

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 26, 2019

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Guthrie, Vice Chairman Den Hartog, Senators Patrick, Harris, Mortimer, Lent, Bayer, Jordan, and Nelson

ABSENT/ EXCUSED: None

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 Guthrie** called the meeting of the Agricultural Affairs Committee (Committee) to order at 8:00 a.m.

NOTE: Vice Chairman Den Hartog was not present at this time to approve minutes.

PRESENTATION: **Idaho Wheat Commission (IWC). Blaine Jacobson**, Executive Director, IWC, stated that the IWC is a self-governing state agency created in 1959. It is funded by a .035-cent assessment and is made up of a board of five wheat producers. **Mr. Jacobson** explained the IWC's budget allocation for fiscal year (FY) 2019. The IWC's mission is to maximize profitability for Idaho's wheat producers by investing funds in market development, research, information, and education. **Mr. Jacobson** explained that the vision of the IWC is to work to keep Idaho a premier wheat-growing state and to make Idaho wheat the preferred choice of domestic and export customers. **Mr. Jacobson** also explained the global and domestic stock prices of wheat and what that means for Idaho. Some of the worries on the horizon for the IWC are the market uncertainty due to the Trans-Pacific Partnership withdrawal and trade tariff talk, Russia's drive to grow and export wheat, new challenges to lower Snake River dams, and U.S. agricultural research dollars falling behind Chinese and private global companies. **Mr. Jacobson** concluded with an overview of the IWC's plans to construct a new building that is more compatible and up-to-date.

DISCUSSION: **Vice Chairman Den Hartog** asked Mr. Jacobson if the IWC would be the only agency contributing to the cost of the new building and if the IWC leases out space in their current building. **Mr. Jacobson** answered that the IWC owns the current building and leases out space, and that they are talking with potential partners to share the cost of the new building.

MINUTES APPROVAL: **Vice Chairman Den Hartog** moved to approve the Minutes of January 31, 2019. **Senator Mortimer** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: Idaho Apple Commission (IAC). **Candi Fitch**, Executive Director, IAC, that it was reported, for the 2018-2019 apple season, that the early season apples were of fair quality due to the excessive heat in August. However, late season apples were higher quality as the normal temperature patterns returned in September and October. **Ms. Fitch** explained that the apple industry, as with most, is plagued with a major labor shortage. The growers and packers are using the H2A visa program, as well as the inmate program, to supplement labor crews. **Ms. Fitch** also explained the structure of the IAC. **Ms. Fitch** also briefly explained some of the promotions and outreach programs the IAC uses to educate and advertise in order to raise business for the apple industry in Idaho. **Ms. Fitch** also covered the IAC's 2018-2019 financial statement, as well as its 2019-2020 proposed budget.

DISCUSSION: **Senator Patrick** asked Ms. Fitch how much reserves the IAC has in dollar amount. **Ms. Fitch** answered that the IAC has a limited reserve but they try to keep at least half of the budget in reserves.

Senator Nelson asked where the majority of the apples are grown in Idaho. **Ms. Fitch** answered that the majority of Idaho's apples are grown in the Treasure Valley.

PRESENTATION: Idaho Cherry Commission (ICC). **Candi Fitch**, Executive Director, ICC, explained that the 2018 cherry season was a struggle. With heavy rains in June, and the China Tariffs, many cherry shippers and producers lost a large amount of money. **Ms. Fitch** explained that with the struggles with U.S.-China trade relations, cherries went to Taiwan, which lowered prices. **Ms. Fitch** also explained the structure of the ICC, with its commissioners, memberships (both regional and local), and the promotional ideas which help maintain the cherry industry in Idaho. **Ms. Fitch** concluded with an explanation of the ICC's 2018-2019 financial statement, as well as their 2019-2020 proposed budget.

DISCUSSION: **Senator Patrick** asked Ms. Fitch why there was a disparity between the 2018-2019 and the 2019-2020 Mexican cherry inspection line item. **Ms. Fitch** answered that the ICC hasn't used that line item in several years.

Senator Bayer asked Ms. Fitch why the ICC only uses Albertsons and Wal-Mart to promote their cherries and why they don't utilize other stores to promote. **Ms. Fitch** answered that there is no limitation on promoting and that they are trying to utilize other stores.

ADJOURNED: There being no further business, **Chairman Guthrie** adjourned the meeting at 8:40 a.m.

Senator Guthrie
Chair

Jacob Garner
Secretary