The dry conditions that began in May and then escalated into a drought of historic proportions is the state's top agriculture story of 2012, Nebraska Farm Bureau said in releasing its annual list of the top five Nebraska agriculture news stories of the year.

"The drought has gripped Nebraska from border-to-border and every farmer and rancher in the state has been impacted in some form or fashion," said Steve Nelson, Nebraska Farm Bureau president.

"It was and is still clearly on the minds of our members as they look at the prospect of continued drought into 2013," he said.

The drought created challenges across the different segments of agriculture with Nebraska's livestock farmers feeling the tightest squeeze of the 2012 drought. Drought conditions decimated grazing lands used by farmers and ranchers to sustain cattle herds and left areas in central and western Nebraska to battle wildfires that destroyed pastures, fences and homes.

The drought also created shortages in other forages and field crops used to feed livestock, such as corn and soybeans where statewide total yields were down significantly from 2011 levels.

"The shortage in feed supplies for livestock put cattle, pork, poultry and dairy farmers in the position of having to make difficult decisions about their farms and ranches as feed costs escalated due to the drought conditions. Many farmers had to choose whether to purchase higher priced feeds to try and maintain livestock numbers or to reduce or liquidate livestock numbers altogether," Nelson said.

For those raising field crops, the 2012 drought brought its own issues.

Farmers without access to irrigation watched crops wither away resulting in total losses or significant yield reductions. Those with access to irrigation were able to raise crops, but not without major increases in energy costs, as the irrigation season was prolonged due to the lack of moisture.

The other top five stories, in no specific order, are:

• The U.S. Department of Labor withdrawing proposed regulations on children working on farms. In April, the U.S. Department of Labor pulled a proposed regulation that would have significantly limited and prevented some of the most basic of activities associated with children working on American farms and ranches.

"The fact that agriculture interests, particularly here in Nebraska, were able to come together to make their voice heard in Washington was clearly a win for farm and ranch families across the country. It was also a win for anyone who is interested in making sure there is a next generation of farmers and ranchers who have the know-how to raise our food," Nelson said.

• Nebraskans elect farmers and ranchers to key leadership positions. In November, Nebraska voters elected Cherry County rancher and state legislator Deb Fischer to the U.S. Senate to replace the departing Ben Nelson (D-NE). Nebraska voters also elected two farmers to the University of Nebraska's Board of Regents. Voters elected Lavon Heideman, a farmer from Elk Creek, to the District 5 seat and Jim Pillen, a pork producer from Columbus, to the District 3 seat.

"Given that farmers and ranchers represent less than two percent of America's population, but provide the bulk majority of our food, it is extremely important that we have people in leadership that can relate and understand agriculture issues and bring an agricultural and rural perspective to Washington D.C. and to our state's land grant institution," Nelson commented.

• The failure of Congress and the President to pass a new-five year Farm Bill.

"The fact that Congressional leadership in Washington has not come together to pass a farm bill is extremely disappointing. Passage of a farm bill is critical to restoring disaster programs that will help livestock farmers coping with the drought. A farm bill rooted in a strong crop insurance program that helps farmers deal with managing their risk is equally critical," said Nelson.

• Uncertainty surrounding federal tax policy affecting farm and ranch families. Numerous tax provisions of interest to agriculture were set to expire at the end of 2012 including estate taxes, capital gains taxes, personal income tax rates, renewable energy tax credits and many other tax deductions that affect farmers.

"Everyone has and continues to hear about the fiscal cliff, but failure to come to a resolution on some key tax issues like estate taxes and capital gains taxes has the ability to significantly alter the landscape of agriculture. Particularly for farm and ranch families that are looking to bring family members back to the farm or for older generations looking to transfer their farm to the next generation," Nelson said.