

CORNHUSKER ECONOMICS

Not Fully-Appropriated Basins Subject to New Well Restrictions

Market Report	Yr Ago	4 Wks Ago	4/10/09
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.....	\$88.31	\$80.07	\$86.74
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb....	115.28	112.43	116.59
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb....	99.01	94.02	97.11
Choice Boxed Beef, 600-750 lb. Carcass.....	140.91	135.70	137.71
Western Corn Belt Base Hog Price Carcass, Negotiated.....	58.05	55.41	55.93
Feeder Pigs, National Direct 50 lbs, FOB.....	38.52	*	63.49
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean.....	60.95	58.19	58.72
Slaughter Lambs, Ch. & Pr., Heavy, Woaled, South Dakota, Direct.....	91.87	93.75	93.62
National Carcass Lamb Cutout, FOB.....	253.37	247.01	250.51
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Imperial, bu.....	8.84	5.20	4.93
Corn, No. 2, Yellow Omaha, bu.....	5.51	3.83	3.77
Soybeans, No. 1, Yellow Omaha, bu.....	12.71	9.09	10.04
Grain Sorghum, No. 2, Yellow Dorchester, cwt.....	9.45	5.82	5.71
Oats, No. 2, Heavy Minneapolis, MN, bu.....	3.79	1.93	2.03
<u>Feed</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.....	135.00	190.00	190.00
Alfalfa, Large Rounds, Good Platte Valley, ton.....	85.00	77.50	77.50
Grass Hay, Large Rounds, Premium Nebraska, ton.....	82.50	85.00	85.00
Dried Distillers Grains, 10% Moisture, Nebraska Average.....	160.00	128.00	130.00
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.....	62.87	48.62	49.00
*No Market			

On April 8, 2009, the Nebraska Department of Natural Resources (DNR) determined that the Lower Platte River Basin was not fully appropriated. On April 6, 2009, Nebraska Governor Heineman signed LB483, which established procedures to limit new irrigation development in areas like the Lower Platte Basin. This newsletter discusses these developments.

How does the DNR determine whether a basin is fully appropriated or not? Procedurally, the DNR makes a preliminary determination whether all river basins not already designated as fully appropriated or over-appropriated should be designated fully appropriated.

When was this preliminary determination for the Lower Platte Basin? December 16, 2008.

What natural resource districts (NRDs) would have been affected by this designation? Fifteen NRDs in all: Upper Niobrara-White, Middle Niobrara, Lower Niobrara, Lower Niobrara, Upper Loup, Twin Platte, Lower Loup, Central Platte, Upper Big Blue, Upper Elkhorn, Lower Elkhorn, Lower Platte North, Lower Platte South, Lewis & Clark and Papio-Missouri River.

The NRDs with the largest affected area are the Upper Loup (Thedford), Upper Elkhorn (O'Neill), Lower Loup (Ord), Lower Elkhorn (Norfolk) and Lower Platte North (Wahoo). See map on next page or Attachment B in:

http://www.dnr.state.ne.us/LB962/AnnualReport_2009_Final_Report_04-08-09.pdf

What happens when the DNR makes a preliminary determination that a basin is fully-appropriated? The most dramatic thing that happens is a ban on new wells pumping more than 50 gallons per minute.

What happens if the DNR reverses the preliminary determination of a basin's being fully appropriated? Before LB483, the basin would have been open to new wells. Due to a fear that this could lead to panic well-drilling, LB483 establishes a process for limiting the number of new wells that can be drilled.

How does LB483 limit new well drilling? When the DNR reverses the preliminary determination that a basin is fully-appropriated, the well bans stay in place. The affected NRD (or NRDs) have 120 days within which to adopt a four-year plan to limit the number of new wells so that the basin stays not fully appropriated.

What is the DNR role in this process? The DNR reviews the proposed NRD plan to limit the number of new wells to keep the basin not fully appropriated. If the DNR does not approve the NRD plan within 60 days, the annual number of new wells is limited to irrigating no more than 2,500 new acres (about 18-19 pivots), or increasing existing irrigated acres no more than 20 percent, whichever is less.

In addition, the basins where the DNR reversed a preliminary determination of being fully appropriated will continue to be reviewed each year by the DNR, to determine whether or not they are fully appropriated.

How might NRDs limit new well installation? LB483 only requires that the NRD plan keep the NRD in not fully appropriated status. NRD media comments suggest that some NRDs may simply not grant well drilling permits on a first come, first serve basis.

The Upper Elkhorn NRD suggests that well drilling permits will be evaluated on a point system. Bonus points will be given where the operator agrees to install a water meter or to maintain grassed waterways. Negative points could be given where shelterbelts would be torn out to make way for a center pivot irrigation system, or if the well is in an area with high-nitrate ground water readings and a high ground water table.

The Lower Platte North NRD suggests that a well might not be approved to irrigate steep land subject to erosion.

Where can I get more information? Contact your local NRD. NRD contact information is available at http://www.nrdnet.org/nrd_guide/find_nrd.html

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