

MINUTES  
**SENATE AGRICULTURAL AFFAIRS COMMITTEE**

**DATE:** Tuesday, March 07, 2017

**TIME:** 8:00 A.M.

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Rice, Vice Chairman Den Hartog, Senators Patrick, Guthrie, Johnson, Thayn, Foreman, and Jordan

**ABSENT/ EXCUSED:** Senator Bayer

**NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENED:** **Chairman Rice** called the meeting of the Senate Agricultural Affairs Committee (Committee) to order at 8:00 a.m.

**MINUTES APPROVAL:** **Senator Thayn** moved to approve the Minutes of February 21, 2017. Seconded by **Vice Chairman Den Hartog**. The motion carried by **voice vote**.

**Senator Foreman** moved to approve the Minutes of February 23, 2017. Seconded by **Senator Jordan**. The motion carried by **voice vote**.

**PRESENTATION: University of Idaho - College of Agriculture - Research Extension, Dr. Barbara Petty, Ph.D.**, Associate Dean and Director of the Extension, opened her presentation stating that she grew up on a family farm in Nebraska the family farm is now in the hands of the seventh generation of their family to be in production agriculture.

On July 2, 1862 President Lincoln signed the Moral Act creating the Land Grant University System. President Lincoln recognized the need for an educated populace to become the powerful nation he envisioned the U.S. to become. Now the general public could earn a degree. The University of Idaho (UI) is a Land Grant University; after the university was established UI Board recognized there was a need for research to be done out in the State in the areas of agriculture. The Hatch Act was signed in 1887, creating the agricultural experiment stations. Then there needed to be a vehicle to get the results of the research delivered to the general public. With the signing of the Smith Lever Act in 1914 cooperative extension system was created. Idaho had the first extension agents in the nation in 1913 in Ada and Canyon County. Idaho is a part of the nationwide cooperative extension system that has offices located in 3,000 counties throughout the U.S. UI Extension System has its home within the College of Agricultural and Life Sciences. The cooperative extension partnership is funded by county, federal, and state government. The county government supplies extension offices and support staff, operating expenses, and capital outlay. The federal government, through the Smith Lever Act provides some salary, operating expenses, and capital outlay, but it requires matching funds and the state government provides those funds. In addition, there is \$9 million in external funding that supports extension faculty projects. UI Extension invests in the community through research education in areas of expertise in agriculture, community development, family consumer sciences, natural resources, and youth development.

UI Extension Offices have a statewide presence in 42 counties across the State, located on three Indian Reservations, and nine research and extension centers.

The staff must have masters degrees for positions of county extension area educators, which has allowed the faculty to focus more in one area.

Oftentimes the extension offices are thought of as being very broad in what they address, but with these area educator positions allows UI to be more specific in some of the programming they offer. The area extension educator positions require more scholarship of the faculty and have become a career ladder for that faculty. The UI has Specialist Faculty positions which require a Ph.D. and they have joint appointments between research and extension. These positions are located at the four Research and Extension Centers. UI has four District Administrators, one of their administrators is the State 4H Director, and UI is in the process of hiring an associate director position for the Boise Extension Office.

Across the State the UI has 60 program coordinators, extension associates, and a volunteer base of over 4,000 4H members plus another 1,000 regular volunteers (see Attachment 1). The Extension Centers teach classes and hold potato conferences, cereal schools, hay and forage conferences, sugar beet conferences, beef quality assurance, pesticide safety, farm management, and in 36 counties the foods and nutrition conference. The classes have allowed UI Extensions to reach 360,000 direct face to face teaching contacts through classes. UI does work on one on one consultations when individuals bring samples of items into the extension centers for help. UI has 93 Peer Reviewed Extension Publications, which are designed specifically for the consumers; the publications also include water and forestry issues. One of the new educational tools that the UI Extension has developed is the "Night of the Living Debt" an iPad game that the Youth Financial Literacy Educators have partnered with other states to teach the youth how to build their credit score through using a credit card properly. This particular program has won some International Awards in the area of gaming and it was developed in Idaho.

The 4H is part of UI Extension in reaching 60,000 youth across the State and the volunteers help with the delivery of this program. There are 4H Clubs, in and out-of-school programming, special education projects, and camps. Youth is gaining experiential experiences through working with the hands-on 4H Programs. A Tuft University study found that 4H Youth were four times more likely to make positive contributions to their communities. They found that girls that are in the twelfth grade will be twice as likely to choose to participate in science activities in after school programs.

**Dr. Petty** reported that when she took over leadership a "Needs Assessment" was conducted for the Extension System. They proceeded to survey the faculty, staff, and conducted listening sessions that involved the public to acquire their input on what they wanted from the UI Extension System. This survey will inform the UI Strategic Plan as the university moves forward. University of Idaho Extension has been around for over 100 years but they are not growing old. With the Legislatures continued support UI is finding new ways to solve the problems of the State. Learning how to use new technology moving forward in helping people in Idaho learn how to solve their problems.

**Senator Johnson** asked what kind of extension work is being conducted at the UI Parma Extension Center. **Dr. Petty** replied that the Parma Extension primarily works on crops; the Pomology Fruits Field Day; on onions; and The Nancy M. Cummings Ranch is a full-fledged working ranch. The Kimberly Extension promotes research in sugar beets and irrigation systems. The Aberdeen Extension Center performs research in potatoes, barley, and wheat. The extensions research is then delivered out to the local communities.

**Senator Rice** asked how many research projects are currently in the system of the UI Extension Centers. **Dr. Petty** answered that these Centers have 66,000 different plots throughout the State and over 100 other research projects in the livestock area.

**PRESENTATION: Idaho Wheat Commission (IWC), Blaine Jacobson**, Executive Director, commenced the annual report for the Idaho Wheat Industry by informing the Committee that wheat is grown in 42 of Idaho's 44 counties and wheat is the fourth largest commodity in the State. The budget for FY 2017 is \$3.4 million with about half of this money spent on research. The bulk of the research money goes to the UI, a quarter of the budget to market development, and a quarter to grower education. Since the year 2000 the Wheat Commission has spent \$1 million for equipment and infrastructure for the UI.

About half of Idaho's wheat is exported. In 2016 Idaho growers had a record yield of 91 bushels of wheat per acre, highest in the nation due to the States irrigation. Idaho has a higher percentage of land under irrigation than any state except for California. Last year the U.S. had a record yield in wheat along with Argentina, Australia, and the Black Sea area. The graph of production worldwide, (see Attachment 2) shows that the last four of five years have been record production. The winter wheat crop has been seeded and it is the lowest acreage planted in the last 100 years because of these yields. IWC expects the 2018 crop to be one of the largest ever. Wheat export is important to Idaho with 50 percent of the crop going to world markets. About 50 percent of U.S. agriculture production is exported. One of the goals of the new presidency is to lower the trade deficit and agricultural exports is one of the ways that is accomplished. Idaho wheat gets a lot of interest from buyers because the wheat farmers produce the most consistent wheat crop of any wheat growing state; due to the irrigation of the crop. IWC hosts four trade teams a year from overseas and visits the domestic mills.

IWC anticipates that the pressure to remove the dams is abating for the Columbia and Snake River system. The federal judge has asked that a new biological opinion be prepared. The benefits of these dams for water storage, transportation, and electricity are a huge benefit to our State. Nearly all of the wheat that is grown north of the Salmon River goes by barge through the lower Snake River Dams to the Port of Portland. About 10 percent of the U.S. crop goes through the lower Snake River Dams; half of the wheat that is exported out of the U.S. goes through the Port of Portland. The Columbia Snake River System has four dams on each river and each dam lock requires maintenance. The fish recovery rates are up (see attachment 2). The juvenile survival rates through the eight dams are between 95 and 98 percent, hitting record levels.

At the winter meeting in Washington D.C. IWC made a visit to Agricultural Research Service (ARS) and asked for \$1 million for the Pullman ARS facility and \$2 million in National Institute of Food and Agriculture (NIFA) grants to be spread out over Idaho, Oregon, and Washington for research. These funds are to improve the current wheat starch test for accuracy and speed.

Every state has commodity commissions whose purpose is to promote the commodity, represent the growers, and to build the industry. It is standard for the check off that the list of producers are collected at the first point of purchase, which in Idaho is the grain handler. Over the past year IWC has researched enabling legislation finding several references in code for the use of the grower list in Idaho Code § 22-3309 (2)(a) improved grower education, research problems that wheat growers are having in growing their wheat; Idaho Code § 22-3309 (2)(e), instructed to conduct periodic referendums of the wheat growers; and Idaho Code § 22-3309 (2)(i), performance of duties. When IWC was established in 1959 the administrative rules were set-up like the administrative rules for most other commodity commissions.

The provision was in the rules for IWC to receive grower names and addresses at the first point of purchase. This provision was removed from the rules in the early 1970's, through a situation that took place between IWC, Idaho Grain Producers Association, (IGPA), the Legislature, and the Governor. Prior to 1970 the IWC and IGPA had a single administrator that handled both the association and commission. A governor was elected that appointed positions to people of his political party. The pressure was put on the commissioners and the administrator was removed from the IWC. This action made the Legislature mad. The Legislature and IGPA removed the provision in the rules that allowed IWC to receive the grower lists. Next year IWC will bring rules to reinstate the original language in order to enable IWC to comply with the statute. The growers names and addresses are kept confidential under Idaho Code § 74-107, subsection 7. This current legislative glitch puts Idaho at a disadvantage to other wheat growing states. Idaho is the only state among the wheat growing states that does not receive a growers list.

The rule changes concerning this list was in the 2017 Committee's rule book for consideration. These rule changes were withdrawn until 2018 session rules review at the urging of two elevator operators in eastern Idaho. There was a request that language be placed in the rules that a schedule for every IWC meeting would be provided so that a couple of elevator owners could be present at these meetings. An additional rule request was for Big D Ranch for the establishment of an annual cereal school which would be sponsored by IWC.

**Mr. Jacobson** concluded his presentation by showing a video that IWC had created to target millennial customers. IWC created four videos highlighting different wheat growers to educated this audience about the wheat that is grown in Idaho.

**Senator Thayn** stated that he was fascinated by the slide that showed wheat production up record levels in the last four of five years. This seems to be in stark contrast to some of the global climate change concerns. **Senator Thayn** observed that CO2 levels are rising and asked what impact does this have on wheat production. **Mr. Jacobson** answered that the higher the CO2 levels the more plants will grow. He has been told by people who study the historical records that during times of high CO2 plant life has been abundant on earth. Climate cycles go up and down and he believes the U.S. is in a warming trend. IWC observes wheat production moving farther north; Montana used to grow hard red spring wheat but changed five years ago to growing hard red winter. Wheat production is moving farther into Canada. There is more corn grown in North Dakota then there is wheat and that state use to be a wheat production state. These crop changes are developing as the climate changes.

**Senator Guthrie** pointed out that there has been a lot of push back on this grower list. **Senator Guthrie** commented they he has attended meetings where the elevator operators are pushing back on providing these lists. In the IWC presentation there is a slide that made this situation sound benign. **Senator Guthrie** observed there is certainly some apprehension concerning the grower lists. **Mr. Jacobsen** explained IWC brought this rule amendment forward last year to bring the rule in conformance with the statute. Because IWC was reinstating rules that had been in place before, IWC did not expect push back. Several questions came up and the IWC was unaware of the governor action in the 1970's which changed the provision of these grower lists. IWC found statute that shows that the grower list is protected and that statute requires IWC to do a referendum. The elevator operators have been accustomed to not providing the lists for the last 40 years. One of elevator operator's objection to the rule change is that they have grown accustomed to being the means of communication to the growers. One of the concessions IWC has provided to the elevator operators is that IWC will run their communications past the operators before the information is sent out to the grower. IWC has managed to convince the elevator operators that IWC will not do things that are detrimental to their interests. **Mr. Jacobson** is confident that if there are enough meetings and they take the growers through the list requirements and protections several times then they will understand the reasons for the amendments to the rules.

**Chairman Rice** asked if the furor over dam removal is starting to die down. **Mr. Jacobson** replied that IWC believes that the State of Idaho needs to remain vigilant. IWC was concerned that at the end of the last federal administration an attempt would be made, through an executive order, to stop funding the dams. For the dams to come out it will take an act of U.S. Congress, but the president could put out an executive order that would stop funding the dams for upkeep.

Fortunately, the delegations in Washington and Oregon are solidly behind the dams and they were the same party as the outgoing administration. **Mr. Jacobson** looks at the actions that the activists are taking, which are a very vocal minority, to target the millennial generation to convince them that when they get into decision making roles they could be persuaded to remove the dams. IWC is working hard to target these millennials to educate them on the importance of these dams. **Chairman Rice** stated that one of the problems is Idaho gets out a lot of the information about the amount of power produced, water storage, and transportation provided by the dams. The attack has been on claiming that the fish will be saved if the dams are removed and yet between 2002 and 2011 average wild Chinook Salmon populations have tripled; average wild Steelhead have doubled but this information on fish trends is not getting out to the public to change their perceptions. This information is useful for organizations that have a stake in keeping these dams open. It is important for the public to know that the improvements that have been made to the dams for the fish population have worked. **Mr. Jacobson** responded that one of the goals that IWC has made is that every presentation IWC makes will provide points on the dams and the success story of the fish repopulation.

**ADJOURNED:** There being no further business, **Chairman Rice** adjourned the meeting at 9:15 a.m.

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Senator Rice  
Chair

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Carol Deis  
Secretary