

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 02, 2021

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Burtenshaw, Vice Chairman Bayer, Senators Patrick, Den Hartog, Johnson, Zito, Ricks, Nelson, and Rabe

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

PRESENTATION: University of Idaho - College of Agricultural and Life Sciences Update. **Michael P. Parrella**, Dean, University of Idaho (UI), College of Agricultural and Life Sciences (CALs), gave an overview of his presentation. He expressed his gratitude to the Idaho State Legislature (Legislature) for its partnership and support. **Dean Parrella** detailed the status of CALs in terms of numbers (see Attachment 1). He recognized CALs's remarkable educators and specialists who implement their programs. These programs have positive impacts on the community Statewide. On the other hand, he affirmed that significant numbers of undergraduates and graduates fell short of the expectation. Thus, CALs's main priority in 2021 is to promote the campus and the college.

Dean Parrella mentioned that CALs encompasses several academic departments, and one of them is the Department of Agricultural and Extension Education (the Extension Department). This department focuses on training agricultural teachers and educating students to be the future leaders of agriculture. He also detailed their initiatives in recent years. He emphasized that these projects enhance teaching, research, and outreach activities to better support and serve Idaho community, and Idaho's agricultural and life sciences industries. He added that funding for the projects came from different private foundations, stakeholders from the agricultural and livestock industries, industry associations, agribusiness, private growers, and legislative support. (Refer to Attachment 2 for the lists of CALs's initiatives.)

Dean Parrella also cited CALs's goals in recent years: to hire and support new faculty; to inspire, incentivize and retain current faculty; to improve research and educational facilities; and to partner with the Legislature, community organizations, foundations, and other federal agencies.

According to Dean Parrella, one of the biggest and ongoing projects at CALS is the Idaho Center for Agriculture, Food and the Environment (CAFE). He pointed out that this will be the country's largest and most advanced research center targeting the dairy and allied industries. Through applied research, teaching, and the Extension Department, the CAFE will be a sustainable agriculture system focused on providing global solutions to ongoing issues facing agriculture, food, the environment, and society for years to come. He highlighted that one of its goals is to contribute to the UI's goal in achieving Research 1 or world-class research university status. His comprehensive discussion of the CAFE includes its components, time line and fundraising progress (see Attachment 3). Lastly, Dean Parrella announced that CALS recently received a \$2 million gift from Northwest Farm Credit Services. This will benefit major researchers, educational programs, and scholarships.

DISCUSSION: **Chairman Burtenshaw** asked about the funding for the CAFE's daily operations and manpower costs. **Dean Parrella** responded that the CAFE's initial planning phase included a feasibility study of the cost of the facility, how much to build it, and its operational cost after it was built. He affirmed that the big part of the funding for its daily operational cost will come from sales of milk while some will be coming from a UI partnership grant.

Senator Nelson asked about CALS's position and efforts in the new administration regulations in the agricultural industry, what the Legislature can do to help support such efforts, and the effects of the COVID-19 pandemic to its personnel issues.

Dean Parella replied that it is CALS's goal to become competitive with other bigger universities in receiving funds from the federal government. Furthermore, he said he will ensure that CALS is in line with federal initiatives and will adapt to any changes that may come. He thanked the Legislature for its continuous support, but he also said that he anticipates that there would be upcoming projects that need more engagement from the Legislature. He acknowledged that there was a slowdown of hiring academic faculty. There were also some retirements from professors, and those positions wouldn't be filled due to lack of resources. He lauded the exceptional faculty members who have stepped up and absorbed some of the classes that were left vacant.

Senator Johnson asked if CALS's financial needs analysis (FNA) can be used as a recruitment tool. **Dean Parrella** disclosed that CALS is in discussions with UI's new research and economic development vice president, Chris Nomura, on a proposal for a more effective and efficient way to use FNA as an incentive. Those incentives would include tools to generate more grant offers, issues concerning retention of faculty, and recruitment problems.

In response to a question from Senator Ricks, **Dean Parrella** reported that CALS initiatives create economic value for the State of Idaho by attracting new grants both nationally and internationally. Moreover, CALS researches and develops production techniques that would increase the efficiency and revenue of the agriculture industry. He indicated that some research cannot be directly quantified, but emphasized that CALS' research and outreach activities yield an added income to the State due to the increased activities in their facilities.

PRESENTATION: Financial Condition of Idaho Agriculture. **R. Garth Taylor, Ph.D**, economist, extension specialist, and associate professor, UI, Department of Agricultural Economics and Rural Sociology, gave an overview of Idaho agriculture and how it fits in with the Idaho economy. He stated that agriculture in Idaho is an engine for growth. He also reported that Idaho's economy is one of the smallest in the country, however it is the fifth-largest agriculture economy in the nation in terms of gross domestic product (GDP). He explained that Idaho's GDP is driven by exports, and one of every five dollars in sales is either directly or indirectly created by exports from agribusiness.

Dr. Taylor provided informative explanation of the effects of the pandemic in the supply and demand of agricultural products and how it disrupted the supply chain. Despite its negative impact, Idaho agriculture increased by 6 percent in cash receipts, second highest in the recorded history of the State. He showed a graph of Idaho cash receipts in 2020 (refer to Attachment 4), and pointed out that Idaho's agriculture is largely driven by livestock. As indicated in the graph, milk is the top source of the State's cash receipts, followed by the sale cattle and calves. **Dr. Taylor** noted that most of Idaho's agricultural revenue comes from exports of milk and potatoes to Mexico and Canada. He presented a line graph (see Attachment 5) to demonstrate the cash receipts' growth rate of Idaho versus the nations since 1997.

Net farm income reflects the difference between total revenues and total costs, as explained by Dr. Taylor. He told the Committee that the net farm income for 2020 increased by 38 percent over the previous year, and part of it comes from federal government subsidies. Nevertheless, those payments contributed only a small percentage to Idaho's net farm income.

DISCUSSION: In response to Senator Den Hartog's query, **Dr. Taylor** emphasized the federal government payments in 2020 topped 18 percent of the Idaho net farm income, and was close to 40 percent of U.S. net farm income. Regardless, Idaho net farm income would still be in a record high even without government payments.

PRESENTATION: **Dr. Taylor** continued his presentation with a discussion about Idaho agriculture's GDP. He explained that GDP measures the prosperity and wealth of an economy. He showed through a graph that Idaho agriculture grew 200 percent compared to the State, which only grew 100 percent. He also compared Idaho's farming GDP growth to Northwest neighboring states. His graph shows that Idaho farming has grown 100 percent more than Washington, and 200 percent more than Oregon, since 1997. He said the growth is related to the composition of agriculture in the three states, as well as the way Idaho has promoted its agriculture (refer to Attachment 6). In closing, **Dr. Taylor** stated that Idaho's agricultural industries will continue to grow in the coming years.

DISCUSSION: **Chairman Burtenshaw** expressed his appreciation to agricultural industries on their positive impact to the economy of the State.

ADJOURNED: There being no further business at this time, **Chairman Burtenshaw** adjourned the meeting at 9:29 a.m.

Senator Burtenshaw
Chair

Rellie Wisdom
Secretary