becomes similar to 2012; and

Whereas, the Midwest including Nebraska is experiencing changing precipitation patterns including when rainfall comes, more gaps between rainfall events, and more high intensity rainfall events that cause soil

erosion and flooding damage as evidenced by the fact that Lincoln has experienced three 100 year high volume and intensity rainfall events in the last three years; and

Whereas, the rate at which climate change is increasing and the scope of the environmental and weather impacts is jeopardizing the ability of agriculture to cope with the changing weather patterns;

Therefore, Be it Resolved that Nebraska Farmers Union stresses the need for farmers, ranchers, businesses, and citizens of all ages to aggressively find ways to dramatically reduce carbon emissions and greenhouse gases; and

Therefore, Be it Further Resolved that Nebraska Farmers Union urges policies that force the aggressive replacement of coal and oil based electrical generation with renewable energy from wind and solar sources that emit no carbon and use no water, and other low carbon and water using sources to reduce carbon emissions; and

Therefore, Be it Further Resolved that Nebraska Farmers Union urges elected officials at the state and federal level to utilize agriculture and forestry to remove as much as one fourth of the carbon dioxide in the atmosphere through carbon sequestration that stores the carbon in the soil while potentially establishing positive new economic carbon based marketing opportunities for agriculture; and

Therefore, Be it Further Resolved that Nebraska Farmers Union urges the development of a market for carbon sequestration and other sustainable practices that reduce greenhouse gas emissions that can help bring new revenues to farmers, ranchers, agroforestry, and rural Nebraska; and

Therefore, Be it Further Resolved that Nebraska Farmers Union calls upon the Legislature to develop a state climate plan sector by sector that utilizes diverse stakeholders, goals, and incentives to achieve those goals; and

Therefore, Be it Further Resolved that Nebraska Farmers Union calls for a concerted and coordinated effort between landowners, farmers, ranchers, state and federal agencies to focus on the need to build soil health and the resiliency of our soils using cultural and cropping practices to increase the capacity of our soils to absorb more moisture quickly, and store more total moisture to deal with high intensity rainfall events and longer gaps in precipitation events.

## **Nebraska Farmers Union State Convention Special Orders of Business**

### **3) Farm Bill**

Whereas, grain commodity prices are far below the cost of production for the third year in a row, and many farmers, especially beginning farmers, are facing severe financial stress including the prospect of not being able to have their operating loans renewed; and

Whereas, the current Farm Bill supporters 's did not foresee the prospect three years of below cost of production for most grain commodities that farmers are currently facing; and

Whereas, the current Farm Bill's income safety net is not sufficient to accommodate the size of the commodity price collapse farmers are dealing with; and

Whereas, Nebraska Farmers Union policy supports a Farm Bill that has strong and effective income safety net provisions that allow farmers to survive the economic booms and busts caused by wild swings in ag commodity prices; and

Therefore, Be it Resolved that Nebraska Farmers Union strongly urges Congress to address the farm crisis by providing additional funding for guaranteed loans to ease the farm credit crisis that would allow banks to renew farm loans that have equity but are short on cash flow; and

Therefore, Be it Further Resolved that Nebraska Farmers Union strongly urges Congress to re-think farm policy as it considers a new Farm Bill in order to provide the new Farm Bill with the program tools it needs to bring production into alignment with domestic utilization, export needs, and a Farmers Owned domestic strategic reserve that would help even out the booms and busts of both agricultural production and domestic prices; and

Therefore, Be it Further Resolved that Nebraska Farmers Union strongly urges farmers and ranchers to get actively involved in the development of a new farmer and rancher friendly Farm Bill that includes a more robust income safety net, more effective market reforms, affordable crop insurance, beginning farmer supports, strong conservation provisions and programs to help agriculture deal with changing climate and weather patterns, value added support, rural development programs including support for farmer and rancher owned renewable energy, and expanded short and long term credit.

### **Nebraska Farmers Union State Convention Special Orders of Business**

#### **4) High Speed Internet Access**

Whereas, data from the 2016 Nebraska Rural Poll “Broadband and Mobile Internet Services in Nonmetropolitan Nebraska” with 1,746 respondents found very dissatisfied and somewhat dissatisfied percentages for “overall home internet services” were 26%, “customer services” 25%, “speed” 34%,” reliability” 33%, and “price” 52%; and

Whereas, private sector companies have had years to deliver on their promises to invest and provide good quality, affordable, rural broadband high speed internet access; and

Whereas, the UNL Rural Poll data shows that private sector companies have left about one fourth of rural areas in Nebraska with inadequate home internet reception; and

Whereas, school assignments and lessons are done on the internet; and

Whereas, rural communication and business is done on the internet; and

Whereas, young people are less likely to move to farms, ranches, and rural areas that do not have internet or have poor and inadequate internet service; and

Whereas, many of Nebraska’s public power utilities currently have dark cable already laid that is underutilized but available to provide service to rural users in underserved areas of our state;

Therefore be it resolved that Nebraska Farmers Union supports legislation to allow Nebraska public power utilities to use their public resources to serve underserved areas of our state where private sector companies have failed to invest in capacity to serve rural users. It makes no sense to let publicly owned resources go unused in those parts of the state where there is still a clear

need for better rural broadband high speed internet services because private companies have failed to deliver on their promises to do so.

## **Nebraska Farmers Union State Convention Special Orders of Business**

### **5) Net Metering**

Whereas, Nebraska Farmers Union worked for over a dozen years to get net metering established with the passage of LB436 by the Nebraska Legislature in 2009; and

Whereas, it was widely understood with the passage of LB436 that it would be necessary to monitor and evaluate its implementation and utilization for potential adjustments; and

Whereas, the number of net metering installations since the passage of LB436 is extremely low. Based on the Nebraska Power Review Board 2015 Net Metering report, there have been only 253 systems installed in the entire state since 2010, with 127 or half of the state totals within the OPPD, LES, and NPPD systems. The majority of the rural power districts have zero installations despite the high level of interest in both wind and solar energy in rural Nebraska including farm, ranch, and rural businesses; and

Whereas, the current 25 kw maximum guaranteed access level for net-metering is too low for many mid to large sized businesses, farms and ranchers; and

Whereas, Nebraska's publicly owned power system should be at least as user friendly with the owners of their system as private sector utilities are with their customers when it comes to allowing and encouraging more small wind and solar installations ;

Whereas, it is in the interests of all Nebraskans to reduce greenhouse gas emissions and increase the use of renewable energy sources like wind and solar; and

Therefore be it resolved the members of the Nebraska Farmers Union support an increase of the maximum guaranteed access level for net-metering to 100 kw ensuring a 1 to one offset of energy used for a full 100 kw's; and

Therefore be it further resolved the members of the Nebraska Farmers Union support raising the utility system 1% cap based on capacity necessary to meet the local distribution utility's average customer monthly peak demand forecast for the calendar year to 5%; and

Therefore be it further resolved the members of the Nebraska Farmers Union supports changing current law to allow single owners the option of aggregating their multiple meters for the purpose of net metering.

## **Nebraska Farmers Union State Convention Special Orders of Business**

### **6) Property Tax Relief**

Whereas, production agriculture is a capital and property intensive, high risk, low margin business with wild swings in net income that is for the most part incapable of setting the price of the commodities they produce or passing their increased costs on; and

Whereas, for the third year in a row, grain prices for 2016 are below the costs of production. The Nebraska Farm Business Association data for 2015 for cash rented land shows that farmers lost \$100.90 per acre based on their net return over labor and management for soybeans, \$110.68 for corn, and \$191.96 for wheat; and

Whereas, since the cost of production for 2016 is relatively unchanged from 2015 and 2016 cash market prices are down substantially from 2015, farming losses for grain production will be larger than 2015; and

Whereas, the beef, pork, and dairy sectors are also struggling financially and losing money; and

Whereas, the percentage of K-12 funding from property taxes has steadily shifted and increased for the past 16 years; and

Whereas, Nebraska Farmers Union's top annual priority continues to achieve a legislative policy that provides long term, sustainable property tax relief for all property owners in Nebraska and a more fair and balanced way to fund the costs of K-12 education; and

Whereas, currently over 60 % of Nebraska schools do not receive equalization aid from the state, and are forced to rely on property taxes to fund their mostly rural schools; and

Whereas, of the three primary sources of tax revenue including income, sales, and property, property taxes is the most regressive form of taxation, and least reflects the ability of the taxpayer to pay or their earned income; and

Whereas, Nebraska Farmers Union policy supports a balanced tax policy with equal parts of revenue coming from income, sales, and property taxes; and

Whereas, Nebraska Farmers Union policy supports income taxes as the tax that is the most fair, and that best reflects the ability of taxpayers to pay, and also supports using more income taxes to fund K-12 education and less reliance on property taxes; and

Therefore Be It Resolved that Nebraska Farmers Union strongly urges the Nebraska Legislature and our Governor to prioritize the development of a state tax policy that provides long term, sustainable property tax relief for all property owners in Nebraska while developing a more fair and balanced method for the funding of the costs of K-12 education until the mission is accomplished; and

Therefore Be It Further Resolved that Nebraska Farmers Union strongly urges Nebraska land and property owners to get and stay engaged in all aspects of the legislative process to help take advantage of the opportunity for meaningful property tax relief.