

Cornhusker Economics

Cooperative Extension

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
University of Nebraska – Lincoln

Nebraska Livestock Development Policy: The Road Not Taken

Market Report	Yr Ago	4 Wks Ago	11/14/03
<u>Livestock and Products,</u>			
<u>Average Prices for Week Ending</u>			
Slaughter Steers, Ch. 204, 1100-1300 lb Omaha, cwt	\$68.48	\$116.77	\$100.88
Feeder Steers, Med. Frame, 600-650 lb Dodge City, KS, cwt	83.00	109.50	103.96
Feeder Steers, Med. Frame 600-650 lb, Nebraska Auction Wght. Avg	87.08	108.80	111.24
Carcass Price, Ch. 1-3, 550-700 lb Cent. US, Equiv. Index Value, cwt	105.32	184.35	158.57
Hogs, US 1-2, 220-230 lb Sioux Falls, SD, cwt	27.00	37.37	35.00
Feeder Pigs, US 1-2, 40-45 lb Sioux Falls, SD, hd	*	31.50	*
Vacuum Packed Pork Loins, Wholesale, 13-19 lb, 1/4" Trim, Cent. US, cwt	82.00	105.00	88.53
Slaughter Lambs, Ch. & Pr., 115-125 lb Sioux Falls, SD, cwt	81.87	*	*
Carcass Lambs, Ch. & Pr., 1-4, 55-65 lb FOB Midwest, cwt	162.17	180.81	131.04
<u>Crops,</u>			
<u>Cash Truck Prices for Date Shown</u>			
Wheat, No. 1, H.W. Omaha, bu	4.41	3.23	3.84
Corn, No. 2, Yellow Omaha, bu	2.31	2.00	2.31
Soybeans, No. 1, Yellow Omaha, bu	5.53	7.10	7.63
Grain Sorghum, No. 2, Yellow Kansas City, cwt	4.77	4.00	4.52
Oats, No. 2, Heavy Minneapolis, MN, bu	2.05	1.52	1.61
<u>Hay,</u>			
<u>First Day of Week Pile Prices</u>			
Alfalfa, Sm. Square, RFV 150 or better Platte Valley, ton	150.00	130.00	130.00
Alfalfa, Lg. Round, Good Northeast Nebraska, ton	80.00	65.00	62.50
Prairie, Sm. Square, Good Northeast Nebraska, ton	122.50	*	*
* No market.			

Nebraska is engaged in a civil war between proponents of additional livestock production and opponents who see large livestock facilities as threats to smaller producers, communities and the environment. Major battles include:

- 1997: Public controversy over large proposed swine confinements first emerges.
- 1997: Nebraska Supreme Court rules that farrowing cooperatives violate Initiative 300 (*Pig Pro Non-stock Cooperative v Moore*, 253 Neb 72).
- 1997: Strengthening of Department of Environmental Quality (DEQ) livestock waste control permitting regulations to protect groundwater and reduce phosphorous pollution.
- 1998: Interim county zoning legislation withdrawn/defeated.
- 1998: Livestock Waste Management Act adopted.
- 1998: Historically low hog prices force many small producers out of business.
- 1999: Interim county zoning legislation adopted.
- 1999: Livestock Waste Management Act amended.
- 2000: Nebraska Supreme Court rules that counties cannot regulate animal feeding operations (AFOs) without first adopting county zoning (*Enterprise Partners v Perkins County*, 260 Neb 650).
- 2002: Nebraska Supreme Court rules that counties may zone AFOs (*Premium Farms v Holt County*, 263 Neb 415).
- 2002: Nebraska Court of Appeals rules that livestock odors can reduce residential property values (*Livingston v Jefferson County*, 10 NebApp 934).
- 2002: Nebraska Court of Appeals rules that county officials violated open meeting requirements in granting zoning permit for dairy near trout stream (*Alderman v Antelope County*, 11 NebApp 412).
- 2003: Nebraska Supreme Court ruled that city of Alma could regulate AFO in order to protect community water supply (*State ex rel Alma v Furnas County Farms*, 266 Neb 558).



2003: Livestock friendly counties legislation adopted.
2003: Concern regarding the effect of county zoning regulations on livestock expansion has led to the formation of the “Nebraska Agriculture Industry Partnership,” a wide ranging coalition of livestock industry supporters endorsed by Gov. Mike Johanns and Rep. Tom Osborne.

In this same time period the number of zoned counties in Nebraska has more than doubled from 32-34 to at least 80. Most newly zoned counties adopted zoning in order to control whether large AFOs could locate within the county. Several proposed AFOs have been denied county zoning permits.

Livestock supporters have fought back with an unsuccessful 2002 legislative attempt to study the economic importance of the livestock industry in Nebraska, in adopting 2003 livestock friendly county legislation and in forming the Nebraska Ag Industry Partnership to promote livestock development within Nebraska.

There is no doubt that livestock development is economically beneficial to Nebraska. However, widespread public opposition to new AFOs will continue to that development. Following are a list of issues that should be addressed for livestock expansion to become feasible.

1. Clarify relationship between state and local AFO regulatory authorities. The 2003 *Alma* suggests that zoning and other AFO regulations adopted by cities and counties will not be enforced if they conflict with state law, specifically the Livestock Waste Management Act and DEQ livestock waste control regulations. Once it becomes clear that counties cannot e.g. deny AFO zoning permits because of water quality concerns, county AFO zoning disputes will be narrowed to issues that counties legitimately can address, such as odor and setbacks.

2. Public education regarding AFO environmental impacts. Many AFO critics contend that DEQ AFO regulations inadequately protect water quality. In fact, corn production has historically been a more significant source of groundwater pollution in Nebraska than livestock production. Conclusions from existing research regarding pollution from livestock waste facilities should be widely disseminated so that AFO water quality debates can be conducted on a less emotional basis.

3. Odor footprinting techniques should be developed and evaluated for use in AFO zoning decisions. University of Minnesota researchers have developed odor footprints for swine confinements, and UNL researchers are developing footprints for open cattle feedlots. This technique has generated considerable interest within the Nebraska zoning community, and may be a way to establish a more science-based foundation for AFO zoning setback regulations.

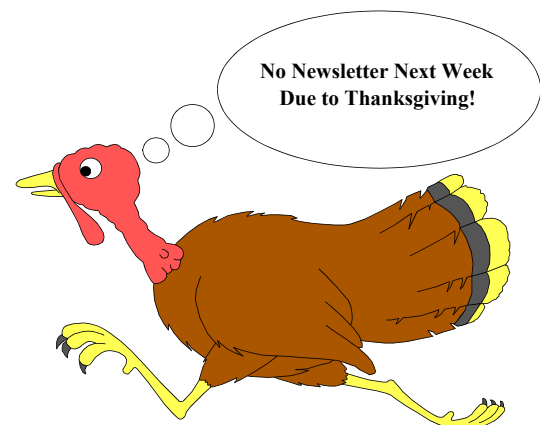
4. Counties should provide incentives for livestock operators implementing odor reduction practices and facilities. Many Nebraska counties already do this by having different setbacks for AFOs depending upon the manure handling system or processes employed. AFO operators can qualify for a smaller setback by e.g. covering manure pits or by using facultative lagoons to reduce odors.

5. Livestock operators and their allies should directly address the odor issue. Livestock odors are an inevitable byproduct of livestock production. Yet many livestock proponents act as if livestock odors don't exist except in the imagination of AFO opponents. Livestock groups should be proactive in promoting odor-reducing management practices and even regulations, but should also admit that livestock odors can be reduced but are difficult to eliminate. Pretending that odors are not a legitimate issue for discussion robs livestock proponents of the credibility they need if progress is going to be made over the current livestock development impasse.

6. Livestock advocates must accept that not all counties or all Nebraska citizens will embrace very large AFOs. It seems likely that very large livestock facilities will generate significant (and in some cases unacceptable) levels of odor, dust and flies despite the use of the very best management practices and facilities. Livestock industry supporters should acknowledge this. Failure to do so runs the risk of creating strong public opposition to *all* livestock facilities, not just the very largest ones.

Livestock production is crucial to Nebraska's economic future. But until livestock advocates become more candid about the adverse impacts of large-scale livestock production, little progress is likely to be made in promoting additional livestock development in Nebraska.

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Have A Great Holiday!!!