

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** Thursday, February 21, 2013
- TIME:** 8:00 A.M.
- PLACE:** Room WW53
- MEMBERS PRESENT:** Chairman Bair, Vice Chairman Guthrie, Senators Brackett, Tippetts, Rice, Patrick, and Buckner-Webb
- ABSENT/ EXCUSED:** Senators Nonini and Durst
- 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 Bair** called the meeting to order at 8:02 a.m.
- MINUTES:** The committee reviewed the minutes from February 5, 2013.
- MOTION:** **Senator Tippetts** moved to approve the minutes from February 5, 2013. **Senator Buckner-Webb** seconded the motion. The motion carried by **voice vote**.
- INTRODUCTION:** **Chairman Bair** introduced **Rick Waitley**, Executive Director of Leadership Idaho Agriculture, who presented the students of the Leadership Idaho Agriculture Class of 33. Each student gave their name and a brief background of themselves. **Mr. Waitley** also acknowledged Senator Patrick as being a graduate of the program.
- PRESENTATION:** **Chairman Bair** introduced **Frank Muir**, Executive Director of the Idaho Potato Commission, who presented the Annual Report. He thanked the senators for attending the legislative dinner last month, and invited them and any guests to come to the office to get a more in-depth overview of the marketing programs done both domestically and internationally. He also thanked the senators for support of the commission's efforts to protect their trademark in the country of Turkey.
- Mr. Muir** focused his presentation on two pages from the financial report for year end August 31, 2012. Revenue, collected from an assessment (potato tax) of four cents per hundredweight, was up \$573,118 due to a higher yield of potatoes. They received two agricultural grants totaling \$195,345, for both domestic and international work. Total revenue was up \$779,352. The budgeted expenditures were under spent by \$25,246.
- Two incremental expenditures for \$750,000 needed for the launch of the Big Idaho Potato Truck (potato truck) and the Famous Idaho Potato Bowl would not need reserve money to cover the costs because additional revenue was collected from the higher yield in crops. The increased revenue and decreased expenditures put the commission ahead by \$804,598, and as a result, they were able to put \$54,598 back into the reserve fund.
- Mr. Muir** said there are currently 344,000 acres planted, up 20,000 acres from last year. This increase creates challenges for the farmers and shippers in moving their crops, so additional programs to help with transportation have been added by the commission. The budget also reflects that no money would be used from the reserves, however, due to popular demand, the potato truck is going back on the road, and the commission has approved \$500,000 to do this. A three month reserve of \$2.5 million to \$3 million is typically held by the commission. The current reserve balance as of today is \$2 million due to the large payments just made on bills.

Supporting documents related to Mr. Muir's presentation have been archived and can be accessed in the office of the Committee Secretary. (See attachment 19)

PRESENTATION: **Chairman Bair** introduced **Lorrell Skogsberg**, Chairman of the Idaho Bean Commission. He thanked the committee for the opportunity to present the annual report, and introduced his coworkers in attendance.

Mr. Skogsberg talked about their mission and their marketing and research promotion objectives. They promote Idaho edible bean and seed, support research concerning disease, pest, cultural practice and breeding, conduct biennial grower education workshops at their two seed schools in the Treasure Valley and Magic Valley, educate consumers, and monitor policies.

Part of the commission's revenue comes from a 12 cent per hundredweight tax levied on growers and dealers. They also rely heavily on grants. Over half of their expenditures are grant funded. **Mr. Skogsberg** said the projected budget summary (cash statement) for fiscal year 2013, has reserves of \$385,147, expected bean tax receipts and other income of \$210,900 for a total \$596,047. The projected expenses of \$161,196 and the grant expenditures of \$145,744 total \$306,940. The reserve balance will increase to \$434,851. They are anticipating an increase in revenue; last year's bean market was strong, so more acres were planted. This year, there will be slight drop in acreage planted due to a price drop. The heavy crop production in 2010, saw a slight reduction in receipts due to less acres being planted. Bean acreage averages about 60,000 acres and is a fifty-fifty split between the commercial edible and seed beans. Production per acres is 42,466 acres of dry edible beans, 22,195 acres of dry bean seed and 9,452 acres of garden bean seeds.

Mr. Skogsberg told the committee there are three current grants. The 2010 Speciality Crop Block Grant of \$61,037 is for the promotion of seed and dry edibles. They have been very successful in Chihuahua, Mexico with the pinto bean promotion. They also hosted the SAGARPA Trade Mission group here in Idaho and had a very successful meeting. The 2011 Speciality Crop Block Grant of \$121,925 has been used in research and development of a Bean Common Mosaic Virus (BCNB) resistant peruano bean (yellow bean) for the Sinaloa, Mexico market. The 2012 Speciality Crop Block Grant of \$ 28,180 is for the promotion of pinto bean seed in Durango, Mexico and black bean seeds in Zacatecas, Mexico.

Mr. Skogsberg said future activities included working with the University of Idaho to explore a possible endowment for a bean breeding and/or continued research. Their strategic plan includes using a portion of their reserve towards this. They will also seek participation from industry for additional funds. Using the specialty crop block grants, they will continue their marketing efforts in Mexico, work on developing a virus resistant yellow bean, and research new application techniques and timing of fertilizers to maximize efficiency. New opportunities may be opening up in the Dominican Republic market for the cranberry bean, and they are diligently working towards developing this relationship.

Chairman Bair thanked the commission for the gift of bean soup.

Supporting documents related to Mr. Skogsberg's presentation have been archived and can be accessed in the office of the Committee Secretary. (See attachment 20 and 21).

PRESENTATION: **Chairman Bair** introduced **Traci Bracco**, Executive Director, Idaho Beef Council, who presented the annual report. Since 1967, the Idaho Beef Council has been the marketing arm for the beef producers. Their mission is to build consumer demand through programs and increase the opportunity for producer profitability.

Ms. Bracco talked about the Idaho Beef Checkoff Program which is a producer-funded marketing and research program. Money to fund the Council comes from a \$1.50 per-head fee assessed to all producers selling cattle or calves, \$1.00 per the National Beef Checkoff Program (1985 Farm Bill) and 50 cents per the State Checkoff Idaho Code § 25-2907. Under the National Beef Checkoff the Council is required to send 50 cents of the first dollar collected to the Cattlemen's Beef Board (CBB) for national programs. The remaining dollar is Idaho controlled. Of that remaining dollar, 7.5 cents goes to the Brand Department for collection, 26 cents goes to National and International programs, and 66.5 cents remains for Idaho programs. Total collections in fiscal 2012 were \$2,387,683; up \$50,000 from last year. Checkoff dollars are used toward six program areas, and can not be used for investment in production research, or to influence government policy or action, including lobbying.

In 2012, the Council reached over 500,000 Idahoans through their marketing efforts and their new outreach program using social media was implemented, resulting in the creation of two Facebook pages and online media campaigns. The Council pooled checkoff dollar resources with the Washington and Oregon Beef Councils for a tri-tip promotional event that was held at over 140 Fred Meyer stores. This event created a 296 percent increase in sales. Ongoing education promoting the nutritional value of beef is a major focus of the Council. Over 19,000 students (36 percent increase from 2011) were reached with in-school programs. They participated in medical conventions connecting with over 1,150 health professionals.

Checkoff dollars are used by the Council to invest in national programs. In 2012, \$236,000 was invested in the National Cattleman Beef Association, which included three board seats (\$64,000). The remaining balance was used to promote national level programs and product development, \$50,000 was contributed to the Federation Initiative Fund to target high population states, \$97,000 was allocated for marketing beef around the world. **Ms. Bracco** stated that the most critical challenge they are facing today is trying to keep pace with the shifts in consumer preferences and behaviors and the impact this has on the beef industry.

Supporting documents related to Ms. Bracco's presentation have been archived and can be accessed in the office of the Committee Secretary. (See attachment 22).

Chairman Bair thanked the commission for the gift bag.

INTRODUCTION: **Chairman Bair** introduced Seth Pratt, former National Future Farmers of America (FFA) Western Regional Officer from Blackfoot, Idaho. **Mr. Pratt** addressed the topic of agriculture and the role and work of the land-grant institution, what the value of this education is to each student, and the value to Idaho. These institutions provide a place where the students can share their passion for agriculture, develop relationships, and learn at a level that can never be reached through the internet or social media. He spoke of the importance of developing relationships outside of the university setting as well, and that it is these relationships that help initiate change and drive innovation.

ADJOURNED: **Chairman Bair** adjourned the meeting at 9:06 a.m.

Senator Bair
Chairman

Denise McNeil
Secretary