

Senate Agricultural Affairs Committee

Minutes
2009



MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: January 20, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Winder, Smyser, Sagness (Malepeai), and Bock.

MEMBERS ABSENT/ EXCUSED:

GUESTS: 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 Corder called the meeting to order at 8:04 a.m. and turned the meeting over to Vice Chairman Winder.

DOCKET NO. 02.0104.0801 **Rules Governing the Idaho Preferred Promotion Program.** **Leah Clark**, Marketing Trade Specialist, Department of Agriculture, explained that basically there are two parts to this pending rule. The first defines qualifications for lamb, pork, poultry and other meats that were not already defined. You will find that each is slightly different to take in to account the unique production systems and industry structure in Idaho. The second change involves their logo. Primarily they are removing reference to filing for registration of the logo as it has already been filed and registered. Also, they are removing the requirement to provide a sample of finished packaging, as permission to request finished packaging has already been granted the director in a subsequent section.

DOCKET No. 02.0303.0801 **Rules Governing Pesticide and Chemigation Use and Application.** **George Robinson**, Bureau Chief, Crop Residue Disposal Program, explained the amendments to the rules governing pesticide and chemigation use and application to add a reference to the Code of Federal Regulations regarding pesticide containment requirements. Changes to the Code of Federal Regulations now require inspections of pesticide producing establishments, pesticide dealers and professional applicators to ensure that they are in compliance with federal pesticide containment requirements. This addition will allow the inspections to be completed with state credentials and reviewed by state officials. Pre-registration requirements for unusable pesticide collections are no longer required and will be deleted. Amend IDAPA 02.03.03.100.02 to change the word "they" to "that".

**DOCKET NO.
02.0403.0801**

Rules Governing Animal Industry Dr. Marilyn Simunich, Veterinarian, Bureau of Animal Disease Surveillance and Diagnostics, describe animal disease control procedures and requirements for Idaho livestock and farmed species. Idaho's Equine Industry desires that Equine Viral Arteritis (EVA), which is a respiratory and venereal disease of horses, be placed on the State Veterinarian's Reportable Disease List to give the Division of Animal Industries clearer authority to prevent and control the disease. EVA has a high economic impact to horse breeders by causing mares to abort, and therefore, loss of the foal crop for the year. Incorporated references are up-dated and a definition for Equidae is added. Negotiated rulemaking was conducted with Idaho's equine industry through the Idaho Horse Council, and no negative comments were received. Equine Viral Arteritis is added to the Reportable Equine Disease list and EVA is removed from the Notifiable list. Additionally, a new strain of Equine Herpes Virus is added to the Notifiable list.

**DOCKET NO.
02.0421.0801**

Rules Governing the Importation of Animals - Canadian Cattle and Bison Dr. Marilyn Simunich stated this rule updates and adopts the import requirements for Canadian cows report requirements and lists Idaho's specific requirement implementation of cattle and bison from Canada. This amendment to the temporary rule was adopted as a temporary rule in January, 2008 following the publication of USDA's protocol for importation of cattle and bison from Canada in November, 2007. Negotiation rulemaking was conducted with Idaho's cattle and bison industry and no comments were heard at the hearing. Specifically a C-A-N hot brand was to be placed on the right hip, defining Canada as the country of origin. Canadian cattle were added for the class of cattle needing an import permit.

**DOCKET NO.
02.0421.0802**

Rules Governing the Importation of Animals - Equine Dr. Marilyn Simunich explained the main amendments in this docket add requirements for importation of stallions and equine semen relative to Equine Viral Arteritis, which can be carried by stallions and transmitted to mares through their semen causing abortion and loss of foals. Following an EVA outbreak in 2006 involving 18 states, many Western States adopted regulations for prevention and control of the disease using USDA guidelines. Negotiated rulemaking was conducted with Idaho's equine industry through the Idaho Horse Council, and no negative comments were received.

Additionally, certifications are added for importation of domestic elk and fish. Incorporated references and terminology are up-dated.

Page 42, Section 301 describes the importation requirements for stallions and; Section 302 describes the importation requirements for equine semen.

On page 43, Section 601 regarding importation of domestic cervids, a method for verification of genetic purity of elk is added.

In Section 660, regarding importation of fish, options for fish health certification are expanded.

**DOCKET NO.
02.0427.0801**

Rules Governing Deleterious Exotic Animals Dr. Bill Barton, Administrator, Division of Animal Industries, explained that the proposed rulemaking clarifies the Idaho State Department of Agriculture's criteria and requirements for the possession and importation of deleterious exotic animals in the state of Idaho. The amendments to the Rules include the addition of definitions, requirements for obtaining permits, standards for construction of confinement areas, identification requirements, and recordkeeping requirements. He also commented that the rulemaking amends the list of Deleterious Exotic Animals, contained within the Rules. **Senator Hill** and **Senator Bock** expressed their concern regarding social security numbers that are listed on the Temporary Exhibitor Permit being a public record. **Mr. Barton** will check with his legal staff to insure that these records are kept confidential.

**DOCKET NO.
46.0101.0801**

Idaho Board of Veterinary Medicine Karen Ewing, Executive Director, explained that first, confusion exists among veterinarians and retail veterinary drug outlets on the correct procedure in prescribing and dispensing legend drugs. The proposed rulemaking is part of a collaborative effort with the Board of Pharmacy to amend each Board's respective rules to provide a clear and consistent procedure. Second, problems have been identified in permitting euthanasia agencies to purchase approved drugs from veterinarians and with requiring that euthanasia technicians actually euthanize an animal in order to demonstrate proficiency for certification eligibility. The proposed rulemaking establishes a uniform procedure for the prescribing and dispensing of legal drugs by veterinarians and retail veterinary drug outlets. It requires the use of certain prescription forms and confirmation when oral prescriptions are followed by written prescription orders. The rulemaking also requires that certified euthanasia agencies purchase approved drugs from a drug wholesaler. Finally, the rulemaking will permit an applicant for euthanasia technician certification to demonstrate efficiency in administering euthanasia drugs through the use of an acceptable alternative method to the existing requirement that an animal actually be destroyed in the demonstration.

Senator Schroeder and **Senator Bock** expressed concern in regards to prescriptions being sent through the U.S. Mail and the recipient receiving the prescriptions within the seventy-two (72) hour time frame. **Ms. Ewing** explained that most of the time these orders are being faxed and they are never sent out of state. **Ms Ewing** explained she would need to confer with the Board of Pharmacy, because they have the main jurisdiction over the licensing of the drug outlets and drug technicians. **Senator Hill** questioned how you fax or email a three part prescription drug order form. **Senator Hill** felt **Ms. Ewing** and the Board of Pharmacy should work on some of these rules. **Ms. Ewing**, explained that written orders shall be sent promptly by the veterinarian so that it is received by the retail veterinary drug outlet within seventy-two (72) hours. The written confirmation order may be hand-delivered, mailed, faxed, attached to an e-mail, or otherwise properly delivered to the retail veterinary drug outlet.

Senator Schroeder requested some assurance from **Ms. Ewing** that she would go back and rework the seventy-two (72) hour policy. **Ms.**

Ewing has indicated a willingness to work with the Board of Pharmacy regarding the rule.

DOCKET NO.
02.0631.0801

Noxious Weed Free Forage and Straw Dan Safford, Noxious Weed Specialist, explained there are two key changes to the forage, straw rule plus minus topographical errors. The first change on September 9, 2007, NAWMA voted to change the certification marking, from special blue and orange colored twine to special purple and yellow colored twine.

The second change is the industry approached ISDA to revise the certified compressed storage bale strapping. Specification to reflect actual printing capabilities covered on Page 81.

SUBSTITUTE MOTION

Senator Hill moved to approve all the rules coming today as listed on the agenda. **Senator Heinrich** seconded the motion.

Senator Bock ask that a separate vote be taken on Docket No. 46.0101.0801.

Senator Hill stated he feels that this proposed rule is better than what we have now. He feels it does need some tweaking and we have a commitment that they will go back and look at possible changes to the rule. **Senator Hill** supports the original motion.

MOTION

Senator Bock made a substitute motion to adopt all the rules except Docket No. 46-0101-0801. **Senator Schroeder** seconded the motion.

Senator Schroeder asked that **Director Celia Gould, Department of Agriculture** give the committee an explanation of this rule. **Director Gould** stated that the State Board of Veterinarian Medicine is not part of the Department of Agriculture. They are housed in the Department of Agriculture, but unlike a lot of those things that are attached to the Department of Agriculture that have those dotted lines that I think maybe I have some control over or maybe I don't. There is not even a dotted line, I am simply a landlord. All we can do if they don't approve this or take care of this rule is throw them out of the building. We can certainly suggest to **Ms. Ewing** that she follow up.

Laura Johnson, Department of Agriculture, explained that within the rule book each agency within the IDAPA system has a different number. Idaho State Department of Agriculture is .02, so anything under IDAPA .02 will be Department of Agriculture rules, wherein here you have IDAPA .46, The Board of Veterinarian Medicine. You will see another rule later this week from the Potato Commission, which is always in the Agriculture Committee rules, but within that book they are not all ISDA rules.

SUBSTITUTE MOTION

The results for the Substitute Motion are as follows: Senators voting Nay were Winder, Hill, McGee, Heinrich, Sagness, Smyser, and Corder. Senators voting Aye were Schroeder and Bock. The Substitute Motion failed.

MOTION

Vice Chariman Winder returned to the original motion. The motion carried by **voice vote**.

ADJOURNMENT There being no further business **Chairman Corder** adjourned the meeting at 9.21 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: January 22, 2009
TIME: 8:00 am
PLACE: Room 211
MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Sagness, and Bock

**MEMBERS ABSENT/
EXCUSED:**

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.

MINUTES: **Chairman Corder** called the meeting to order at 8:02 a.m. and asked the secretary to take a silent roll. He introduced and welcomed Annelise De Ruyter, an intern who will be working with the Agriculture Committee during the session.

Chairman Corder reviewed agenda items and presenters that will come before the committee during the Session and passed the gavel to **Vice Chairman Winder** for rules review.

DOCKETS:
02-0602-0801 **Pending Rule:** Relating to the Idaho Department of Agriculture Rules Pertaining to the Idaho Commercial Feed Law. **Mike Cooper**, Bureau Chief, Plant Industries Division, Department of Agriculture, stated this rule change updates the incorporation by reference section to reflect the 2009 edition of the Official Publication of the Association of American Feed Control Officials. This is a standard reference manual for feed control officials for the registration of animal feeds. It provides for consistency in the definition of feed ingredients and registration policies concerning feeds between states and the U.S. Food and Drug Administration when feeds are being registered. It is used by virtually every feed control official in the country as well as industry representatives. **Mr. Cooper** stated that this change comes before the committee on an annual basis.

Senator Hill asked what prevents us from using language in the rule like "published in the most current manual" to avoid having to make this change and incur printing costs annually. **Mr. Cooper** stated that this has been debated in the past and it is his understanding that there is statutory basis for handling the change in this manner.

Senator Schroeder suggested that one of the committee members

research this issue and report back to the committee. **Senator Hill** volunteered. **Mr. Cooper** added that **Representative Bolz** of the House has looked into this in the past and perhaps could shed some light on the question.

02-0606-0501

Temporary Rule: Relating to the Department of Agriculture Rules Governing the Planting of Beans in Idaho. **Mr. Cooper** stated that one of the ways the Department controls disease outbreaks is by what kind of irrigation is used. The current rule does not allow for back-to-back planting of beans under sprinkler irrigation because there is less propensity for outbreak on gravity irrigated fields versus sprinkler irrigated fields. There is less farm ground in Idaho being gravity irrigated and more is being converted to sprinkler irrigation. The bean industry asked if the rules could be modified for a couple of years to allow back-to-back sprinkler plantings on beans with increased testing to make sure that a disease problem did not crop up. The Department adopted this rule change as a temporary rule in 2005 and it has been before this committee two or three times. During the summer of 2008 the industry agreed to move forward with the procedure necessary to bring this before the committee as a pending rule in the 2010 Legislative Session. This rule change will basically allow back-to-back planting under sprinkler irrigation but require additional testing on fields under sprinkler irrigation. This change has been vetted before the Idaho-Eastern Oregon Seed Association, Western Bean Dealers, Contract Bean Growers and both Magic Valley and Treasure Valley insurance pools as well.

02-0610-0701

Temporary Rule: Relating to the Department of Agriculture Rules Governing the Potato Cyst Nematode. **Mr. Cooper** stated that this temporary rule was adopted due to the potato cyst nematode infestation found in Shelley, Idaho in 2006, the only known occurrence of the nematode in the United States. This rule incorporates by reference the U. S. Department of Agriculture Animal and Plant Health Inspection Service interim rules and regulations for the potato cyst nematode. To avoid having the entire State put under quarantine by the federal government, Idaho had to adopt a parallel rule that would allow us to enforce interstate movement of potatoes from those infested fields. If we had not done that, virtually any soil that was moved on an agricultural commodity or equipment leaving the State would be put under federal regulation and require some type of paperwork. By adopting this rule it has allowed the Department to avoid that and we only have to work with those nine infested fields and equipment that might move off of those fields.

Mr. Cooper stated that the federal rule is an interim rule. The permanent rule has been drafted, is going to legal counsel and should be published later this spring. When that happens we must again compare this rule with the federal rule and make any changes needed to make sure this rule still parallels the federal rule.

Vice Chairman Winder requested that **Dennis Stevenson**, Legislative Services, respond to **Senator Hill's** question regarding

those recurring rules that are needed just to change a date to agree with a document incorporated by reference. **Senator Hill** stated that every year it takes four pages to change the date in the rule to agree with the incorporated document. His concern is the time it takes and the expense to the taxpayer. He asked if Legislative Services could work on coming up with some way to avoid making this type of change, which does not have a fiscal impact, on an annual basis. **Mr. Stevenson** advised that in 2000 that change was made in the Administrative Procedures Act (APA) because the Legislature was concerned that agencies were incorporating manuals that were allowed by statute, which were very voluminous. The APA requires any time you go in and change anything within those standards you bring them back to the Legislature, much the same as you do a rule, so we can see what those changes are. Unfortunately, in doing that, these types of changes do require that you come into the rule and say we are now adopting the most current addition of that standard. Short of a statutory change to deal with these types of changes specifically, Legislative Services must publish these and bring them to the Legislature for change.

Mr. Stevenson stated the other issue is obviously that people who live under these rules have to be aware that the new standard has been incorporated. There must be some sort of public vetting of that information. **Senator Hill** thanked **Mr. Stevenson** for his information and suggested a brainstorming session to see if the procedure could be made more efficient for the taxpayers.

02-0612-0801

Pending Rule: Relating to the Idaho Department of Agriculture Rules pertaining to the Idaho Fertilizer Law. **Mr. Cooper** stated Docket No. 02-0612-0801 updates the incorporation by reference section to reflect the 2009 edition of the Official Publication of the Association of American Plant Food Control Officials. **Mr. Cooper** explained the process the Association goes through for approval of changes to this publication.

02-0618-0801

Pending Fee Rule: Relating to the Department of Agriculture Rules pertaining to Mint Rootstock. **Mr. Cooper** stated that Idaho is No. 3 in mint production and produces about 17% of the entire United States production. The Mint Commission and industry representatives have requested that the Department change the time frame for the field inspections and triple the inspection rate from every 30 rows to every 10 rows to provide better assurance that regulated pests and diseases are not present. Docket 02-0618-0801 requires that inspection rate and time frame change and also provides that fields found with Verticillium wilt during the first inspection will result in the entire field being disapproved and permanently ineligible for certification purposes by the Department. This rule change also increases the cost for application for field inspection from \$3 to \$5 and per acre inspection fee will increase from \$5 to \$15 per acre due to the increased amount of time that will be necessary to conduct inspections under the new time frame and procedures.

Senator Schroder asked if the fee increase pays for the cost of the inspector? **Mr. Cooper** affirmed that it does. He advised that Verticillium Wilt is probably one of the most difficult things to look for in all field inspections done by the Department, and that he occasionally requests the Department's plant pathologist to assist in inspections.

Mr. Cooper took further questions from the committee related to Verticillium Wilt, identifying it as a fungus. He generally identified infested areas and provided information on steps taken by growers to avoid cross contamination of fields. He stated that the Department's inspectors are not even allowed to get on a field without wearing irrigation boots that are decontaminated with Clorox before and after they enter.

Vice Chairman Winder advised the committee that he received a letter this morning from the Idaho Mint Growers Association stating that they agree with the rule changes.

02-0641-0801

Pending Rule: Relating to Idaho Department of Agriculture Rules pertaining to the Idaho Soil and Plant Amendment Act. **Mr. Cooper** advised that this rule change updates the incorporation by reference section to reflect the 2009 edition of the Official Publication of the Association of American Plant Food Control Officials. This is a standard reference manual for fertilizer control officials for the registration of soil and plant amendments.

02-0214-0801

Pending Rule: Relating to Idaho Department of Agriculture Rules for Weights and Measures. **Kevin Merritt**, Acting Section Manager, Idaho State Department of Agriculture, Bureau of Weights and Measures, presented the rule changes under Docket No. 02-0214-0801. He reviewed the proposed changes to this rule for the committee per his written testimony (Attachment #1). **Mr. Merritt** advised that because of a numbering sequence problem last session with some pending rules, this specific rule was overwritten and dropped, therefore, it is being proposed again. **Mr. Merritt** advised that the documents incorporated by reference in this rule will be on file with the Bureau of Weights and Measures or may be purchased from the American Society of Testing and Materials (ASTM).

Senator Hill asked why the reference to the publication containing specifications for gasoline had not been added before and what benefit can be achieved by now adding that section in the rule? **Mr. Merritt** stated that in the weights and measures law it identifies gasoline specification as just being concurrent gasoline specifications so a date specific ASTM standard was included in this rule.

02-0214-0802

Pending Fee Rule: Relating to the Idaho Department of Agriculture Rules for Weights and Measures. **Mr. Merritt** presented Docket No. 02-0214-0802. He reviewed the proposed fee changes to this rule for the committee per his written testimony (Attachment #2) and answered questions of the committee.

Senator Schroeder asked how long a person buying a new scale has to get it certified? **Mr. Merritt** stated that if a new scale is installed by a registered service company with the Bureau, they can begin using that scale immediately in lieu of the Bureau's test.

Senator Schroeder asked what would happen if a small operator, not knowing which companies are registered for installation with the Bureau, used a scale for six months before the Bureau is aware of the change? **Mr. Merritt** advised there are no provisions in the Bureau's statute to impose fines or take any other action against that person.

Chairman Corder asked why the mileage rate for cars was not referenced as the typical state rate so whenever the state rate changed that would change the Bureau's mileage rate. **Mr. Merritt** stated he was not aware of any policy that states what the charge would be for using state equipment. **Chairman Corder** asked if there was a particular reason that the large scale trucks needed to have a larger increase than the other classes of vehicles? **Mr. Merritt** advised that the large scale truck costs significantly more to operate than a pickup. He advised that the cost to operate that particular piece of equipment in 2005 averaged \$2.53 per mile, while the 2008 average was \$3.46 per mile.

Senator Schroeder asked if whether specifying the price per mile is wise given the fact that fuel prices jump around so much? **Mr. Merritt** stated that the last time this fee was changed was in 2004 and this change hopefully will carry the Bureau into the future.

29-0102-0801

Pending Fee Rule: Relating to the Idaho Potato Commission Rules Governing Payment of Tax and Usage of Certification Marks and Trademarks. Docket 29-0102-0801 was presented by **Laura Johnson** representing the Idaho State Department of Agriculture. **Ms. Johnson** advised that the 2007 Legislature increased the potato tax by \$.05 per hundredweight. In order to implement that legislation, the Potato Commission did a tremendous amount of analysis and discussion with industry and voted unanimously to authorize an increase of \$.025 per hundredweight. This particular section makes some additional clarifications and revisions. **Chairman Corder** stated that there is no contention from the industry over this rule.

MOTIONS:

Senator Hill moved to approve, with the exception of fee rules, all rules listed on the dockets as noted on today's agenda. **Senator Bock** seconded and the motion carried by **voice vote**.

Senator Hill moved to approve Docket No. 02-0214-0802, Docket No. 29-0102-0801, and Docket 02-0618-0801. **Senator McGee** seconded and the motion carried by **voice vote**.

ADJOURNMENT:

Vice Chairman Winder returned the gavel to **Chairman Corder** who adjourned the meeting at 9:56 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: JANUARY 27, 2009

TIME: 8:00 a.m.

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED:

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.

Chairman Corder called the meeting to order at 8:03 a.m.

John Hammel, Dean, College of Agriculture and Life Sciences, University of Idaho, explained that the agriculture research and extension appropriation pays for the Agricultural Research Extension System, which is our research and extension arm of our college, both on campus and throughout the State. We have a number of stations across the State.

Dean Hammel pointed out that the University of Idaho have extension personnel in Coeur d'Alene, Boise and Idaho Falls. The stations in the field of agriculture for crops and livestock are: Sandpoint, Salmon, Parma, Caldwell, Hagerman, Twin Falls, Kimberly, Aberdeen and Tetonia. These high elevation stations are primarily used for disease free production of cereal and potatoes.

The University of Idaho has a partnership with the U.S. Department of Agriculture Sheep Station. The U of I owns the sheep and pay the staff when they are doing research. This has been a good partnership. He also pointed out that we have personnel in forty-two of forty-four counties in the state of Idaho, but not in Shoshone or Boise. These counties are handled by the county educators in adjacent counties. Primarily, they are low population counties which is the reason they have never put up the solicited dollars to go along with that part of it. Again, our stations are Aberdeen, Salmon, and Kimberly. They are the stations that have a focus and that focus is based on where it is geographically within the state, types of soil, crops growing, water issues and agronomy inconsistent climatic conditions.

We are working in Aberdeen with DRS on potato variety development, as well as cereals. Salmon is the major focus there, as well as feed production, cow and calf operations. Salmon was given to us as a gift about five years ago and we have an established networking there. When

we set that up our primary goal was that we could not take on or have operations that are going to be cash sinks in the future. So basically, we set that up with staff, which we support. We also have a beef specialist and research scientist working in that area. We have 450 mother cows there now and from the sale of those cows they basically cover most of the operating maintenance upkeep. Kimberly has water management and we have great DRS collaboration there, as well as row crops. Each of our stations have focus and if there is duplication of focus across those states it is because of the very nature that if you have a weak variety and you want to test it, it can be tested at Aberdeen, Parma and Kimberly. The North also has testing capabilities. This allows us to look at an issue or problem across the State, which is one of the benefits of our research extended system.

Dean Hammel continued discussing the Agriculture Research and Extension Operating Budget. We separate the Agriculture Research & Extension appropriation into two lines, State research and State extension and out of those they support our program in each area. There are some combined programs. Extension Research Specialists have split appointments. They may do research, but they are also responsible for the programming and transferring the technology average to the clientele. The main thing I want to point out is that the appropriation here is \$27 million and that is just for the 4% holdback in FY 2009. With that is 3% of our overall college budget or Agriculture and Research Extension System budget. About \$3.4 million of those dollars is in operation, it is what we support our programs in to maintain infrastructure, buildings, equipment, getting new equipment and covering our research and extension operations for primarily travel. Of that \$27 million, \$3.4 million is for operation and 90% salary. With that and what you gave us, we were able to use that to leverage another \$1.00 in 30 years, which helps to support programs both in federal, gifts and miscellaneous. The counties gave about 3.5% and a salary position in county offices and counties outside of cooperative. We had federal, state and county dollars provide clerical support travel for our county educators as well as some operating. That direct, indirect match is approximately two to three times the salary taken into account. The counties have been very good partners in getting the program intervals.

Dean Hammel talked more about grants and contracts, but the main thing he wanted to point out is that the services at all of the Research and Extension Centers, when you have idle land, you are going from one experiment to another. You usually raise a crop on that land prior to going to the next experimental outfit. Again, if you have any type of crop residues, organic residues or pesticides, you usually do a fallow on that lay of crop. Those crops are sold and go back into the station to support the increase cost of operations over fuel and maintenance of the area. The scientists themselves doing field Platt analysis for herbicide companies or chemical companies brings in the dollars. This last year we pulled in about \$17.6 million in external grants and from our partners within the State. These dollars are dollars based on whoever gives the appropriation to pay the salaries for those. They go out and compete for dollars nationally, bring those dollars in and those dollars are put towards

Idaho State and Regional problems here in the state of Idaho.

As an example, I want to point out in USDA competitive grants we have \$4 million dollars, we went through a strategic analysis of where we were in 2004/2005, we had gone through some cuts. We hired some great young people, so out of these grants about 50% were from young scientists in the past two or three years. Bringing in this type of money shows two things: The regard that other scientists across the nation count for the work that our scientists do and that we are competitive. Bovine reproduction, dairy mastitis, bovine reproductive efficacy, that was brought back here to deal with the problems with livestock, reproduction efficacies important to dairy and beef. All these issues such as invasive species, PVY complex, potato, water quality, national biodiesel, and biofuels are problems important to Idaho. So the dollars that come back help support, find solutions and manage the issues we face in Idaho.

Dean Hammel said he would like to talk about the potato threats. Last year Potato Cist Nematode (PCN) and the ongoing challenges of the PCN that came forth. He spoke to the diversity of the Potato Virus Y (PVY) potatoes complex affecting potatoes. Three years ago we hired an internationally recognized plant virologist. He pulled a grant in and is basically looking at PVY. This virus has always been around and causes necrosis which effects the plant and/or yield losses with a marked economic consequences in potatoes. In 2008 1% infection resulted in \$6.3 million dollar loss for U.S. potato production; 30% total U.S. production in Idaho. The USDA PVY Diversity Grant is primarily looking at 2,500 PVY strains, correlating biological impact to potatoes from various gene sequences and to improve potato resistance to PVY through breeding and management.

In 2008 we had a great Crop Variety Development and is one of the best things we do. We breed three potato varieties - russets, improved storage and processing qualities; one wheat variety - pinto, great northern, improved disease resistance; and two spring rapeseed - canola-quality seed oil, herbicide ready. The herbicide ready and wheat variety are important. We are working with a request from the Pacific Northwest Wheat Commission which included Oregon, Washington and Idaho. We will be licensed together and work together to make sure that herbicide resistant varieties, particularly the wheat varieties are billed to the growers in all states. One of the issues that we have had was working jointly with the University of Idaho Research Office to help pay part of the salary for a Licensed Associate. This Licensed Associate will work with the different Commissions to make sure those varieties are licensed more efficiently and rapidly than in the past.

The base reduction adjustments for the Agriculture Research and Extension System (ARES) budget for FY 10 is 3%. If you add that to the 4% holdback made permanent in FY 09, that is 7% and comes down to \$1.94 million dollars. This reduction would impact our ARES programs as follows:

1. Close two or more Research and Extension Centers. Evaluate

each centers current and future relevance; impact on industry; specific industry sectors affected by closure; program redundancy and potential partnerships/collaborations.

2. Eliminate open faculty and staff positions creating fewer programs offered statewide.
3. Reduce travel expenditures by 25% which would markedly reduce ability to perform research, disseminate information (technology transfer), and deliver programs.

As decisions are made, **Dean Hammel** will keep the Senate and House Agricultural Affairs Committee up-to-date.

The annual growth receipts for livestock during the past ten years has been 7.5%, with dairy, beef and sheep being the top revenue. The annual growth for crops was 5.7% with the potato being number one.

The Salmon facility (Nancy Cummings Ranch) was put in place as a joint feedlot, dairy and beef, which is very important to the Idaho National Center for Livestock and Environmental Studies. **Dean Hammel** spoke to the Livestock and Environmental Studies Center which will continue to be a major focus and priority as we step through this program and move forward. Along with this will be the joint ISDA Animal Diagnostic Lab and Veterinary Research for the Caine Veterinary Teaching Center. We cannot remove Caine or the Veterinarian Teaching part of the Center. The purpose of Caine and the Veterinary Teaching Center are bigger now than they have ever been. We will also continue to look at our site selection and development planning for the Livestock Center. Agriculture is the single largest contributor to the economic base of Idaho's economy and is a very important sector.

Senator Heinrich asked what effect this will have on the Horizons Group that have been coming out to the communities? **Dean Hammel** responded that the Horizons Group is funded by Northwest Area Foundation. They just completed Phase II in Northern Idaho which is in 31 communities and now have funded Phase III at a little over a million dollars which will include South Central, South and South Eastern Idaho. Again, the money is funded from an external source foundation and will be impacted by people, but not to the project so much as to the operating side of it.

ADJOURNMENT There being no further business, **Senator Corder** adjourned the meeting at 9:15 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: JANUARY 29, 2009

TIME: 8:00 a.m.

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED:

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.

Chairman Corder called the meeting to order.

MINUTES: **Senator Hill** made a motion to accept the minutes of January 20, 2009 as written. **Vice Chairman Winder** seconded the motion. The motion was carried by **voice vote**.

Senator Heinrich made a motion to accept the minutes of January 22, 2009 as written. **Senator Hill** seconded the motion. The motion was carried by **voice vote**.

RS18361 **Chairman Corder** explained that this is a repeal of fifteen pages of a statute that is not working. Some segments of the industry may have a false sense of security. Some dealers have taken a completely different tack where they are policing their own industry. What has really caused the problem of late, is the industry having to do with hay. The act does require a \$50,000 bond, which is only attached to brokers. A dairyman with 10,000 cows can go through \$50,000 dollars worth of hay in just a few days.

Dr. Garth Taylor, Regional Economics Analyst, College of Agriculture and Life Sciences, University of Idaho, explained more about the U of I Tri-fold put out in 2008. The Department of Agriculture's 2008 book is not published until the Fall of 2009, so there is no way of knowing how agriculture has done in the State until nine months after it has happened.

Dr. Taylor explained he will be talking about the impact of agriculture to Idaho's economy and the financial outlook for 2009. Dr. Taylor explained about gross and net, cash receipts, farm income and net value added, which is our GPS figure for agriculture in the State. He will also look at the financial outlook for 2009. We have had another record year for

agriculture in the state of Idaho, \$6.3 billion. The gross figure for livestock is up 2% and crops 22%. Potatoes are still our number one crop, followed by wheat, hay and barley.

Senator Sagness asked if the quality of potatoes was up? **Dr Taylor** responded that the quality has been spotty.

Dr. Taylor reported that revenues from hay is up close to 50%, barley around 60%, but sugarbeet production is way down.

Senator Schroeder asked if the grower has a financial liability when he decides to plant wheat instead of sugarbeets? **Dr. Taylor** explained that there are penalties, but the companies and shareholders are very reluctant to enforce those penalties.

Chairman Corder explained it is a co-op, a grower owned association with shares and a share equals an acre. You do have an obligation, but in the case of freeze out or blow out there is a date set by the Board. If you make an attempt to grow up to that day you may have an obligation for fines, but after that your relieved of the obligation.

Dr. Taylor stated that cash receipts for cattle and calves were down 2%, inventories slightly higher and prices fell sharply in September. Milk is still our largest revenue producer.

Dr. Taylor noted that over the past twenty years we have seen over a 2% increase in nominal dollars. We are reaching record highs in both the nominal and real. Crop receipts have grown over 5% per year and livestock 7%. **Dr. Taylor** explained that production, not prices are propelling the cash receipts.

Senator Sagness asked as you predict this, what do you see in terms of the impact feed, both availability and cost? **Dr. Taylor** replied it would be a huge impact.

Dr. Taylor explained the Net Farm Income was \$1.7 billion dollars, down 4% from 2007.

Dr. Taylor stated that Idaho receives less than 1% of the total farm payments paid in the United States and it is because we simply do not have the kind of crops for government payment. The only crop we have in Idaho that has a substantial amount of government payment is wheat.

Vice Chairman Winder asked **Dr. Taylor** to give him an explanation of the net value. **Dr. Taylor** explained net value is the same concept as measuring GSP. The net value is after every other person is paid, except the farmer, return to the capital, shareholders and dividends, which is what goes into measuring GSP.

Dr. Taylor explained the Outlook for 2009 and Beyond Mega Trends:

Pluses

- Lower Fuel & Fertilizer Prices
- Lower Interest Rates
- More Labor Available

Minuses

- Recession: U. S. & Worldwide
- Immigration Reform (or not)
- Higher Land Rents
- Water Issues
- Stronger Dollar - Lower Exports
- Credit Availability

Dr. Taylor presented an overall view for 2009 on prices, production and stocks for beef, dairy, wheat, barley and potatoes. **Dr. Taylor** stated that the overall story of agriculture will be fewer farmers, but agriculture is not going away and it is bigger now than it ever has been in the entire history of Idaho.

Chairman Corder asked **Dr. Greg Ledbetter** if he knew what percentage of increase in milk production might be contributed to hormone addition and what that percentage is? **Dr. Ledbetter** responded that this is just his opinion, but while Idaho is one of the larger Idaho dairy industries as a percentage, it is one of the larger users of the artificial growth hormone. If you look at the number of cows that were actually supplemented in the State it was probably 10 to 15%. Most of the growth has come from improvements in genetics, nutrition and in house care.

Dr Taylor will now present the Contribution of Agriculture to Idaho's Economy. **Dr. Taylor** state we have seen agriculture evolve from a family farm to an agribusiness complex. We only have one substantial product in Idaho that does not get fully processed and that is wheat. There are two majors that measure contribution, which are gross and base. The gross major is what the Department of Commerce tells us and that is an accounting view of the economy. The base major is an export driven view of the economy. The base multiplier measures exports plus contributions from other sectors and the economy is driven by dual exports.

All processors have a very high multiplier, because they are processing Idaho products, which are purchased locally. The highest output multiplier in Idaho is cattle and dairy.

In summary, agribusiness is the largest industry in the state of Idaho, not measured as the Department of Commerce measures it, but measured as driven by exports. Agribusiness has 17% of the jobs, one out of every \$4.00 sold in the state of Idaho is attributed to agribusiness. The second largest industry is high tech manufacturing.

Dr. Taylor stated that agriculture is a real stability factor to the economy in the state of Idaho.

ADJOURNMENT **Chairman Corder** adjourned the meeting at 9:50 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: FEBRUARY 3, 2009

TIME: 8:00 a.m.

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED: Senator Smyser

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

MINUTES: **Senator McGee** made a motion to approve the minutes of January 27, 2009 as written. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

Chairman Corder stated he would like to report to JFAC the following positions and opinions of the Committee.

- Soil Conservation Commission - emphasizing those matching dollars and how they are funded;
- Invasive Species Threats, particularly the mussels;
- Private Enterprise Solutions to some of the problems that arise out of invasive species;
- Seed as it relates to post fire recovery and what is happening to the seed market in general;
- Stress Recovery and the health of our industries when they go through a down turn and what happens to the psyche; and
- Review of agriculture in 2008 and projections for 2009.

With the Committee's approval, **Chairman Corder** will present these items.

Chairman Corder introduced **Armand Eckert**, Director of Snake River Farmers' Association. **Mr. Eckert** reported that there was some history of labor problems with the conversion to sprinkler irrigation. There was also a movement of labor from the farming industry sectors of the economy and

an explosion in the dairy industry which carried a great labor shortage.

The Snake River Farmers' Association was formed in 1985 due to a lack of U.S. farm workers and the desire of growers to avoid using illegal workers. The Association in conjunction with Food Producers of Idaho was then able to hire workers through the H-2 program and pursued this option with the help of the U.S. Immigration and Naturalization Service. They initiated education programs for employers who, in turn, could educate their employees on how to use the program.

Almost immediately upon hiring H-2 workers, the United Farm Worker's Union filed a lawsuit. The Snake River Farmers' Association required a 20 day work experience for irrigators and the Union felt this was a tactic by the farmers to avoid hiring U.S. workers. After an extensive legal battle, the experience requirement was kept. The association knew they could not change their irrigation methods to accommodate inexperienced workers. As part of the resolution, a training program for U.S. workers who wanted to come into agriculture was started.

Mr. Eckert stated the H-2 program was initially created with the Immigration and Nationality Act of 1952, which authorized bringing temporary workers into the United States. The program was amended and was known as the Immigration and Control Act of 1986, specifically creating an H-2A provision for agriculture. The pros of the H-2A program was an adequate and reliable supply of workers when U.S. workers are not available. The cons of the H-2A program was a highly regulated bureaucratic process along with increased wage requirements.

Mr. Eckert gave a synopsis of the employer's obligations and the workers entry into the U.S. He stated that it is absolutely necessary that they have an H-2A program.

Chairman Corder introduced **Brent Olmstead**, Coordinator for the Idaho Business Coalition for Immigration Reform and a Lobbyist for the Coalition and the Milk Producers of Idaho. **Mr. Olmstead** stated that he will attempt to provide the committee with a basic education in the current immigrant labor system, how it works for the dairy employer, and doesn't work for the agriculture employer.

Mr. Olmstead stated there are 29 types of visas. Farmers seeking to use the H-2A program must apply for a labor certification from the U.S. Department of Labor and attempt to recruit qualified U.S. workers. If the employer's application meets the requirements of the Department of Labor and it is proven that there are not sufficient domestic workers to fill the jobs, a labor certification is issued. The employer then files a petition with the U.S. Citizenship and Immigration Service for the admission of H-2A aliens. A supply of aliens has to be recruited at that point and the employer's petition is granted. It is transmitted to the U.S. Consulate where the aliens apply for their visas. If granted, they travel to the port of entry and apply for admission to the U.S. Those granted admission are allowed to travel to their employer's farm. This entire process must take place within 45 days.

Mr. Olmstead explained there are a number of benefits to an H-2A style program:

- Benefits farmers by providing assurance of an adequate supply of seasonal workers;
- Guest worker program benefits alien workers by providing a legal, regulated way for aliens to work in the U.S.;
- Benefits domestic farm workers, assures open recruitment and viability of jobs in food processing and fabric manufacturing; and
- Adequate supply of legal labor also benefits the nation with food and fiber, the basic commodities.

Problems with the H-2A Program:

- Employers are daunted by the imposing H-2A administrative processes;
- Labor certifications issued late;
- No guarantee that experienced, trained workers will be allowed to return;
- The H-2A program is designed for crop agriculture;
- Does not take into account animal agriculture needs full-time permanent employees ; and
- No visa program designed for animal agriculture.

Mr. Olmstead stated the E-Verify is a partnership between the Department of Homeland Security (DHS) and the Social Security Administration. It is administered by the U.S. Citizenship and Immigration Services and allows participating employers to electronically compare employee information taken from the Form I-9. The mandatory E-Verify creates new burdens for businesses, especially small business. At this time, it is not a voluntary program in the state of Idaho.

Mr. Olmstead stated that the mandatory E-Verify creates new burdens for businesses, especially small business.

ADJOURNMENT **Chairman Corder** adjourned the meeting at 9.25 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: FEBRUARY 5, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED:

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.

Chairman Corder called the meeting to order.

Rick Waitley, State Director will be presenting a review of Agriculture in the Classroom (AIRC). The Idaho Ag in the Classroom program was originally based at the Idaho State Department of Agriculture (ISDA). In 1994, a decision was made to outsource the program and eliminate the involvement of ISDA.

The Idaho AIRC association provides the following educational opportunities for teachers.

- Two-day summer workshops
- Four day "Idaho Ag Up Close and Personal Tours"
- Ag Expos in cooperation with FFA chapters of Idaho
- Activities at the Food Producer of Idaho Ag Pavilion
- Support and promotion of educational projects by natural resource providers
- Autumn Gathering
- In-service training for faculty and staff
- Educational materials

Mr. Heinrich asked if the teachers get to choose their tours? **Mr. Waitley** responded that teachers can choose only one tour and the University of Idaho gives two credits for the tour and one for the workshop.

PRESENTATION **Bob Naerebout**, Executive Director of the Idaho Dairyman's Association (IDA), **Mr. Naerebout** explained that the mission and purpose of IDA is to sustain an economically viable Idaho dairy industry that works together in the domestic and global marketplace.

Mr. Naerebout reported that Idaho is ranked number three in dairy

producers. The national and international market is important because there are so few people in Idaho. Idaho produced 12.3 billion pounds of milk last year, but only 900 million pounds stay in Idaho and the rest leaves the State. That is why marketing programs at ISDA are so important for agriculture.

Senator Schroeder asked if the lack of supply situation was caused by deteriorating export markets out of the United States? **Mr. Naerebout** responded, yes, last year we were exporting about 8% of our product out of the country and today we are down to about 2%. There is also a drop in demand both domestic and international.

Mr. Naerebout introduced **Dr. Greg Ledbetter**, Veterinarian and Dairy Producer from Magic Valley explained he is very passionate about the Independent Environmental Action League (IDEAL) Foundation and its efforts to help raise 5 million dollars which was pledged by the Idaho Dairymen Association to build the Idaho National Center for Livestock and Environmental Studies (INCLES). This center will be a research and educational facility and have the ability to generate many answers to the problems plaguing the dairies and the citizens of Idaho, as well as the nation. **Dr. Ledbetter** stated that the greenhouse gas issues are going to be paramount to the continuation of our industry in the future. These are problems we believe that INCLES can help us solve.

Dr. Ledbetter explained that INCLES was an off shoot of the IDEAL Foundation, but it was determined that more was needed than assessments levied on all producers and the amount of dollars for research in the annual budget. He said they needed to fulfill the commitment of 5 million dollars to INCLES, but more important was to generate another 5 to 10 million dollars for an endowment fund and for further research. The University of Idaho, College of Southern Idaho and INCLES is a combined partnership. They will bring financial support, educational opportunities and technical support.

Dr. Ledbetter noted that the final partner in this endeavor at this time is the USDA Agricultural Research Service (ARS). ARS has committed several scientists to the INCLES project and will bring resources and knowledge from other laboratories throughout the United States. **Dr. Ledbetter** stated they have worked for several years fostering this relationship with ARS through the research projects that are already funded.

Dr. Ledbetter stated INCLES will have a minimum of 1,000 cropping acres, which is crucial for the survival of the dairy industry. **Dr. Ledbetter** referred back to **Senator Schroeder's** question about greenhouse gases from crops and the carbon sequestration. **Dr. Ledbetter** said that the National Dairy group marketing has started a national campaign with the goal of reducing greenhouse gas emission from the entire dairy chain.

The largest contributors from the dairy industry to greenhouse gas emission are cropping and the cows. Through cropping they have a great

opportunity for carbon sequestration changes in tillage practices. **Dr. Ledbetter** believes they can help produce that number by anaerobic digesters and taking care of the methane greenhouse gases from the manure. The largest contribution from the cows is their belching, which is part of their natural ruminant process. **Dr. Ledbetter** also noted they are going to see if INCLES can modify aeration and feed additives to improve digestibility and reduce belching of methane. The facility will contain labs for environmentalist and animal health research. INCLES will be a great education opportunity for dairy science, animal science and graduate students.

Dr. Ledbetter is looking forward to the relocation of the Caine Veterinarian Teaching Center to the Magic Valley. There is a global shortage of food animal veterinarians and they are going to be the first line of defense against diseases.

PRESENTATION

Blaine Jacobson, Executive Director, Idaho Wheat Commission, stated that the activities of the commission are carried out with a two cent per bushel tax on wheat dollars. They projected this year's revenue to be \$1,350,000. Wheat is staying in storage longer, but will eventually go to market. As of January 1, 2009 the cash reserve was approximately a million dollars. Those dollars are invested on the behalf of the wheat producers into research, market development, and grower education. In Idaho, wheat is being displaced by hay and corn.

Mr. Jacobson stated that with record prices and increased acreage, the wheat crop added \$707 million to Idaho's economy in 2008. Approximately, sixty percent of Idaho's production is grown on irrigated farmland, forty percent on dry land, two-thirds of the crop is winter wheat and the remaining one-third is spring wheat. Soft White wheat makes up the largest amount of Idaho wheat grown, Hard Red is second and the remainder is split between Hard white, Durum and Club wheat. Half of Idaho's crop goes to domestic mills and customers; the other half is exported.

Mr. Jacobson stated that the Wheat Commission has had fifty years of success.

- Idaho is among the largest wheat growing states and is grown in 42 of Idaho's 44 counties;
- Wheat ranked as Idaho's 2nd largest crop last year, behind potatoes;
- Dry climate and abundant irrigation resources are ideal for consistent, high-quality wheat; and
- Idaho's geographic location allows shipping to mills in Utah or California, east for cereals, or to Portland for export.

Mr. Jacobson reported that the following issues are a concern to Idaho wheat farmers:

- Low Wheat Prices
- Operations Loans
- High Input Costs

- Transportation to Market
- Supply of Irrigation Water
- Wheat with Transgenic Traits
- Loss of Agricultural Land

RS18358 Relating to beef cattle animal feeding operations. **Stanley T. Boyd**, representing the Idaho Cattle and Wool Growers Association, explained RS18358 is to amend current law stating that when an enforcement action is initiated by the Environmental Protection Agency regarding an alleged noncompliance at a beef cattle animal feeding operation, any pending administrative or civil enforcement action initiated by the director of the Idaho Department of Agriculture regarding the same alleged noncompliance will be deemed void.

Motion: **Senator Schroeder** made a motion to send RS18358 to print, with the assurance from **Chairman Corder** that the omission of the word “void” and letter “a” on administrative in the Statement of Purpose be corrected. **Senator Sagness** seconded the motion. The motion carried by **voice vote**.

RS18359 Relating to duties of the Director of the Department of Agriculture. **Stanley T. Boyd**, representing the Idaho Cattle and Wool Growers Association, explained RS18359 is to amend the duties of the Director, Idaho Department of Agriculture, to require that the director administer a range program.

Senator Schroeder suggested that on the Statement of Purpose, second sentence which says “to require the director administers a range program” would read better if it said “to require that the director administer a range program”.

Motion: **Senator Schroeder** made a motion to send RS 18359 to print with the caveat that **Chairman Corder** will insure that **Mr. Boyd** clears up the English on this line. **Senator McGee** seconded the motion. **Senator Hill** stated he will support the motion, but he is putting **Mr. Boyd** on notice that when this comes to a hearing, he will expect some real justifications for these positions. **Mr. Boyd** stated he will comply. The motion carried by **voice vote**.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 10, 2009
TIME: 8:00 a.m.
PLACE: Room 211
MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock
MEMBERS ABSENT/ EXCUSED: Senator Schroeder

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.

Chairman Corder called the meeting to order.

GUBERNATORIAL APPOINTMENT

Dwight Horsch has been appointed to the State Soil Conservation Commission to serve a term commencing February 3, 2008 and expiring July 1, 2013.

Mr. Horsch said he was living on the section where he was raised in Aberdeen, Idaho and has farmed there for 37 years. The section is located across the road from his grandparent's homestead of 98 years ago. **Mr. Horsch** graduated from Kansas State University with a degree in Agriculture Business prior to his service in Vietnam. He later ran for the Legislature and served six years in the House and two years in the Senate. He also served on the Advisory Board for Vocational Education as well as the Idaho Judicial Council. **Mr. Horsch** then served as Vice President of the Potato Council until Governor Kempthorne appointed him to the Idaho Soil Conservation Commission. He fulfilled a term of a retiree and is now reappointed by Governor Otter.

In response to some of the questions of the committee, **Mr. Horsch** said that as Chairman this year, he would report how and where money was spent and what was accomplished. He said the Commission would review loans and grants of projects that save soil and water. The Commission oversees \$5.1 million with \$4.8 million from the General Fund and the balance federal dollars. He believes the American farmer to be the best conservationist.

Chairman Corder thanked him and said they would vote on his confirmation next Tuesday.

PRESENTATION

Idaho Soil Conservation Commission. Mike Hoffman, Carbon

Sequestration Specialist was introduced by **Jerry Nicolescu** to report on Carbon Sequestration. **Mr. Hoffman** explained that the Carbon Sequestration Advisory Committee (ICSAC) was established in July of 2002, supported and administered by the Idaho Soil Conservation Commission (ISCC). He discussed the various Carbon Trading Pilot Projects throughout Idaho.

Mr. Hoffman explained what carbon sequestration was, the changing of farm and forest practices to reduce greenhouse gas emissions and the benefits of carbon sequestration. Carbon sequestration captures and stores carbon dioxide, a greenhouse gas (GHG) that traps heat in the atmosphere and makes life on Earth possible. Terrestrial ecosystem includes farms, dairies, forests, and rangelands and has the potential to sequester carbon in the form of plant biomass and soil organic matter. Carbon sequestration in terrestrial systems is a mechanism to help manage atmospheric carbon dioxide levels.

Mr. Hoffman stated that conservative estimates indicate that by providing incentives to adjust management practices, Idaho landowners and operators could sequester additional carbon dioxide and reduce other GHGs, including nitrous oxide and methane to reduce greenhouse gas emissions.

The benefits of carbon sequestration are:

- A promising method for storing enormous quantities of carbon dioxide;
- Minimize human contributions to global climate change;
- Carbon credits can be marketed to GHG emitters who are seeking ways to reduce their carbon footprint; and
- Trading carbon credits has the potential to produce additional income for landowners and operators.

Mr. Nicolescu reported that ISCC and the CS Advisory Committee are making an effort to educate landowners on geologic sequestration, as well as working on a Registry that will serve as an opportunity to “showcase” and recognize Idaho landowner commitment to environmental stewardship.

PRESENTATION

Dr. Marie S. Bulgin, Caine Veterinary Teaching Center, gave a presentation on domestic sheep versus bighorn sheep. **Dr. Bulgin** brought the committee up to date on the status of bighorn sheep in the Northwest. **Dr. Bulgin** indicated in the 1800's, bighorn sheep population diminished greatly, and even completely disappeared due to hunting, overgrazing by domestic livestock and disease. Biologists and environmentalists believe pneumonia was transmitted to the bighorn sheep from domestic sheep.

Dr. Bulgin said the bighorn sheep have divided themselves into 112 smaller populations located up and down the Hells Canyon area. A five year study of the upper Hells Canyon region began in 2003. At that time, there were approximately 900 animals present. The ratio

was one ram per every two ewes and about a 6.8% death rate. Of the 62 deaths, 80% were diagnosed and pneumonia was the major cause of death. The bighorn sheep in Hells Canyon are the most studied reintroduced populations in the United States.

Dr. Bulgin explained that *basteurella* is commonly normal flora in all ruminant species and disease (pneumonia) is heavily correlated with a compromised immune system allowing the opportunistic *Pasteurella* to gain entrance to the lung. In domestic animals, it is commonly a disease of the young and related to a combination of (1) an initiator (viruses, chlamydia, or Mycoplasma) and (2) stress conditions such as overcrowding, shipping, rough handling, dust and malnutrition. These same circumstances can be found in the environment of the bighorn sheep. There is really no reason why bighorn sheep get sick. The researchers at the University of Idaho's Caine Veterinary Teaching Center have not found any instance of *Pasteurella* carried by domestic sheep being shared by any bighorn sheep dead or dying in an epizootic.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:40 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: FEBRUARY 12, 2009

TIME: 8:00 a.m.

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, and Bock

MEMBERS ABSENT/ EXCUSED: Senator Sagness

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.

MINUTES: **Senator Bock** made a motion to approve the minutes of January 29, 2009 as written. **Senator Smyser** seconded the motion. The motion was carried by **voice vote**.

S1070 **Relating to Beef, Cattle, Animal Feeding Operations. Stanley Boyd, Idaho Cattle Association**, explained S1070 states that in any case in which the United States Environmental Protection Agency (EPA) initiates an enforcement action regarding an alleged noncompliance at a beef, cattle, animal feeding operation, any pending administrative or civil enforcement action initiated by the director regarding the same alleged noncompliance shall be deemed void. If a compliance order addressing the alleged noncompliance has already been issued by the director, that order shall remain in full force and effect.

Bob Naerebout, Executive Director, Idaho Dairyman's Association (IDA) testified in support of S1070. **Mr. Naerebout** expressed concern that the director of the EPA is not interested in protecting the environment and measure their net worth by the fines they place against the industry.

Kent Mann, President of the Idaho Cattle Association explained this past summer he was in Washington, D.C. and the EPA specifically said "They have no tool to evaluate whether they are cleaning the environment, the only tool they have are assessments." He said assessments were running \$4 million a day. With S1070 everything stays the same. The IDA's concern is that they are not fined twice for the same infraction.

MOTION; **Senator Heinrich** moved to send S1070 to the floor with a do pass recommendation. **Senator Bock** seconded the motion. The motion carried by **voice vote**.

Senator Winder stated he is in support of this bill, but he hates the idea

of turning over anything to the EPA. He understands what IDA is trying to accomplish and will vote for the bill.

PRESENTATION: **Traci O'Donnell, Executive Director, Idaho Beef Council (IBC)** stated that the Beef Checkoff program was established as part of the 1985 Farm Bill as a self-help mechanism to raise the demand for beef and increase the opportunity for producer profitability. **Ms. O'Donnell** reported on the State funded programs and that in FY2008 the programs and financials collected \$1.66 million in assessments. **Ms. O'Donnell** explained each year IBC develops strategic action plans based upon business environment shifts and the previous year's performance.

PRESENTATION: **Gretchen Hyde, Executive Director, Idaho Rangeland Resource Commission (IRRC)** reported the Commission was enacted in 1994 through the Idaho Cattle Association, Idaho Wool Growers Association, and Idaho Rangeland Committee to increase public knowledge and understanding of rangeland management. These organizations jointly proposed enabling legislation to create the first "Rangeland Resource Commission" in the United States. **Ms. Hyde** stated that the mission of the IRRC is to provide programs that result in an informed public that understands and supports balanced responsible management of Idaho's economically vital private and public rangelands. These programs include both youth education and public relations to outdoor enthusiasts.

PRESENTATION: **Jim Briggs, Chairman of the Idaho Alfalfa and Clover Seed Commission (IACSC)** reported they represent growers in predominately southwestern Idaho and the Magic Valley. The assessment for seed has been \$.0035 per pound since 1981. The Commission approached Director Celia Gould, Idaho State Department of Agriculture (ISDA) and requested an assessment increase beginning July 1, 2008 to \$.0040. This request was granted. IACSC is currently receiving assessment payments from 11 seed dealers in Idaho and Eastern Oregon. IACSC oversees the disbursement of funds in three major categories of operation: research, education and promotion.

Idaho is the second largest alfalfa seed producing State behind California and is the leading producer of winter hardy alfalfa seed. Alfalfa is among the top five agricultural crops grown in the United States.

Mr. Briggs explained the Commission has worked throughout the year to inform farmers about the new crop residue burning regulations and how DEQ is handling the program in Idaho.

Idaho's growing dairy industry and strong cattle industry has placed a new demand on high quality forage crops. Production of high quality alfalfa can be found in every corner of the U.S. and some points around the world. The climate, soil, water and dedicated producers help maintain Idaho as the leading alfalfa seed producing State in the U.S.

S1052

Relating to Dealers in Farm Produce. Dave Ogden, Section Manager of the Warehouse Control Program at the Department of Agriculture explained that the producer dealer's law is managed and overseen by the Idaho State Department of Agriculture. This bill would provide definitions, classifications and licensing procedures relating to dealers in farm

produce. The intent was to authenticate and validate those who bought and resold produce and thereby offer some assurance to producers. Later, some commodities were excluded from the act. Other acts established indemnity funds for the excluded commodities and made the distinction based on commodities that are warehoused.

MOTION: **Senator Hill** made a motion to send S1052 to the Senate Floor with a do pass recommendation. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

ADJOURNMENT; There being no further business, **Chairman Corder** adjourned the meeting at 9:12 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 17, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, and Bock

**MEMBERS ABSENT/
EXCUSED:** Senators Sagness

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.

MINUTES: **Chairman Corder** called the meeting to order at 8:00 a.m. and asked the Secretary to take a silent roll.

Senator Winder moved to approve the February 3, 2009 minutes as submitted. **Senator Hill** seconded the motion and it carried by **voice vote**.

**CONFIRMATION
VOTE:** **Senator Hill** moved that the committee recommend the confirmation of **Dwight Horsch** to the State Soil Conservation Commission to serve a term commencing February 3, 2008 and expiring July 1, 2013. **Senator Winder** seconded the motion. **Senator Schroeder** stated he had a problem with the confirmation, in that last summer the State Soil Conservation Commission released personal information including social security numbers and financial statements to the public via the internet. The motion passed by **voice vote** with **Senator Schroeder** requesting that he be recorded as voting "Nay."

PRESENTATION: **Laura Johnson, Marketing Bureau Chief, Idaho State Department of Agriculture**, emphasized the importance of international trade to Idaho, with many agriculture sectors being export dependent. Idaho exports over 20% of its agricultural production to foreign markets. She stated that much of Idaho's export success is directly related to its three International Trade Office Managers. These Managers come to Idaho about twice a year and spend a great deal of that time meeting one on one with Idaho companies to look at their products, assess their needs, and provide export counseling. **Ms. Johnson** advised that Idaho export

statistics are somewhat lower than actual exports. This information is collected by U.S. Customs, who lists the exporter of record and its zip code.

Ms. Johnson introduced **Guoli Cao**, Idaho's China Trade Office Manager, who provided an update on general trade with China and the Chinese economic situation (attachment #1). **Mr. Cao** stated that although there are significant worldwide challenges, the China office has been working hard to support the economy of Idaho.

Senator McGee inquired about the value of the Governor's trade missions. **Mr. Cao** advised that Asian people always want to maintain a good relationship. When a government official comes to visit, they see it as a sign of great respect and it gets a lot of attention in their press. He stated they treasure high level friendships.

Senator Hill inquired how the worldwide recession might be affecting imports from Idaho. **Mr. Cao** responded that generally speaking Idaho exports to China is effective, and that although China's growth has slowed, it is stable, especially for high tech. He advised that China's demand is still strong because China's currency is appreciating against U.S. dollars.

Ms. Johnson stated that Taiwan has been a very steady, strong market for Idaho agriculture and an excellent market for new export companies. She introduced **Eddie Yen**, Idaho's Taiwan Trade Office Manager, who reviewed Taiwan market conditions as well as new trends, new products, and special promotions in 2008 (attachment #2).

Ms. Johnson stated that in 2007 Mexico was our second largest agricultural export market. She introduced **Armando Orellana**, Idaho's Mexican Trade Office Manager, who reviewed the Mexican market and economic situation. He also outlined notable export trends for Idaho products and promotions and trade shows the office has conducted (attached #3).

PRESENTATION:

Wally Butler, Idaho Farm Bureau Federation, Range/Livestock Specialist, provided the committee with an update on the 2007 Murphy Complex Fire and reviewed the lessons learned from that experience. He showed a series of photos comparing the range-land before the fire and one year later. He pointed out the burn patterns, types of fuel, and described grazing on the land prior to the fire.

Bill Baker, Twin Falls District Manager, Bureau of Land Management (BLM), who had primary responsibility for fighting the Murphy Complex Fire, and **Mike Pellant**, Range Ecologist and Restoration Specialist, Bureau of Land Management were introduced.

Mr. Baker gave a power point presentation detailing the Murphy Complex Fire, which started on July 16, 2007, burned over 500,000 total acres, and was contained on August 2, 2007 (attachment #4). He stated that partnerships formed with rural fire departments, Idaho Department of Lands, Fish and Game, and Department of Agriculture provide support not only in fighting fires, but rehabilitation and restoration efforts. **Mr. Baker** provided information on the cost of stabilization and rehabilitation after the fire and the types of treatments completed. He stated that a fire coordination committee established by the Governor was very helpful in coordinating rehabilitation of state and federal land. He outlined the remaining goals to complete rehabilitation projects and monitor the area.

Mr. Pellant stated that following containment of the fire, BLM established a team of scientists, habitat specialists, and land managers to examine the fire. This team, with **Mr. Pellant** as a member, was asked to make preliminary observations about the effects, if any, of existing vegetation mixes and current grazing management on how the fires behaved and spread. They were asked to recommend further studies and research needed to address remaining questions about the use of livestock to reduce fuels while maintaining other resource values, and to discuss how the findings of this study might be applied to other areas. The Murphy Wildland Fire Grazing and Fuel Assessment Team reported its findings in August 2008 (attachment #5). He stated that as a result of the team report, BLM is developing internal guidance, has requested funds for pilot projects, and continues to monitor and improve tools and apply lessons learned from the Murphy Complex Fire to fire prone areas throughout the great basin.

Mr. Baker and **Mr. Pellant** answered questions of the committee related to the type of grasses planted in the area, the challenges BLM is facing in the Courts, and the advisability of adding critics to the team studying the effects of the fire

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** February 19, 2009
- TIME:** 8:00 a.m.
- PLACE:** Room 211
- MEMBERS PRESENT:** Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, Heinrich, Smyser, and Bock
- MEMBERS ABSENT/ EXCUSED:** Senators McGee and Sagness
- 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.
- Chairman Corder** called the meeting to order at 8:00 a.m.
- MINUTES:** **Senator Smyser** made a motion to approve the minutes of February 5, 2009. **Senator Winder** seconded the motion and the motion was carried by **voice vote**.
- Senator Heinrich** made a motion to approve the minutes of February 10, 2009. **Senator Winder** seconded the motion and the motion was carried by **voice vote**.
- PRESENTATION:** **Dr. Kelly Crane**, University of Idaho, Extension Rangeland Specialist, presented a compelling case for the use of appropriate non-native perennial species of grasses to bridge the ecological gap between native species and invasion of cheatgrass. Research has shown that cheatgrass can invade even ungrazed areas, change the chemical structure of the soil, and that active management is much more appropriate. Fire frequency is greatly increased when cheatgrass is dominant.
- Dr. Crane** also illustrated that introduced crested wheatgrass is relatively easy to establish, much more fire tolerant, and resistant to an invasion by cheatgrass. Those characteristics make it the near perfect ecological bridge. There are many crested wheatgrass seedings from 40-50 years ago that are now dominated by native species of both grasses and brush that provide an excellent wildlife habitat.
- PRESENTATION:** **Dr. Neil Rimbey**, University of Idaho, Extension Range Economist, spoke about ranch-level economics and the effect range fires can have on the viability of ranching operations. **Dr. Rimbey** presented research based upon economic modeling that shows that as fire frequency increases the economic impact on the ranch viability increases. Fire

frequency can be directly related to species composition and to grazing intensity based upon ecological condition of the site.

Dr. Rimbey presented a strong case for the “War on Cheatgrass” rather than a “skirmish.” This statement is the result of a memorandum of understanding among four states where cheatgrass is a major invader and to date it appears only Utah has funded the proposed war.

PRESENTATION: **Ron Kay**, Range Program Manager, Idaho State Department of Agriculture (ISDA), spoke about his role in the restoration team effort on the Murphy Complex fire. **Mr. Kay** was involved in the evaluation of the need for reseeding, the monitoring to determine rest periods, and the preparation of the report outlining fire response to grazing.

The Department of Agriculture Range Program serves a valuable need to producers statewide, and Idaho Farm Bureau Federation (IFBF) staff works closely with their personnel. They often jointly do field assessments, review and comment on grazing plans, and evaluate and comment on environment documents.

PRESENTATION: **Wally Butler**, Range/Livestock Specialist, Idaho Farm Bureau Federation, summarized the presentations and gave a brief overview of the programs in the conservation chapter of the new farm bill.

Mr. Butler discussed the newly formed Western Legacy Alliance, which is an organization intended to educate the general public to promote proper multiple uses of natural resources and maintenance of working landscapes, not just the grazing industry.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:34 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 24, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED: Senator Hill

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.

Chairman Corder called the meeting to order.

MINUTES: **Vice Chairman Winder** made a motion to approve the minutes of February 12, 2009 as written. **Senator Sagness** seconded the motion. The motion carried by **voice vote**.

Senator Schroeder made a motion to approve the minutes of February 17, 2009 as written. **Vice Chairman Winder** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **American Farmland Trust, Don Stuart, Northwest States Director**, stated he would like to talk about three things in respect to preserving agricultural lands.

Why Should we be Worried/Concerned

- Economics and Trade
- Social Heritage and Food Connection
- Cost of Community Services
- Environmental

The Nature of the Problem

- Lost Opportunities for Restoration and Habitat
- Farms are a Business - saving Farmland is about saving Farm Businesses
- High Land cost Discourages Investment - especially in Conservation

Ways to go about Solving It

- Purchase of Agricultural Conservation Easement (PACE) is only part of the solution - also need: regulatory accommodation, tax relief, economic development assistance and environmental cost incentives

Mr. Stuart explained that a farmer who wants to stay in agriculture may need

investment capital now. He may wish to invest in more land, in other business improvements, to pay down debt, or for any other reason. PACE can provide this capital without selling out and moving the entire farming operation to another location.

HB33

Relating to the Department of Agriculture and the Artificial Production of Rainfall. **Michael Cooper**, Bureau Chief of Feeds and Plant Services, Idaho State Department of Agriculture (ISDA), explained that this bill only requires that producers of artificial rainfall register with the ISDA and file a log of activities. There is no provision for rule-making or penalties for failing to register or file an activity log. Besides ISDA, producers must file with the Idaho Department of Water Resources, Idaho Bureau of Homeland Security, and the Federal Office of Oceanic and Atmospheric Research and the Federal Aeronautic Division if they go into the air.

MOTION:

Senator McGee moved to send H33 to the floor with a do pass recommendation. **Senator Smyser** seconded the motion. The motion passed by **voice vote** with **Senator Schroeder** requesting that he be recorded as voting "Nay."

H34

Revise License Provisions, to require certain Insurance and to make a Technical Correction. **Dave Ogden**, Section Manager, Warehouse Control Program, Department of Agriculture, explained that this bill deals with commodity dealers. The bill on Lines 23 and 28 contain technical corrections so section 69-503 (2) a and b are the same. This legislation amends Title 69, Chapter 5, Idaho Code to reduce financial risk to the Commodity Indemnity Fund (CIF). It requires commodity dealers to carry peril insurance to cover the full market price of commodities that they have received and for which they still owe the producer.

Senator Heinrich asked if there is a definition of physical perils? **Mr. Ogden** replied they do not have a definition of physical perils. **Senator Heinrich** explained that it is quite specific in the bill that we are asking the commodity dealers to take physical perils insurance, yet we are not saying what physical perils are, so how do they know what policy is going to comply with this section of law? **Mr. Ogden** explained the presumption here is that basically traditional perils could destroy the grain. **Mr. Ogden** suggested that if **Senator Heinrich** would feel more comfortable about the legislation, they could define H34 by a rule. **Senator Heinrich** felt that would be appropriate.

Senator Winder referred back to rule making as a possibility rather than try to amend the House Bill. **Vice Chairman Winder** felt that adding a rule was a good idea and that would give **Mr. Ogden** time to work with the industry and figure out what the problems might be.

Mr. Ogden agreed that would be a good thing to add, since it would impact their operations.

MOTION:

Senator Heinrich moved to send H34 to the floor with a do pass

recommendation. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

H35

Relating to Duties of the Director of the Department of Agriculture. **Laura Johnson**, Section Manager, Market Development Division, Department of Agriculture, stated that going through the zero-based budgeting process, the department identified language in Title 22, Chapter 1, Idaho Code that is outdated. The department has supported a market news service through a cooperative agreement with USDA for more than 50 years. This legislation updated the statute to more accurately reflect the commodity information published by the market news service. **Ms. Johnson** stated they are recommending the revision and to merge Sections 11 and 12 together to more accurately reflect what that office actually does today.

MOTION:

Senator McGee moved to send H35 to the floor with a do pass recommendation. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

H36

Relating to the Pure Seed Law. **Richard Killebrew**, Program Manager, Feed and Fertilizer Program, Department of Agriculture, stated in addition to a couple of general housekeeping changes the following is a summary of the proposed changes. The statute would be revised to add a seat for a representative of the native seed industry and terms of appointment section revised to reflect the additional member. The Seed Advisory Board meets in June of each year creating an eleven-month delay in the Board selecting a chairman. The statute would be revised providing the selection of a chairman at the first meeting after June 1 in each year. The Seed Advisory Board has adjusted their length of terms so that all members serve three year terms. The statute would be revised to modify the length of terms for board members to three years. The Seed Arbitration Council as currently structured is a standing committee with some members being appointed or reappointed annually. The committee has not had a need to meet in more than ten years. It is being proposed that the current standing Council be changed to an "as needed" Council as with the Seed Potato Arbitration Council.

MOTION:

Senator Bock moved to send H36 to the floor with a do pass recommendation. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

H37

Relating to Bonded Warehouses. **Dave Ogden**, Section Manager, Warehouse Control Program, Department of Agriculture, explained this legislation amends Title 69, Chapter 2, Idaho Code to reduce financial risk to the Commodity Indemnity Fund (CIF) by: (1) limiting producer and CIF liability to not more than three years of annual assessments for claims that exceed the balance of the fund, and (2) exempting the CIF for liability for claims caused by "uninsurable perils" such as natural disasters.

Senator Bock asked if the industry felt this definition of "uninsurable perils" is sufficient and they feel protected by this language? **Mr. Ogden** stated they are comfortable with the language since they discussed it with the

Commodity Indemnity Fund Advisory Committee, Food Producers Association and Idaho Farm Bureau. **Mr. Ogden** stated that the Committee's points on definitions were well taken and there is some risk there, but he feels there is a greater risk in not doing anything with the law to protect the fund.

Senator Heinrich stated that he is much more comfortable with this terminology and it is too bad they don't have "insurable physical perils" in H34. Then you have continuity in law.

Mr. Odgen stated that in drafting H34 they chose the terms "insurable" and "uninsurable," trying to be consistent in the use of those terms. **Mr. Ogden** stated in going back to H34 and if the Committee is more comfortable with using the language for the commodity dealers as the same language used in the warehouse law. We may need to go back to the industry to make sure they are comfortable with this decision.

Senator Heinrich stated he is not uncomfortable with the term "insurable" and "uninsurable", because the industry will set what the perils are. In H34 we are actually asking them to provide insurance for something they may not be able to do in the courts, but we agreed to address that in rules and I am not too sure that we shouldn't have the term "insurable" in there.

Senator Schroeder asked what would be the effect of putting "insurable perils" in H34? **Mr. Ogden** stated he felt it would be more definitive and probably help the language. **Senator Schroeder** stated that the committee discussion recognized that there was no continuity of language between the two bills (H34 and H37) and the Committee would prefer harmony between these bills.

MOTION: **Senator Schroeder** moved that the Committee reconsider H34. **Senator Sagness** seconded the motion. The motion carried by **voice vote**.

MOTION: **Senator Schroeder** moved that H34 be sent to the 14th Order for amendment. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

MOTION: **Senator Smyser** moved that H37 be sent to the floor with a do pass recommendation. **Senator Heinrich** seconded the motion. The motion carried by **voice vote**.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:30 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: FEBRUARY 26, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, and Sagness (Malepeai)

MEMBERS ABSENT/ EXCUSED: Senator Bock

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.

Chairman Corder called the meeting to order at 8:05 a.m.

S1071 Relating to Duties of the Director of the Department of Agriculture, **Stanley Boyd**, Idaho Cattle Association, explained the purpose of this proposed legislation is to amend the duties of the Director, Idaho Department of Agriculture, to require that the director administer a range program.

MOTION: **Senator Sagness** moved that S1071 be sent to the 14th Order for amendment. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Blair Wilson**, Regional Vice-President, Northwest Farm Credit Service (NWFCS), stated the farm credit nationally is doing quite well. Overall good credit quality and strong capital levels across the Farm Credit System. The Northwest is well positioned for working through an economic downturn while supporting the needs of our customers. **Mr. Wilson** stated the economic down turn in the general economy will impact agriculture and NWFCS in 2009 and 2010.

Senator Schroeder asked what is the percentage of portfolios on dairy loans? **Mr. Wilson** replied that dairy is one of their larger percentages of portfolios and it is approximately 15%.

Mr. Wilson explained that if NWFCS cannot issue the proper debt to match the loan terms then some products might be suspended, but NWFCS has the capacity and the financial position to stay with our existing customers for sure.

Chairman Corder asked **Mr. Wilson** to explain the process that would

help the producers who have gone non-accrual and what game plan Farm Credit uses to get the producers back into an accrual status?

Mr. Wilson explained that the first thing they do when a loan goes delinquent or non-accrual is transfer the loan to a special team who has the expertise to deal with customers under distress. The producers have several options in terms of working with people on extending their maturities, potentially reducing their interest rates.

PRESENTATION:

Kip Bryson, Vice-President U.S. Bank & Vice-Chair, Idaho Bankers Association, Agriculture Bankers Committee, explained that most banks are not encountering significant concerns in the agricultural sector. Most producers are entering their 2009 cycle with adequate liquidity, and with projected operating margins at a level higher than we have seen in the last five years, unless an operator is expanding acreage and then we anticipate borrowing needs to be down.

Agriculture lenders will look closely at the overall economic environment and try and assess the borrower's ability to service their present or future debt load, any possible expansion plans, and the long-term vitality of an enterprise. The cash flow and ability to repay an obligation is the primary consideration.

The commodities that fared the best in 2008 are alfalfa, hay, corn, onions, sugar beets, wheat, potatoes, and small seeds such as carrot, corn, and beans. For row crop operators the most serious issue is input costs (fuel, fertilizers and chemicals).

The total inventory for the beef industry was down \$1.54 million per head as of January 1, 2009. The good news is beef exports in the United States were at their highest level since 2003.

The greatest challenge at present is the dairy industry, with low milk prices and to a lesser extent high cost feed inputs. Dairymen may find it necessary to leverage real estate in order to continue during these difficult times. Of course, lenders must be careful not to allow a borrower to leverage themselves into a position that future cash flows cannot remedy. Idaho agriculture is expected to remain strong, particularly row crop enterprises that provide the State's planted and harvested commodities.

Mr. Bryson reported labor costs have been an issue for several years, and they do not see a reversal of this trend. The past 12 months, prices have fallen for the cow/calf operators and we do not know what to expect for 2009. Recessionary times tend to be friendly to agriculture due to lower input costs, cheaper labor and a weakened dollar. Considering the present times it would seem due diligence and a cautious approach is the best.

In closing, **Mr. Bryson** stated Idaho's producers are very resourceful and

have proven over time to be very nimble and dynamic when facing adversity. They always seem to find a way to use new technologies to increase production, or reduce expense, in order to remain profitable.

PRESENTATION: **Tony Kevan**, Vice-President and Commercial Loan Officer, Magic Valley Bank, Twin Falls, ID, stated in spite of the challenges, Idaho's operations are well positioned. The availability of comparatively low cost feed for both beef and dairy operations makes Idaho very competitive with other areas. Current interest rates are at historically low levels and are not forecast to increase significantly through this current production season keeping interest expenses lower. Major input costs have come down and are forecast to continue moving lower.

Idaho has a relatively stable climate and a good supply of low cost land. Combine that with a relatively good supply of high quality water and we have excellent conditions to grow a diversity of high quality crops at affordable prices. Idaho has an agriculturally friendly state government that helps facilitate the development of Idaho's agricultural industry.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:12 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** March 3, 2009
- TIME:** 8:00 am
- PLACE:** Room 211
- MEMBERS PRESENT:** Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock
- MEMBERS ABSENT/ EXCUSED:**
- 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 Corder** called the meeting to order at 8:00 a.m.
- MINUTES:** **Senator Hill** made a motion to approve the minutes of February 19, 2009 as written. **Senator Winder** seconded the motion. The motion carried by **voice vote**.
- PRESENTATION:** **Bill Moad**, Director Fleet Operations, Idaho Trucking Association, J. R. Simplot Company, stated he was here today to inform the Committee how vital transportation is to agriculture and expressed his concern that in the future, will there be solvent carriers available to haul our products.
- Mr. Moad** presented to the Committee an overview of market changes. Diesel prices have fallen significantly. Shippers' fuel surcharges have dropped in the last eight months and they are also enjoying a reduced freight rate in certain markets. **Mr. Moad** stated that shippers and manufacturers are working to improve carrier asset utilization and help reduce their operating costs by cutting idle and non-productive time at the shipping docks.
- PRESENTATION:** **Roy Eiguren**, Attorney, Idaho Efficient Truck Coalition, reported that the Coalition is an organization that represents 40 companies and trade associations across southern Idaho. **Mr. Eiguren** handed out a descriptor of the membership in the Coalition, as well as some data about the more efficient truck. The handout describes the various type of trucks that currently operate on Idaho roads (attachment #1). In 2003 the Legislature enacted a Pilot Project in southern Idaho which allowed 129,000 pound trucks on limited highways. The goal of that project was to provide a more efficient means for freight transport, but also to obtain information on impacts by these heavier trucks to bridges, roadways and highway safety. The ten-year Pilot Project is a part of the statute enacted in 2003. This was a requirement that the Idaho Transportation

Department report back to the Legislature every three years regarding the various impacts. The Pilot Project map (attachment #2) shows the proposed routes that only exist south of the Salmon River.

PRESENTATION: **Stuart Davis**, Executive Director, Association of Highway Districts, presented an overview of the local road system. There are 290 local highway agencies, cities, counties and highway districts in this State with responsibility over the road system. **Mr. Davis** stated they commissioned a study through the Legislative investigative arm, Local Highway Technical Assistance Council (LHTAC), which was created to provide locals with technical information. LHTAC provides all of the federal funding that comes through Idaho and what goes to the local system is distributed by LHTAC. In March, LHTAC did their first study on the local system and came up with some startling conclusions. If you look at the present funding sources, before we add a single inch of capacity upgrade, we are looking at a \$4.9 billion shortfall at the end of twenty years. That \$4.9 billion dollar figure assumes we are going to let 18% of our system, which is now in fair or poor condition, just go. **Mr. Davis** stated they are about \$50 million in the hole in terms of keeping up with the maintenance.

The local highway agencies have administrative responsibility for approximately 33,849 miles of road in the local system and 4,946 miles in the State system. **Mr. Davis** noted that if you look at the historical change in our system since 1996, the locals have added 4,116 miles of road to our system. Looking at the data from 2002 to 2006, the total vehicle miles traveled in the State is about 176 million, 83% of that is on the local system, 54.09% is on the State and 39.38% is on the interstate. Fifty-five percent of the truck traffic in Idaho is on the local system.

Mr. Davis reported that the number of deaths per 100 million miles traveled was 68 on the interstate, 160 in the State and the local system had 202.

ADJOURNMENT: In 1996 with the Wilbur Smith Study, they wanted the optimum ratio of user to non-user funding for roads all across the State to include 70% user fees (fuel tax) and 30% non-user fees (local property tax). At the present time non-user fees are 49.5%.

There being no further business, **Chairman Corder** adjourned the meeting at 8:50 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 5, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED:

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 Corder** called the meeting to order at 8:00 a.m.

MINUTES: **Senator Schroeder** made a motion to approve the minutes of February 24, 2009 as written. **Senator Heinrich** seconded the motion. The motion carried by **voice vote**.

Senator Sagness made a motion to approve the minutes of February 26, 2009 as written. **Senator Hill** seconded the motion. The motion carried by **voice vote**

PRESENTATION: **Dr. Glen Weiser**, President, Caine Veterinarian Teaching Center, University of Idaho, discussed the heightened concern over the possible contact transmission of respiratory disease from domestic to wild sheep, but in order to understand the basic potential risk of respiratory disease, they must survey the flora endemic in sympatric domestic and wild sheep. **Dr. Weiser** presented an overview on his studies of pasteurilla, a very complex toxin exacerbated by many factors. He stated that wild sheep carry pasteurilla in their tonsils, whereas in domestic sheep, it is carried in their nasal passages.

Dr. Weiser is currently working with a state-of-the-art technology developed by grants from Homeland Security and the United States Department of Agriculture (USDA) in response to the possibility of bioterrorism threats following the 9/11 attack. The technology, called electro-spray tandem mass spectrometry, is capable of identifying more than 1500 possible pathogens including viruses, many of which are difficult to find using conventional techniques.

This will be the largest and most comprehensive sheep respiratory

pathogen survey ever conducted. This research is expected to yield some exciting results, which could provide additional resources to decision-makers in developing grazing policies.

H99

Roger Batt, Executive Director, Idaho-Eastern Oregon Seed Association (IEOSA), stated in 2006, legislative auditors indicated that it is no longer necessary for small commodity commissions to require two signatures on checking accounts. Current banking practices also do not require two signatures on checks. The Idaho Grape Grower and Wine Producers Commission requires action by the commission to withdraw or pay out of their accounts. These accounts are audited by legislative and independent auditors. In some instances, members of the commission are some distance apart and it is difficult to obtain two signatures. In 2006, the legislature incorporated similar provisions for eliminating dual signatures on checks and required internal accounting controls for the Idaho Mint Commission, Idaho Alfalfa Clover Seed Commission, Idaho Bean Commission and Idaho Canola and Rapeseed Commission by amending Idaho Code Sections 22-3811, 22-4215, 22-2919 and 22-4720 (H0772, H0771, H0774 and H0773).

Senator Schroeder moved to send H99 to the floor with a do pass recommendation. **Senator Sagness** seconded the motion. The motion carried by **voice vote**.

H100

Roger Batt, Executive Director, Idaho-Eastern Oregon Seed Association (IEOSA), stated Idaho's grape and wine industry is an important and growing agricultural industry in the State. Funding to assist with research, education and continued growth of this industry is critical to sustain its viability. This legislation asks for minimums in assessments to be set in place for grape producers and wineries to fund such needed activities. This legislation also clarifies that wineries are taxed on wine production separately from their vineyard production. The assessment will be set through rule-making with the Department of Administration after the 2009 legislative session.

Senator Schroeder moved to send H100 to the floor with a do pass recommendation. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 8:56 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** March 10, 2009
- TIME:** 8:00 am
- PLACE:** Room 211
- MEMBERS PRESENT:** Chairman Corder, Vice Chairman Winder, Senators Hill, Heinrich, Smyser, Sagness (Malepeai), and Bock
- MEMBERS ABSENT/ EXCUSED:** Senators McGee and Schroeder
- 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 Corder** called the meeting to order at 8:00 a.m. and presented the gavel to **Vice Chairman Winder** to conduct a portion of the meeting while he presented an item of proposed legislation.
- RS18823** **Chairman Corder** presented RS18823. This legislation relates to resolving a condition of extreme peril that exists in and around the bodies of water in the state of Idaho. It proclaims that a State of emergency exists within the state of Idaho and asking that deficiency warrant funding authorized by the Idaho Invasive Species Act of 2008, be used by the Idaho State Department of Agriculture for personnel, equipment and facilities for the performance of any and all activities associated with quagga and zebra mussel prevention, development and implementation of incident response plans and interagency agreements.
- UNANIMOUS CONSENT:** **Vice Chairman Winder** asked for unanimous consent that RS18823 be sent to the Judiciary and Rules Committee for print. He requested that the Secretary write a letter expressing the committee's request. **There was no objection.**
- PRESENTATION:** **Alex LaBeau**, President, Idaho Association of Commerce and Industry (IACI), presented an overview of the Idaho Processors Division Committee. Two sub-committees, the Executive and Wild Products Committee and the Research Committee have different functions, but are both strongly connected to the Idaho Potato Commission.
- The Processor Division has had an issue with a potato cyst nematode and the problem this created was that if they received a single warning notice or an issue of PCN in the valley, all of the borders in Mexico shut down. The Idaho State Department of Agriculture and the USDA negotiated the processes to get real work on the ground and eradicate PCN in Idaho or at

least contain it and get the borders back open to start shipping products that need to be sent outside the state of Idaho.

IACI is currently in the process of developing more education programs, particularly in the state of Idaho, to deal with the issue of raw materials coming into the product streams and then into the manufacturing plants.

The eastern Snake plain aquifer comprehensive management plan is a very important step in dealing with a long term solution for water in the state of Idaho. The eastern State plain aquifer manages approximately two-thirds of the irrigated agricultural in the state of Idaho. This is a significant portion of where the raw products come from and in order to maintain the health of the aquifer a long term solution is needed.

The Research Committee deals with environmental issues concerning air, land and water. The Committee is undertaking issues with greenhouse gases that are going to be a significant regulatory item to be dealt with in the future.

PRESENTATION: **David Zepponi**, President, Northwest Food Processors Association (NWFPA), stated they are a large part of the infrastructure in the Northwest and a significant part of the economy. NWFPA trades among Washington, Oregon and Idaho representing a number of products. In Idaho they are approximately a \$4.8 billion industry.

The food processors provide a basis of stability to urban and rural communities that you don't find in other industry sectors. NWFPA represents the third largest Northwest manufacturing sector and more than 130 processing plants in the Northwest. They are the largest regional food processing association in the United States. NWFPA is a production organization and one of the key things they do is knowledge dissemination and industry-wide strategic planning. The state of Idaho is a partner in the assessment and the five priorities they established in the cluster process was: Innovation Infrastructure; Transportation; Workforce Development; Strategic Alliances; and Operational Productivity. In 2007 the state of Oregon awarded a grant for the NWFPA Innovation Productivity Center.

Mr. Zepponi explained to the Committee that they are working on a future project called Green Energy Management System (GEMS), which measures greenhouse gases and energy efficiency through plants in the Northwest. Other future projects include: Super Boiler-Gas Technology Institute/US DOE; Listeria Rapid Detection Test; and Fork Knox.

In closing, **Mr. Zepponi** stated that the Northwest has a strategic competitive advantage in attracting processors because no other region is as organized, nor do they have the resources. We are a foundational industry.

PRESENTATION: **Jen Pierce**, Assistant Professor PhD, Department of Geosciences, Boise State University, spoke on how future climate changes will affect Idaho and the implications for our agricultural communities and the State in general.

With projected increases in global temperatures, winter precipitation in Idaho could increase by as much as 20% in the form of rain instead of snow.

Summer temperatures will increase by at least two to three degrees centigrade. A significant increase in solar temperatures will have a major impact on the agricultural communities. **Dr. Pierce** reported the changes in timing of snowmelt will have serious implications for flood control and irrigation and also make it more difficult to plan when to plant crops.

Dr. Pierce presented the results of a study on how climatic changes and the timing of snowmelt affected the barley yields in Camas County. **Dr. Pierce** stated that there is a high correlation between later snowmelts and higher yields of barley versus earlier snowmelt and lower yield in spring barley.

Climate change in Idaho will play a large part in the extent and severity of wildfires, as well as insect infestations. In forested areas there will be more water related erosion and in the rangelands it will be wind erosion.

In summary, the following are expected climate changes in Idaho.

- Climate is warming
- More precipitation is expected to fall as rain in the winter
- Snow is melting earlier
- Early spring flows are increased, summer flows are reduced
- Changes in the timing of snowmelt directly impact agriculture
- Fire season is longer

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:30 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 12, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock

**ABSENT/
EXCUSED:**

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.

Chairman Corder called the meeting to order at 8:00 a.m.

MINUTES: **Senator Bock** made a motion to approve the minutes of March 3, 2009 as written. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

Senator Hill made a motion to approve the minutes of March 5, 2009 as written. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

H101 **Stan Boyd**, Idaho Cattle Association, explained this legislation is to put in place a refund provision for the fifty cent per head assessment the Beef Council is allowed to assess (although this assessment is not currently being collected). The legislation also deletes a requirement regarding collection of the assessment on cattle that are leaving the State, raises the amount of assessment the Council can collect from one dollar to one dollar and fifty cents should the Federal Beef Promotion and Research Act no longer be in effect, and repeals IC Section 25-2908, regarding an additional twenty percent of the funds collected must be passed on to the national beef promotion program.

Wally Butler, Range/Livestock Specialist, Idaho Farm Bureau Federation and **Charles Lyons**, Vice President, Idaho Cattle Association, spoke in support of this legislation.

MOTION: **Senator Sagness** moved to send H101 to the floor with a do pass recommendation. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

H125 **Karen Ewing**, Idaho Board of Veterinarian Medicine, explained this legislation would revise Idaho Code, Section 54-2103 (9) (a) and provide an effective mechanism to ensure that all certified euthanasia technicians are complying with rules regarding the proper handling and administration of approved drugs, record keeping, and other obligations. This can be accomplished through annual inspections of Certified Euthanasia Agencies and their staff. This legislation will require that all certified euthanasia technicians work for a Certified Euthanasia

Agency.

MOTION: **Senator Heinrich** moved to send H125 to the floor with a do pass recommendation. **Senator Smyser** seconded the motion. The motion carried by **voice vote**.

H126 **Karen Ewing**, Idaho Board of Veterinarian Medicine, explained this legislation would add a requirement that all new applicants for veterinary licensure, veterinary technician certification, and euthanasia technician certification undergo a criminal background check prior to licensure or certification.

The criminal background checks will allow the Board to screen potential applicants with felonies, criminal acts relating to veterinary medicine, or violations of laws regarding narcotics, dangerous drugs, or controlled substances. They will not be granted a license or certificate without specific review by the Board. The Board will determine eligibility for a license or certification on a case-by-case basis in instances where criminal background checks are received which indicate prior criminal history.

Senator Hill asked if current employees would be required to undergo this background check or only new applicants? **Ms. Ewing** stated only new veterinarian applicants, but if an applicant was licensed in Idaho, and let their license expire, they would be required to undergo a background check.

Senator Hill asked if pharmacists and doctors are required to have a background check? **Ms. Ewing** stated that they are.

MOTION: **Senator Winder** moved to send H126 to the floor with a do pass recommendation. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

H127 **Karen Ewing**, Idaho Board of Veterinarian Medicine, explained this legislation updates the Declaration of the Policy applicable to Veterinarians; amending Section 54-2101, Idaho Code, to add animals as a group to be safeguarded by the State and to revise the means to accomplish policy objectives.

MOTION: **Senator Smyser** moved to send H127 to the floor with a do pass recommendation. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 8:47 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 17, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, and Sagness (Malepeai)

MEMBERS ABSENT/ EXCUSED: Senator Bock

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 Corder** called the meeting to order at 8:00 a.m.

H124 **Relating to Idaho Ag in the Classroom. Representative Darrell Bolz**, explained this legislation will make the necessary corrections to H426 passed in 2008. That legislation inadvertently left a section in Idaho Code allowing for funds for the Idaho Agriculture Plates to be transferred to the State Treasurer. Since the Ag in the Classroom is not a State agency, those funds cannot be transferred to the State Treasurer for investment purposes. The new legislation will correct that error and specify that the Idaho Transportation Department transfer the funds directly to Ag in the Classroom by warrant on a monthly basis.

MOTION: **Senator McGee** moved to send H124 to the floor with a do pass recommendation. **Senator Smyser** seconded the motion. The motion carried by **voice vote**.

Chairman Corder introduced **Jim Evans**, Chairman of the Idaho Pea and Lentil Commission, who traveled from Moscow, Idaho to testify in support of H128 and H129.

H128 **Relating to the Pea and Lentil Commission, Chairman Tom Trail**, House Agricultural Affairs Committee, explained that amending Section 22-3507, Idaho Code, would revise compensation provisions relating to members of the Pea and Lentil Commission.

MOTION: **Senator Schroeder** moved to send H128 to the floor with a do pass recommendation. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

H129 **Relating to the Pea and Lentil Commission, Chairman Tom Trail**,

House Agricultural Affairs Committee, explained that amending Section 22-3506, Idaho Code, would:

- revise provisions relating to the selection of commission members,
- revise provisions relating to the terms of office of commission members,
- revise provisions relating to vacancies on the commission and appointments to fill vacancies for the remainder of the term for that position.

MOTION: **Senator Schroeder** moved to send H129 to the floor with a do pass recommendation. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Frank Muir**, President, CEO, Idaho Potato Commission (IPC), presented the Statement of Revenues and Expenditures Budget for the year ending August 31, 2008. IPC generated \$13 million in revenues, which resulted primarily from increased yields. The net result from farm net revenue, which is what the farmers receive, was nearly \$800 million. This was the second highest revenue year in the history of Idaho. More importantly, IPC completed their fourth consecutive year of gain in farm net revenue.

Mr. Muir provided an overview of the current fiscal year Legislative Financial Report. IPC is still at 12 ½ cents even though it has a cap of up to 15 cents. Alternative crop prices increased and the farmers took advantage of this one-time opportunity by shifting from potatoes to rotation crops. The farmers benefitted from these crops, as well as the potato growers, due to reduced acreage.

Mr. Muir reported that the Idaho Potato Commission and Agriculture are both very strong and doing well here in Idaho.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 8:30 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 19, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Hill, McGee, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED: Senator Schroeder

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 Corder** called the meeting to order at 8:00 a.m.

MINUTES: **Senator Heinrich** made a motion to approve the minutes of March 10, 2009 as written. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

Senator Bock made a motion to approve the minutes of March 12, 2009 as written. **Senator McGee** seconded the motion. The motion carried by **voice vote**.

Chairman Corder passed the gavel to **Vice Chairman Winder** to conduct a portion of the meeting while he presented an item of proposed legislation.

SCR 109 **Chairman Corder** presented SCR109, a Concurrent Resolution stating findings of the Legislature resolving that a condition of extreme peril exists in and around the water bodies of the State of Idaho, proclaiming that a state of emergency exists within the State of Idaho and asking that deficiency warrant funding authorized by the Idaho Invasive Species Act of 2008, be used by the Idaho State Department of Agriculture for personnel, equipment and facilities for the performance of any and all activities associated with quagga and zebra mussel prevention, development and implementation of incident response plans and interagency agreements (attachment #1).

This Resolution sets forth the nature of the emergency confronting Idaho in the form of zebra and quagga mussels, and sets forth limitations and scope in the use of emergency deficiency warrants. In the Idaho Invasive Species Act of 2008 a cap was placed on expenditures through the use of emergency warrants. Should expenditures through deficiency warrants prove necessary, the amount is indeterminate. The maximum allowed

under the Act is \$5 million. The cost to the general fund and local jurisdictions could exceed \$90 million annually if the mussels invade. **Chairman Corder** emphasized that prevention is our best tool.

MOTION: **Senator Sagness** moved to send SCR 109 to the floor with a do pass recommendation. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

Vice Chairman Winder returned the gavel to **Chairman Corder**.

PRESENTATION: **Wally Butler**, Range /Livestock Specialist, Idaho Farm Bureau Federation, provided an update for the Committee regarding actions taken by the State to produce and store enough volume of seeds so that when catastrophes such as large fires strike, the necessary seed for reclamation projects is available. He also addressed the issue of climate change.

Mr. Butler stated that The Agriculture Research Service (ARS) and Plant Materials Center for Natural Resources Conservation Service (NRCS) do plant breeding. They collect the different families or accessions of a particular plant, such as fescue – they are not a different sub species, just a little different set of genetics – from each of the different areas and they basically marry them. They don't actually do any genetic modification or genetic engineering. The seeds are then planted in blocks in an area that is several acres in size. These different accessions or families cross pollinate and produce a hybrid of each of those individual accessions. The seeds are then moved to different environmental areas. Those seeds go through a whole process just likes crops and certified seed, and we build those reserves up and put them out to the farmers or to the different areas. ARS and NRCS are doing this with many varieties of plants.

Mr. Butler advised that the same type of thing happens in the timber industry. They have found that they have much more successful reseedings of logged areas if they go in the season prior to when an area is to be logged and fell some of the better seed trees, collect the seeds and then grow seeds off that specific site in their nurseries. When they plant the trees back they go back with site specific trees.

Mr. Butler responded to several questions from the Committee related to the amount of stored seeds and the yield per acre. He stated that a committee had been formed after the Murphy Fire to make some recommendations on seed mixes, how to build larger stores, and native versus non native plantings. He indicated it is very difficult to predict massive fires like the Murphy Fire, and they try to balance the seed reserves.

Mr. Butler advised that for wind erosion control it is important to leave the crust in place that forms after a fire, but once those crusts are there it is very difficult to establish especially a perennial plant back into that crust. Targeted grazing is used in the range community as pre-fire management or fuel management.

Mr. Butler stated he felt Dr. Pierce's recent comments about climate change are science based, and we do need to plan for that. If climate change takes place and water becomes more restrictive, we are going to see more rain but not as much snow precipitation, and the distribution of that precipitation is going to come at a different time. That makes water management much more important than it is right now. He emphasized that water and the development of those irrigated acres are key issues in our future.

PRESENTATION: **Rakesh Mohan**, Director, Office of Performance Evaluations, presented a performance evaluation training session for the Committee (attachment #2). He stated that each agency is required to present their performance measures to their germane committee, and report to the Legislature and to the Executive branch. He reviewed the importance of performance measurement stating that good government is not possible without an effective accountability system. Citizens need performance reporting to hold their governments accountable. Lawmakers can use performance information in making policy and budget decisions. Evaluators and auditors can use the information in assessing efficiency and effectiveness, and managers can use the information to monitor the program in a systematic way.

Report cards, results, and benchmarks are all part of performance reporting; we need them to make informed choices, prioritize our resources, and excel in our endeavors. Performance measurement can help clarify policy intent, goals, and performance expectations.

Mr. Mohan encouraged the committee to continue to ask the agency directors to appear before the Committee each year and maintain an ongoing dialogue. He gave the Committee a copy of a schematic outlining the dialogue process (attachment #3). He provided tips for effective performance measurement, and stated that success of performance measurement rests on the process. It must be simple, or it will not work. He advised the Committee to use performance data along with other information to make policy, budget and program decisions.

Mr. Mohan advised that he continually provides articles in his newsletter regarding performance evaluations. He encouraged the Committee to use the performance information reported by each agency which is available on the Department of Financial Management (DFM) Website. He provided a copy of a portion of the Department of Agriculture Performance Measurement Report listing performance measures and benchmarks (attachment #4). He noted that the Committee should ask questions of the Department regarding how the benchmarks are arrived at to determine if they are adequate. He advised that if the Department is aware that the Committee is using information from their report and shows interest in the performance measures and benchmarks, they will be more accountable.

The Committee discussed several incidents where this performance measurement training could be useful and suggested **Mr. Mohan** think about performing an evaluation on how the different branches of Idaho

government function together as a whole. **Senator McGee** complimented **Mr. Mohan** for the professionalism maintained by his office. **Chairman Corder** thanked **Mr. Mohan** for his informative and helpful presentation, and invited him to return.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:40 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

Lois Bencken
Assistant Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** March 24, 2009
- TIME:** 8:00 am
- PLACE:** Room 211
- MEMBERS PRESENT:** Chairman Corder, Vice Chairman Winder, Senators Hill, McGee, Smyser, Sagness (Malepeai), and Bock
- MEMBERS ABSENT/ EXCUSED:** Senators Heinrich and Schroeder
- 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 Corder** called the meeting to order at 8:05 a.m.
- MINUTES:** **Senator Hill** made a motion to approve the minutes of **March 17, 2009** as written. **Senator McGee** seconded the motion. The motion carried by **voice vote**.
- Chairman Corder** announced that the Department of Health & Welfare has created a suicide prevention website and all bankers have access to the links. This website will allow bankers a way of providing support to the producers that may need help.
- PRESENTATION:** **Lauren Clark**, Freshman, Meridian High School, explained how California's Proposition 2 would impact Idaho agriculture. Proposition 2 requires that more space be provided for veal calves and pregnant pigs, but the largest impact is on the massive California egg industry due to the requirements that egg-laying hens have larger cages. Dan Sumner, a University of California agriculture economist, estimates farmers will face a minimum of a 20% increase in production costs to move to larger caging for their hens due to increased feed, housing and labor costs.
- Supporters of Proposition 2 argue that it will improve animal health and welfare. However, veterinary and public health experts note that current housing systems for hens provide ample space, food, water, light, and sanitation and allow for immediate detection and treatment of any bird health issues. The United States Animal Health Association states that outdoor access enhances the likelihood that domestic poultry will have direct contact with migratory and wild birds as well as other animals, significantly increasing the risk of Avian Influenza also known as Bird Flu and other diseases.

The passage of Proposition 2 and resulting reduction of egg production in

California will most likely lead to increased importation of eggs. Many of these eggs will come from Mexico where producers do not have to meet the same strict regulations California egg producers do. In addition to questions of safety, importation of eggs whether from Mexico or from other states, increases fossil fuel use and adds to carbon emissions.

According to the National Animal Interest Alliance, Proposition 2 will cause a \$615 million loss in economic activity, as well as 3,400 jobs by 2015 when Proposition 2 goes into effect.

Although Idaho's egg and pork industries are small, agriculture could be negatively affected if a similar proposition were passed here. Many Idaho dairy calves are shipped to California veal farms. The impact of Proposition 2 on California veal farmers will directly impact Idaho dairy producers' bottom line.

PRESENTATION: **Doug Scoville**, Founder of the Idaho Oilseed Commission and President of the U. S. Canola Association, reported on the future of the Oilseed industry in Idaho, canola as a commodity in the Gem State as well as the Commission's goals and achievements in dealing with Farm Bill legislation. **Mr. Scoville** represents the Northwest (Idaho, Washington, Oregon, Montana and Utah).

PRESENTATION: **Mark Duffin**, Executive Director, Idaho Sugarbeet Growers Association (ISGA), reported that 2008 was a year of considerable challenges, and also some significant milestones for the Idaho sugarbeet industry. The exceptionally high prices for crops such as wheat and hay made it difficult for growers to be enthusiastic about growing sugarbeets. As a result, Idaho's planted beet acres were down significantly.

The 2008 crop was the first commercially grown biotech sugarbeet crop in ISGA's history. Growers were pleased with the weed control that the new Round-up Ready varieties afforded them. Growers are also being schooled in the best techniques for using this new technology.

Mr. Duffin stated that from a marketing standpoint, sugar from biotech sugarbeets is broadly accepted by their customers, because they know that the sugar is the same as produced from conventional sugarbeets.

The Farm Bill was rewritten by Congress and passed by an overwhelming margin in June of 2008. The Idaho sugarbeet farmers are very pleased with the revised sugar policy. This bill put in place important tools for the USDA to manage the sugar program and keep our domestic market in balance with consumer needs.

Mr. Duffin reported that the sugarbeet industry has been involved in a false advertising lawsuit against Johnson and Johnson and that the lawsuit was settled last fall.

What does 2009 look like for the Idaho sugarbeet industry?

- The Farm Bill's sugar provisions are very helpful in bringing stability to the industry, and having the Farm Bill resolved brought a greater sense of optimism to growers; and

- Decreased sugar production, both in Idaho and across the nation, has resulted in a tighter supply, and sugar prices have strengthened.

In closing, **Mr. Duffin** stated that the sugarbeet industry is very promising.

PRESENTATION: **George Gough**, Director of Governor Affairs, Monsanto, talked about research, development and Roundup Ready Sugarbeets. Monsanto looks at Idaho as a great place to work as well as a real partner.

Monsanto's Vital Statistics are:

- A leader in seeds, crop protection and biotechnology;
- Headquartered in St. Louis;
- Employs more than 22,000 people worldwide, and
- More than 500 locations worldwide in 5 primary regions - Europe/Africa, Asia Pacific, India, Latin America and North America.

Through science and research Monsanto has solved agricultural challenges such as: lack of reliable food source; malnutrition; soil degradation; insufficient fresh water,;demand for food; feed and fuel; limited arable land; better diet; and health and biodiversity protection.

The global adoption of biotechnology has delivered significant economic and environmental benefits in productivity, economic return, pesticide reduction and greenhouse gas emissions.

Mr. Gough reported that Roundup Ready Sugarbeets were reviewed and found safe by USDA, FDA and EPA and were approved for production in the U.S. and Canada. In 2008 Roundup Sugarbeets comprised approximately 60% of the U.S. sugarbeet acres.

Roundup Ready Sugarbeet varieties have in-plant tolerance to Roundup agricultural herbicides, enabling farmers to apply labeled Roundup agricultural herbicides from planting through 30 days prior to harvest for unsurpassed weed control, excellent crop safety, and preservation of yield potential.

Senator Robert Geddes was a guest at the meeting today and announced that under the umbrella of the Mining Association, they are in the process of creating invitations for legislators to visit the mines in Caribou County. The **Pro Tem** expressed that this would be a great opportunity for legislators to see how Roundup Ready is started, how they mine phosphate and produce phosphorus at the Monsanto plant.

ADJOURNMENT: There being no further business. **Chairman Corder** adjourned the meeting at 9:30 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 26, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED: Senator McGee

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 Corder** called the meeting to order at 8:02 a.m.

PRESENTATIONS: **Diana Caldwell**, Administrator, Idaho Bean Commission, reported that the Idaho Bean Commission has been serving Idaho growers for fifty-two years. The dry bean harvested acreage and yield, excluding garbanzos and snap bean seed, has been decreasing. The yield fluctuates by as much as 170 lbs. and the environment is a factor on that. The Commission is still close to the average yield per acre for the United States. The Commission's income comes from check-off funds, eight cents from the dealer and four cents from the grower per hundred weight. In 2008, the U.S. was the largest producer of dry beans. The pinto has the largest share of our dry bean production, followed by pink, small red, navy, kidney, great northern, small white and cranberries. This could all change as the yellow bean market develops in Mexico. The activities for 2008/2009 mostly revolved around developing export markets for Idaho bean seed into Mexico.

Issues for 2008/2009:

- Loss of Acreage to Forage Crops;
- Uncertainty about Speciality Crop Support in current Farm Bill;
- Decline in Check-off Funding for Commission; and
- Instability of Mexico Government.

Ms. Caldwell thanked **Chairman Corder** for his effort in trying to alleviate the expense that the Commission will incur next year with the yellow book audit.

PRESENTATIONS: **Dr. Bill Barton**, Administrator, Division of Animal Industry, Idaho State Department of Agriculture (ISDA), stated he will be discussing IDAPA 02.04.17, Rules Governing Dead Animal Movement and Disposal. Dr. Barton stated that dead animals must be disposed of within 72 hours of

the owner becoming aware or having knowledge of the animal's death. Specific to the rule those animals must be disposed of only on property with which the owner of the animal has permission to dispose of the animal. Approved methods of disposal include rendering, burial, approved sanitary landfills, composting, digestion and if approved incineration and decomposition.

Dr. Barton reported that the Downer Dow Slaughter Ban had just come into the forefront. The Food Safety and Inspection Service (FSIS) is amending the Federal meat inspection regulations to require that all cattle that are disabled non-ambulatory are to be condemned and not put through the slaughtering process. Previous to this amendment, if an animal has had its ante-mortem inspection and in the process of moving from the inspection into the slaughtering facility became disabled or non-ambulatory, they were allowed to be slaughtered. This will no longer happen. In addition, this rule requires that establishments notify FSIS inspection personnel when cattle become non-ambulatory disabled after passing ante-mortem inspection. FSIS is taking this action to better ensure effective implementation of inspection and humane handling requirements at official establishments. This regulation will be effective April 17, 2009.

The Prevention of Equine Cruelty Act of 2009, amends the federal criminal code to impose a fine and/or prison term of up to three years for possessing, shipping, transporting, purchasing, selling, delivering, or receiving any horse, horse flesh, or carcass with the intent that it is used for human consumption. The amendment reduces the prison term to one year if the offense involves less than five horses or less than 2,000 pounds of horse flesh or carcass and the offender has no prior conviction for this offense.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:20 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 31, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED: Senator McGee

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 Corder** called the meeting to order at 8:03 a.m.

Chairman Corder recognized **Annalise De Rutyer**, a student intern from the College of Idaho who has been assisting the **Chairman** on a number of research projects. Today will be her last day with the Legislature

MINUTES: **Senator Smyser** made a motion to approve the minutes of March 19, 2009 as written. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

Senator Winder made a motion to approve the minutes of March 24, 2009 as written. **Senator Bock** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Rakesh Mohan**, Director, Office of Performance Evaluations, was invited to answer questions that the Committee had from a previous presentation.

Senator Winder asked do any other states audit their own legislatures, House and Senate or look at the efficiency of a State Government? **Mr. Mohan** stated that he does not believe a statewide study performance is a good idea. What we can do is look at the States or Legislative branch performance. I believe the Legislature has too much responsibility, when it is expected to set both policy and budget. If you look at it strategically and prospectively, where do we want to go in the future and what do we wish to accomplish. The big question is how do we maintain it, how do we decide what to buy, what took place and what to request? If you can begin to think in those terms and then start prioritizing your goals.

Mr. Mohan provided the Committee with an example of a department

audit that was at risk of, or was incurring, problems in facility maintenance and long term planning. In recognition of the importance of facility planning, maintenance, and funding, governmental agencies at the federal, state, and local level have compiled best practice guidelines that can be followed to ensure that resources devoted to facilities are effectively managed. Following best practices has the advantages of identifying the most cost-effective approaches to safeguarding taxpayers' investments, and ensuring that government operations and client services are not disrupted by system and equipment failures.

Failing to follow the best practices can cause both immediate and long-term problems such as:

- Responding to maintenance problems on an emergency, rather than a planned basis;
- Not obtaining the full useful life of assets; and
- Incurring additional costs associated with maintaining obsolete and ill-repaired buildings, systems, and equipment.

Implemented together these best practices could benefit the State of Idaho as follows:

- Engage in long-term planning;
- Inventory and assess facility and major maintenance needs and costs;
- Identify cost effectiveness through life-cycle analysis and set funding priorities;
- Follow a preventive maintenance program; and
- Establish financial reserves for major maintenance and system replacements.

Senator Winder asked if any state ever audited a Legislative Branch? **Mr. Mohan** replied yes, but for OPE to audit the Legislature would be a conflict of interest.

Mr. Mohan also stated that OPE does not have the authority to enforce departments to implement their recommendations, but departments usually do.

ADJOURNMENT: There being no further business. **Chairman Corder** adjourned the meeting at 9:00 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** April 2, 2009
- TIME:** 8:00 am
- PLACE:** Room 211
- MEMBERS PRESENT:** Chairman Corder, Vice Chairman Winder, Senators Hill, Heinrich, Smyser, Sagness (Malepeai), and Bock
- MEMBERS ABSENT/ EXCUSED:** Senators McGee and Schroeder
- 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 Corder** called the meeting to order at 8:00 a.m.
- MINUTES:** **Senator Heinrich** made a motion to approve the minutes of March 26, 2009 as written. **Senator Winder** seconded the motion. The motion carried by **voice vote**.
- Chairman Corder** stated that the Idaho State Department of Agriculture (ISDA) at one time was responsible for conducting field burning, but the Department of Environmental Quality (DEQ) now operates that program.
- PRESENTATION:** **Robert Wilkosz**, Manager, Mobile and Area Source Programs, explained the history of agricultural burning in Idaho. The State Implementation Plan (SIP) is a requirement for every state to maintain the control of their Air Quality Protection Plan within their borders. SIP is a requirement of the Federal Clean Air Act and if Idaho did not have SIP in place, the federal government through EPA would not run a program in Idaho. The State Implementation Plan was approved by EPA and within that plan there was a provision for agricultural burning as a legal form of open burning in Idaho. When a new statewide rule is compelled by the Clean Air Act, the State must renew their State Implementation Plan.
- In 1985 Idaho brought forth its first Smoke Management Act (SMA) and DEQ amended its rules to regulate agricultural burning. In 1986 the Legislature amended the SMA and DEQ was prohibited from regulating agricultural field burning and it became a voluntary program. DEQ receives the burning fees paid by the farmer and they hold these fees for use by the voluntary group who implements it for operational cost. From 1990 to 1999 Idaho's law was silent regarding the regulations of field burning. In 1999 the Legislature repealed the SMA and Crop Residue Disposal Act and gave specific authority to the Department of Agriculture. Rules were adopted and to dovetail with that, DEQ stated in their rules

that field burning was an allowable form of open burning. When EPA asked for proof or demonstration, the argument at that time seemed reasonable to everyone because field burning had never ceased in Idaho and Idaho had never violated the twenty-four-hour standard shut down burning. This proved field burning did not threaten the air protection in the state of Idaho.

The State Implementation Plan components are as follows:

- State Authority and Resources to operate programs;
- State rules governing activity including enforcement;
- Meteorological and Climatological Analysis;
- Monitoring Network and Data Analysis;
- Detailed, Statewide Emission Inventory;
- Modeling Demonstration of Attainment; and
- Control Strategies.

An agreement between the Governor's Office, Growers and S.A.F.E. defined the SMP framework and produced draft statute changes. Listed below are a few key points from this agreement:

- Transfer program to DEQ;
- Specific approval on day of burn;
- Protect sensitive populations;
- Install additional air quality monitors;
- Transparent to public and grower;
- Enhanced documentation process;
- Follow Nez Perce Tribe Action Criteria; and
- Continue State 80% action criteria for afternoons.

Mr. Wilkosz gave a brief overview of the new Crop Residue Burning Program which explains the requirements for growers, DEQ and the burn decisions that DEQ must consider.

ADJOURNED:

There being no further business, **Chairman Corder** adjourned the meeting at 9:10 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** April 7, 2009
- TIME:** 8:00 am
- PLACE:** Room 211
- MEMBERS PRESENT:** Chairman Corder, Vice Chairman Winder, Senators Heinrich, Smyser, and Bock
- MEMBERS ABSENT/ EXCUSED:** Senators Schroeder, Hill, McGee, and Sagness (Malepeai)
- 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 Corder** called the meeting to order at 8:04 a.m.
- PRESENTATION:** **Betty Munis**, Director, Idaho Forest Products Commission (IFPC), presented a video on Idaho's forest lands and the resources it provides.
- The Idaho Forest Product Commission was created in 1992. The purpose of creating a Commission was to provide a way to collect and distribute accurate information about Idaho's forest lands and the forest products industry which views the Commission as a much needed way to pool its resources to carry out long-term, positive public relations and educational programs.
- The future of Idaho's forest products industry will depend heavily upon the support of policies which balance economic values with environmental concerns. This is possible only if the general public understands, accepts and supports the basic principles of forest stewardship and conservation as well as the economic importance of Idaho's forest products industry. Idaho has 21 million acres of forest in the State that covers approximately 40% of the State and 17 million acres of productive forest land.
- IFPC's focus is on Idaho teachers and students providing them with educational programs and professional development opportunities. Since the Commission's involvement, more than five-thousand teachers have attended Project Learning Tree, an award-winning education program.
- PRESENTATION:** **Jane Wittmeyer**, Vice President of Idaho Affairs, Intermountain Forest Association, reported on the economics in today's environment and the financial crisis affecting all business sectors.
- Ms. Wittmeyer** stated she is amazed that the companies she represents are as optimistic as they are, but it is a global commodity business.

Short-term they are working on maintaining operations and trying to reach some level of profitability. It is particularly acute in the housing business because of the sub-prime market problems.

Idaho mills have had some sort of curtailment and at the present time they are focused on short term survival and long term profitability.

The impact on forest land owners has been significant, log prices have dramatically declined, decreased revenues and cash flow, reduced opportunities for high cost land management and it has also increased in some places the attractiveness of land conversion.

The implications for Idaho will be economic contributions, but if the infrastructure goes away we will still have trees and they will grow up every year. It is important that we protect Idaho's forests both State and private. Our Idaho forests grow one billion board feet of timber annually.

Ms. Wittmeyer reported that Idaho's Forest Products Business Sector (FPBS) provides \$40 million annually through contributions to the State timber sales fund endowment, and those dollars go from the fund to education.

In closing **Ms. Wittmeyer** stated there will be better times ahead.

PRESENTATION: **Bob Taunton**, Manager, Elmore-Ada Water Project, presented an overview on the vision of the Elmore-Ada Water Project which is to identify water resources before growth is initiated and demonstrating that planning responsibly for future water resource needs is not only possible, but is in the best interest of all citizens throughout Southwestern Idaho. The objective coincides with an overarching goal of enabling the state of Idaho to keep its water resources in the State.

Mr. Taunton stated that the reasons behind this project are the following:

- Area between Southeast Boise and Mountain Home has experienced water resource challenges historically limiting communities, agricultural and economic development; and
- Limited a natural aquifer recharge which resulted in declining water levels from pumping.

RS 18944 **RS 18944** was held by **Chairman Corder**.

ADJOURNMENT: There being no further business. **Chairman Corder** adjourned the meeting at 9:23 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** April 9, 2009
- TIME:** 8:00 am
- PLACE:** Room 211
- MEMBERS PRESENT:** Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, McGee, Heinrich, Smyser, and Sagness (Malepeai)
- MEMBERS ABSENT/ EXCUSED:** Senator Bock
- 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 Corder** called the meeting to order at 8:00 a.m. He welcomed everyone and explained that **Rakesh Mohan**, Director of Performance Evaluations had directed the Committee to review the Idaho State Department of Agriculture (ISDA) Performance Measures. **Chairman Corder** stated the Committee is happy to do that, as well as assist the ISDA Director in any way they can in fulfilling their Performance Measures.
- MINUTES:** Senator **Hill** made a motion to approve the minutes of March 31, 2009 as written. **Vice Chairman Winder** seconded the motion. The motion carried by **voice vote**.
- PRESENTATION:** **Pamela Juker**, Chief of Staff and Communications Director, reported that ISDA had never received input or feedback on the Performance Measures Report. They expect this to be an improvement to the report. The Performance Measure report is designed basically from their statute and missions goals. It helps them monitor, control and improve their performance. It establishes accountability for them, defines goals and helps them allocate their resources efficiently and effectively. Without these performance measures they cannot communicate their expectations or have productive feedback from their employees, stakeholders and customers. These measures help them identify performance gaps or give rewards for performance. They believe the Performance Measures Report covers all the areas that are statutorily required by HB300 which passed in 2005. This legislation outlined what the report needed to include, which was their mission and overview of the agency's goals and objectives. **Ms. Juker** added that they have been working hard on zero-based budgeting, which is basically completed. The report is not the only way they measure performance at ISDA. They always take into consideration the input from stakeholders and customers.
- Senator Smyser** asked what do you do if you don't meet your

performance standards in different areas, are their mechanisms to changes or how does that work? **Ms. Juker** responded that if they don't meet Performance Measures, yes, they need to evaluate the reasons that they are not meeting them. That would primarily be done on a division level. These measures are setups specifically for different statutory responsibilities and functions within their agency, so they would sit down with our administrators and discuss what happened, what was maybe some obstacle, did they not evaluate their benchmarks properly.

Senator Smyser asked if it is done on a quarterly basis? **Ms. Juker** replied that they monitor their resources continuously throughout the year on a case by case basis.

Senator Smyser asked what was the biggest change that you made or saw during 2008? **Ms. Juker** replied that she would begin with the zero-based budgeting. That project took them basically the entire year to complete and they drilled down to every statute that the department is responsible for. They started at ground level and built their programs backup using those requirements of the statute and evaluated each statutory requirement, each activity that the department performs and how they operate.

Administrators from the Idaho State Department of Agriculture (ISDA) presented the Performance Measures relative to their specific divisions listed below:

- Inspect all Milk and Dairy Products;
- Assure Disease-free Condition of Plants;
- Conduct Chemigation Inspections;
- Employees who find Departmental & Agency Efficiencies;
- Domestic and International Trade Show and Missions;
- Recruit Idaho Companies to the Preferred Program;
- Inspect Commercially-Used Weighing and Measuring Devices;
- Maintain Licensing of all Warehouse Programs; and
- Maintain a 100 percent Inspection Services.

RS 18944C1

Ken McClure, representing the Milk Producers of Idaho, stated this legislation directs the coordination between the Department of Agriculture to work with the Department of Environmental Quality (DEQ) to develop comprehensive plans with regard to dairy farm nutrient management, water and air quality. The legislation prohibits counties from preempting the Department of Agriculture in the regulation of the comprehensive plan. The legislation provides for the counties to maintain siting authority.

ADJOURNMENT: There being no further business, **Chairman Corder** adjourned the meeting at 9:20 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: April 14, 2009

TIME: 8:00 am

PLACE: Room 211

MEMBERS PRESENT: Chairman Corder, Vice Chairman Winder, Senators Schroeder, Hill, Heinrich, Smyser, Sagness (Malepeai), and Bock

MEMBERS ABSENT/ EXCUSED: Senator McGee

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 Corder** called the meeting to order at 8:00 a.m.

MINUTES: **Vice Chairman Winder** made a motion to approve the minutes of April 2, 2009 as written. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

Senator Heinrich made a motion to approve the minutes of April 7, 2009 as written. **Senator Bock** seconded the motion. The motion carried by **voice vote**.

RS 18972 **Chairman Corder** presented RS 18972, and this legislation transfers the authority of the Department of Environmental Quality (DEQ) to make rules for the permitting of large swine and poultry feeding operations to the Idaho State Department of Agriculture (ISDA). Also, the bill transfers the administrative functions of the Department of Environmental Quality regarding the Local Option Swine Facilities Siting Act to the Department of Agriculture.

Senator Hill asked **Chairman Corder** to explain what the purpose of RS 18972 is and are both ISDA and DEQ in favor of this change? **Chairman Corder** responded that yes they are. He stated that DEQ drafted the legislation and ISDA is willing to accept that responsibility.

Chairman Corder explained that RS 18972 will not be heard this year.

**UNANIMOUS
CONSENT:**

Senator Hill asked for unanimous consent request with the understanding that the bill will not be heard this year, but that RS 18972 be sent to the State Affairs Committee for print. **There were no objections to the request.**

ADJOURNMENT:

There being no further business, **Chairman Corder** adjourned the meeting at 8:15 a.m.

Senator Tim Corder
Chairman

Arlene Mahaffey
Secretary