

House Agricultural Affairs Committee

Minutes
2010



MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: January 12, 2010

TIME: 1:15 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Representatives Lake and Bolz

GUESTS: Jeff Church, Veritas Advisors; Kent Lauer, Idaho Farm Bureau; and Sara Schmidt, Soil Conservation Commission

Chairman Trail called the meeting to order at 1:15 p.m. and welcomed the returning committee members and secretary. He stated that it would be a brief meeting, as many of the members would be attending another event at 1:30 p.m. The chairman then announced upcoming legislative events and various agenda items for upcoming committee meetings in January.

The chairman reminded the group of the Breakfast Briefing at the Department of Agriculture, scheduled for 8:00 a.m. on January 14, 2010. Transportation will be provided via the Boise Shuttle, which will be located on the Jefferson Street side of the Statehouse and depart at 7:45 a.m.

In regard to the January 14, 2010 committee meeting, Chairman Trail indicated that it would be held at 2:00 p.m. and **Rep. Eskridge** would be conducting a presentation on the Pacific Northwest Economic Region (PNWER). **Vice Chairman Andrus** will chair the meeting on that date, as Chairman Trail will be attending the Agricultural Chairmen's Summit meeting in Orlando, Florida.

The committee will also meet on January 18, 2010, although it is a national holiday. **Dean Hammel**, of the College of Agriculture and Life Sciences, University of Idaho, will be conducting a presentation; the College will be providing other presentations during the session as well.

Members will break into subcommittees on January 20, 2010 to review administrative rules. Membership of subcommittees is identical to that of last year (January 2009), as reflected below:

Livestock:

Rep. Andrus, Chair
Reps. Shirley, Pence and Lake

Crops/Plants:

Rep. Patrick, Chair
Reps. Stevenson, Killen and Bolz

Administration:

Rep. Trail, Chair
Rep. Chavez

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:20 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: January 14, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Chairman Trail, Representatives Lake and Shirley

GUESTS: Brandon Hardenbrook, Pacific Northwest Economic Region (PNWER); Dr. Bill Barton, Idaho State Department of Agriculture (ISDA); Laura Johnson, ISDA; Brent Olmstead, Milk Producers of Idaho (MPI); Bill Spence, Tribune; Tricia Crump, Food Producers of Idaho; Michael Chisholm, PNWER; Brenda Tominaga, Idaho Irrigation Pumpers Association; Wendy Baldwin, Consulate General at Canada/Seattle; Rep. George Eskridge; Rep. Eric R. Anderson; and Colleen Andrus, private citizen

Vice Chairman Andrus called the meeting to order at 2:02 p.m.

MOTION: **Rep. Chavez** moved to approve the minutes from the January 12, 2010 meeting; **motion carried by voice vote.**

Brandon Hardenbrook, of Pacific Northwest Economic Region (PNWER), gave a brief overview of the organization, which is a regional U.S./Canadian forum dedicated to encouraging global economic competitiveness and preservation of the natural environment. He stressed the interdependence of economic factors within the Northwest region and stated that the organization is working on several projects to boost the economy.

He praised the State of Idaho for hosting such a successful Annual Summit in July 2009 and announced that the 2010 Annual Summit will be conducted in Calgary, Alberta on July 16-20, 2010. The event occurs during the last week of the world-famous Calgary Stampede.

Mr. Hardenbrook then introduced **Dr. Bill Barton** from the Idaho State Department of Agriculture (ISDA), who presented information regarding the Second Cross Border Livestock Health Conference (CBLHC). The CBLHC was held in conjunction with PNWER's 19th Annual Summit in Boise in July 2009. The objectives were to provide the following opportunities for state and provincial veterinarians, government, animal health experts and industry:

- To enhance relationships and build networks between jurisdictions;
- To exchange information on animal health issues and concerns;
- To develop a common understanding of disease policies;
- To exchange information on emergency response to emerging and foreign animal disease; and
- To advance Canadian and American animal health interests.

Dr. Barton indicated that despite the competition of other livestock conferences being conducted at the time, attendance at the CBLHC was quite high, with over 50 participants, including veterinarians, legislators, government and industry representatives, and elected officials from both Canada and the United States.

Content of the conference included the following issues: 1) traceability (of animals exported from one region to another); 2) animal diseases (such as tuberculosis and brucellosis); and 3) animal welfare. Dr. Barton said participants engaged in an informal open discussion after each section, during which they would brainstorm and develop new action items along the way.

One key action item is to encourage acceptance of an electronic documentation and endorsement system to import/export livestock between the two countries. In the current certification process, the relevant paperwork is not in place until long after the animals cross the border.

In addition, the group plans to urge the United States Department of Agriculture (USDA) to expedite the rule-making process to restore United States' access to sheep and goats imported from Canada. As the committee members discussed, this action item is of key importance to the United States because Canadian sheep have a genetic resistance to scrapie — a fatal disease for which there is no treatment or cure. Dr. Barton said “our only hope” in managing the situation is by the process of natural selection.

Dr. Barton stated that PNWER now intends to make the CBLHC an annual event at the PNWER Annual Summit and that they are already planning the 2010 event.

Mr. Hardenbrook then introduced **Michael Chisholm**, Canada Vice President, Executive Committee, who provided more details on the Calgary Stampede and discussed the synergy between the United States and Canada in regard to agriculture. For example, Mr. Chisholm's family farm, located near the Alberta border, grows potato seeds, which are then exported to American farmers who grow potato crops. He indicated that his region is dominated by dry land farmers. He also shared economic concern for family farmers, who are losing their farms at an alarming rate. The committee then engaged in some discussion about other synergistic relationships between the two countries as they pertain to crop production.

Mr. Hardenbrook then introduced **Rep. Eric Anderson**, who is the co-chair of the Invasive Species working group for the 20th Annual Summit. Rep. Anderson characterized aquatic invasions as a bio-security issue, as aquatic invaders know no borders — they can go wherever water flows. He emphasized that monitoring sites show transport through Idaho's northern waterways is heavier than once realized. He expressed further concern that the federal government is failing to properly enforce the Lacey Act, which prohibits the transport of invasive species. One of the work force's accomplishments was a letter to Secretary Salazar and the Minister of Fisheries asking for enhanced enforcement of boat inspections and improved state plans for managing invasive aquatic species.

When asked about the status of quagga/zebra mussel invasions in Canada, Rep. Anderson indicated that although the east coast has been infected, the

west coast is currently free from invasion.

ADJOURN:

Vice Chairman Andrus then reminded committee members that they would break into subcommittees next week to review administrative rules. There being no further business to come before the committee, the meeting was adjourned at 2:45 p.m.

Representative Ken Andrus
Vice Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: January 18, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Dennis Tanikuni and Kent Lauer, Idaho Farm Bureau Federation; Ben Eborn and Rich Garber, University of Idaho College of Agricultural and Life Sciences; Brent Olmstead, Milk Producers of Idaho; Lindsay Russell, Governor's Office; Dan Olberding, Idaho Grain Producers; Lyn Darrington, Gallatin Public Affairs; Dustin Hurst, Idaho Reporter

Chairman Trail called the meeting to order at 1:33 p.m. and conveyed greetings from participants at the Annual Agricultural Chairmen's Summit meeting he attended in Orlando, Florida last week. He announced that committee meetings would be audio-streamed this session, unless members voiced any objections, and then reminded members of the subcommittee meetings scheduled for January 20, 2010 to review administrative rules.

Dr. Garth Taylor, Agricultural Economist, University of Idaho College of Agricultural and Life Sciences, gave a presentation on the agricultural outlook for Idaho. He clarified that agriculture is still the centerpiece of Idaho's economy, with agribusiness being our largest industry. In Idaho, agriculture accounts for 20% of the sales, 17% of the workforce (directly or indirectly), 15% of the wages, and 17% of Idaho's Gross State Product (GSP). In 2006, 26% of Idaho's total export was generated by Idaho's agriculture, making it the largest industry in the state for exports.

Dr. Taylor announced that cash receipts from sales of crops and livestock in 2009 totaled \$5.4 billion, a 17% decrease from 2008, and the worst single-year decline in over 40 years. However, this is somewhat of an offset, as in recent years, Idaho has had record highs. Agriculture's 2009 decline followed a string of record years, and last year's cash receipts were still roughly \$750 million more than the 2006 total. The last time Idaho's agricultural sector did not break a record for total cash receipts was in 2003, and even then, the sector was only \$7 million behind 2002.

For the first time since 2000, livestock revenues fell below crop revenues. At \$2.7 billion, crop sales are 51% of Idaho's total farm-gate cash receipts. Potatoes widened their lead as Idaho's "number one" crop, with revenues being 2% higher than last year. Production was 1% higher than last year, but prices also averaged 1% lower. Wheat is still Idaho's second largest revenue crop, although sales dropped 28% from last year and prices went down 35%.

The “crop superstar” was sugarbeets, with revenues increasing by 72%, and production and prices going up 55% and 11%, respectively. However, Dr. Taylor stressed the importance of getting Round-up Ready.

Dairy remains Idaho’s top agricultural industry. Idaho currently ranks third in the country for milk production, following California and Wisconsin. Although state revenues decreased by 33% in 2009, and production and prices went down 2% and 32% respectively, cash receipts were 5% higher than the ten-year average. In spite of the decline, over 26% of Idaho farm sales were milk checks. As the dairy sector has grown and other sectors have stagnated or declined, the overall health of Idaho agriculture has become increasingly dependent upon milk prices. The crash in milk prices was responsible for 62% of the record decline in cash receipts paid to Idaho farmers in 2009.

Cattle and calves were Idaho’s second largest agricultural revenue producer, bringing in an estimated \$1.09 billion, 8% less than in 2008. Overall, livestock revenues are down 23% from last year, but are still 6% higher than the ten-year average.

Totals for net farm income (the “farmer’s paycheck”) have been more volatile. During eight of the past ten years, net farm income changed 19% or more from the previous year. For example, the whopping 86% increase in 2004 followed a 19% decline in 2003, and 2004 was followed by a 24% decrease in 2005. However, debt/asset ratio levels are the lowest ever, showing that farmers are making responsible fiscal decisions.

Dr. Taylor projected that 2010 will be a mediocre year in terms of agriculture, predicting a recovery in milk prices and a slow expansion in the dairy industry. Overall, some economic recovery should increase product demand, which will positively effect domestic and import business. Interest rates should remain low and oil prices stable; fertilizer prices should be lower and cash rents for cropland should decline. However, credit availability will still be an issue, while fuel prices will remain high and land values will likely decline further. The impact of climate change will continue as well. He also noted that food prices are creeping up again, a circumstance that unfortunately correlates with world hunger.

In regard to the beef industry, the Idaho beef cow herd is the smallest since 1963; the lack of heifer retention means herd size will shrink more in 2010. Demand for beef is the lowest since 1990; obviously, the recession has impacted consumer decisions in regard to food.

The outlook for barley will be more volatile, as contract prices are tied to wheat futures. Wheat prices are expected to be weak — below the five-year average. Global and national acreages are likely to go down in response to lower prices. Weather and climate change risks are rising as well.

Demand for potatoes will likely remain weak in early 2010 and growers will need to drop acreages 8-10%. Contract prices have not been set, but will likely decline from 2009. Fresh market prices on the 2009 crop marketed in 2010 will be down substantially from 2009.

Overall, Dr. Taylor indicated that despite the volatile income for farmers, Idaho agriculture is extremely stable, as farmland does not go idle. Hard

times for farmers in Idaho just means “Mom” will not get her new stove and “Dad” will not get his new truck.

During the discussion period, committee members discussed the loss of farmlands to development. Dr. Taylor indicated that fragmentation of farm abilities is a “pernicious problem.”

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:40 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE: Trail Subcommittee — Administrative Rules

DATE: January 20, 2010

TIME: 1:30 p.m.

PLACE: Room EW05

MEMBERS: Chairman Trail, Representative Chavez

**ABSENT/
EXCUSED:** None

GUESTS: George Robinson, Idaho State Department of Agriculture (ISDA); Kevin Merritt, ISDA; Brandon Lamb, ISDA; Leah Clark, ISDA; Sara Schmidt, Idaho Soil Conservation Commission (ISCC); Bill Flory, ISCC; David Saxen, ISCC; Roger Batt, Idaho Grape Growers and Wine Producers Commission; and Laura Johnson, ISDA

Chairman Trail called the meeting to order at 1:30 p.m.

DOCKET NO. 02-0303-0901: **George Robinson**, Bureau Chief, Idaho State Department of Agriculture (ISDA), presented a rule relating to Governing Pesticide and Chemigation Use and Application. He explained that representatives of the Idaho seed industry have requested the addition of seven seed crops to the section of the rules that exempts crops from the need for a pesticide tolerance. This will allow the added crops to have additional pesticide products registered for use to control pests, but will also have additional restrictions on the disposal of seed screenings and the feeding of treated plant parts.

Mr. Robinson further explained there are additional requirements for the companies that process these crops. The companies cannot use the seed screenings or other processing waste for food or feed and they will be required to keep disposal records of the seed screenings for three years.

MOTION: **Representative Chavez** moved to **recommend approval of Docket No. 02-0303-0901 to the full committee. Motion carried on voice vote.**

DOCKET NO. 02-0104-0901: **Leah Clark**, ISDA, presented a rule relating to Governing Idaho Preferred Promotion Program. She explained the proposed rule changes will simplify fee payment for new participants who join midway through the year. Promotion opportunities will be updated to reflect current program options and the annual renewal process will be clarified.

MOTION: **Representative Chavez** moved to **recommend approval of Docket No. 02-0104-0901 to the full committee. Motion carried on voice vote.**

DOCKET NO. 02-0104-0902: **Leah Clark** then presented a rule relating to Governing Idaho Preferred Promotion Program. She explained the proposed rule changes will allow ISDA to charge Idaho Preferred participants for promotional materials such as stickers, banners, sign, aprons and shopping bags. Fees collected will

offset costs to produce promotional materials, increasing the dedicated account by approximately \$3,000 annually.

MOTION: **Representative Chavez** moved to **recommend approval of Docket No. 02-0104-0902 to the full committee. Motion carried on voice vote.**

DOCKET NO. 02-0105-0901: **Laura Johnson**, ISDA, presented a rule relating to Governing Certificates of Free Sale. She explained the proposed rule change will provide for ISDA to charge a fee for certificates of free sale not to exceed \$50 each. Idaho is one of the very few states that does not charge for this service. The new fee rule is expected to generate \$20,000 to \$30,000 to the dedicated fund.

Ms. Johnson further explained certificates of free sale are most commonly used by processed food companies exporting products internationally. The certificates state that the products are manufactured and distributed generally throughout the State of Idaho and the United States and are in accordance with health laws and sanitary regulations of said state.

MOTION: **Representative Chavez** moved to **recommend approval of Docket No. 02-0105-0901 to the full committee. Motion carried on voice vote.**

DOCKET NO. 02-0501-0901: **Sara Schmidt**, Idaho Soil Conservation Commission, presented a rule relating to the Resource Conservation and Rangeland Development Program (RCRDP). She explained these rule changes will address needed security changes, complete an update of the RCRDP loan program, and remove the RCRDP grant program now being covered by the Water Quality Program for Agriculture (WQPA) rules. New application requirements, loan servicing improvements, and updates pertaining to the loan amounts granted to RCRDP program borrowers, are addressed.

MOTION: **Representative Chavez** moved to **recommend approval of Docket No. 02-0501-0901 to the full committee. Motion carried on voice vote.**

DOCKET NO. 02-0214-0901: **Kevin Merritt**, Section Manager, ISDA, presented a rule relating to Weights and Measures. He explained this rule change updates the incorporation by reference section to reflect the 2010 edition of the National Institute of Standards and Technology Handbook 44, Specifications, Tolerances, and other Technical Requirements for Weighing and Measuring Devices.

MOTION: **Representative Chavez** moved to **recommend approval of Docket No. 02-0214-0901 to the full committee. Motion carried on voice vote.**

DOCKET NO. 02-0633-0901: **Brandon Lamb**, ISDA, presented a rule relating to Organic Food Product. He explained this rule changes the application and registration deadline from March 31st to July 1st and discontinues the late fees of \$250 for certification and \$100 for registration. The existing March 31st deadline does not provide organic producers and handlers sufficient time to make crop decisions. Removal of the late fees will also allow ISDA to be more competitive and customer-friendly.

MOTION: **Representative Chavez** moved to **recommend approval of Docket No. 02-0633-0901 to the full committee. Motion carried on voice vote.**

ADJOURN: There being no further business to be brought before the subcommittee, **Chairman Trail** adjourned the meeting at 1:58 p.m.

Representative Tom Trail
Chairman

Shirley Scott
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE: Patrick Subcommittee — Crops/Plants Rules

DATE: January 20, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Patrick, Representatives Stevenson, Bolz, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Amy Ferriter, Idaho State Department of Agriculture (ISDA); Michael E. Cooper, ISDA; Matt Voile, ISDA; Roger Batt, Idaho Grape Growers and Wine Producers Commission (IGGWPC); Kent Lauer, Idaho Farm Bureau Federation (IFBF); Lloyd Knight, ISDA; Phillip Mame, Idaho Department of Fish and Game; Bas Hargrove, The Nature Conservancy; William Ringert, IGGWPC; Celia Gould, ISDA; Chanel Tewatt, ISDA; Emily Anderson, Governor's Office; Jayson Ronk, IACI; Eric Bair, IFBF; Dennis Tanikuni, IFBF; Julie Weaver, Office of the Attorney General; Laura Johnson, ISDA; Chad Henggeler and Dennis Ujjiye, private citizens

**DOCKET NO.
02.0609.0901:** **Amy Ferriter**, Invasive Species Program Manager, Idaho State Department of Agriculture (ISDA), presented **Docket No. 02.0609.0901**, the rules governing the designation of invasive species, as well as inspection, permitting, decontamination, record-keeping and enforcement of regulated species. These rules are a result of a two-year rule-making process and reflect compromises made based upon feedback from all interested parties.

Ms. Ferriter indicated that in the "Definitions" section of the rule, the definition of "possession" now clarifies that the "act of having, releasing or transporting a listed invasive species through circumstances beyond individual control" (such as infestations in water supply systems and other acts of nature) does not qualify as "possession." The definition of "water supply system" has also been expanded.

Section 101 includes language prohibiting the possession, cultivation, importation, release, shipping or transport of prohibited species or infested articles. Section 102 prohibits the introduction of a species not previously present in Idaho without ISDA determination that the subject species is not invasive. Section 103 requires a possession permit for prohibited species and outlines the application process.

Section 104 identifies species that are exempt from the permit requirements in Sections 102 and 103 if they are not transported outside the known established distribution in Idaho. The species identified are the New Zealand Mud Snail and Asian Clam, which are present in portions of Idaho, but not throughout the state; spread of these species should be prevented to the greatest extent possible.

Section 200, "Early Detection and Rapid Response [EDRR] Aquatic

Invertebrate Invasive Species” is aimed at preventing an invasion of Quagga and Zebra Mussels, which is an urgent issue in the western region. The rule outlines precautions in regard to contaminated conveyances, as well as firefighting and construction equipment. In Section 201, which covers “Reporting Requirements,” reporting parties are “held harmless,” as timely reporting is imperative.

Section 203 allows ISDA to issue a Hold Order on a contaminated conveyance, while Section 204 requires that decontamination be accomplished using Department-approved protocol. (A specific protocol for decontamination is not included in the rule, as these technologies are constantly evolving.)

Ms. Ferriter stated that Sections 800 through 808 list species considered to be invasive in Idaho. The list is divided into categories, such as amphibians, fish, reptiles, insects, mammals, etc.

When the chairman asked Ms. Ferriter about the public response to the rules, she replied that although it was a long process, she believes all rule-making parties were satisfied. Again, she stated there were compromises, such as the one with Idaho Fish and Game exempting persons who legally own bullfrogs from possession permits.

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 02.0609.0901 to the full committee; motion carried on voice vote.**

DOCKET NOS. 02.0602.0901, 02.0612.0901 & 02.0641.0901: As the committee prepared to hear the presentation of **Mike Cooper**, ISDA, on **Docket No. 02.0602.0901**, which pertains to the Idaho Commercial Feed Law, Mr. Cooper announced that the only change was an update to the “Incorporation by Reference” section. The change reflects a standard national reference manual, which provides for consistency in definitions and policies. This same change is found in **Docket No. 02.0612.0901**, regarding Idaho Fertilizer Law, and **Docket No. 02.0641.0901**, pertaining to the Idaho Soil and Plant Amendment Act of 2001.

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 02.0602.0901 to the full committee; motion carried on voice vote.**

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 02.0612.0901 to the full committee; motion carried on voice vote.**

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 02.0641.0901 to the full committee; motion carried on voice vote.**

DOCKET NOS. 02.0603.0901 & 02.0604.0901: Mr. Cooper then presented **Docket No. 02.0603.0901**, pertaining to Idaho Nursery and Florists Law, which he explained is closely related to **Docket No. 02.0604.0901**, regarding Phytosanitary and Post-Entry Certification Rules. He explained that as of October 2009, the United States Department of Agriculture (USDA) intends to charge states that issue federal phytosanitary certificates for the export of agricultural commodities a \$12 administrative fee for each certificate issued by the state.

In regard to Idaho Nursery and Florists Law, ISDA currently charges a \$20 hourly rate for this service, but now proposes to drop that rate and initiate a

fee of \$60 per certificate to cover the federal administrative fee and increased costs to the program. The fees under this rule have not been adjusted since 1986. Mr. Cooper indicated that principal florist exporters have expressed no opposition to the increase because they were well aware that under the current rules, “they had a good deal for a long time.”

In regard to Phytosanitary and Post-Entry Certification Rules, ISDA currently charges \$40 for each certificate issued; an increase to \$60 is proposed. This fee has not been adjusted since 2004.

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 02.0603.0901 to the full committee; motion carried on voice vote.**

MOTION: **Rep. Stevenson** moved to **recommend acceptance of Docket No. 02.0604.0901 to the full committee; motion carried on voice vote.**

DOCKET NO. 02.0606.0501: Mr. Cooper presented **Docket No. 02.0606.0501**, which addresses the planting of kidney and garden beans. The proposed rule was published as a temporary rule in 2005 and subsequently approved as a temporary rule by the legislature in 2006, 2007, 2008 and 2009. ISDA now seeks to have the temporary rule adopted as proposed with no changes.

The current rule specifies that the planting of kidney and garden beans requires a two-year history of rill irrigation planting prior to planting under sprinkler irrigation. The proposed change would allow the beans to be planted under the same rules as cranberry type beans, which allow a one-year history of rill irrigation, after which the seed can be serology-tested and planted again under either sprinkler or rill irrigation.

Industry feedback indicates that unless the rule is changed as proposed, Idaho could begin to lose much of its bean seed business. Under the current rule, many farmers might be forced to move out of the state due to the conversion of farm ground from gravity to sprinkler irrigation.

MOTION: **Rep. Killen** moved to **recommend acceptance of Docket No. 02.0606.0501 to the full committee; motion carried on voice vote.**

DOCKET NO. 02.0606.0901: Mr. Cooper then presented **Docket No. 02.0606.0901**, which consists of a technical correction to allow for the acceptance of bean seed crops grown in Malheur County, Oregon, and inspected by the Idaho Crop Improvement Association (ICIA) for planting in Idaho. The current rule allows for bean seed inspected by ICIA to be accepted in Idaho for Idaho-grown crops. However, a few years ago, ICIA, under an agreement with Oregon State University, began inspecting bean seed crops in Malheur County, Oregon; that change is not reflected in the current rule. Oregon enforces a bean disease rule for Malheur County that is similar to that of Idaho.

MOTION: **Rep. Stevenson** moved to **recommend acceptance of Docket No. 02.0606.0901 to the full committee; motion carried on voice vote.**

DOCKET NO. 02.0608.0901: Mr. Cooper then presented **Docket No. 02.0608.0901**, governing quarantine rules for apples and cherries. Review of the scientific literature determined that peaches, apricots and nectarines have never been found to be hosts of

the apple maggot and were erroneously listed in the current rule. Therefore, ISDA proposes to remove the language identifying those fruits from the Idaho rule, making it consistent with the rules of Oregon and Washington.

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 02.0608.0901 to the full committee; motion carried on voice vote.**

DOCKET NO. 02.0610.0901: Mr. Cooper then presented **Docket No. 02.0610.0901**, a rule governing the pale cyst nematode, which was detected in Idaho in 2006. The rule change incorporates by reference the changes listed in the final federal rule and makes some technical corrections. By maintaining and enforcing this rule, which parallels the federal one, ISDA avoids having the entire state put under federal quarantine, which would affect several agricultural industries besides the potato industry.

MOTION: **Rep. Stevenson** moved to **recommend acceptance of Docket No. 02.0610.0901 to the full committee; motion carried on voice vote.**

DOCKET NO. 02.0617.0901: Mr. Cooper then presented **Docket No. 02.0617.0901**, a rule governing the disposal of cull onions and potatoes. The current rule requires that enforcement of the cull onion disposal begin on March 15th of each year, but does not list an ending date. The proposed change sets the enforcement period as March 15th through July 1st, which is consistent with Oregon rules. This rule change was requested by Idaho onion growers.

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 02.0617.0901 to the full committee; motion carried on voice vote.**

DOCKET NO. 02.0622.0901: **Matt Voile**, ISDA, presented **Docket No. 02.0622.0901** regarding noxious weeds rules. He stated that a new process was used in developing the various noxious weed lists, involving a six-week general announcement/invitation for suggested species to be added or removed. Results were tallied and recommendations given to the Idaho Noxious Weed Advisory Committee; ISDA staff also provided the committee with biological threat and population occurrence information for the state and region. The committee convened twice, meeting with members of the House and Senate, as well as representatives from the University of Idaho, Idaho Farm Bureau Federation, Idaho Potato Commission, the seed industry and local weed control authorities.

In regard to Section 100.01, the "Statewide EDRR [Early Detection and Rapid Response] Noxious Weed List," the addition of six species and removal of one are being proposed. All of the newly proposed species are aquatic species that, while not known to occur in Idaho, exist in surrounding states or regions, deeming them a serious threat.

In regard to Section 100.02, the "Statewide Control Noxious Weed List," the addition of one new species and removal of three are being proposed. The three species proposed for removal occur in very small populations in Idaho and are known to be native to the United States.

In Section 100.03, the "Statewide Containment Noxious Weed List," three species are being proposed for addition, all of which impact aquatic or riparian habitats.

A new section was added (100.04), the "Statewide Monitor List," which lists only the water hyacinth, a plant the ornamental industry claimed could not "over-winter" in Idaho's cold water temperatures. However, because the potential exists for it to reside in Idaho's thermal waters, the plant requires some monitoring. The rule allows for the commercial propagation and sale of the water hyacinth in Idaho, but elevates survey and monitoring efforts to ensure the species does not spread.

MOTION: **Rep. Stevenson** moved to **recommend acceptance of Docket No. 02.0622.0901 to the full committee; motion carried on voice vote.**

DOCKET NO. 48.0101.0901: **Bill Ringert** presented **Docket No. 48.0101.0901**, rules governing grape and wine promotion, education and a research grant program. He stated the rules establish the framework of the grant program, which will promote the development of markets for Idaho grapes and grape by-products.

MOTION: **Rep. Stevenson** moved to **recommend acceptance of Docket No. 48.0101.0901 to the full committee; motion carried on voice vote.**

DOCKET NO. 48.0101.0902: Mr. Ringert then presented **Docket No. 48.0101.0902**, which revises the assessment schedule on wine production, making it more consistent with those of California, Washington and Oregon. The tax is phased in over a three-year period with the opportunity to opt out.

MOTION: **Rep. Bolz** moved to **recommend acceptance of Docket No. 48.0101.0902 to the full committee; motion carried on voice vote.**

ADJOURN: There being no further business to come before the subcommittee, the meeting was adjourned at 2:27 p.m.

Representative Jim Patrick
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE: Andrus Subcommittee — Livestock Rules

DATE: January 20, 2010

TIME: 1:30 p.m.

PLACE: Room E403

MEMBERS: Chairman Andrus, Representatives Lake, Shirley, Pence

**ABSENT/
EXCUSED:** None

GUESTS: John P. Bilderback, Idaho State Department of Agriculture (ISDA); Carol P. Youtz, Board of Veterinary Medicine; Karen Ewing, Board of Veterinary Medicine; Traci O'Donnell, Idaho Beef Council; Will Ledbetter, Milk Producers of Idaho; Kent Lauer, Idaho Farm Bureau; Dave Schulz, Board of Veterinary Medicine; Representative Stephen Hartgen; Brian Oakey, ISDA; Jeremy Pisca, Melaleuca; Troy Peterson, Heritage Farms; Damond Watkins, Melaleuca; Samantha Pisca, Governor's Office; Brad Hunt, Office of Administrative Rules; Raine Saunders, Agriculture Society; Tanya Ashton and Sara Sweet, private citizens

The meeting was called to order at 1:30 p.m. by **Chairman Andrus**.

**DOCKET NO.
02-0413-0902:** **Marv Patten**, Idaho State Department of Agriculture (ISDA), presented Rules Governing Raw Milk, **Docket No. 02-0413-0902**, a chapter rewrite pending review and final approval. The pending rule will replace "Rules of the Department of Agriculture Governing Retail Raw Milk" to modify the raw milk quality standards and sanitary requirements for raw milk for human consumption, to provide clarity for raw milk produced under a "cow share" program, and to provide a small herd exemption for facility construction requirements. This docket also eliminates approximately 25 pages of outdated rules. It incorporates by reference the sanitary milk production and milk processing provisions of the 2009 Pasteurized Milk Ordinance; establishes sanitary criteria and milk quality standards; and permits protocols for "cow share" programs. The existing rule used the 1985 Pasteurized Milk Ordinance for the sanitary milk production and milk processing criteria. The complete text of the proposed rule was published in the October 7, 2009 Idaho Administrative Bulletin, Vol. 09-10, pages 35 through 40.

In response to questions, Mr. Patten stated that any licensed dairyman with the ISDA has to meet certain protocols, in addition to meeting milk quality standards. The law allows production of milk for members of an immediate household and nonpaying guests without inspection. In order for milk to be sold, requirements must be met. Adoption of the new rule would possibly impact as many as 50 to 70 individuals, who would become eligible for a small farm exemption. Currently 23 states in the United States have banned the sale of raw milk for human consumption due to health risks. It is possible the Federal Drug Administration (FDA) will ban the sale of raw milk in the United States altogether; however, the current ban is on interstate sales. Enforcing sanitary standards is important in order to sell raw milk for human

consumption. ISDA is aware that there are illegal raw milk sales taking place, and the dairy industry does not want to be tarnished by milk-borne illnesses that can occur when sanitary standards are not met. Most Idaho dairy farmers sell their milk for further processing.

Jeremy Pisca, an attorney representing Melaleuca, stated concerns about the rule, citing a small dairy with four cows, Heritage Farms, operating a “cow share” program. Under a cow share, shares in a cow are sold much the way shares in a company are sold. If an individual purchases 1/8 of that cow, he is 1/8 owner of that cow, and is entitled to 1/8 of that cow’s production. A contract cited by Mr. Pisca states that no milk from the cow share may be sold. He stated that people participating in cow shares are aware of the law and risks. Mr. Pisca asked the committee to reject the rule, stating that his company would be happy to assist the ISDA in drafting new legislation. He believes the major problem with the rule is knowing where to set the exemption. He indicated that the “Requirements” section states it shall be unlawful for any person without a permit to produce or process raw milk or raw milk products for human consumption. There is no provision for people who produce raw milk for their own families and nonpaying guests. He said according to the rule, those who produce or process raw milk for human consumption are committing a misdemeanor and can be penalized with fines and jail time.

Representative Shirley stated he did not believe the rule satisfies all of the issues and added that he would recommend rejection of the rule, but did not wish to make a motion at this time. **Representative Pence** agreed more guidelines should be included.

Mr. Patten stated that language in the existing rule is virtually unchanged in the proposed rule. In considering how the committee would like to move forward, existing law outlines the permitting process and exempts having to follow the Pasteurized Milk Ordinance, but does require testing.

Chairman Andrus stated it was his understanding that the dairy referenced by Mr. Pisca does not sell milk. There is a vast difference between a cow share and sales of raw milk to the public, who may not be aware of risks. He does not believe telling people who may have a cow share program of four cows that they cannot use their own raw milk is justified, and under the proposed rule, there is a three cow limit.

MOTION: **Representative Shirley** moved to **recommend rejection of Docket No. 02-0413-0902 to the full committee. Representative Pence seconded the motion. Motion passed on voice vote.**

DOCKET NO. 02-0413-0901: **Marv Patten** then presented Rules Governing Retail Raw Milk, **Docket No. 02-0413-0901**, the above-referenced chapter repeal pending review and final approval. The ISDA proposes repeal of the existing rule and promulgation of a new one under Docket No. 02-0413-0902 (as indicated above). Due to the significant changes made to the existing rule, ISDA determined it would be less confusing to repeal it and adopt a new one rather than amend it. The complete text of the repeal was published in the October 7, 2009 Idaho Administrative Bulletin, Vol. 09-10, page 34.

MOTION: **Representative Shirley** moved to **recommend rejection of Docket No. 02-**

0413-0901 to the full committee. Representative Pence seconded the motion. Motion carried on voice vote.

DOCKET NO. 02-0414-0901: **Marv Patten**, ISDA, then presented Rules Governing Dairy Waste, **Docket No. 02-0414-0901**. On March 3, 2009, the ISDA received a letter from the Environmental Protection Agency (EPA) notifying ISDA that the EPA is not going to renew the Memorandum of Understanding (MOU) between the EPA, ISDA, Idaho Department of Environmental Quality (IDEQ) and the Idaho Dairywomen's Association that was the basis for this rule. This proposed rule eliminates the requirement that the MOU be in place in order for the rule to be effective. This rulemaking is necessary to ensure the rule remains in effect as promulgated prior to the expiration of the MOU. Additional language is being added to clarify the existing requirements associated with dairy waste containment and nutrient management, which was previously incorporated by reference. Soil sampling and testing requirements are also included for dairy-owned and operated land that exceeds phosphorus thresholds. The incorporation by reference section has been updated to remove obsolete documents and add documents previously included in the "Definitions" section. The complete text of the proposed rule was published in the May 6, 2009 Idaho Administrative Bulletin, Vol. 09-5, pages 13-19.

In response to questions, Mr. Patten stated that Idaho Waste Management Guidelines were incorporated in the original rule; however, the guidelines and standards have evolved over the years and are now incorporated in the new rule. If the rule is rejected, there will be no rules, as the previous rule has expired.

MOTION: **Representative Pence** moved to **recommend Docket No. 02-0414-0901 to the full committee for approval. Representative Shirley seconded the motion. Motion carried on voice vote.**

DOCKET NO. 02-0431-0901: **John Bilderback**, ISDA, presented Rules Governing Stockpiling of Agricultural Waste, **Docket No. 02-0431-0901**, a new chapter establishing specific setback distances for agricultural waste storage to minimize adverse quality of life issues. These rules are intended to apply to stockpiled agricultural waste from livestock on property other than agricultural waste storage governed by IDAPA 02.04.14, "Rules Governing Dairy Waste," and IDAPA 02.04.15, "Rules Governing Beef Cattle Animal Feeding Operations". The penalty provision clarifies that penalties will be assessed according to provisions set forth in Section 22-110(3), Idaho Code. The complete text of the proposed rule was published in the October 7, 2009 Idaho Administrative Bulletin, Vol. 09-10, pages 58-61.

In response to questions, Mr. Bilderback stated that setback distances in the proposed rule are negotiated values reflecting county requirements, Dairy Waste Rules and EPA requirements. The rule is focused on permanent stockpilers. A stockpile existing longer than 30 days would be considered permanent. The ISDA would be responsible for follow-up on complaints of noncompliance. Mr. Bilderback stated that the proposed rule is not the result of a single incident, that there have been many complaints about manure composting in unregulated areas. The rule is intended to provide guidelines, and counties can choose to go above and beyond. A latecomers clause is not included in the rule.

Representative Hartgen testified in favor of **Docket No. 02-0431-0901**. He stated that the proposed rule arose from a particular incident which occurred in his district involving an individual who owned a home on a one-acre parcel for approximately 30 years. When a neighbor began stacking manure against the property line, there was no regulation in place to solve the problem. Although in an ideal world, this regulation would not be needed, he sees it as a good neighbor rule that would not have a negative impact. The Dairy Association and local Farm Bureau have not objected.

MOTION: **Representative Shirley** stated that he sees a need for the rule and moved to **recommend Docket No. 02-0431-0901 to the full committee for approval. Representative Pence seconded the motion.**

Upon discussion, **Chairman Andrus** stated a concern that in increasing regulation, funding would have to be increased to enforce it. The message from his constituents is that they do not want more rules and laws. It concerns him that we continue to make rules and laws based upon isolated incidents. He could go along with this rule if not for the fact that there is no latecomers clause.

Motion passed on voice vote.

DOCKET NO. 46-0101-0901: **Karen Ewing**, Idaho Board of Veterinary Medicine, presented **Docket No. 46-0101-0901**, which makes fifteen amendments related to veterinary medicine, including records and documentation requirements, rules on providing access to patient records, the return or disposal of expired pharmaceuticals and biologicals, requirements related to euthanasia, and the use of volunteers in veterinary practices. Many states do not require an employer-employee relationship between veterinarians and veterinary technicians, but instead state that the technician must work under the direction or control of the veterinarian. This allows technicians to act as volunteers and also allows relatives licensed in the field to work together without establishing an employer-employee relationship. The Idaho Board of Veterinary Medicine would like to change current language in order to broaden the ways in which a technician can serve in Idaho.

In the past, only certain law enforcement personnel were able to use restraint drugs before administering animal euthanasia medications. Under the new rule, any Certified Euthanasia Technician could use these drugs to render an animal unconscious prior to euthanasia. This is an issue of personal safety for Certified Euthanasia Technicians, as a vicious dog or feral cat might injure the technician if it cannot be rendered unconscious prior to euthanasia. Controlled substances must be kept in locked containers with certain specifications. New provisions are also in place to allow better record-keeping and tracking of medications.

In response to questions, Ms. Ewing stated the input received regarding these proposed rules has been positive. The purpose of increasing required information in patient records is to allow future veterinary medical providers to know exactly what has taken place with the patient in the past.

MOTION: **Representative Pence** moved to **recommend Docket No. 46-0101-0901 to the full committee for approval. Representative Shirley seconded the motion. Motion carried on voice vote.**

**DOCKET NO.
51-0101-0901:**

Traci O'Donnell, Idaho Beef Council, presented **Docket No. 51-0101-0901**, a pending fee rule for the Idaho Beef Council. Effective July 1, 2009, Idaho's beef checkoff assessment was raised from \$1.00 per head to \$1.50 per head, to counter the effects of inflation, provide needed funding to maintain market-building programs, and sustain growth for Idaho's beef industry. With this change, \$1.00 of the \$1.50 remains in Idaho and \$.50 is sent to the Cattlemen's Beef Board, per the National Beef Promotion and Research Order. A beef producer may request a refund on the new/additional \$.50, so information was inserted in the rule regarding how to request the refund. Along with the fee change, wording in the existing rule was made consistent and the section titled "Definitions" was removed. Under the "Disbursements" section, the requirement that the Council send 20% to the national organization was removed.

In response to questions, Ms. O'Donnell stated that most beef producers are very supportive of the assessment and do not request refunds. Refund information exists in Idaho Code; however, it has not existed in rule and needs to be listed in both places.

MOTION:

Representative Pence moved to **recommend Docket No. 51-0101-0901 to the full committee for approval. Representative Shirley seconded the motion. Motion carried on voice vote.**

ADJOURN:

There being no further business to come before the subcommittee, the meeting was adjourned at 3:15 p.m.

Representative Ken Andrus
Chairman

Mary Tipps
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: January 26, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Charlotte Eberlein, University of Idaho (UI), Chris McIntosh, UI; John Hammel and Rich Garber, UI College of Agriculture and Life Sciences (UI/CALS); Jeff Harper, Flying H Farm; John Watson, J.C. Watson Company, Rick Stott, AgriBeef Company; Dennis Tanikuni, Idaho Farm Bureau Federation (IFBF); Rick Waitley and Tricia Crump, Food Producers of Idaho (FPI); Elizabeth Criner, J.R. Simplot; Bob Naerebout, Idaho Dairy Association (IDA); Douglas R. Jones, Growers for Biotechnology; Philip Watson, UI; Rich Brooke, Brooke Orchard; and the following UI students: Sylvan LaCross, Alex Gisler, Grant Robison, Derek Wanders, Layne Dustin, Loren Benjamin, Jess Davenport, Jamie Thomas, Joanna England and Amanda Cayler

Chairman Trail called the meeting to order at 1:30 p.m. and introduced the committee's page, Sara Carter, who is the granddaughter of **Rep. Marriott**. Sara comes from an agricultural background and resides in Pingree, Idaho. The chairman also welcomed AgriBusiness students from the University of Idaho. He announced that the committee would hear reports from the rules review subcommittees on Thursday, January 28, 2010.

MOTION: **Rep. Chavez** moved to approve the minutes from the January 14, 2010 and January 18, 2010 meetings; **motion carried by voice vote.**

Dean John Hammel, University of Idaho College of Agriculture and Life Sciences (UI/CALS), gave a presentation on the educational institution's Agricultural Research and Extension Service (ARES). He began with an overview of agriculture in Idaho, stating "Idaho is an agricultural state — period." He went on to say that agriculture is primary to Idaho's economy and future. Whereas most people think only of the production side of agriculture, the industry is also heavily involved in developing carbon technologies, which are essential to our future.

While a smaller percentage of our population is directly involved in agriculture today, compared to the past, agriculture is still the primary industry in Idaho, contributing greatly to the state's economic base. Agriculture's economic influence is found at both the rural and urban level. From 2001 to 2006, Idaho exported over \$6.2 million of table potatoes each year. The potato industry contributes over 39,000 jobs and \$6.7 billion in sales to Idaho's economy annually. The dairy industry is the largest single sector in Idaho's economy, accounting directly or indirectly for 22,730 Idaho

jobs. State and local tax revenues from direct and secondary economic impacts associated with dairy are estimated at \$67.5 million annually. Agriculture also supports state and local infrastructure and school districts.

Idaho's agricultural diversity has a tremendous stabilizing influence on the state's economy. With over 150 commodities grown statewide, the economic impact of a downturn of any particular agricultural sector is dampened. That is, while some crops may suffer difficulty in a given year, other crops experience a boom, which balances out overall.

A 2006 analysis performed by UI agricultural economists found that Idaho agriculture was responsible for generating 20% of Idaho total sales, 17% of Idaho's total workforce and 17% of Idaho's gross state product. Dr. Hammel said these statistics demonstrate that agriculture is the single biggest contributor to the economic base of Idaho.

Dr. Hammel then gave an overview of ARES, which is an integrated network of faculty and staff distributed throughout Idaho. The major purpose of ARES is to provide science-based solutions for the agricultural industry and Idaho citizens through fundamental and applied research. The centers are strategically located throughout the state to address agricultural, natural resource, and youth and family issues at the regional and local levels. Each center has a primary research and extension focus.

The Extension System, an important component of ARES and the University of Idaho, is comprised of extension personnel located in 42 of the 44 Idaho county offices. It is funded through a three-way partnership with county, state and federal governments. Counties provide over \$4 million a year in support — about 24% of the total Extension budget. However, the ability to attract non-state appropriated funding is dependent upon well-maintained infrastructure and a critical core of personnel at the centers.

Dr. Hammel then addressed the ARES budget reductions and mandatory holdbacks. He said ARES leverages each dollar appropriated by the state annually to generate 130% return on the state's investment through national grant agencies, Idaho agricultural organizations and national industries. As he indicated last year, approximately 90% of appropriated funding is currently budgeted in "people." ARES has little flexibility in operating dollars, and UI/CALS does not want to markedly erode those resources; doing so would severely limit the capability to adequately support existing research and extension programs, infrastructure and equipment, and to effectively address priorities of Idaho's agricultural industry.

Dr. Hammel emphasized that in regard to budget reduction decisions, the institution has taken a business-minded and strategic approach, rather than simply maintaining a semblance of *status quo* at the local and regional levels. The objective was to downsize programs and overall operations in order to live within the funds provided, meanwhile protecting the health of the whole system statewide.

The difference between the 2009 and 2010 base budgets translates to an 11.5% reduction of approximately \$3.26 million. To meet the mandatory 5% personnel costs reduction and overall reduction, 35 vacant faculty and staff positions were eliminated. Operational expenditures were reduced by 5%, an area in which they have little flexibility.

The Governor requested a 6% holdback (\$1.5 million) to the appropriated fiscal year 2010 ARES base late in 2009, based upon further declining revenues. To meet the holdback, the institution is using a series of one-time reductions in the areas of personnel, travel, operating expenses and capital outlay. The reductions in capital outlay and operating expenses are from funds allocated for infrastructure maintenance and equipment upgrades for the Research and Extension Centers statewide. These same funds were also utilized to meet the 4% holdback in fiscal year 2009.

Dr. Hammel reminded committee members that last year at this time, he informed them of plans to restructure or consolidate two or more Research and Extension Centers, which would involve closures at some locations. The centers in Teton, Parma and Sandpoint were recommended for restructuring by a blue ribbon task force.

However, **Governor Otter** and **UI President Nellis** requested that UI/CALS re-examine the impact of these recommendations on local agricultural sectors and stakeholders. This process involved eight listening sessions throughout the state, which gathered the following feedback: 1) the centers at each location have been and are critical; 2) all centers should be kept operational; and 3) reductions should be found elsewhere. This pushed UI/CALS, in collaboration with agricultural sectors, stakeholders and others, to find alternative funding to support operational costs at the three locations.

A number of different agricultural organizations, companies and private individuals came forward, including J.R. Simplot, the Idaho Potato Commission, Idaho Barley Commission and Treasure Valley Agricultural Coalition, as well as the tree fruit and table grape industries. The multi-year agreement with J.R. Simplot provides a strong base to maintain operations at the Parma Research and Extension Center. Through their service agreement, J.R. Simplot will have access to land for field experiments and will continue to maintain the Center for public research needs. However, there is still much work to do to resolve issues at all three locations, even as UI/CALS must now consider additional budget cuts.

Committee members expressed concerns over the deep budget cuts and potential compromise of important research. Dr. Hammel shared their concerns, remarking that agriculture is Idaho's top industry and "we are losing the capability to support it." Also, in his experience, "the things we cut won't come back" later, and unfortunately, all the cuts are occurring to top priority items. However, he assured the committee that UI/CALS is actively pursuing partnerships and would like to have the state match the funds brought in by such collaborative relationships. This would allow the institution to form collaborations with various private corporations.

Chairman Trail showed particular concern that when such deep cuts occur, the state loses great researchers, resulting in fewer contracts and grants being awarded. Ultimately, the price is too high. Dr. Hammel confirmed that in the 2001-2002 school year, when they lost 100 staff positions (60% of them faculty), grants went way down, putting all projects significantly behind.

Various growers throughout the state then testified in support of keeping the Research and Extension Centers open. **Jeff Harper**, a farmer whose crops include potatoes, alfalfa and corn, has been in business for 30 years. His two sons have now joined him in the business, and Mr. Harper said ARES

research and development has been invaluable to them, improving their farm a great deal.

He also noted that thanks to ARES research and development, a 35% yield increase in potatoes has occurred in Idaho since 1975. He said research and development is even more important now to Idaho's future, noting that Washington is a major agricultural competitor — referencing a “better climate” and its tendency to “steal our ideas.” He also said Idaho has some great researchers and “we need to retain these good young people.”

John Watson, a third-generation apple and onion farmer from Parma, said the Research and Extension Centers go back to his grandfather's time. He testified how critical the Research and Extension Centers are to Idaho's future and sustainability. He also said Idaho needs to focus on keeping beef competitive, and emphasized that jobs are not created — business is created. He asserted that indeed Idaho cannot survive without retention of the centers — and that such research has enabled him to promote and sell onions all over the world. He recently formed a collaborative relationship with Outback promoting the “blooming onion.”

Mr. Watson emphasized that Washington is one of our biggest competitors, having now surpassed Idaho in production . Whereas 42% of the nation's onions used to come from Idaho, that number is now down to 26%.

Rick Stott, former Vice President, AgriBeef, described the Salmon Research and Extension Center as “tremendous,” emphasizing the importance of the beef industry to Idaho. He also said a recent carbon footprint study showed that Idaho produces up to 50% less carbon than any mid-west and western packing plant.

He also referenced the bio-energy opportunities available by keeping the centers open. He said he has worked with educational institutions all over the country, and this group of researchers is the most diverse and gifted. He also said collaborating with Washington schools makes sense because Washington has superior facilities but Idaho has the best researchers.

Dennis Tanikuni, Idaho Farm Bureau Federation (IFBF), told the committee about the letter sent from **Frank Priestley**, IFBF President, to **Governor Otter**, in July 2009, expressing support for the Parma Research and Extension Center and the ARES system in general. Mr. Priestley expressed gratitude to the governor and UI **President Nellis** for deciding to reexamine the ARES system, and urged them not to sacrifice one center for another. Mr. Tanikuni said meetings were held on the matter and Dean Hammel moderated them very well.

Liz Criner, Research and Development, J.R. Simplot, testified as to the importance of the Research and Extension Centers throughout the state. She said she understood that funding is becoming more and more scarce, but expressed appreciation for the time and consideration Governor Otter gave to the matter.

Rich Brooke, Brooke Orchards, a small grower in the tree fruit industry, also expressed gratitude for saving the Research and Extension Centers. He

said when research facilities disappear, “everything else” in a community disappears as well — he has seen that happen in a number of areas.

Mr. Brooke also proposed that when cutbacks are considered, salary reductions can be a solution. He stated that even a 5% reduction could make a big difference in the budget — he has seen many large corporations do this successfully.

Like other committee guests, Mr. Brooke emphasized that Washington is a huge competitor, saying that in the apple industry, Washington is the “big gorilla.” He indicated that we could learn a great deal from Washington, and that they have a grant specialist — someone who “knows how to get grants,” successfully obtaining 80% of national grant money available in one given year. He said the fruit he once supplied to Idaho schools is now provided by Washington, which is a shame because the money spent on such produce will now go to support Washington jobs and communities.

Mr. Brooke said Idaho cannot afford to “lose the edge” when it comes to research, and emphasized that despite tough times, Idaho needs a plan of resurgence. He made the analogy that after a disaster, one cannot stay in a bomb shelter forever— eventually, one has to surface.

Rick Waitley, Food Producers of Idaho, spoke on behalf of the ARES system as well. He referenced a UI Extension bulletin, based upon the 2006 year of operation, that he said captures the importance of Idaho agriculture. In 2006, Idaho agriculture was responsible for generating \$21 billion in total sales, 156,599 jobs, \$4.2 billion in wages and an added \$8.4 billion in gross state product. These numbers illustrate that agriculture is the single biggest contributor to the economic base of Idaho.

He said that in 2006, \$2.09 billion of Idaho cash receipts were from crop production, which is 12% above a ten-year average. For the sixth year in a row, livestock revenues exceeded crop revenues. Whereas Idaho was once considered a potato and wheat state, dairy and cattle are the new “kings” in Idaho agriculture. Livestock revenue in 2006 accounted for \$2.4 billion, which is 21% higher than the ten-year average.

He said Idaho agriculture is very diverse, boasting over 165 different commodities, many of which represent a vast variety of seed crops, making Idaho important around the globe. He said only Oregon and California are ahead of Idaho in diversity of crops. Mr. Waitley emphasized the importance of marketing Idaho products around the world.

Mr. Waitley explained that Idaho’s farmers and ranchers are getting older, and the question in the minds of many is, “Who is stepping forward to assume the roles of leadership?” While the average age of a farmer nationwide is 54, the average age in Idaho is 57. Mr. Waitley said if the work force of teachers was aging at this rate, major steps would be taken to develop incentives to attract young people to the profession, for fear the state would experience a shortage of teachers.

He expressed a poignant reminder that while there are many things society can do without, it cannot function without food and fiber. He also emphasized that farming is not a job, but a lifestyle — and that individuals

in this industry are the “backbone of our state and local communities.” He asserted that much of the world looks to states like Idaho to meet the daily needs of humans.

When he attended the June 2009 meeting regarding the allocation of personnel, programs and facilities at the Parma Research and Extension Center, Mr. Waitley heard some of the following questions and comments from attendees:

Is the legislature not aware of the importance of agriculture to our state? Why has there not been adequate funding?

Where were the lobbyists who are supposed to represent the industry on issues like this? Are they not doing their job?

I thought the Governor, Lieutenant Governor and Director of Agriculture were all people with agricultural backgrounds — why have they not defended our position and needs for these centers for Idaho’s future?

I thought Dean Hammel would be more sensitive to the needs of the researchers and the value these centers play for Idaho agriculture.

Mr. Waitley went on to describe some of the important research generated by ARES that benefit Idaho and the world. He said 50% of Idaho’s wheat crop is being exported around the world, 86% of the lentil production is being exported, and Idaho provides 73% of the food-sized trout in the U.S. He said UI research in the areas of potato storage and potato processing and handling equipment is being used around the world. Idaho’s flourishing malt barley industry has attracted new businesses to Idaho, adding to the state’s revenue income. Research is also being conducted in the area of renewable fuels, specifically those from the oilseed industry — research that is respected across the U.S.

Mr. Waitley said Idaho’s unique volcanic soil, water availability, ideal climate, growing seasons, and the work ethic of its people, make Idaho a leader in America’s agriculture. He said other states and world regions produce food and fiber for the needs of the human race based upon what starts right here in Idaho. He said UI/CALS scientists and laboratories have played an important role in developing new varieties, finding ways to produce more commodities from animals and crops, and helping farmers and ranchers develop strong financial enterprises. Their efforts have an impact across the U.S., and in many cases, the world.

Mr. Waitley said that while he did not bring a great number of solutions or answers to the committee at this time, the industry is prepared to face the unique challenges with its usual spirit of cooperation, determination and hard work. He characterized Idaho’s agricultural industry as a “placeholder” in the world market, with a sense of responsibility for feeding a world that is daily dependent upon food and fiber.

Doug Jones, former Representative, Growers for Biotechnology, said “amen” regarding what UI/CALS has done for Idaho. He said agriculture will continue to be important in Idaho and that long-term planning is needed to

keep it vital. He also said wheat is “big now” and it needs to be one of Idaho’s top priorities. He emphasized the critical importance to Idaho and its future in keeping the Research and Extension Centers open.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:27 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: January 28, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Art Lee, United Dairymen of Idaho (UDI); Alan Reed, Reed's Dairy; Charlene Fobes and Naomi Counides, goat farmers; Rep. Stephen Hartgen, District 23; Lou Murgoitio, UDI; Bob Naerebout, Idaho Dairymen's Association (IDA); Jeremy Pisca, Melaleuca; Brian Oakey, Idaho State Department of Agriculture (ISDA); Will Ledbetter, Milk Producers of Idaho (MPI); Laura Johnson, ISDA; Brent Olmstead, MPI; Wally Butler, Idaho Farm Bureau Federation (IFBF); Benjamin Davenport, Risch Pisca; Dennis Stevenson, Idaho Department of Administration; Sara Schmidt, Idaho Soil Conservation Commission (ISCC); Dar Olberding, Idaho Grain Producers Association; Marv Patten, ISDA; Kent Lauer, IFBF; Eric Bair, IFBF; Stan Boyd, Idaho Wool Growers Association; and Sara Sweet, food producer

Chairman Trail called the meeting to order at 1:33 p.m. and welcomed students from the University of Idaho.

RS19108C1: **Dave Ogden**, Section Manager, Idaho State Department of Agriculture (ISDA), presented **RS19108C1**, which relates to the Seed Indemnity Fund. He stated that the recommended changes were developed cooperatively ISDA leadership, the Seed Indemnity Fund Advisory Committee (comprised of seven producers and two seed-buying industry representatives), and the Idaho-Eastern Oregon Seed Association. The changes are small but significant refinements to the existing law, which will reduce financial risk to the Seed Indemnity Fund and improve industry operations.

A definition of "Deposit for Service" was added in order for the rule to also provide for an exemption from Seed Indemnity Fund assessment. Licensed seed buyers have expressed they are at a disadvantage compared to companies that only clean or condition seed and are not required to be licensed seed buyers. Mr. Ogden explained the bookkeeping involved in assessing, collecting and remitting assessments is cumbersome due to the very small amount of assessments involved in such transactions.

The term "Uninsurable Peril" was also added to the "Definitions" section, in order for the rule to provide relief to the Seed Indemnity Fund for liability or losses resulting from such perils. (A similar change was made to the Commodity Indemnity Fund last year.) The reasoning behind the change was that if property casualty insurance companies will not assume risk for catastrophic or gradually occurring destruction of property, the Indemnity Fund, with its limited resources, should not be expected to assume such

liability either. The Fund is designed to indemnify against losses to producers related to financial failures of licensed businesses, not losses related to insurable or non-insurable perils.

A new licensing requirement is also included. It requires first-time seed buyer license applicants to supply an audited or reviewed financial statement and current financial information, showing the company has current assets at least equal to current liabilities.

In response to a request for clarification on the term "Deposit for Service," Mr. Ogden explained that seeds in this category are simply transferred for the purpose of cleaning, mixing and conditioning. They are not offered in conjunction with a "Stored for Withdrawal" agreement and therefore should not be assessed.

MOTION: **Rep. Patrick** moved to introduce **RS19108C1** to print; **motion carried on voice vote.**

Chairman Trail then asked subcommittee chairmen to report their subcommittees' recommendations regarding the rules reviewed last week.

MOTION: **Rep. Patrick** stated that no negative discussion arose regarding the rules reviewed by the Patrick Subcommittee on Crops/Plants Rules. He then moved for acceptance by the committee of all assigned dockets, numbered as follows: **02.0609.0901, 02.0602.0901, 02.0603.0901, 02.0604.0901, 02.0606.0501, 02.0606.0901, 02.0608.0901, 02.10610.0901, 02.0612.0901, 02.0617.0901, 02.0622.0901 and 02.0641.0901** (Idaho State Department of Agriculture); and **48.0101.0901 and 48.0101.0902** (Idaho Grape Growers and Wine Producers Commission). **Motion carried on voice vote.**

MOTION: **Chairman Trail** reported that the rules reviewed by the Trail Subcommittee on Administrative Rules did not generate any negative discussion either. He moved for acceptance by the committee of all assigned dockets from the Idaho State Department of Agriculture, numbered as follows: **02.0104.0901, 02.0104.0902, 02.0105.0901, 02.0214.0901, 02.0303.0901, 02.0633.0901 and 02.0501.0901.** **Motion carried on voice vote.**

MOTION: **Rep. Chavez** moved to approve the minutes from the January 20, 2010 meeting of the Trail Subcommittee on Administrative Rules; **motion carried on voice vote.**

MOTION: **Rep. Bolz** moved to approve the minutes from the January 20, 2010 meeting of the Patrick Subcommittee on Crops/Plants Rules; **motion carried on voice vote.**

Vice Chairman Andrus then reported on the rules reviewed by the Andrus Subcommittee on Livestock. He indicated that **Docket Nos. 02.0413.0901 and 02.0413.0902**, governing raw milk, raised some controversy. Some of the testimony involved the limitations placed upon cow/share dairies and the seemingly arbitrary maximum of three cows being designated by rule. He explained that the subcommittee was required to review **Docket No. 02.0413.0902** first, as it is a chapter rewrite; since **Docket No. 02.0413.0901** is a chapter repeal, acceptance or rejection would be dependent upon the outcome of the chapter rewrite. Ultimately, the subcommittee voted to

recommend rejection of both dockets.

Vice Chairman Andrus indicated that **Docket No. 02.0431.0901**, governing the stockpiling of agricultural waste, generated some discussion as well, but the subcommittee moved to recommend acceptance. The subcommittee also recommended acceptance of the remaining dockets submitted for review, as follows: **Docket No. 02.0414.0901**, rules governing dairy waste; **Docket No. 46.0101.0901**, rules of the Idaho Board of Veterinary Medicine; and **Docket No. 51.0101.0901**, rules of the Idaho Beef Council.

MOTION: **Rep. Pence** moved to approve the minutes from the January 20, 2010 meeting of the Andrus Subcommittee on Livestock Rules; **motion carried on voice vote.**

MOTION: **Rep. Killen** moved to accept **Docket No. 51.0101.0901** from the Idaho Beef Council; **motion carried on voice vote.**

ORIGINAL MOTION: **Vice Chairman Andrus** then expressed opposition to the proposed ISDA rule governing the stockpiling of agricultural waste. While acknowledging his subcommittee voted to recommend its acceptance, he **moved to reject Docket No. 02.0431.0901.**

Vice Chairman Andrus' opposition was based upon the fact that the proposed rule appears to have been proposed in reaction to an isolated incident, which was essentially an escalated neighbor dispute. He asserted that very little time was allowed for the negotiated rule-making process and not much input was gathered.

Further, the law does not appear to take into account that farmers must have a designated location on their property to stockpile waste in order to maintain operations. His concern is that if this practice is disputed by a new neighbor, the farmer's operation could be shut down. He does not want to see producers' "right to farm" jeopardized by this proposed rule. Furthermore, regulation and enforcement of the law is unclear. He sees regulation and the cost of such as an imposition on the ISDA's limited resources. He suggested that time is needed to tweak the proposed rule and investigate the frequency of occurrences.

Rep. Patrick pointed out that the Senate approved the rule, but that the committee should probably hear more testimony to get a consensus.

Brian Oakey, Deputy Director, ISDA, indicated that in Title 22, Chapter 45, the "right to farm" is protected and that action would only be taken in cases where the agricultural property becomes a nuisance "by any changed conditions in or about the surrounding nonagricultural activities after the same has been in operation for more than one (1) year, when the operation was not a nuisance at the time the operation began." He also explained that retroactive application of a law cannot occur unless specifically stated in law.

Committee members inquired about added costs to regulate and enforce the law, to which Mr. Oakey replied that ISDA has not requested any financial enhancement and that additional staff or resources will not be required. Investigations will be handled only when complaints arise.

In response to concerns that the negotiated rule-making process was rushed, Mr. Oakey indicated that although the proposed rule came later in the rule-making “season,” best efforts were made to notify all interested parties. He remarked that the two meetings on the matter were well-attended and participants expressed approval.

Bob Naerebout, Idaho Dairywomen’s Association (IDA), speaking on behalf of the dairy industry, recommended adoption of the proposed rule. He acknowledged that his industry is often slow to support or request more government regulation. However, he believes the proposed rule is truly in the best interest of the industry, as well as public safety. He further indicated that input was received from the Environmental Protection Agency (EPA) and the industry, and that the rule-making process was more than adequate. Further, the setback limits are not too strenuous.

Some committee members agreed that the problems arising from agricultural stockpiling are not “isolated incidents.” One commented that when incidents like this occur, the dairy industry is often blamed, even when the industry is not involved. When asked if the proposed rule was a defensive maneuver in an effort to protect the industry, Mr. Naerebout said some would argue it was offensive — but that whether it was offensive or defensive, the proposed rule is sorely needed.

SUBSTITUTE MOTION:

Rep. Shirley offered a substitute motion for acceptance of **Docket No. 02.0431.0901** governing stockpiling of agricultural waste; this generated more discussion on the issue.

Rep. Bolz, who was involved in the negotiated rule-making on this matter, indicated the process was definitely rushed. Another committee member disagreed, saying the meetings were well-attended, the participation level high and the feedback positive. He stated his belief that more time would have had no effect on the resulting proposed rule.

VOTE ON SUBSTITUTE MOTION:

Chairman Trail called for a vote on the substitute motion for acceptance of **Docket No. 02.0431.0901**, governing the stockpiling of agricultural waste; **motion carried on voice vote**. **Vice Chairman Andrus** requested to be recorded as **voting in opposition**. The chairman then urged ISDA representatives to duly note the remarks made by **Rep. Bolz** in regard to the negotiated rule-making process being sped up in this instance.

The committee then heard testimony regarding **Docket Nos. 02.0413.0901 and 02.0413.0902**, Chapter Rewrite and Repeal of the rules governing raw milk. **Art Lee**, of United Dairywomen of Idaho, spoke in favor of the proposed rule. Mr. Lee’s family farm in New Plymouth dates back 114 years; he currently serves on the Board of Idaho Dairy Products Commission and Farm Credit Services. He is also involved in milk promotion programs for the public schools, as well as the First Lady’s fight against childhood obesity. Mr. Lee explained the importance of pasteurization not only in killing disease, but in protecting the health of the Idaho dairy industry — the largest single commodity in Idaho’s agricultural portfolio. He went on to say that 580 Idaho dairywomen are in support of the rule.

Alan Reed, of Reed’s Dairy in Idaho Falls, which was founded by his father and uncle in 1955, spoke in favor of the rule. He noted that although the

demand for raw milk diminished in the 1970's, there is now a resurgent interest, with the national trend going toward more natural foods. However, he stressed the importance of being proactive in protecting the public and the dairy industry — stating that Idaho needs to have the ability to produce raw milk safely. He also stressed that the rule will protect Idaho's future.

Charlene Fobes, whose daughter owns a goat dairy in Canyon County, spoke in favor of the proposed rule as well. She said her daughter receives numerous inquiries regarding raw milk. Ms. Fobes believes people are properly educated on the dangers of raw milk and that small farms cannot afford to make milk Grade A standard. The ability to sell raw milk would help small farmers survive and help offset farm costs.

Naomi Counides, a goat farmer in Payette, spoke in support of the proposed rule, and in particular, the small herd exemption. She believes the regulation is an appropriate compromise or remedy to the surrounding controversy. One of her concerns is that without appropriate regulation, consumers would seek illegal and unsafe channels to obtain the product. She also believes small dairies offer a unique agricultural teaching opportunity for young people in 4H programs.

Marv Patten, ISDA, was then asked to speak on the issue. He indicated that the rule-making process was started two years ago due to an increased public interest in raw milk. Cow/share programs were included in the rule to avoid placing large producers at an advantage, since by current rule, cow/share programs are illegal.

When asked about the penalty for non-compliance, Mr. Patten indicated that the milk license or ability to sell raw milk could be revoked. The violation would be classed a misdemeanor, and violators could also be assessed a \$200 fine and/or serve three months in jail.

When asked about the ramifications of a cow/share program in which raw milk is not sold, but simply consumed by the families involved in the cow/share, Mr. Patten explained the law allows private citizens to do whatever they want with their milk, without any need for testing. However, it was unclear how the exemption would affect cow/share members at remote distances from the location in which the cow resides. When asked if a cow/share program is synonymous with the small herd exemption, Mr. Patten answered "not necessarily."

Committee concerns continued regarding permit requirements and the seemingly arbitrary numbers selected for cow/share and herd sizes. Mr. Patten addressed these issues by saying a proposed rule was needed not only to address public health concerns but to alleviate illegal dairy sales.

Jeremy Pisca, attorney at law, representing Melaleuca, spoke in opposition to the rule, indicating that it is already illegal to sell untested raw milk in Idaho; that retail sales are already appropriately governed; and that the way the current law reads, cow/share programs are **not** illegal.

He stated that the section on permit requirements is overly broad, making it unlawful for any person to produce raw milk intended for human

consumption. No distinction is made between large producers, small herd producers, or even individuals with one cow used exclusively by the family. Although the former rules contain the same flaw, he believes it would be a mistake to pass a set of rules with such an obvious defect.

He indicated that the labeling requirements are also overly broad, making no distinction between raw milk intended for retail sale and raw milk produced by an owner for private consumption. Since the rule, once passed, would have the full force and effect of law, he stressed that it should be drafted with absolute clarity and precision.

Mr. Pisca stated that the small herd provision is also drafted too loosely, and will ensnare far more citizens than ISDA intended, as it specifies the number of “lactating” cows allowed. This would include lactating cows not used for production. In fact, the definition is not even restricted to dairy cows; a lactating beef cow, under the definition, would be included in the total.

Mr. Pisca further asserted that the limits selected (three cows or seven goats) are completely arbitrary, and suggested specifying a limit based upon gallons produced. With gallonage as a limit, the producer would have the ability to either stop milking or destroy excess milk. Under the proposed rule, a farmer with more than three lactating cows would have only three options to remain in compliance: 1) destroy the cow; 2) sell the cow; or 3) comply with the costly requirements mandated in the Grade A Pasteurized Milk Ordinance of 2009.

Mr. Pisca urged the committee to reject the rule, stating that no harm would be done — the public welfare would still be protected. If the rule were passed, however, its sole effect would be to penalize cow/share programs. He further asserted that there is no evidence of even a single incident of someone in Idaho getting sick from consuming raw milk.

He suggested that the rule be taken back to the “drawing board” so it can be drafted correctly. As it stands, it is “nebulous, unclear and over-broad.” He said if “backyard sales” are the source of the problem with raw milk sales, then a rule should be designed to go after “those guys” — not the cow/share programs, many of which only use raw milk for private consumption.

Mr. Pisca reiterated that if the proposed rule does not pass, public safety will not be in jeopardy and imminent harm will not result. To characterize the lack of urgency for such rules, he asked the rhetorical question, “Where is Rome burning?” He then respectfully asked the committee to reject the proposed rules as written so they may be drafted with more clarity and precision during the legislative interim. He also expressed the willingness to participate in the drafting of future proposed rules on the raw milk issue.

When a committee member asked if changing the cow/share limit from three to five would make it a better rule, Mr. Pisca suggested a “by the gallon” standard. Follow-up discussion revealed, however, that the quantity of milk produced can be rather variable.

Chairman Trail, after clarifying the rule underwent a two-year negotiated rule-making process, asked how long Mr. Pisca had been involved. Mr. Pisca replied that he has been on-board for two weeks.

Lou Murgoitio, a native Idaho dairyman who has served on the Idaho Dairyman's Association Board of Directors, and whose family has farmed in the state since 1917, spoke in favor of the proposed rule. He acknowledged that too much regulation is not always a good thing. However, he believes the proposed rule is in the best interest of consumers and the industry, and will go a long way in keeping Idaho's high dairy production ranking — currently fourth in the nation.

He stated the resolution proposed in 2008 was much harsher than this one, but that on the current proposal, common ground was found during the negotiated rule-making process. He reminded committee members of the dangers involved in raw milk consumption, and that 23 states have banned raw milk sales altogether. He stated that the FDA is looking at this matter closely as a public health issue.

Sarah Sweet, a food producer in the state, spoke in favor of the small herd exemption, but agreed with Mr. Pisca that the rule puts property rights to an animal in question; she also objects to the "lactating" language. She expressed a concern about associated costs as well.

Bob Naerebout spoke again regarding the proposed rule, asserting that the high level of participation in the two-year negotiated rule-making process should "count for something." He said IDA supports the rule because numerous cases have emerged over the last two decades linking raw milk consumption with illness, miscarriage and even death.

He went on to cite the Centers for Disease Control and Prevention (CDC), which reported in March 2007 that between 1998 to May 2005, 45 outbreaks of foodborne illness implicated the consumption of raw milk, accounting for 1,007 illnesses, 104 hospitalizations and 2 deaths. Other data gathered by the industry indicates that between January 2000 and April 2009, 44 outbreaks of bacteria-related disease were related to raw milk, resulting in more than 649 illnesses, 45 hospitalizations, 7 deaths and 2 miscarriages.

After reporting these statistics, Mr. Naerebout stressed that not all outbreaks are recognized, and of those that are recognized, not all are reported to CDC. In fact, he stated, it is impossible to capture all of the incidents of individual illness that occur as result of raw milk consumption.

He reiterated that this is a national issue, pointing out that Idaho's proposed rule is not going as far as the American Medical Association (AMA) and FDA would like to go. The AMA's policy position is that "all milk sold for human consumption should be required to be pasteurized." In fact, Mr. Naerebout said, both the National Milk Producers Federation (NMPF) and FDA are calling for retail raw milk sales and cow/share programs to be made illegal.

While the IDA does not believe such extreme measures should be taken, it believes oversight by the Dairy Division and ISDA is necessary to protect the consumer, the proponents of raw milk consumption and the image of dairy products. In regard to the three-cow minimum set for cow/share programs, Mr. Naerebout stated that the dairymen's policy position is "zero" — but that the minimum was set as a result of successful negotiated rule-making, in which compromise is necessary.

Brian Oakey then summed up by saying that while the rule-making process

could perhaps be improved, “we don’t always get the perfect rule” — this one is a good compromise.

In response to a question regarding how many cow/share operations were involved in the negotiated rule-making process, Mr. Oakey indicated that while a head count was not taken, operators were made well aware of the process. Another committee member asked what the impetus was for the proposed rule, to which Mr. Oakey replied it was not a petition, but industry conversations, that led to the proposal.

At this point, **Chairman Trail** asked committee members if they wished to table the vote on **Docket Nos. 02.0413.0901 and 02.0413.0902**, governing raw milk, until the next full committee meeting. Members expressed the desire to continue, so the committee voted on all remaining dockets.

MOTION: **Rep. Killen** moved to approve **Docket No. 46.0101.0901** from the Idaho Board of Veterinary Medicine; **motion carried on voice vote.**

MOTION: **Rep. Killen** moved to approve **Docket No. 02.0431.0901** governing dairy waste; **motion carried on voice vote.**

ORIGINAL MOTION: **Rep. Lake** moved to reject **Docket No. 02.0413.0902**, the Chapter Rewrite regarding raw milk.

SUBSTITUTE MOTION: **Rep. Patrick** stated that if the docket was rejected, the risk would be too great, asserting that even one incident could result in huge consequences — which would jeopardize not only the safety of consumers but the livelihood of Idaho producers. He then offered a substitute motion to accept **Docket No. 02.0413.0902.**

VOTE ON SUBSTITUTE MOTION: Roll call was requested on the substitute motion. **Substitute motion passed; 5 aye, 4 nay, 1 absent and excused. Voting in favor** of the substitute motion: Reps. Patrick, Pence, Chavez, Killen and Chairman Trail. **Voting in opposition:** Reps. Lake, Stevenson, Shirley and Vice Chairman Andrus. Rep. Bolz was absent and excused.

MOTION: **Vice Chairman Andrus** moved to accept **Docket No. 02.0413.0901**, the Chapter Repeal regarding raw milk; **motion carried on voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:13 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 2, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Reps. Lake, Stevenson and Bolz

GUESTS: Karen Ewing, Idaho Board of Veterinary Medicine; Will Ledbetter, Milk Producers of Idaho; Jon Osterburg, Governor's Office; Bob Naerebout, Idaho Dairymen's Association; Dave Schulz, Idaho Board of Veterinary Medicine; and Carol Youtz, Idaho Board of Veterinary Medicine

The meeting was called to order at 1:35 p.m. **Chairman Trail** announced that when the full committee convenes on February 8, 2010, a debriefing will be held regarding the rules review process conducted last week pertaining to raw milk rules.

RS19137: **Karen Ewing**, Idaho Board of Veterinary Medicine, presented **RS19137**, legislation which seeks to revise Idaho Code Section 54-2107(4) to limit the number of times a candidate can take the North American Veterinary Licensing Examination (NAVLE), which is the sole uniform licensing examination for veterinary medicine. The National Board of Veterinary Medical Examiners (NBVME), which administers NAVLE, has requested states/provinces to take such action in order to protect NAVLE from compromise, thereby ensuring its integrity.

As a result of the 2008 legislative session, the Idaho Board of Veterinary Medicine successfully changed rule 46.01.01.010.03.a.ii. to meet NBVME recommendations. However, the Board later realized Idaho Code Section 54-2107(4) provides for a candidate to take NAVLE "at any time (no time limit)." The proposed legislation would remove this language, thereby correcting the error.

Ms. Ewing explained that the majority of examination candidates are fourth-year veterinary college students, and that the current pass rate is over 93%. Candidates ordinarily take the examination in the fall testing window, which allows failing candidates to retake NAVLE in the next spring testing window prior to graduation.

Chairman Trail asked if there is a problem in Idaho with candidates who fail NAVLE multiple times, to which Ms. Ewing replied that it is unusual for an Idaho candidate to test more than three times. However, other states have had problems in this area, which prompted NBVME to make efforts to protect the integrity of the database and the examination itself.

Another committee member asked how this might affect licensure applicants who have been out of practice or out of the country. Ms. Ewing explained that the licensure examination is almost exclusively for new practitioners, as the clinical competency tests taken by older veterinarians years ago are recognized for licensure purposes.

MOTION: **Rep. Shirley** moved to introduce **RS19137** to print; **motion carried on voice vote.**

RS19178: **Karen Ewing** then presented **RS19178**, which revises Idaho Code Section 54-2118 to allow a one-time opportunity for licensees to avoid imposition of formal disciplinary action for violations involving continuing education compliance and record-keeping. Instead, a civil penalty (between \$500 and \$1000) would be assessed. In order to qualify, the licensee must meet the following conditions: 1) be free of Board disciplinary action for the preceding five years; and 2) comply with the Board's remedy in regard to the violation.

Currently, the only way the Board can address record-keeping or continuing education violations is to initiate formal disciplinary action, which is reported to a disciplinary database. The record of formal discipline follows a licensee for the remainder of his/her career and is never expunged. With the proposed legislation, the records of these one-time violations would not be reported to the national disciplinary database or the public.

With this legislation, the licensee can avoid the stigma and permanent record associated with formal disciplinary action. However, further record-keeping or continuing education errors on the part of the licensee would result in formal disciplinary action, which would be reported to the national disciplinary database.

The legislation also reorganizes the statute into three clear categories of disciplinary proceedings: 1) administrative actions; 2) civil court actions; and 3) criminal actions. This allows for better understanding of the three separate types of action available to the Board.

Chairman Trail asked if Ms. Ewing could provide some real-life examples of record-keeping and continuing education violations. She explained that verification of continuing education is tied to the biennial renewal process, and in some cases, retired veterinarians have fallen out of compliance with the required continuing education hours, stating "time just got away" from them. The Board feels it is not fair to stigmatize someone who has been in good standing for 40 years with formal disciplinary action when the violation does not involve any misconduct associated with the veterinarian's practice.

In regard to record-keeping, Ms. Ewing said these errors are often discovered upon initiation of a complaint, when the Board collects medical records in the course of an investigation. She said in some cases, the record-keeping is "atrocious," leaving the medication dosages, as well as the patient's diagnosis, treatment and prognosis in question. Naturally, record-keeping is an important concern, as a patient's care can be compromised when there is no clear medical record associated with treatment.

When asked about the amount of the civil monetary penalty for violations, Ms. Ewing said the Board would have to make that decision at one of their

meetings. She expects they will construct a standardized list showing different types of offenses and the corresponding monetary penalty, asserting an amount between \$500 and \$1000 would send a firm message.

Ms. Ewing was also asked how many notices are sent to licensees regarding renewal. She explained the renewal date is always June 30; if the renewal application is not received by July 1, a notice is sent. If renewal is not accomplished by July 31, a notice is sent indicating the license is no longer valid. She clarified that the “one-time” provision only pertains to licensees in good standing, so it would not be applicable in such an instance.

MOTION: **Rep. Chavez** moved to introduce **RS19178** to print; **motion carried on voice vote.**

The meeting was then turned over to **Vice Chairman Andrus**, as Chairman Trail had to attend another meeting.

RS19180: **Karen Ewing** then presented **RS19180**, legislation which revises Idaho Code Sections 54-2103, 54-2104 and 54-2115 to remove the requirement that a person must be an employee of a licensed veterinarian in order to be supervised by the veterinarian. Also, the proposed change to the definition of “in good standing” in Idaho Code Section 54-2103(23) will clarify that this term applies to applicants for licensure or certification.

Under the current statute, Certified Veterinary Technicians (CVTs) or veterinary assistants are not allowed to volunteer at events unless their employing veterinarian also volunteers or supervises the event. This prevents CVTs and assistants from volunteering at high volume/low cost spay and neuter events, which are an attempt to address the problem of excess dog and cat populations in Idaho. The current statute also does not allow veterinarians to use a trained family member to assist — which is a common practice — unless specifically employed by the veterinarian.

When queried, only one of 39 veterinary boards was found to have a rule requiring an employer/employee relationship for supervision. Most other states’ rules indicate that for supervision purposes, the person being supervised must work “under the direction and control of the veterinarian.” This language is also consistent with the model Veterinary Practice Act and the American Association of Veterinary State Boards (AAVSB).

MOTION: **Rep. Pence** moved to introduce **RS19180** to print; **motion carried on voice vote.**

RS19188: **Karen Ewing** then presented **RS19188**, legislation which revises Idaho Code Section 54-2105(8)(c) to provide clear authority for the Board to commence emergency disciplinary proceedings in the event a licensee poses an immediate danger to the public health and safety. This action is particularly necessary in cases where a licensee is impaired by drugs or alcohol, or cannot practice safely due to a mental or physical impairment.

The legislation was prompted by the Board’s experience with a case in Washington where a licensee was not only abusing, but diverting drugs, and the Washington Board summarily suspended his license. (His Idaho license had actually been revoked over ten years prior to the incident.) When the

Idaho Board reviewed its own statutes to determine if it had the same legal provision, some uncertainty arose, resulting in the proposed legislation clarifying the Board's authority.

Ms. Ewing explained all state veterinary boards have to deal with impaired practitioners, and Idaho is no exception. The Board wants to ensure there is no question of its authority to take emergency action in the event of problems jeopardizing the public welfare. Naturally, all licensees are allowed due process to defend against Board allegations within specific time periods set forth by the Idaho Administrative Procedures Act.

MOTION: **Rep. Shirley** moved to introduce **RS19188** to print; **motion carried on voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:10 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 4, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Dick Rush, United States Department of Agriculture/Farm Service Agency (USDA/FSA); Ron Abbott, USDA/FSA; Greg Ledbetter, private citizen; Will Ledbetter, Milk Producers of Idaho (MPI); Melody Beckman, USDA/FSA; Candy Moore, USDA/FSA; Aaron Johnson, USDA/FSA; Rich Garber, University of Idaho College of Agriculture and Life Sciences (UI/CALS); Brent Olmstead, Idaho Business Coalition for Immigration Reform (IBCIR); Bob Naerebout, Idaho Dairymen's Association (IDA); Ken McClure, IBCIR/MPI; Jeremy Chou, Givens Pursley; and Kent Lauer, Idaho Farm Bureau Federation (IFBF)

Chairman Trail called the meeting to order at 1:30 p.m.

Dick Rush, United States Department of Agriculture/Farm Service Agency (USDA/FSA), gave a presentation on programs for farmers. He indicated that 2009 was a time of great instability for Idaho agriculture. Net farm income is now down 47% and irrigators are concerned about low snow levels. Other issues include urban/farm conflicts, tight lending practices, invasive species, aquifer levels and pesticide regulations.

The purpose of the USDA/FSA is to provide stability to Idaho agriculture, especially in tough times. In fiscal year 2009, they delivered over \$431 million in federal program payments and loans to Idaho farmers and ranchers. Over 70% (or \$307 million) was in the form of low interest loans for farm ownership, farm operating and price support programs. FSA programs work to stimulate rural economies — the loans are repaid, sometimes in as little as nine months.

The new federal farm bill gave USDA/FSA several new programs, including a Biomass Conservation Assistance Program (BCAP). They have allotted over \$6 million in funding for the forest products industry in Idaho's eight most northern counties. They have already made payments totaling more than \$700,000.

Priscilla Salant, University of Idaho (UI), gave a presentation on her two-year research study, "Community Level Impacts of Idaho's Changing Dairy Industry," which analyzes the community-level impacts of Idaho's changing dairy industry. Using a three-part methodology, the researchers examined how people who work on dairy farms impact local economies, schools, health care providers, justice systems and other aspects of communities in

southern Idaho. Two parallel trends, which are consistent on a national level, shape the context of the analysis. First, the structure of Idaho's dairy industry is changing, moving toward larger and more geographically concentrated farms, with an increasing demand for wage labor. Second, Idaho is becoming more ethnically diverse as the state's Hispanic population grows at a faster rate than the rest of the population.

The study found that dairy farm workers tend to be young adult men who are Hispanic and foreign-born. While some are single and others have families, due to immigration raids and tighter border controls in recent years, the trend has shifted more toward single men. As a group, the industry's labor force appears to be driving the growth of the Hispanic population in south central Idaho.

In regard to local economies, the dairy sector has contributed significantly to economic growth in south central Idaho. Especially in Jerome County, employment and population numbers are increasing along with the dairy industry. However, child poverty rates are higher in the dairy region than the state as a whole. So, too, are the proportions of youngsters eligible for reduced price meals at local schools. Based upon interviews with educators, social service providers and others, many people in the dairy region fall into the category of the "working poor," but the study did not find evidence that it can be attributed to the changing dairy industry.

In regard to impacts on crime, interviews with law enforcement and justice systems indicated that the main community-level impacts are related to increases in foreign-born individuals who may need translation assistance if and when they enter the legal or criminal justice system. However, the foreign-born populations in those communities do not serve as a catalyst for increasing crime levels.

When studying the impact on schools, researchers found that the changing dairy industry has two main impacts on schools. First, many school districts in south central Idaho are coping with the increased ethnic diversity associated with growth in the dairy industry, as well as an increase in students from low-income families. Second, the increase in the Hispanic population means some districts (including Gooding, Jerome and Wendell) are actually growing, when they would otherwise be losing students.

Growing diversity brings both challenges and opportunities. The challenges are that districts must now find money and staff to work with growing numbers of lower-income students and/or those for whom the English language has yet to be learned. The opportunity is that Hispanic parents, as a rule, value education and want their children to do well. Further, children in integrated schools learn how to get along in a society that is increasingly multi-cultural and ethnically mixed.

As for the impact on health care, interviews with health professionals in southern Idaho did not indicate disproportionate use of health care services by the Hispanic population in general or by employees known to work in the dairy industry. Researchers attempted to learn whether dairy workers might be responsible for changes in indigent health care costs, but the data on such health costs were not complete enough to examine any effects.

The study concluded that the dairy industry has had positive economic

impacts on local communities in south central Idaho, bringing jobs and people to towns that would otherwise be in decline (as are many farm-dependent communities around the country). However, it also imposes some degree of cost, most notably on schools, and to a lesser degree, on justice systems. While the private sector has “turned on a dime” to meet the demand of a growing Hispanic population, public systems are unable to respond that quickly. Also, before the system can adapt to a changing society, voters must first be convinced to pay higher taxes to cover the costs associated with such economic growth.

The study made the following recommendations:

- That federal and state decision-makers work toward an immigration policy that provides stability and predictability for workers and communities;
- That the industry support a scientific study to learn who their workers are, where they live and what their needs are;
- That the dairy industry advocate for programs and policies that build economic prosperity in their workforce (i.e., encourage dairy workers to claim the federal Earned Income Tax Credit);
- That the dairy industry sponsor a facilitated public forum series to provide a venue for community-wide discussion about immigration and community-level impacts associated with the dairy industry; and
- That an industry-university partnership establish a full-time Spanish-speaking community and labor outreach liaison.

When asked if the dairy industry is providing encouragement or incentives for foreign-born workers to gain citizenship, Ms. Salant said that does not seem to be a current concern, as most workers have the necessary legal documents to work here.

Brent Olmstead, Idaho Business Coalition for Immigration Reform (IBCIR), said recent economic studies conducted by the White House Council of Economic Advisors, Center for American Progress and Cato Institute have found similar results to Salant’s study — that the use of immigrant labor constitutes a net economic gain. Further, the money stays at the local level.

Mr. Olmstead also described an American workforce that is changing. He estimated that by 2012, more than 75 million baby boomers will retire. He also noted that the U.S. fertility rate will drop below replacement levels by 2015. Further, native-born workers are more educated today and less likely to perform manual labor.

He then went on to describe the E-Verify system, which is a voluntary free internet-based resource designed to verify eligibility of newly hired employees. It combines databases from Homeland Security and the Social Security Administration.

Some of the pros of the system include free access, a 95% accuracy level, the provision for appeal, and the fact that it is relatively easy to use (for

Human Resources professionals). On the con side, the system cannot be used as a pre-employment screening tool. Also, if a discrepancy arises concerning the validity of documentation, the worker must remain in the producer's employ pending results of the appeal process. Further, the system does not safeguard against identify theft, and can constitute additional administrative work for the employer.

In assessing the H-2A immigration program, Mr. Olmstead said the benefits include provision of an adequate workforce and a regulated legal method for workers. Problems include a daunting administrative process, quotas that are set too low, certifications that are often issued late, and the fact that it does not accommodate non-seasonal labor.

Mr. Olmstead said **S 1271** and **S 1303**, which are scheduled for review this legislative session, deal with immigration issues as well. **S 1272**, sponsored by **Sen. McGee** establishes penalties for the manufacture, distribution and use of false identification, and for knowingly accepting false identification.

S 1303, sponsored by **Sen. Jorgenson**, would mandate the use of E-Verify and make harboring and trafficking of illegal aliens a felony. It would also require that testing for driver's licenses be conducted only in English, and it would prohibit acceptance of out-of-state driver's licenses as documentation. Employer sanctions would also be included, which would be complaint-driven and enforced by the Attorney General and local prosecutor.

Mr. Olmstead then went on to describe a variety of other pieces of legislation and legal actions nationwide regarding immigration issues. He concluded with a quote from former President Ronald Reagan: "One thing is certain in this hungry world: No regulation or law should be allowed if it results in crops rotting in the fields for lack of harvesters."

One committee member asked at what point the E-Verify system might become federally mandated, to which Mr. Olmstead replied that the topic generates occasional discussions, but they do not really "go anywhere," and the system still has some "bugs" to be worked out. He also said the system needs to become more user-friendly to both employers and employees.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 3:02 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 8, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Laura Johnson, Idaho State Department of Agriculture (ISDA); Steven Becker, Nez Perce Soil and Water Conservation District (NPSWCD); Sara Schmidt, Idaho Soil Conservation Commission (ISCC); Kristin Magruder, ISCC; Justin W. Krajewski, ISCC; Richard L. Bronson, ISCC; Kent Lauer, Idaho Farm Bureau Federation (IFBF); Rich Naerebout, Idaho Dairymen's Association (IDA); Dennis Stevenson, Department of Administration; Kyle Wilson, NPSWCD; Brian Oakey, ISDA; Dennis Tanikuni, IFBF; Wayne Hoffman, Idaho Freedom Foundation; Shelby Kerns, Department of Financial Management (DFM); Wayne Newbill, Idaho Association of Soil Conservation Districts (IASCD); Jeremy Pisca, Melaleuca; Will Ledbetter, Milk Producers of Idaho (MPI); Greg Ledbetter, private citizen; Bob Naerebout, IDA; Peter Dill, St. John's Organic Farm; Arie Roeloffs, IDA; Mike Roth, IDA; Tony Vander Hulst, IDA; Art Lee, United Dairymen of Idaho (UDI); Dave Rallison, UDI; Lynn Keetch, UDI; Lou Murgoitio, UDI; Bonnie Butler, Governor's Office; Dan Popkey, Idaho Statesman; Eric Bair, IFBF; David Ogden, ISDA; Bill Flory, ISCC; Morgan Evans, ISCC; Dwight Horsch, ISCC; and Dar Olberding, Idaho Grain Producers Association (IGPA)

Chairman Trail called the meeting to order at 1:30 p.m.

MOTION: **Rep. Chavez** moved to approve the minutes from the January 28, 2010 meeting; **motion carried by voice vote.**

MOTION: **Rep. Chavez** moved to approve the minutes from the February 2, 2010 meeting; **motion carried by voice vote.**

Chairman Trail announced that due to the controversy surrounding the raw milk rules review process on January 28, 2009, he invited **Brian Oakey**, Deputy Director, Idaho State Department of Agriculture (ISDA), to return to the committee to clarify some issues. He indicated that the committee would not be hearing testimony from anyone else on the matter.

Mr. Oakey explained that the raw milk rules chapter repeal and rewrite (**Docket Nos. 02.0413.0901** and **02.0413.0902**, respectively) were the result of many years of discussion. He said the original raw milk rules were drafted in 1985 and regulated by Health and Welfare. In 1994, regulatory authority shifted from Health and Welfare to ISDA.

He said the demand for raw milk has increased dramatically over the last ten

years, necessitating the need for clear direction in rule. He indicated that the issue has raised controversy in other states as well, notably Wisconsin. Mr. Oakey said ISDA appreciates the strong feelings expressed by opponents, and is willing to hold additional meetings on the subject — that it will facilitate as many meetings as necessary to address all issues. He said ISDA’s role is to listen and facilitate discussions, while respecting the legislative process.

Vice Chairman Andrus asked if ISDA would prefer a repeal of the proposed rules so further negotiations could proceed; Mr. Oakey replied ISDA would prefer approval of the rules in deference to the industries and organizations that have worked so hard on them. He said he finds it more productive and efficient to build on a proposed rule than to start from scratch.

The vice chairman referred to the section requiring permits, asserting that the way it reads, one cannot milk his own cow without a permit. He said that while Mr. Oakey’s position might be that such acts would not be prosecuted, there is no protection for such citizens under the proposed rule. He said many producers consider it a constitutional right to milk their own cows and would defend that right by any means necessary. He said he hoped this issue would be adequately addressed in future rule-making efforts.

Rep. Shirley agreed that the rules are in need of revision, noting that the Senate unanimously rejected the dockets, and the Andrus Rules Review Subcommittee unanimously voted to recommend rejection to the full House Agricultural Affairs committee. He said he understood, however, that there is a “gentlemen’s agreement” to revise the rules as appropriate within one year. He asked Mr. Oakey if those who testified in opposition to the proposed rules would be included in the revision process, to which Mr. Oakey replied “absolutely” — ISDA values their opponents’ input.

Rep. Shirley said he had seriously thought about asking the committee to reconsider their vote on the matter, but decided that perhaps the committee should trust ISDA to revise the rules next year.

MOTION:

Vice Chairman Andrus then moved to **reconsider Docket Nos. 02.0413.0901 and 02.0413.0902**. **Rep. Killen objected to the motion** on the grounds that a motion to reconsider must be made by the prevailing side of the associated motion. **Chairman Trail** observed the objection and moved on to the next order of business.

H 456

Dave Ogden, Section Manager, Idaho State Department of Agriculture (ISDA), presented **H 456**, relating to the Seed Indemnity Fund. He said the recommended changes were developed cooperatively by ISDA leadership, the Seed Indemnity Fund Advisory Committee (comprised of seven producers and two seed-buying industry representatives), and the Idaho-Eastern Oregon Seed Association. The changes are small but significant refinements to the existing law, which will reduce financial risk to the Seed Indemnity Fund and improve industry operations.

A definition of “Deposit for Service” was added in order for the rule to also provide for an exemption from Seed Indemnity Fund assessment. Licensed seed buyers have expressed they are at a disadvantage compared to companies that only clean or condition seed and are not required to be

licensed seed buyers. Mr. Ogden explained that the bookkeeping involved in assessing, collecting and remitting assessments is cumbersome due to the very small amount of assessments involved in such transactions.

The term “Uninsurable Peril” was also added to the “Definitions” section, in order for the rule to provide relief to the Seed Indemnity Fund for liability or losses resulting from such perils. (A similar change was made to the Commodity Indemnity Fund last year.) The reasoning behind the change was that if property casualty insurance companies will not assume risk for catastrophic or gradually occurring destruction of property, the Indemnity Fund, with its limited resources, should not be expected to assume such liability either. The Fund is designed to indemnify against losses to producers related to financial failures of licensed businesses, not losses related to insurable or non-insurable perils.

A new licensing requirement is also included. It requires first-time seed buyer license applicants to supply an audited or reviewed financial statement and current financial information, showing the company has current assets at least equal to current liabilities.

In regard to the new definition for “uninsurable perils,” a committee member asked if claims in this category had been made in the past. Mr. Ogden indicated he was unaware of any such claims — that most are related to financial business failures — but that the definition was inserted as a preventive measure. In response to another question, he confirmed that the reference to acts of “terrorism” in the definition includes foreign and domestic acts.

MOTION:

Rep. Patrick moved to send **H 456** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Patrick will sponsor the bill on the floor.**

Steven Becker, Chairman, Nez Perce Soil and Water Conservation District (NPSWCD), presented reports on both the Nez Perce and Latah districts, as the Latah district chairman, **Cody Anderson**, was unable to appear before the committee.

First, Mr. Becker provided some background about the districts. He said they both have publically elected boards, consisting of seven members who stand for election just like county commissioners and state legislators. Board members consist of a unique blend of agricultural producers and urban professionals who donate their time to serve on the boards. Each board oversees the management of staff, finances and project development.

Currently, Latah SWCD employs 12 regular and temporary employees. The approximate payroll for fiscal year 2009 was \$306,154; payroll taxes paid back to Idaho on this amount was \$18,921. The Latah district received approximately \$18,500 from Latah County and \$2,500 from the city of Moscow. Total general fund monies distributed to Latah SWCD were \$31,101.78, which includes both base funding and match.

Nez Perce SWCD employs ten regular and temporary employees and seven

seasonal employees. The approximate payroll for fiscal year 2009 was \$249,755; payroll taxes paid back to Idaho on this amount was \$10,671. The Nez Perce district received approximately \$35,000 from Nez Perce County. Total general fund monies distributed to Nez Perce SWCD were \$32,504.05, which includes both base funding and match.

Over the past four years, the operating budget for Latah has been between \$600,000 and \$1,000,000; and for Nez Perce, between \$600,000 and \$800,000. During that time, over 20 state, federal and private grants have been administered. Mr. Becker said he wanted to share these numbers to illustrate the multiplier effect that General Fund dollars has on the districts.

He highlighted some of the following active projects in the districts:

- Agriculture: Conservation tillage and erosion control (which is a current major focus);
- Forestry: Road erosion control, forest health, and livestock grazing on forestlands (which are major resource needs in the districts);
- Fisheries: Restoration of the steelhead salmon habitat in local streams;
- Water Quality: Development and implementation of Total Maximum Daily Load restoration activities; and
- Youth Outreach: Annual educational program for sixth-grade students from local schools (with 800 to 900 participants).

Mr. Becker said that since inception, their districts have diligently fulfilled their charge as the primary entity to provide assistance to private landowners and land users in the conservation, sustainment, improvement and enhancement of natural resources. With over 65 years of experience, they have overcome numerous challenges in a proactive manner.

However, at times, balancing resource needs with resource shortages has been a "tough fight," but the districts continue to survive. Many people donate their time as board members and promote a grass-roots local government approach to solving natural resource issues.

Mr. Becker said it was his pleasure to be involved with the interim legislative committee, evaluating the Soil and Water Conservation Commission. Some of the following major points came out of the committee:

- Conservation districts should remain the lead entity for resource conservation and implementation on private lands in Idaho;
- Conservation district supervisors should remain public elected officials;
- Removal of supervisors from office should be consistent with other state and county elected officials;

- Conservation districts need to have a statutorily recognized role in the appointment of members to any proposed state level entity;
- Vacant positions for this state level entity must not be permitted to exceed three months.

Mr. Becker emphasized success in soil and water conservation does not happen overnight; it is a long-term process requiring diligence and commitment. He then shared some success stories involving restoration of animal habitats on a tributary of the Lower Clearwater River, showing pictures of the area before the project in 1992 and after completion in 2006. **Chairman Trail** remarked that in this case, “a picture is worth 1,000 words.”

Sara Schmidt, Administrator, Idaho Soil Conservation Commission (ISCC), presented a report on the activities of her commission. She started with ISCC’s mission statement, which is two-fold: 1) to provide leadership and assistance for natural resource conservation programs in coordination with other local, state, and federal agencies; and 2) to provide support to 51 Idaho conservation districts, through which technical assistance, financial incentive programs, and educational programs are provided to private landowners and land users.

Some of the core functions and goals of the ISCC include providing districts with policies, programs, capacity development and other assistance. They also provide technical assistance in order to maintain and enhance capabilities to serve Idaho’s conservation districts, private landowners and public land managers to address local issues and meet mandates.

The committee viewed a video entitled “River Menders,” which chronicled the Little Weiser River Stream Bank Protection and Rehabilitation Project. ISCC is also involved with the Marsh Creek Watershed Project, Portneuf District, and restoration of the steelhead habitat in the Lawyer Creek area.

In 2009, the Idaho Soil Conservation Districts received a total \$52 million of resource conservation dollars to be used during the next several years. Ms. Schmidt confirmed, in response to a question, that ISCC’s accomplishments have been made without the benefit of federal stimulus funds.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:30 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 10, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Karen Ewing, Idaho Board of Veterinary Medicine; Dave Schulz, Idaho Board of Veterinary Medicine; Carol Youtz, Idaho Board of Veterinary Medicine; Lori Rock-Skelton, Lewis-Clark State College; Dustin Hurst, Idaho Reporter; Rep. Stephen Hartgen; Tony Smith, Eiguren Public Policy; Will Ledbetter, Milk Producers of Idaho; Thanh Tan, Idaho Public Television, Rep. Anne Pasley-Stuart; Sen. Nicole LeFavour; Laura Johnson, Idaho State Department of Agriculture (ISDA); Kent Lauer, Idaho Farm Bureau Federation; Rep. Steven Thayn; Amy Hutchinson, teacher; Mark Johnson, Board of Pharmacy (BOP); Leon Jensen, BOP; Glenn Luke, BOP; and the following students: Tyler Stanley, Parker Luce; Seth Hemenway, Brianna Wright, Codee Hutchins, Molly Pittman, Sarah Knobloch, Zach Anderson, Will Birdsill, Zac Stephenson, Jason Smith, Brandon Johnson, Trevor Page, Cody Hernandez and Samantha Sallie

Chairman Trail called the meeting to order at 1:30 p.m. He then asked **Rep. Killen** to report on the proper parliamentary procedure in regard to the committee's actions involving the raw milk rules review last week. Rep. Killen reported that discussion with the Chief Clerk and Speaker revealed a motion to reconsider a rule must come from the side that prevails in the related motion. Therefore, **Rep. Killen's objection to Vice Chairman Andrus' motion to reconsider Docket Nos. 02.0413.0901 and 02.0413.0902** on February 8, 2010, in regard to raw milk, was correct.

The chairman then announced that requests had been made for another Routing Slip (RS) to be heard by the committee before the deadline of February 15, 2010. Members agreed to meet on Friday, February 12, 2010, upon adjournment of the House.

RS 19497: **Janie Burns**, member of the strategic planning committee of Boise's Capitol City Public Market and co-owner of a poultry processing plant, has farmed in the Nampa area for over 20 years. She presented **RS 19497**, a proposed resolution supporting the production and consumption of locally-grown food. Ms. Burns has been involved for a long time in providing local food, selling vegetables, lamb, eggs and poultry to Treasure Valley customers.

While growing up on a row-crop and registered Black Angus farm, Ms. Butler said there was no such thing as "local food." The family ate what they grew; if they did not grow it, they knew someone nearby who did. Even school lunches consisted of locally grown food — her grade school principal

gathered fruits and vegetables from local farms to take to the cannery in Weiser for use by the school cafeteria.

The farms and gardens in every corner of Idaho once grew most of the food eaten in the state. In fact, in 1950, every Idaho county reported raising chickens, cows and pigs — and not just a few — enough to feed their own communities and sometimes more. Colder places, like Fairfield, may not have grown watermelon, but they were not far away from Hagerman, which did. In turn, Hagerman, with its warmer climate, could not grow the high protein wheat of the Camas prairie.

However, slowly — almost imperceptibly — Idaho's food started coming from outside sources. Farmers began to focus on raising more profitable crops, and farms became less diversified. At one point, Ms. Burns remembers asking her parents why they no longer had chickens, to which they replied they could get everything they needed "in town," and that other farmers could raise chickens better or cheaper.

Somehow, raising one's own food came to be viewed as old-fashioned; people wanted to be more modern. However, no one imagined that food they could grow themselves would soon be coming from beyond the Treasure Valley, or even from foreign countries. Before long, the Safeways store, where Ms. Burns's father sold his potatoes and onions for years, told him it was easier to buy potatoes from just one place, instead of from local farmers. After that, all the potatoes on their shelves came from Washington or Colorado.

In the mid-1990's, the Ore-Ida processing plant in their area dropped their sweet corn line. Her family, like hundreds of farmers in the Treasure Valley, were told it was cheaper to grow corn in Mexico. Similarly, when a flour mill in Caldwell burned down and was not rebuilt in the 1950's, Canyon County was told the grains it grew were nothing special — after all, there were 19 other mills. Today there is only one left.

Canneries, creameries, slaughterhouses, feed and flour mills, and even "mom-and-pop" grocery stores — infrastructure needed to add value and markets to a diversity of crops — have slowly disappeared in many parts of Idaho. Unfortunately, so did the jobs associated with them — jobs that supported families, sent children to college, and paid for roads, schools and law enforcement. The changes in farming/processing had the effect of hollowing out Idaho towns, marking the state with abandoned farms, empty corrals, vacant agricultural buildings and dusty downtowns. Little evidence remains of the wealth and agricultural diversity that once existed in Idaho.

Just as importantly, if not more, is the loss of self-sufficiency and independence involved with the changes in Idaho's agricultural diversity. Whereas Idaho was once a place where our pioneer ancestors proudly carved out a life and fed themselves from the bounty of the land, it is now almost totally dependent upon farmers from other states and countries.

Ms. Burns estimated that Idaho is importing at least 95% of the food eaten in the state. The fruit, vegetable and berry acreages in Idaho are only a fraction of post-World War II production. Even if the crops were still grown in great quantities, processing capacity would be diminished. Every time a dollar is spent on food that could be raised in the state, it goes to support

farmers in places like California, Iowa, Chile and China. That means as much as \$3.9 billion is not circulating around Idaho communities.

Regardless of the percentage, every time Idaho imports food that could be grown here, the state is missing a huge economic opportunity. One economic study found that if Vermont substituted local production for only 10% of the food they import, an economic output of \$376 million would be generated, as well as \$69 million more in personal earnings from 3,616 jobs. When one applies this formula to Idaho, the state could modestly expect 6,000 new jobs, \$118 million in new labor income and \$650 million in new economic output. In fact, just this 10% shift would keep \$7.5 million per week circulating in Idaho's economy and \$390 million annually.

Other reports, studying different scenarios, all point to the enormous economic and job opportunities by shifting even a small percentage of food spending to the purchase of Idaho foods. A study published just last week indicates many consumers are making a conscious effort to purchase local food in order to support their local economy.

It took about 60 years to shift away from a self-sufficient, vibrant and diverse agricultural economy. With purpose and resolve, Idahoans can choose a different future. Idaho has not lost its rich soil or its farming ability and skills. Ms. Burns urged listeners to look to Idaho's rich past — not with nostalgia for an era long gone, but with inspiration for Idaho's future. The resolution will not create jobs or bring wealth and vitality to Idaho communities, but it will send a signal to Idaho citizens that this body supports the opportunities offered by eating food grown closer to home.

Chairman Trail commented on the Farmers' Market in Moscow, a long-standing tradition in his community, which generates up to \$100,000 a week to sellers and circulates \$50,000 throughout the community. **Rep. Shirley** was pleased to announce that Rexburg has also started a Farmers' Market, held on Friday nights, which already has a great following.

MOTION: **Rep. Shirley** then moved to introduce **RS 19497** to print; **motion carried on voice vote.**

RS 19366C1: **Chairman Trail** presented **RS 19366C1**, which recognizes and encourages the work of grassroots organizations, such as historical societies and preservation commissions, to preserve Idaho's agricultural history. The legislation further memorializes appreciation for the efforts and investment in historic preservation as vital to Idaho's statewide preservation effort.

Chairman Trail noted that Idaho's historical agricultural buildings are witnesses to the role of agriculture in our state's history and economy, and serve as scenic landmarks for residents and visitors. The resolution conveys recognition that historic agricultural structures across Idaho symbolize important Idaho values of heritage, hard work, productivity and an attachment to the land and the people who built them.

The resolution specifically emphasizes the importance of local historical groups and societies in preserving this aspect of our Idaho history and notes specific examples of these efforts throughout the state. Chairman Trail further stated that there would be no impact to the general fund.

Rep. Hartgen, co-sponsor for the legislation, then spoke on its behalf, indicating that similar legislation last year did not pass. For that reason, the following language was added at the end of the legislation: "There is no state financial commitment to achieving the goals set forth in this resolution." He added that the "recognize and encourage" language at the beginning also constitutes no financial or regulatory commitment.

Rep. Hartgen further stated that Idaho has 110 years of formal agricultural history, and that many of its historic agricultural structures have been well-preserved, despite weather and time. However, a critical point is approaching, as structures are beginning to fall into disrepair. He also indicated that a particular site in the Twin Falls area is the only remnant of the Oregon Trail.

Rep. Hartgen emphasized that historic agricultural structures do not just represent objects, places and things, but our love of country; without them, Idaho would experience a kind of cultural loss. He reiterated that the resolution is harmless and does not require funding. In response to committee questions, he clarified that participation is entirely voluntary.

MOTION: **Rep. Chavez** moved to introduce **RS 19366C1** to print; **motion carried on voice vote.**

RS 19458: **Chairman Trail** then presented **RS 19458**, a memorial to Congress and the President to join 18 other states who have passed resolutions and other enabling legislation to legalize the growing of industrial hemp. It is such legislation which ultimately led to **HR 1866**, known as the Industrial Hemp Farming Act, sponsored by **Rep. Ron Paul**. The Act seeks to exclude industrial hemp from the definition of marijuana and provide states exclusive authority to regulate the growing and processing of hemp under state law.

The chairman made some historical references to the use of industrial hemp, pointing out that George Washington and Thomas Jefferson grew it, and that farmers used to pay their taxes with it. In fact, hemp was the largest cash crop in the world until the late 19th century. Over 75% of all paper in the world was made from hemp fiber until 1883. The first drafts of the U.S. Constitution and Declaration of Independence were written on hemp paper. The wagons that took the pioneers out west were covered in hemp canvas. In the 1930's, hemp seed was used to make non-toxic paints and varnishes; and during World War II, thousands of tons of hemp fiber were produced annually for the war effort.

On July 2, 1847, Brigham Young urged some of the first Idaho pioneers to plant flax and industrial hemp. Industrial hemp refers to the non-drug oilseed and fiber varieties of cannabis, which contain less than 3/10ths of 1% tetrahydrocannabinol (THC), the intoxicating ingredient in marijuana.

Industrial hemp is well-suited to Idaho's climate and thrives without pesticides, herbicides, fungicides and fertilizers if grown in a proper crop rotation. Canadian farmers are reporting net profits of over \$200 an acre.

Sales of hemp products exceeds \$365 million a year in the United States. Nutritious hemp foods are found in grocery stores, and industrial hemp is utilized to produce high-end cloth for Gucci and Ralph Lauren. Mr. Jim

Norton, a local businessman, is a partner in a \$7 million/year business which produces hemp milk and ice cream. Those who have food allergies to regular dairy products and soy milk can substitute hemp milk safely.

Industrial hemp is grown safely in 30 countries and the legalization of it would benefit rural communities by creating new markets for farmers, opening up job opportunities and stimulating economic development. The RS has the support of the Idaho Farm Bureau, which has issued a policy statement. If approved for printing, a conference call could be arranged with Dave Monson, a North Dakota legislator and Speaker of the House, to relate the experience in North Dakota regarding industrial hemp.

When asked when it became illegal to raise hemp, Chairman Trail indicated that the Industrial Stamp Act greatly reduced farming of the crop, but that it was rejuvenated with the World War II effort. However, in the early 1900's, a process of demonization began, in which hemp was associated with marijuana. In the 1960's, it was classified with marijuana as an illegal drug.

Another committee member asked how the crops differ in appearance, to which the chairman replied that to the lay person, the difference is difficult to distinguish. He indicated that from a law enforcement standpoint, a hemp crop is the ideal place to disguise a marijuana patch. However, research illustrates it would be a foolhardy enterprise, as cross-pollination would decrease the potency of the marijuana crop by 80%.

Rep. Anderson, co-sponsor of the legislation, expressed feeling privileged to speak on its behalf, indicating it is a long “overdue conversation.” He defined it as an issue of commerce, indicating that Canada has cornered the market. He finds it counter-intuitive for Idahoans to object to industrial hemp when Idaho consumers are already purchasing hemp products in great quantity. It makes no sense that consumers can buy hemp products in Idaho, but not grow and/or process the crop.

Rep. Anderson indicated that hemp products are now replacing fiberglass (which can cause allergic reactions) in some of the newer cars being manufactured. He also explained that the fabrics made from hemp are more durable than cotton.

He defined one of his tasks as educating law enforcement, emphasizing that there is a big distinction between industrial hemp and marijuana. He reinforced that industrial hemp plantations would not constitute a drug regulation issue for law enforcement, as illegal crops in such a setting would be too degraded by cross-pollination to be useful.

In response to committee members' questions, Rep. Anderson confirmed that the ingestion of industrial hemp, with its minuscule THC levels, cannot result in a “high”. Chairman Trail indicated that France is able to grow hemp that contains zero levels of THC. At any rate, even with the industrial hemp grown in the U.S., one would have to roll a cigar the size of a telephone pole to feel any THC effects.

When asked for more details about the process by which law enforcement would differentiate between industrial hemp and marijuana in order to respond appropriately, Rep. Anderson said the issue of licensing and regulation would have to come later — the resolution is just a start.

Rep. Bolz asked where **HR 1866** stands at this point, to which the chairman replied that it has been assigned to a committee involved with Homeland Security, and it will be moved upon within the next couple of months.

Rep. Cronin, the other co-sponsor of the legislation, spoke from an economic standpoint, stating the economy is the most important issue to constituents right now. The growth of industrial hemp would be a huge opportunity for growers and processors in the state. Rep. Cronin also provided examples of healthy hemp food products, such as Tempt milk, which can be safely consumed by those who have food allergies.

Rep. Cronin went on to explain that comparing industrial hemp to marijuana is a result of a fundamental misunderstanding. He provided an analogy comparing the similarity of the two products to two breeds of domestic dogs: the Doberman and Chihuahua.

He also gave a historical perspective, pointing out that hemp was first grown in Jamestown over 400 years ago, and that it was even cultivated by founding father George Washington. Further, hemp creates a wide array of useful products. He further asserted that it is as American as apple pie — or to give an agricultural reference, “meat and potatoes.” He summed up by saying it just makes good economic sense.

Committee members expressed further concerns about regulation and law enforcement. Though industrial hemp and marijuana may be fundamentally different, distinguishing between the two crops is essential to law enforcement. Chairman Trail then explained a new aerial surveillance imaging process being utilized on the east coast that would be beneficial to law enforcement — technology which should be available in Idaho soon.

ORIGINAL MOTION:

Rep. Pence moved to introduce **RS 19458** to print.

SUBSTITUTE MOTION:

Rep. Lake made a substitute motion to **return RS 19458 to sponsor**. **Substitute motion failed** upon roll call vote, **5 aye and 5 nay**. **Voting in favor** of the substitute motion: Reps. Lake, Stevenson, Bolz, Shirley and Patrick. **Voting in opposition** to the substitute motion: Reps. Pence, Chavez and Killen, Vice Chairman Andrus and Chairman Trail.

VOTE ON ORIGINAL MOTION:

Roll call vote was taken on the original motion. **Original motion failed, 5 aye and 5 nay**. **Voting in favor** of the original motion: Reps. Pence, Chavez and Killen, Vice Chairman Andrus and Chairman Trail. **Voting in opposition**: Reps. Lake, Stevenson, Bolz, Shirley and Patrick.

H 464:

Karen Ewing, Idaho Board of Veterinary Medicine, presented **H 464**, which seeks to revise Idaho Code Section 54-2107 (4) to limit the number of times a candidate can take the North American Veterinary Licensing Examination (NAVLE), the sole uniform licensing examination for veterinary medicine. The National Board of Veterinary Medical Examiners (NBVME), which administers NAVLE, has requested states/provinces to take such action in order to protect NAVLE from compromise, thereby ensuring its integrity.

As a result of the 2008 legislative session, the Idaho Board of Veterinary Medicine successfully changed rule 46.01.01.010.03.a.ii. to meet NBVME

recommendations. However, the Board later realized Idaho Code Section 54-2107(4) provides for a candidate to take NAVLE “at any time (no time limit).” The proposed legislation would remove this language, thereby correcting the error.

Ms. Ewing explained that the majority of examination candidates are fourth-year veterinary college students, and that the current pass rate is over 93%. Candidates ordinarily take the examination in the fall testing window, which allows failing candidates to retake NAVLE in the next spring testing window prior to graduation.

She clarified that the legislation would only affect new veterinary practitioners. Since all passing national examination scores are valid into perpetuity, applicants for licensure are not required to take the examination again to qualify for Idaho licensure. Ms. Ewing said that as of September 1, 2009, all the Canadian provinces and 31 states in the U.S. have changed their statutes and rules to conform with the NBVME recommendation.

MOTION: **Rep. Bolz** moved to send **H 464** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Shirley will sponsor the bill on the floor.**

H 465: **Karen Ewing** then presented **H 465**, which revises Idaho Code Section 54-2118 to allow a one-time opportunity for licensees to avoid imposition of formal disciplinary action for violations involving continuing education compliance and record-keeping. Instead, a civil penalty (between \$500 and \$1000) would be assessed. In order to qualify, the licensee must meet the following conditions: 1) be free of Board disciplinary action for the preceding five years; and 2) comply with the Board’s remedy in regard to the violation.

Currently, the only way the Board can address record-keeping or continuing education violations is to initiate formal disciplinary action, which is reported to a disciplinary database. The record of formal discipline follows a licensee for the remainder of his/her career and is never expunged. With the proposed legislation, the records of these one-time violations would not be reported to the national disciplinary database or the public. In this manner, the violation would be remediated through payment of a civil financial penalty, plus correction of the violation.

With this legislation, the licensee can avoid the stigma and permanent record associated with formal disciplinary action. However, further record-keeping or continuing education errors on the part of the licensee would result in formal disciplinary action, which would be reported to the national disciplinary database. Enactment of the change would also save the Board thousands of dollars in man hours and legal costs associated with a formal investigation. Again, she emphasized that the Board needs a quick and inexpensive alternative to formal action that still sends a clear message to the licensee.

In response to committee questions, Ms. Ewing explained that verification of continuing education is tied to the renewal process, and in some cases, retired veterinarians have fallen out of compliance with the required continuing education hours because “time just got away” from them. She also confirmed that Idaho’s continuing education requirement is not overly

stringent. The Board requires 20 hours of continuing education every two years, which are easily obtained through a series of small local workshops or participation in one or two large conferences.

The Board feels it is not fair to stigmatize someone who has been in good standing for 40 years with formal disciplinary action when the violation does not involve misconduct. Ms. Ewing clarified the provision was not designed for repeat offenders. She used an analogy regarding criminal actions, where penalties for misdemeanors (like traffic tickets and such) are not treated with the same severity as felonies.

In regard to record-keeping, Ms. Ewing said these errors are often discovered upon initiation of a complaint, when the Board collects medical records in the course of an investigation. Naturally, record-keeping is an important concern, as patient care can be compromised without a clear medical record. However, in cases where no actual malpractice has occurred, the civil penalty seems an appropriate remedy.

Some concerns were raised about application of the “one-time penalty” to practitioners whose record-keeping deficiencies might be related to drug problems. Ms. Ewing clarified that the Board has no sympathy or tolerance for such behavior — and that any time drug abuse and/or diversion is suspected, the Board takes immediate action.

Another committee member expressed the belief that veterinary practitioners are professionals and should be responsible for meeting the guidelines of their regulatory Board. Ms. Ewing responded that while the Board has traditionally held this view as well, a great deal of financial expense is associated with formal investigation; and again, it seems a shame to attach a stigma to retired veterinarians in good standing who have committed no misconduct. This is an attempt to “make the punishment fit the crime.”

MOTION: **Vice Chairman Andrus** moved to send **H 465** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Vice Chairman Andrus will sponsor the bill on the floor.**

H 466: **Karen Ewing** then presented **H 466**, legislation which revises Idaho Code Sections 54-2103, 54-2104 and 54-2115 to remove the requirement that a person must be an employee of a licensed veterinarian in order to be supervised by the veterinarian. Under the current statute, Certified Veterinary Technicians (CVTs) or veterinary assistants are not allowed to volunteer at events unless their employing veterinarian also volunteers or supervises the event.

This prevents CVTs and assistants from volunteering at high volume/low cost spay and neuter events, which are an attempt to address the problem of excess dog and cat populations in Idaho. The current statute also does not allow veterinarians to use a trained family member to assist — a common practice — unless specifically employed by the veterinarian.

When queried, only one of 39 veterinary boards was found to have a rule requiring an employer/employee relationship for supervision. Most states’ rules indicate that for supervision purposes, the person being supervised must work “under the direction and control of the veterinarian.” This

language is also consistent with the model Veterinary Practice Act and the American Association of Veterinary State Boards (AAVSB).

In researching the origin of the current rules and statutes, Ms. Ewing discovered that it was originally written to address a problem at the time with laypersons performing equine dentistry. However, this issue has long been resolved; under current law, equine dentistry must be performed under the direct supervision of a veterinarian on the premises.

MOTION: **Rep. Shirley** moved to send **H 466** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Pence will sponsor the bill on the floor.**

H 467: **Karen Ewing** then presented **H 467**, which revises Idaho Code Section 54-2105 (8) (c) to provide clear authority for the Board to commence emergency disciplinary proceedings in the event a licensee poses an immediate danger to the public health and safety. This action is particularly necessary in cases where a licensee is impaired by drugs or alcohol, or cannot practice safely due to a mental or physical impairment.

The legislation was prompted by the Board's experience with a case in Washington where a licensee was not only abusing, but diverting drugs, and the Washington Board summarily suspended his license. In this case, the Idaho Board had the authority to deny his licensure renewal, but the situation prompted concern regarding the Board's authority to act in an emergency situation similar to that experienced by the Washington Board. Upon review of current statutes, the Idaho Board determined that clarification of that authority, in rule, was required.

MOTION: **Rep. Chavez** moved to send **H 467** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Chavez will sponsor the bill on the floor.**

Chairman Trail reminded committee members they would be meeting on Friday, February 12, 2010, upon adjournment of the House.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:00 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 16, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Rep. Patrick

GUESTS: Jon Osterburg, Office of the Governor; Brent Olmstead, Milk Producers of Idaho (MPI); Will Ledbetter, MPI; Ricky Naerebout, MPI; John Hammel and Rich Garber, University of Idaho College of Agriculture and Life Sciences (UI/CALS); Bob Naerebout, Idaho Dairymen's Association (IDA); Kent Lauer, Idaho Farm Bureau Federation; and Colleen Andrus, private citizen

Chairman Trail called the meeting to order at 1:30 p.m.

MOTION: **Rep. Chavez** moved to approve the minutes from the February 10, 2010 committee meeting; **motion carried by voice vote.**

Dean John Hammel, University of Idaho College of Agricultural Sciences (UI/CAL), gave a report on the Idaho National Center for Livestock and Environmental Studies (INCLES). He explained the importance of INCLES to the dairy industry, the leading agricultural industry in Idaho. The dairy industry is facing environmental challenges that could affect not only growth of the industry but the future of existing dairies.

Dr. Hammel said INCLES is the "number one" priority of UI/CALS, and that the project is strongly supported by UI President Nellis. INCLES research is essential not only in addressing environmental issues, but bio-security and herd health matters as well.

He went on to address lay-out constraints that prevent the project from moving forward. He said the State Education Board and Department of Administration require all the money to be in place before moving forward, which he said makes good fiscal sense. Also, Governor Otter mandated the inclusion of the Caine Veterinary Teaching Center/Idaho State Department of Agriculture (ISDA) Joint Lab in the project, which adds \$9.8 million to the cost of the project without providing for additional resources.

Dean Hammel explained that with the downturn in the economy and the national economic crisis with the dairy industry, the funding is just not there at this time. He explained there are 280 acres of endowment land in Caldwell; however, while formerly valued at \$18 to \$20 million, the land is currently valued at only \$8 to \$10 million. While there are 40 acres of land dedicated to Caine (and owned by UI), this acreage is important to Idaho's future and the university does not want to risk losing it. The dairy industry, however, is committed to raising \$5 to \$10 million in funding. Unfortunately,

the state's withdrawal of \$10 million essentially decouples the Joint Lab from the project.

He then explained a phase-type strategy, which would involve designing a dairy with the capacity to expand, developing a budget for the phased process, making land purchases, constructing the research lab and office complex, and adding a beef component. Ideally, UI/CALS would like to obtain 1,000 to 1,500 acres in the Magic Valley for the project, building up the required infrastructure over time.

Dr. Hammel said CALS requested the Joint Finance Appropriations Committee (JFAC) to return the \$10 million to the budget when the economy improves. He reiterated that INCLES research benefits the agricultural industry in general — not just individual sectors like dairy.

In regard to the “negative supplemental” of \$10 million described above, **Rep. Bolz**, who serves on the JFAC committee, confirmed that JFAC has put in the proper “intent” language to restore funds when appropriate.

MOTION:

Rep. Chavez made a motion to have the committee support restoration of the \$10 million to the INCLES budget when the economy improves; **motion carried by voice vote.**

Bob Naerebout, Idaho Dairymen's Association (IDA) presented an update on the dairy industry and an overview of Independent Dairy Environmental Action League (IDEAL) activities. He explained that every Idaho dairy producer is a member of IDA, contributing \$0.005/cwt to fund IDA and \$0.005/cwt to fund IDEAL. The assessment is not collected when the price drops below \$11.00/cwt, which was the case for five months in 2009, during which IDA and IDEAL existed off their reserves.

Mr. Naerebout then explained how the Idaho Dairy Products Commission (IDPC) and IDA, each comprised of nine producer-elected members, form the 18-member United Dairymen of Idaho (UDI), which provides oversight to the functions of both organizations. He also went into more detail regarding IDA's affiliates, including IDEAL, LLC, established in 2003, the Idaho Dairy Water and Land Trust, established in 2006, and the IDEAL Foundation, established in 2008. He explained the IDEAL Foundation was formed to establish a legal defense fund for the Idaho dairy industry.

Mr. Naerebout said since February 2009, the total dairy operations in Idaho decreased by 23; the number of milk cows decreased by 13,186. The major concentration (over one-half) of Idaho dairy operations and processing plants are still found in the Magic Valley. The Treasure Valley has 18.8% of Idaho's dairy operations, with Eastern Idaho having 27.6%. He clarified that the biggest reductions in dairy operations and herd size over the last year occurred in Eastern Idaho.

While milk production has shown a steady incline since the turn of the century, 2009 is marked by a 1.7% decrease. Mr. Naerebout expects this year's figures to “flatline.” However, Idaho has still experienced tremendous overall growth in the industry. Between 1988 and 2008, while U.S. milk production increased 48%, Idaho's production increased 533%. In the same time period, national cheese production increased 147%, but Idaho's

production increased 633%.

Economic comparisons between 2008 and 2009 show the average price for milk in 2009 was \$11.25/cwt, which was down \$5.50/cwt from 2008, representing a decrease of \$665.5 million in income. The estimated equity loss per cow was \$900, representing a loss of \$467.8 million in income. Naturally, this also reduces a producer's borrowing ability.

Mr. Naerebout then went on to list approved IDEAL research projects for 2010, including studies on the following topics: 1) biopolymer, a commodity, produced from dairy manure; 2) microbial analysis of plant growth in composted dairy manure; 3) economic impact of a foreign-born labor force in Idaho; and 4) transportation of aerosolized bacteria and a simulated pivot irrigation virus. He also provided an update on the status of some of the legal actions with which IDEAL has been involved.

A question was raised regarding the factors involved in the reduction of herd size in eastern Idaho. Mr. Naerebout said one of the problems is that the region is comprised of smaller producers, which may have difficulty competing with larger operations.

Mr. Naerebout then extended an invitation to committee members to attend the banquet sponsored by the Idaho Dairymen's Association on March 1, 2010. He said speakers at the event are limited to approximately ten minutes and some "old" nostalgic milk advertisements may be featured.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:14 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 18, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Reps. Lake and Killen

GUESTS: Janie Burns, Meadowlark Farm; Janet Gallimore, State Historical Society; Dave Krick, Bittercreek Alehouse and Red Feather Lounge; Josie Erskine, Peaceful Belly Farm; Claudia Haynes, Alliance for Responsible Growth; Dar Olberding, Idaho Grain Producers Association (IGPA); Suzanne Budge, SBS Associates, LLC; and Blaine Jacobson, Idaho Wheat Commission (IWC)

Chairman Trail called the meeting to order at 1:31 p.m. and welcomed students from Boise High School.

MOTION: **Rep. Chavez** moved to approve the minutes from the February 16, 2010 meeting; **motion carried by voice vote.**

The chairman brought committee members' attention to **SP 102**, which commends **Kara Jackson**, who was crowned Ms. Idaho in June 2009, for tirelessly promoting the importance of Idaho agriculture, serving as an outstanding role model to Idaho students, and acting as an unofficial ambassador of agriculture.

HCR 40: **Janie Burns**, Meadowlark Farm, Nampa, presented **HCR 40**, a proposed resolution supporting the production and consumption of locally-grown food. Ms. Burns said within the last few years, several national and global events, including the 9/11 attacks, catastrophic earthquakes, and the economic crisis, have brought the necessity for local food into focus. Such events force people to consider the role of food in their lives and whether they can survive in the aftermath of a catastrophic event. She reminded the committee that in the 1950's, most Idaho counties were providing local food for themselves and their communities.

David Krick, owner of Bittercreek Ale House and Red Feather Lounge, testified in favor of the resolution, emphasizing the importance of sustainability in our communities. He also expressed concern that in 2006, for the first time, the United States imported more food than it exported. He said the resolution just finds some common ground and language, but it is a great start, and he would like to see more dialogue on the subject. He emphasized that even a 10% shift toward local food sources would make a big difference.

Josie Erskine, a fifth generation farmer, and owner of Peaceful Belly Farm,

spoke in favor of the legislation. She said the name of her farm originated from the time she was pregnant, and that she finds providing food for use by her community to be a peaceful enterprise.

She said all the food sold on her farm goes to the Magic, Treasure and Wood River Valleys, and that the way her farm operates, it is "100% in the black." She also participates in food pick-up programs, in which leftovers from the Farmers' Market are distributed to the needy. The farm is also involved in "work-for-food" programs, in which volunteer workers can offer their time in exchange for food.

Claudia Haynes, Alliance for Responsible Growth, a farmer for 30 years, testified in favor of the legislation, saying it is one of the best resolutions she has seen in committee. She said it will help local farms and Idaho's economy in a big way, emphasizing that "we are surrounded by farmland" and have the ideal climate to grow apples, peaches, pears and more.

Unfortunately, the fruit and vegetables found in grocery stores and on restaurant menus in Idaho do not come from local sources. She emphasized that obtaining food from distant sources makes Idaho reliant on fossil fuel and sends dollars outside the state. She said the resolution will help set policies for long-term economic development, rebuild local and regional food sheds, thereby ensuring Idaho's food security, support diversified farms, and court industries that provide high-wage jobs.

MOTION: **Rep. Pence** moved to send **HCR 40** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Chairman Trail will sponsor the resolution on the floor.**

HCR 41: **Chairman Trail** presented **HCR 41**, which recognizes and encourages the work of grassroots organizations, such as historical societies and preservation commissions, to preserve Idaho's agricultural history. The legislation further memorializes appreciation for the efforts and investment in historic preservation as vital to Idaho's statewide preservation effort.

Chairman Trail noted that Idaho's historical agricultural buildings are witnesses to the role of agriculture in our state's history and economy, and serve as scenic landmarks for residents and visitors. The resolution conveys recognition that historic agricultural structures across Idaho symbolize important Idaho values of heritage, hard work, productivity and an attachment to the land and the people who built them.

The resolution specifically emphasizes the importance of local historical groups and societies in preserving this aspect of our Idaho history and notes specific examples of these efforts throughout the state. Chairman Trail further stated that there would be no impact to the general fund.

The chairman then introduced **Janet Gallimore**, Executive Director of the Idaho Historical Society, who spoke in favor of the legislation. She said when people think of historic preservation, they often think of the grandest structures, such as the town's biggest mansion or its most ornate business building. However, no less important are modest buildings, such as potato sheds, dairy barns and grain elevators. These agricultural structures are located in every county, and they help define Idaho, where agriculture has

always been a major part of the economy. Because they are not often considered “grand,” they are more threatened than other historical structures. Unfortunately, remnants of Idaho’s agricultural heritage are rapidly disappearing.

She said preservation of agricultural buildings is a grassroots effort that should be recognized. All over the state, there are examples of local groups that have done outstanding work to make known the importance of these structures and help preserve them. These people and grassroots organizations usually labor in anonymity. Recognition of their good work by the legislature not only would serve to acknowledge past efforts to preserve Idaho’s agricultural heritage, but would encourage future efforts.

MOTION:

Rep. Patrick moved to send **HCR 41** to the floor with a **DO PASS** recommendation; **motion carried by voice vote. Chairman Trail will sponsor the resolution on the floor.**

Blaine Jacobson, Executive Director, Idaho Wheat Commission (IWC), reported on the wheat industry and the organization’s activities. First, he shared that Honeyville Food Products, a family-owned business in Utah, now uses Idaho wheat in a variety of products, such as PF Chang’s noodles, Baskin Robbins’ waffle cones, Honey Bunches of Oats cereal, and Sun Chips (of which he provided samples).

He said activities carried out by the IWC on behalf of wheat growers are funded by a \$.02 per bushel wheat tax, which is remitted quarterly. Revenue from the wheat tax during FY 2010 is expected to be \$1,650,000, while the approved FY 2010 spending budget is \$1,881,806. As of January 1, 2010, the IWC cash reserves are \$1,895.015.

Dollars remitted by Idaho wheat growers are invested on their behalf in foreign and domestic market development, variety development and other research, as well as information and education. The amount of the budget committed to administrative payroll and office operations runs at 4.9%, slightly less than wheat commission office operations in most states. Wheat assessments in neighboring states range from \$.03 to \$.06 per bushel.

Production in FY 2010 was down from FY 2009, but benefitted from wheat coming out of storage and going to market. In FY 2011, wheat planting may decline slightly, but should stay even with or slightly higher than ten-year averages. Spending in 2011 is projected to be slightly higher than 2010.

Several budget areas are causing state wheat industry executives some concern. Programs that have supported agriculture through the University of Idaho College of Agricultural and Life Sciences (UI/CALS) are being cut back and some wheat-specific programs have required more support from the IWC. Although IWC tries to support and protect core programs, it does not have the resources to make up all of the threatened cuts to funding coming from the general fund. Agriculture is still a basic industry benefitting all Idaho residents, and it is hoped that funding for UI/CALS from the general fund will be kept intact.

Two wheat industry diseases, Ug99 stem rust and Fusarium Head Blight, will

require increased breeding investment. Mr. Jacobson explained that Ug99, which originated in Uganda, has had the biggest impact in Kenya, is now found in Yemen and Pakistan, and is still spreading. He said this disease is the “real deal” and has the potential to wipe out 80% to 90% of the world’s wheat crop. As wheat is responsible for providing one-third of world calories, contamination of the crop could lead to mass starvation.

In the 2010 crop year, approximately 1.3 million acres of wheat were harvested, yielding 79.3 bushels per acre; the total crop was 99.1 million bushels. Sales were over \$500 million and wheat continues to rank as Idaho’s second largest crop, behind potatoes. Mr. Jacobson said wheat is a steady consistent contributor to Idaho’s economic well-being — that “it’s one of those industries that’s always there.”

Approximately 60% of Idaho’s production is grown on irrigated farmland and 40% is grown on dry land. Approximately two-thirds of the crop is winter wheat and the remaining one-third is spring wheat. Mr. Jacobson said Idaho’s dry climate and irrigation conditions are ideal for consistent high-quality wheat production.

Idaho supports five classes of wheat. Soft White wheat makes up the largest amount of wheat grown, making up roughly half of the annual crop. Soft white blending studies have resulted in creation of a better tortilla, a product which has picked up customers from Chile and Mexico.

Hard Red is the second most popular class of wheat, at 41%. Hard White Wheat is the fastest growing class, with 6.5 million bushels grown last harvest; it is increasingly being preferred by mills. Idaho is the second largest Hard White Wheat growing state, behind only California. There is also a small amount of Durum wheat grown in Idaho.

Half of Idaho’s crop goes to domestic mills and customers, including the Pendleton mill in Blackfoot, mills in Ogden, and customers in California. Roughly half of the crop is exported. Top foreign destinations include Japan, the Philippines, China, South Korea and Taiwan. IWC remains optimistic that Mainland China will continue to increase in importance. Mr. Jacobson indicated that for the last four years, China has sent some of their people to Idaho to study “they way we do things.”

Current issues causing concern to wheat farmers include low wheat prices. Many growers held much of their 2009 crop in storage, hoping prices would rebound. Growers are also concerned that they will be asked to take on more research and UI/CALS spending than can be afforded. In fact, for the last few years, IWC has been going into its reserves. The organization can live off its reserves for one more year, but prospects for 2011 or 2012 are uncertain. Another concern is that hay and corn acreage in southern Idaho is causing a slow reduction in wheat acres.

In regard to transportation to market, rail prices and services continue to be one of the largest problems Idaho wheat growers face. Barge transportation on the Columbia/Snake system may also be a concern, as locks on the river will be closed for maintenance for several months at the end of 2010.

In addition, the 2010 water supply is looking tight, with winter moisture down 40% from this time last year. Although reservoirs are starting the season

with more water than normal, junior water rights holders will be more concerned than usual. Also, reduction in irrigated high-yielding acres in southern Idaho mean growers in other parts of the state have to carry more of the program.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:30 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 22, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Traci O'Donnell, Idaho Beef Council (IBC); Laurie Lickley, IBC; Kyle J. Wilson, Nez Perce Soil and Water Conservation District (NPSWCD); Steve Becker, NPSWCD; Kyle Hawley, Idaho Association of Soil Conservation Districts (IASCD); Heidi Patterson, Ada Soil and Water Conservation District; Shelby Kerns, Department of Financial Management (DFM); Dennis Tanikuni, Idaho Farm Bureau Federation (IFBF); Elizabeth Criner, Northwest Food Processors Association (NWFPA); Dar Olberding, Idaho Grain Producers Association (IGPA); John J. Williams, Bonneville Power Administration (BPA); Sara Schmidt, Idaho Soil Conservation Commission (ISCC); Lynn Tominaga, Idaho Ground Water Appropriators (IGWA); Wayne Newbill, IASCD; Steve Miller, IASCD; Emily Anderson, Governor's Office; Benjamin Kelly, Food Producers of Idaho (FPI); Bonnie Butler, Governor's Office; and the following private citizens: J. Kent Foster and Susan Foster

Chairman Trail called the meeting to order at 1:31 p.m. and introduced the committee's page, **Connor Cook**, who resides in Eagle. Connor comes from an agricultural background and has aspirations of becoming a firefighter and emergency medical technician (EMT).

MOTION: **Rep. Chavez** moved to approve the minutes from the January 26, 2010 meeting; **motion carried by voice vote.**

Chairman Trail announced that **HCR 40**, known as the Idaho Food Resolution, has raised some industry concerns. **Pat Kole**, Vice President, Legal and Government Affairs, Idaho Potato Commission, has been communicating with the chairman from Washington, DC, this week on re-drafting the language. Upon completion, it will be introduced in the Ways and Means committee before returning to Agricultural Affairs.

Traci O'Donnell, Executive Director, Idaho Beef Council, provided an update on her organization and the beef industry. She indicated that IBC was created in 1967 as the marketing arm for the Idaho beef industry. Its mission is to increase consumer demand for beef through integrated state, national and international programs, and increase opportunities for producer profitability. The IBC is overseen by an eight-member board of directors who represent all of Idaho's beef industry; it is audited annually by an independent CPA firm.

Ms. O'Donnell provided an overview of the Beef Checkoff Program, which

is a self-help program controlled and funded by producers, in which \$1.50 per head is assessed on the sale of all live cattle. Checkoff revenues are used for promotion, education, research and public information programs designed to increase the demand for beef. In FY 2009, \$1.56 million was collected in assessments, which is 6% down from the previous year. Since 2001, collections have gone down 24%.

Ms. O'Donnell said the Checkoff makes a real difference, as beef is still the "number one" protein choice for consumers and carcass values have increased. Since 1998, the increase in beef demand has added over \$200 per head to the price of cattle. According to the University of Florida, the Checkoff has provided a \$5.55 return for each dollar invested.

Ms. O'Donnell then went on to describe some of the Idaho-funded programs, indicating that in 2009, over 96,000 consumers were exposed to the great taste of Idaho beef through promotions and consumer outreach programs. She said IBC averages over 60 Checkoff-funded programs each year. IBC works closely with both mainstream and independent grocery retailers to conduct training on the new cuts of beef and latest consumer demographics.

Promotion efforts included five radio campaigns, which ran statewide for 11 weeks, and 40 billboards placed in high-traffic areas throughout Idaho. Results show that 514,000 Idahoans were reached with the campaign and 89% of IBC's target audience was reached an average of 15 times. IBC has also formed a sponsorship with the Boise Ironman to become the official protein of the Boise 70.3 Triathlon. In 2009, IBC allocated \$92,000 to University of Idaho research projects.

Each year, the IBC develops strategic action plans based upon shifts in the business environment and the previous year's performance. Key to their success is keeping pace with the fundamental shifts in consumer preferences and behaviors in regard to beef. One current marketing challenge involves educating the country's youth about beef. Whereas in previous generations, a significant segment of the youth population had roots in the agricultural community, today's youth often do not have a fundamental understanding of the origins of their food.

The epidemic of childhood obesity in the U.S. in recent years poses a particular challenge in regard to beef education. Consumers are now constantly scrutinizing the foods they eat, and are further influenced by inundation through the media of certain food myths, mixed messages and the latest fad diets. The IBC is making efforts to further educate the public by showing how lean beef can be part of a balanced nutritional diet.

Ms. O'Donnell said environmental groups and activists continue to be a major obstacle, indicating that there are 18 anti-beef activist groups, with a great deal of funding behind them, which are becoming more influential all the time and "preparing to strike." She said their ultimate goal is the elimination of all beef production; such activist efforts will also impact the dairy industry.

In the area of product development, the IBC continues to be adaptive, because food purchases and behaviors change over time. For example, in the swift pace of today's society, handheld foods have become more prevalent. Consumers also want new and exciting things to try. Also, an emerging

national phenomenon known as the “fourth meal” (the late-night “munchies”) is currently creating new opportunities for marketing and product development. Growing immigrant populations in the U.S. also have an influence, as their cultures merge with our own.

When asked how many people are requesting refunds on the Checkoff, Ms. O’Donnell said refunds average less than 2% of total collections.

H 576:

Rep. Ken Roberts presented **H 576**, which changes the commission’s name to the Idaho State Soil and Water Conservation Commission, defines “administrator” and removes references to the Idaho Association of Soil Conservation Districts and Department of Agriculture. The legislation also provides that the commission — rather than the Department of Agriculture, as is the current law — shall appoint its own administrator.

The legislation also changes how commission members are appointed. The requirement that no more than three commission members be of the same political party has been removed. The legislation requires that the Governor appoint commission members on July 1, 2010, and that geographic representation and demonstrated expertise be taken into consideration. Language also clarifies that commission members serve at the pleasure of the Governor.

The legislation also streamlines audit requirements for local districts, making them consistent with other government entities. The current authority of the commission to remove district supervisors from office has been deleted; it now specifies that supervisors are subject to recall. Current law regarding consolidation of local districts has also been amended to provide for election of a new chair, allowing for a three-year transition period.

The legislation also requires the commission to provide an annual report to the House and Senate Agricultural Affairs Committees detailing cooperation with local districts. After four years, the Director of the Legislative Services Office is required to prepare a report to both legislative bodies detailing the following: 1) whether the legislative intent of the Act has been achieved with the necessary cooperation between the commission and Districts; 2) whether expenditures have followed generally accepted accounting principles; and 3) whether the public has been well-served by the actions of the commission and districts in implementing the Act.

Steve Becker, Chairman, Nez Perce Soil and Water Conservation District (NPSWCD), spoke in favor of the bill, indicating that the board members fully endorsed the bill last week. He publically acknowledged the interim committee’s hard work on the legislation.

Kyle Hawley, Division II Director, Idaho Association of Soil Conservation Districts (IASCD), said that all districts have come forward in favor of the legislation. He remarked on how good it is to see people working together.

Dennis Tanikuni, Idaho Farm Bureau Federation (IFBF), spoke in favor of the legislation, indicating that it makes positive changes to existing soil conservation district law. He said changing the commission’s name to the “Idaho State Soil and Water Conservation Commission” recognizes the important work the local districts conduct not only in soil conservation, but

water conservation and quality as well. He said improved water quality and conservation is a significant, but often unacknowledged, collateral benefit of good soil conservation practices.

Mr. Tanikuni spoke in favor of the changes which allow the Governor to consider specialized skills, experience or background when making appointments to the commission. He said that more importantly, it enables the local districts to provide nominations to the Governor for soil and water conservation commission vacancies and appoint its own administrator. The bill also addresses district consolidation and audit requirements, and provides for recall of local supervisors.

In regard to the required annual report to both the Senate and House Agricultural Affairs Committees, and the Legislative Services Office report due in 2014, Mr. Tanikuni said IFBF considers these two review mechanisms extremely valuable. IFBF is confident and hopeful that the results of those future reports will be very positive.

Wayne Newbill, Interim Executive Director, Idaho Association of Soil Conservation Districts (IASCD), spoke in favor of the legislation as well. He said of the 51 districts, he has received 43 letters in support; five others say they have sent letters of support directly to the committee.

Steve Miller, IASCD, Supervisor of the Camas District, said the association has voted unanimously to support the legislation. He voiced appreciation of the interim committee's efforts, as well as those of the legislators involved.

In summing up the legislation's good points, **Rep. Roberts** said there are multiple levels of accountability within the bill, that the Governor can change commissioners at will, and that all 51 district supervisors will be officials elected by their own peers.

MOTION: **Rep. Bolz** moved to send **H 576** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Roberts will sponsor the bill on the floor.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:34 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: February 24, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Rep. Lake

GUESTS: Kelly Olson, Idaho Barley Commission (IBC); Gretchen Hyde, Idaho Rangeland Resource Commission (IRRC); Dr. Karen Launchbaugh, University of Idaho Rangeland Ecology and Management; Wally Butler, Idaho Farm Bureau Federation (IFBF); Eric Bair, IFBF; Will Ledbetter, Milk Producers of Idaho (MPI); Ken McClure, attorney; and Brent Olmstead, MPI

Chairman Trail called the meeting to order at 1:35 p.m.

MOTION: **Rep. Bolz** moved to approve the minutes from the February 4, 2010 and February 8, 2010 meetings; **motion carried by voice vote.**

Chairman Trail updated the committee on the status of **HCR 40**, the Idaho Food Resolution, indicating that within the preceding four to five days, language had been revised to address industry concerns. The concerns expressed by the Food Producers of Idaho and **Pat Kole**, Idaho Potato Commission, involved the possible impact of the resolution on Idaho's export business. Since Idaho exports so many products out of state and overseas, including potatoes and wheat, language was drafted to address a balance. **Rep. Patrick** agreed such changes were needed, as Idaho produces far more potatoes and other products than it can consume.

Chairman Trail said that a new RS would be drafted and presented in the Ways and Means committee. Therefore, a motion would be needed to proceed as described. He said that item of business would be conducted after the presentations.

Wally Butler, Range and Livestock Specialist, Idaho Farm Bureau Federation (IFBF), introduced **Gretchen Hyde**, Executive Director, Idaho Rangeland Resource Commission (IRRC), who provided the annual report on her organization. She started with an overview of Board membership, indicating that there are five members, all of whom are ranchers or producers, or have backgrounds in rangeland management. She said members are well-distributed throughout the state. She also clarified she is still "an office of one," but has some part-time administrative assistance. She emphasized that it is the partnerships, particularly with the University of Idaho (UI), that really make the program work.

Ms. Hyde said IRRC's education programs continue to grow. Thanks to its

partnership with UI, IRRC offers teacher workshops and scientifically-based classroom materials and programs for students. She said the state Future Farmers of America (FFA) Rangeland Career Development Event (CDE) in October 2009 had the largest participation ever, with 120 students. Rigby won the event, with Fruitland, Hagerman, Kimberly and Kuna all qualifying to attend the first annual Western National Rangeland CDE, scheduled for April 16-17, 2010, at the College of Southern Idaho in Twin Falls.

The Western National Rangeland CDE was made possible with the help of **Dr. Karen Launchbaugh**, who worked closely with Ms. Hyde to obtain a large grant. With a CDE competition now being offered in the western region, students are no longer required to compete in Oklahoma, where the rangeland is completely different, even unrecognizable, to Idaho students. The top five teams from Idaho, Utah and Nevada will compete for awards and scholarships at the event. Ms. Hyde said teachers are anxious to “show their stuff” and compete with other states.

Last fall, IRRC published its first book, entitled Idaho's Rangeland: A History, authored by Arthur Hart, a 93-year-old renowned Idaho historian. Although not expected to have much of a following, the book has already proven very popular, with sales exceeding 200 in just two months — and many purchases being made to out-of-state customers on-line. The book is priced at \$17.95 and will be featured in Caxton's annual catalog this year.

Last summer, IRRC focused its public relations campaign on reducing conflicts between recreationists and ranchers. This included two radio spots aired statewide to remind recreational visitors to close gates when out on rangelands and to be aware of guard dogs with bands of sheep. This long-term project, called “Care/Share,” is co-sponsored with the Bureau of Land Management (BLM).

This year, IRRC will be developing a website with in-depth stories of ten ranches from all over Idaho. It will include videos and stories, and will feature a variety of ranches to put a “real face” on ranchers and what they do for the environment and wildlife. Ms. Hyde said there is no such thing as a typical rancher; this program will show not only the diversity of ranchers, but their valuable contributions. She looks forward to sharing some of these stories with the committee next year.

Ms. Hyde reiterated that continued partnership with UI is critical to IRRC's success and continuation. As a land grant university, UI is where IRRC goes for input, guidance and research assistance on land management issues. However, when UI merged the Forest Resources and Rangeland Ecology and Management departments, the word “Rangeland” was completely dropped. The department is now called “Forest Ecology and Biogeosciences.”

Ms. Hyde said she does not know what that title means or what the program will entail. However, IRRC's concern is that the institution is “trying to be everything to everyone,” and will unfortunately end up being “nobody to anybody” — in essence, a non-entity, with no value as a land grant institution. IRRC sent a letter of concern to the UI President, but has not received a response. Ms. Hyde said the interim dean is making a lot of changes and does not seem to be aware of the contributions IRRC has made the last 12 years to raise public awareness.

In regard to the financial outlook, Ms. Hyde said IRRC has been very stable, with constant revenues and requests for refunds. The license plate program has brought in additional revenue, which goes directly into education programs. She said the new license plate sales have made a difference and she feels people are really making a connection.

Dr. Karen Launchbaugh, rangeland ecologist, University of Idaho Rangeland Ecology and Management, presented a report on targeted grazing. Dr. Launchbaugh grew up on a sheep ranch in North Dakota, and has been working in rangeland since the seventh grade. She said people do not realize how vast rangelands are — one-half of the earth is rangeland, one-half of the western region is range, and one-half of Idaho is range. In fact, 90% of Idaho's population lives with rangeland outside their back door.

Dr. Launchbaugh explained that targeted grazing is the process of using grazing to accomplish certain ecological goals. She shared a story about a reporter who became excited about the topic and asked, "How long has this been going on?" Dr. Launchbaugh's reply was, "Probably not more than 10,000 years"— for as long as man has been domesticating livestock, grazing has been used to accomplish ecological and economic goals.

Dr. Launchbaugh said grazing is a very powerful tool in managing and improving lands, but that targeted grazing is more than just general grazing. It involves choosing a specific type of livestock at a specific time of year for a specific length of time to accomplish specific landscape goals. Some important landscape goals include reducing weeds on crop lands, pastures and wild lands; controlling herbaceous biomass in tree crops; improving wildlife habitats; reducing fire fuel loads; managing watershed characteristics; and restoring wild lands.

Keys to success in targeted grazing include selection of the following: 1) the right timing (appropriate season); 2) the appropriate herbivore (taking into consideration the species, breed, background, condition and age); and 3) the appropriate intensity and frequency of defoliation. Unfortunately, Dr. Launchbaugh shared, this knowledge has been available since the 1950's, when a study was conducted by Johnston and Peake at the time leafy spurge first came into the ecosystem. Within two years of placing sheep on the lands, leafy spurge was nearly wiped out. However, the study was lost for a number of years. Part of the reason leafy spurge is such a problem today is that in the 1950s and 1960s, there were large numbers of sheep grazing the land, and that is no longer the case today.

Some noxious weeds controlled successfully with targeted grazing include leafy spurge, cheatgrass, juniper and yellow starthistle. Sheep and goats have been used to control leafy spurge; it is considered "good forage" for sheep. In Montana, some cattle producers are now contracting with sheep producers to control noxious weeds on their lands. Dr. Launchbaugh showed a series of pictures of Deer Lodge Valley, showing how sheep grazing virtually wiped out leafy spurge in the valley within four years.

Dr. Launchbaugh also described some successful studies involving the use of sheep in managing cheatgrass, a noxious weed that is widespread across the west — covering over 100 million acres. The plant is very palatable and nutritious to sheep. The key to targeted grazing in this instance is getting the

timing right, as the livestock must be removed before the perennial grasses grow. She emphasized that certain native plants in the ecosystem must be encouraged as well.

Dr. Launchbaugh also cautioned that after plant levels decrease, land managers cannot just walk away — after the livestock are removed, cheatgrass comes right back. She said this particular study probably did not last long enough, as the seeds have a viability period of seven to eight years. If grazing had continued longer, the seed bed may have “worn out.”

Dr. Launchbaugh also shared results of some studies with goats, which have been used successfully for juniper control — sheep and cattle have been largely ineffective. Goats have also made a difference in managing yellow starthistle, a plant widely scattered throughout the country, considered noxious in 11 states, and causing severe problems in the western region.

In California, grazing goats are also being used as a fire management tool, reducing ladder fuels in forests, flammable woody fuels and grassland fuels. Dr. Launchbaugh described how grazing can help with fire management, explaining that when a fire reaches a fence line, it stops because the fuel loads have changed. She emphasized that “we need to be better at using that as a tool.” She said grazing alters fire behavior, affecting the perimeter or extent of fire, as well as its intensity and patchiness. It will not stop a fire, but once a fire starts, where it goes, how fast it travels, and what kind of damage it does can be affected by grazing patterns.

The overall benefits and opportunities involved in targeted grazing include improved pasture quality; environmental friendliness (unlike pesticides, which leave harmful residue); smaller impact on non-target species; and conversion of weeds into a saleable product (making it a sustainable solution). Targeted grazing is also feasible in rough terrain, as goats can go almost anywhere and sheep are quite thrifty. Targeted grazing can also be integrated with some of the tools already available, such as chemical treatments and biocontrol methods.

Costs associated with targeted grazing include the price of the animals and potential losses of the same, as well as the costs of fencing, water, herders and trailers. It may also be incompatible with wildlife at times. Also, when the animals are done with a project, they must be utilized in different ways — they cannot just be “hung up in the barn.” Some damage to non-target species may also occur. In addition, the spread of weed seed can occur in feces, wool, hair or hooves; however, Dr. Launchbaugh said this risk is minimal. Her studies show that only a fraction of one percent of the seed survives the digestive track.

This spring, Dr. Launchbaugh will be creating a Rangeland Center at UI, the mission of which is to create knowledge and foster understanding for the stewardship and management of rangelands. The working motto of the Center is “Creating Science and Solutions for the Range.” Dr. Launchbaugh said it is important to build a unit with stronger connections with state, federal and national organizations working on mutual goals. Her goal is to establish a strong unit to gain recognition for the rangeland research, outreach and education that currently occurs in several UI departments.

Wally Butler, Idaho Farm Bureau Federation (IFBF), gave an update on

recovery from the July 2007 Murphy Complex Fire. He showed pictures illustrating how the fire behaved differently on grazed lands, burning in a mosaic pattern rather than across the entire landscape. He indicated that after a period of rest, areas have recovered quite well. He also showed a series of photos evidencing how the grazing of bulls on private land in the winter aided in its recovery.

In the two seasons that have passed since the fire, 95% of allotments are being opened for grazing based upon previous rotation or new management plans. The small amount of areas not opened up have either had a problem with seeding or are adjacent to cheatgrass areas being addressed by BLM. He said ranchers are in agreement with these decisions.

Mr. Butler expressed concern, however, that if grazing is not used properly to reduce fuel loads, future fires will do more damage and wipe out the rehabilitation investment of over \$11 million. He said making targeted grazing accepted by the general public is a challenge because of so much misinformation on the subject. He described a situation where a range conservationist explained the restriction against sheep in a particular Forestry Service allotment by saying sheep would cause leafy spurge to spread. In reality, sheep could be used to manage the situation.

Mr. Butler remarked that although the Murphy Complex Fire was a catastrophe at the time, it helped bring key resource people together and provided some good educational opportunities. Overall, good partnerships and detailed monitoring procedures were developed.

After the presentation, **Rep. Chavez** expressed concern to Dr. Launchbaugh regarding the merging of UI departments. Dr. Launchbaugh said her hope and goal with her Center is that she can bring people together to start talking and not forget what rangeland is. She said it is important to foster and build these collaborative relationships.

Vice Chairman Andrus told Dr. Launchbaugh he found her presentation intriguing and wished every citizen in the U.S. could hear it. He asked what is being done to get this message out to conservationists and what progress she expects to see within the next five to ten years.

Dr. Launchbaugh said she has met with the heads of the Forestry Service, BLM and the Natural Resources Conservation Service in Washington, D.C., and that changes to the latest Farm Bill have made it easier to use targeted grazing as a regular land management practice. She is also involved with two national committees (through the American Sheep Industry Association, which is joining with the Goat Producers Association) that are promoting targeted grazing. She also serves on the targeted grazing committee for the Society for Range Management and recently attended a very successful national symposium in Denver.

Kelly Olson, Idaho Barley Commission (IBC), presented an update on the barley industry. She said that overall, last year's crop was of high quality and produced excellent yields. She said the statewide average yield of 95 bushels an acre was a record high, due to exceptional growing conditions on dryland acres. She indicated that a big U.S. malt crop, coupled with soft

beer demand, brought domestic beer sales down 2.2% in 2009, which is the first drop since 2003. Craft sales, however, were up 5%. Contract offers are down in 2010, acreage is down 15% and prices are down 35 to 45%.

The Barley Check-off Referendum in November 2009 asked growers if they were willing to give the IBC board flexibility in setting the Idaho barley check-off in a range up to two cents per bushel (four cents per hundred weight) compared to the current cap of one cent per bushel (two cents/cwt). The increase passed by a vote of 54%, with an overall 27% response rate.

Ms. Olson announced that two varieties of winter malt barley — Charles and Endeavor — have been commercially released by the Aberdeen Research and Extension Center. In the second year of commercial production, the varieties will undergo their first year of plant scale brew testing. Yields in south central Idaho have improved 30 to 35%. Winter hardiness remains a significant challenge in other regions of Idaho.

IBC is now growing barley under contract for both major Mexican brewing companies and is working on initiatives in Colombia and Peru, both of which import malting barley, as well as malt. In regard to food barley, higher beta-glucan barleys are now being grown in both southern and northern Idaho for the domestic and Asian markets. Ms. Olson said IBC sees significant growth opportunities in this area.

For several years, IBC has been working with the Aberdeen/Hagerman Research and Extension Center to modify barley as a suitable ingredient to replace expensive fish meal in trout diets. Ms. Olson said this is a “natural fit” for Idaho, as the state is home to the largest concentration of trout farms in the U.S. Most recently, IBC has been working with a Montana-based company to establish a barley protein fractionation/ethanol plant in Idaho.

Research funding remains a top priority for IBC, requiring strategic long-term investments. However, IBC is facing serious research budget cutbacks and is closely monitoring its reserve balance. The ability to leverage check-off dollars is challenged by declining state and federal research dollars. More check-off dollars will be needed to maintain programs, particularly at the UI Teton Research and Extension Center. IBC is providing \$15,000 in cost share support for the Teton Center in FY 2010.

Committee members then reviewed the revised version of the Idaho Food Resolution, which includes corrections and some compromise language. The sponsor, **Janie Burns**, worked with **Sen. LeFavour** and **Sen. Corder** on the new language. They also communicated with **Pat Kole**, Idaho Potato Commission, while he was in Washington, D.C.

MOTION: **Rep. Shirley** expressed approval of the language in the new version and moved to **have the revised version of HCR 40 presented in RS form to the Ways and Means Committee. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:18 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 2, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Rep. Lake

GUESTS: Janie Burns, Meadowlark Farm; Rich Garber, University of Idaho College of Agricultural and Life Sciences (UI/CALS); Ben Miller, Idaho State Department of Agriculture (ISDA); Frank Muir, Idaho Potato Commission (IPC); Patrick Kole, IPC; Sarah Mitchell, Idaho Farm Bureau Federation (IFBF); Wally Butler, IFBF; Tracee Crawford, Crawford's Pest Control; Bob Naerebout, Idaho Dairymen's Association (IDA); Brent Olmstead, Milk Producers of Idaho (MPI); and Will Ledbetter, MPI

Chairman Trail called the meeting to order at 1:35 p.m.

MOTION: **Rep. Chavez** moved to approve the minutes from the February 18, 2010 meeting; **motion carried on voice vote.**

Frank Muir, Idaho Potato Commission (IPC), provided an update on the commission. For fiscal year ending August 31, 2009, Farm Gate revenue for potatoes was \$833 million, making it a record-setting year and constituting an increase for the fifth consecutive year. Due to increased harvest yield, IPC generated \$12,651,734 in potato tax revenue, an increase of \$790,734. Strong consumer demand-building programs moved the incremental volume and held prices at high levels, benefitting growers.

IPC elected to use \$246,249 of the incremental revenue to pay for additional legal costs associated with the M&M case (in the amount of \$170,000) — which IPC recently won by jury trial — and to pay for a visual acre-by-acre count (in the amount of \$75,000). The net impact is that IPC finished the year with \$498,635 of revenue in excess of expenses, thereby increasing the reserve by that amount.

The budget for the current fiscal year is again based upon a 12.5-cent potato tax, equal to last year. Idaho potato growers increased acreage by 15,000, but are still 29,000 acres lower than two years ago. The USDA is projecting that this year's Farm Gate revenue will be \$753 million. A record yield (411/cwt) resulted in a larger crop, forcing downward pressure on prices. IPC has spent aggressively, utilizing incremental programs and helping to secure Federal Section 32 funds, to move the bumper crop.

HCR 56: **Janie Burns**, Meadowlark Farms, presented **HCR 56**, the newest version of the Idaho Food Resolution, which she said has new language that seeks balance. She said she thinks of food supply as a continuum, with total

dependence at one extreme and total self-sufficiency at the other. She said in the past, Idaho was somewhere in the middle of the continuum, being somewhat self-sufficient, but also exporting excess amounts of fruits, vegetables, lamb and other products.

However, approximately 50 years ago, Idaho started shifting more toward dependence, obtaining its food from a variety of sources, with many local sources drying up. Ms. Burns said today, Idaho is almost totally dependent on food from outside sources. She warned the committee of the risks involved in “putting all our eggs in one basket,” emphasizing that in these challenging economic times, “we must do everything we can to stop the leaks in our economy.” She said there are thousands of people in Idaho who are in need of food and jobs, and it is simply not prudent for families and communities to ignore the opportunities offered by local food production.

Frank Muir, Idaho Potato Commission (IPC), testified in opposition to the legislation. He said on the surface, the resolution sounds good, but the problem is that Idaho’s economy relies upon its potatoes being sold globally, as the state produces far more than its citizens could ever consume. A further concern is that since potatoes can be grown anywhere in the U.S., if other states adopt such legislation and start growing their own potatoes for consumption, Idaho would be devastated by the economic impact.

Mr. Muir said that just a few months ago, the largest retailer in the country discontinued Idaho potatoes from five distribution centers in order to obtain products from local farmers. He said it took several months and meetings to convince the centers, with concrete data, that they would save money by purchasing Idaho potatoes. However, he said, there are still rumblings about local movements. He said if this legislation were passed, it could actually be used against IPC as a marketing tool, with people saying, “Even the legislature says you should buy your potatoes locally.”

In regard to the distribution centers that temporarily discontinued Idaho potatoes, **Chairman Trail** asked Mr. Muir if that action was directly attributable to any type of legislation. Mr. Muir replied that he could not cite specific legislation involved, but indicated that public relations campaigns played a role. He said when public opinion starts rolling, big corporations start marketing accordingly, and that local production is now the “wave of the future,” much like the “organic” concept was in the recent past.

Committee discussion centered around ways to preserve the essence of the resolution without jeopardizing the export of Idaho potatoes. Ms. Burns indicated that having already modified the language to achieve a balance, she would not endorse changing any more of the language.

MOTION:

Rep. Shirley moved to **hold HCR 56 until time certain**, namely, March 8, 2010, when the sponsoring and opposing parties would return the legislation with revisions. **Motion carried on voice vote.**

Chairman Trail urged the parties to get together and re-work the language within 24 hours so a new RS could be introduced in the Ways and Means committee. However, Mr. Muir said given Ms. Burns’ stance that none of the language should be struck, he failed to see how a compromise could be reached. Nevertheless, the chairman asked **Ms. Burns** and **Mr. Muir** to

meet in the chairman's office to see if any progress could be made in modifying the language, while the committee performed other business.

SJM 104: **Sen. Brackett** presented **SJM 104**, a memorial which recognizes the growing problem of surplus horses, many of which are unwanted and neglected. The memorial seeks to accomplish two things: 1) express opposition to federal legislation that interferes with a state's ability to direct the transport and processing of horses; and 2) encourage discontinuance of language in the yearly appropriation bills which has effectively ended processing of horses in the U.S.

Vice Chairman Andrus expressed support for the legislation, citing the exorbitant cost of housing wild horses — indicating that the Bureau of Land Management (BLM) spent \$29 million to house horses in 2009. He noted that the horse sanctuaries are inundated and nothing is being done to solve the problem. He acknowledged that although horses may be a symbol of the west, euthanasia can sometimes be more humane than subjecting the animals to long-term suffering, such as starvation or abuse. He feels this is the best resolution we have on the issue to date.

Wally Butler, the Range and Livestock Specialist for Idaho Farm Bureau Federation, testified that his organization is in full support of **SJM 104**.

MOTION: **Vice Chairman Andrus** moved to send **SJM 104** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Vice Chairman Andrus will sponsor the memorial on the floor.**

S 1316: **Sen. Corder** presented **S 1316**, which adds the humane slaughter of equines to the codified list of normal or legal practices found in Section 25-3514, Idaho Code. Although there are no slaughterhouses in Idaho at this time, and none are foreseen in the near future, the legislation would provide for equines to be included on the list. The legislation also clarifies that "guidelines developed and approved by the appropriate national or state commodity organizations" would be followed.

MOTION: **Rep. Killen** moved to send **S 1316** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Killen will sponsor the bill on the floor.**

S 1332: **Sen. Corder** then presented **S 1332**, which relates to pesticides and chemigation. The legislation requires that persons applying pesticides obtain a professional applicator's license. Sen. Corder explained that there are two separate types of businesses that perform lawn work: landscaping companies and pesticide application companies. Under current law, "incidental" pesticide application by landscaping companies — such as when a customer requests treatment in a specific area — is exempt from professional applicator requirements. However, in such cases, not only are safety precautions often not followed, but employees are often unaware of the inherent dangers involved. Competition with pesticide application companies is also a concern.

The legislation eliminates the use of "incidental" as an ambiguous standard for exemption from the professional applicator requirements. However, an

exemption will exist for individuals with two or fewer employees. Landscaping is a common occupation for summer high school and college students, as well as retirees. Under the legislation, such workers could continue employment without licensure requirements, as they would be under the supervision of professional applicators, directing the safe handling of pesticides as required on the label.

MOTION: **Rep. Stevenson** moved to send **S 1332** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Bolz will sponsor the bill on the floor.**

Frank Muir and **Janie Burns** then returned to the committee with a revised version of **HCR 56**, in which the word "local" was replaced with "Idaho." Mr. Muir said all of the language to which he objected had been stricken.

Chairman Trail said the new language would be given to the drafters so the legislation can be presented in the Ways and Means Committee and returned again to Agricultural Affairs.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:00 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 4, 2010

TIME: 1:30 p.m. (or upon adjournment of the House afternoon session)

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Laura Johnson, Idaho State Department of Agriculture (ISDA); Armando Orellana, Idaho/Mexico Trade Office; Dr. Guoli Cao, Idaho/China Trade Office; Eddie Yen, Idaho/Asia Trade Office; Will Ledbetter, Milk Producers of Idaho (MPI); Stan Boyd, Idaho Cattlemen's Association and Idaho Wool Growers Association (ICA/IWGA); Dar Olberding, Idaho Grain Producers Association (IGPA); and Sara Schmidt, Idaho Soil Conservation Commission (ISCC)

Chairman Trail called the meeting to order at 2:57 p.m.

Chairman Trail announced that he had requested unanimous consent from the House that **SCR 123**, which would reject the Board of Veterinary Medicine Rules, be returned to the House Agricultural Affairs Committee.

Chairman Trail then announced that he and **Rep. Roberts** had arranged a meeting with all stakeholders regarding the raw milk rules for Tuesday, March 9, 2010, at 3:00 p.m., in the majority caucus room. Also in attendance will be **Rep. Patrick** and **Vice Chairman Andrus**. Chairman Trail asked if **Rep. Pence**, as a minority member, would be available to attend the meeting as well; she agreed.

MOTION: **Rep. Chavez** moved to approve the minutes from the February 22, 2010 meeting; **motion carried on voice vote**.

H 611: **Rep. Bolz** presented **H 611**, which provides that audits for agricultural commodity commissions be conducted on the same basis as audits for other state entities. The legislation creates a new section of code that mirrors the two existing sections in effect for other state entities. It will provide for accountability of the commodity commissions through audit procedures, while at the same time standardizing audits through one code section. Previously, commodity commission audits were specified in the individual code sections that establish the commissions.

Rep. Bolz explained that he has been working on this legislation for two years. He said many of the commissions have very low revenues and budgets, and that the cost for an outside auditor takes a considerable portion of funds available. The legislation makes audit requirements consistent with those for other state entities, requiring that any entity with annual expenditures exceeding \$250,000 submit to a full audit; those entities falling

below \$100,000 would not be subject to minimum audit requirements.

MOTION:

Rep. Stevenson moved to send **H 611** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Bolz will sponsor the bill on the floor.** Chairman Trail thanked Rep. Bolz for all his hard work on the legislation.

Laura Johnson, Idaho State Department of Agriculture (ISDA), introduced three trade specialists, who have worked with ISDA for many years, to provide updates to the committee on the trade markets in their regions.

Dr. Guoli Cao, from the Idaho-China Trade Office, indicated that like many countries in 2009, China implemented an economic stimulus plan in response to the global financial crisis. China's plan launched 4 trillion yuan into the economy, with encouraging results. China's gross domestic product (GDP) grew by 8.7% over 2008, which is believed to be the best score among major economies worldwide. In 2009, China also became the biggest exporter, edging out Germany, and became the world's largest automobile and steel market — an industry for which analysts did not foresee such success prior to the year 2020.

China's export business dropped by 14% in 2009, while the import business decreased only 11.2%, reflecting China's stronger demand for imported raw materials and consumer goods. Some of the main products China imports from Idaho include prepared vegetables, fruits and nuts, frozen and non-frozen potatoes and dairy products. Other fast-growing imports include vegetable and grass seeds, as well as sugar and sugar confectionaries (lactose, glucose, fructose, etc.). Other products targeted include meats and hay and feed products. Dr. Cao indicated that there is also an increased interest in Idaho wines.

Trade promotions are good opportunities to highlight Idaho products. For example, the Shanghai Bakery Show features Idaho dehydrated potatoes. Dr. Cao also looks forward to the opportunities associated with Governor Otter's trade mission to China, which will occur in June 2010.

A committee member asked if it is true that wheat, barley and cereal grains are not part of the standard breakfast diet in China. Dr. Cao said it depends upon the region, as China is a large and diverse country. In the north, people use wheat for noodles and dumplings, whereas in the south, people are more familiar with rice-based foods. Barley is mainly utilized in beer, but is sometimes used in tea during the summer.

Discussion also revealed that China has a rapidly growing middle class, which has increased the demand for poultry and other meat products. Dr. Cao indicated that members of the middle class are also heavily influenced by American culture and are drawn to American cuisine.

Chairman Trail then passed the gavel to **Rep. Stevenson** (as Vice Chairman Andrus was not in attendance) and left to attend another meeting.

Armando Orellana, from the Idaho-Mexico Trade Office, then gave his presentation. He indicated that in 2009, Mexico was one of the countries most affected by the recession, with a 7.2% decrease in the GDP. The

forecast for GDP growth in 2010 is 3.9%. Inflation grew to 5.4% in 2009, but is expected to decrease to 4.7% in 2010. New taxes were also added this year, and the prices of gasoline and energy have increased. However, Mr. Orellana indicated the peso has been holding ground against the U.S. dollar, improving conditions for Mexico imports from the U.S. He said interest rates are in line with those in the U.S. as well; Mexico's interest rate is currently 4%, which is much lower than rates in the past.

Mr. Orellana said security is a major concern in Mexico right now, with the government fighting drug lords and dealing with issues in the border zone. However, arms smuggling from the U.S. is diminishing. He said another challenge Mexico is facing is a 20% added import tariff on processed potatoes, which is related to retaliation involving a truck dispute with Mexico. However, he expects the dispute to be settled within the next six to eight weeks, making way for the import of more Idaho potatoes.

Idaho exports to Mexico have steadily increased since 2005, with the largest jumps occurring between the years 2005 and 2006, and the years 2007 and 2008. Exports to Mexico in 2009 (\$183,772) were slightly above 2008 figures, but Mr. Orellana was proud to report that now, for the first time ever, Mexico is Idaho's "number one" agricultural export market (having been in second place previously).

Some of the successes he shared included as follows: 1) an increase in wheat sales to Mexico, with numbers reaching \$1.4 million; 2) six new yellow bean varieties under development; 3) the sale of Idaho pet food in Mexican stores; and 4) the sale of Idaho frozen baked potatoes (being served in restaurants) for the first time in Mexico. Another positive note is that a trade agreement is currently being negotiated between Mexico and Brazil.

Further opportunities for Idaho companies include export of dehydrated milk and Mexican-style cheese, promotion of onions to retailers and restaurants, increased demand for frozen products, and the influx of 300 WalMart stores. He indicated that the demand for processed potatoes, wheat and bean seed is growing as well. In regard to cattle, demand is growing faster than domestic production, and the mini-cow is particularly popular.

Trade shows have had great success in promoting Idaho products as well. The Agro Sinaloa and Agro Chihuahua shows promote Idaho certified bean seeds, while the Expo ANTAD promotes onions and processed potatoes. Trade missions include visits from two agricultural equipment companies to the potato-growing areas in Mexico, as well as a visit from the Idaho Farm Bureau Federation to Mexican wheat mills.

In the area of education promotion, Mr. Orellana indicated that agreements are being strengthened between Boise State University and the University of Idaho and their counterparts in Mexico. Although his office has no budget for it, Mr. Orellana has an intern from Idaho who is excited by the challenges and opportunities the position presents.

Committee members expressed curiosity about the "mini-cow." Mr. Orellana said the species is like an Angus, but only about as high as his hip. Advantages are that they eat less and occupy less space, and the meat quality is almost the same as Angus. Mr. Orellana said three states in Mexico have expressed interest in the livestock.

On behalf of the Idaho-Asia Trade Office, **Eddie Yen** presented an update on the trade market in Taiwan. In regard to the global financial crisis, he said the word “crisis” in his language has two meanings: “danger” and “opportunity.” Thus, in spite of economic challenges, new opportunities have presented themselves. The Taiwan economy made a strong rebound in the fourth quarter of 2009, and the projected GDP growth for 2010 is 4.72%.

Mr. indicated that Taiwan is only about one-half the size of Idaho, but has a population of 23 million. Taiwan is the second largest export market for Idaho, with exports totaling \$655 million in 2009 — an 88% increase over 2008. Idaho’s main exports to Taiwan include fresh fruits and onions, beef and pork, canned vegetables (especially corn), frozen food products (including potato products and tortillas), dehydrated potatoes, dairy products, wheat and barley, peas and seeds.

Demand is growing quickly for more varieties of frozen products, such as potato wedges and onion rings. Other opportunities include organic and natural fresh and processed products, as well as organic grains. Mr. Yen said there is also a demand for caviar, adding that Idaho has a nice sturgeon farm, and that a California operation will be relocating to Idaho soon.

Taiwan is the sixth largest market for U.S. agricultural products and the ninth largest for non-agricultural products. In addition, Taiwan ranks sixth in sending students to the U.S. In fact, its President and First Lady were both educated in the U.S. and met on U.S. soil before returning to Taiwan. Mr. Chen said the business environment in Taiwan is very “Americanized” and that there is no anti-American sentiment there, as in some Asian countries.

Trade promotions for 2009 included two buying groups that visited in March and September, the HOFEX Show in Hong Kong in May, featuring the Idaho Potato Commission (IPC) and the Taste of American Menu Promotion in October. Another successful promotion was a television show entitled “Legend of Black.” Mr. Yen explained that consumers are interested in anything “black,” such as black chickens, pigs and cows, black (and purple) rice, black beans, etc. — and are willing to pay a premium for such products.

Trade events scheduled for 2010 include the April Food Show in Singapore, which will include IPC participation, another set of buying groups in May and September, a July 4th promotion with hotels, Taste of America in October, and expanded promotions in Vietnam, Hong Kong and Singapore.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 4:04 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 8, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** None

GUESTS: Wally Butler, Idaho Farm Bureau Federation (IFBF); Dawn Justice, Idaho Bankers Association; Colleen Andrus, private citizen; Kelly Nielsen, Idaho State Department of Agriculture (ISDA); Dennis Tanikuni, IFBF; Kent Lauer, IFBF; and Stan Boyd, Idaho Wool Growers Association (IWGA)

Chairman Trail called the meeting to order at 1:30 p.m. and announced that the newest version of the Idaho Food Resolution would be up for print in the State Affairs Committee the following day. He said that if the legislation has not been provided to the Agricultural Affairs Committee in time for the Wednesday meeting, the committee would need to conduct a quick meeting on Friday after the House adjourns to hear the resolution.

The chairman also reminded the committee that the meeting on raw milk rules would be held on Tuesday, March 9, 2010, at 3:00 p.m. He said he has been in communication with **Jeremy Pisca**, attorney at law, who has developed a proposed statute that may prove promising. Chairman Trail then asked **Rep. Pence** if she would still be available to attend the meeting, to which she responded that she had a prior long-standing commitment. The other minority members indicated that a caucus meeting may overlap with the meeting, but they would try to be in attendance.

MOTION: **Rep. Chavez** moved to approve the minutes from the February 24, 2010 meeting; **motion carried on voice vote.**

Travis Jones, Executive Director, Idaho Grain Producers Association (IGPA), reported on the grain industry. He said IGPA is the only grassroots-driven, membership-based statewide farm organization dedicated to representing the production interests of Idaho's wheat and barley farmers at the county, state and national levels.

Mr. Jones said membership includes over 700 farms throughout Idaho; Boise and Shoshone are the only two counties that do not grow grain. Idaho is the second largest barley producer in the U.S. (North Dakota ranks first) — with most barley going into malt production. He added that despite the fact that nearly 40 states grow wheat, Idaho ranks nationally about fifth or seventh in production.

Mr. Jones said grain producers are keenly aware of environmental issues,

as they clearly impact the industry. Hence, IGPA is very engaged in seeking solutions to climate change, as well as issues involving clean air and water, and reducing the carbon footprint. Mr. Jones expressed support for Idaho House Joint Memorial 9 regarding clean water, as it has less regulatory impact than some federal legislation and offers better industry solutions. Mr. Jones also reported that the DEQ-administered Crop Residue Burning program has been of great benefit to producers.

Rail competition remains an issue, with rail rates for producers being 300% of actual rail costs (the highest in the country) and large surcharges being assessed during harvest season. Further, producers have difficulty even getting the cars to stop and pick up the grain, although they pay a premium for rail transport. IGPA hopes to resolve some of these difficulties through partnership before seeking regulatory solutions.

Of chief concern to IGPA is the reduction in FY 2011 state funds for the University of Idaho Agriculture Research and Experiment Station. Mr. Jones said Idaho grain relies heavily upon these researchers and programs, and this fiscal move would wipe out 80 to 100 years of infrastructure. Further, it would result in the loss of virtually all of the program's best researchers.

Mr. Jones said trade issues are hugely important to the industry, as over one-half of all Idaho grain is exported to other states or countries. IGPA is supportive of a resolution currently making its way through the legislature which would solidify the relationship Idaho has with Taiwan. He said trade agreements and partnerships with trade teams are vital to the industry.

Mr. Jones concluded by saying Idaho has a vibrant grain industry. Prices are down from 2008, which was expected, but growers are very innovative — “they’re working their way through this” — and are doing what is necessary to survive. He said Idaho is lucky to have such a good industry, in which 42 of 44 counties produce grain.

Dar Olberding, Legislative Advisor, IGPA, described the Falling Number Test, which is causing concern amongst growers. IGPA has been working with both the Idaho and Michigan Farm Bureaus on this matter. He said the idea has been around for awhile, but was never perfected and is therefore an unofficial test of grain quality.

The test is designed to measure the effects of sprout damage, but the concern is that its results are subjective. Low scores on the test have resulted in losses to many growers as great as 50%. Another concern associated with the test involves provisions in the purchase contracts of many processing companies that essentially allows them to take any kind of deduction they like, leaving growers at their mercy.

Mr. Olberding said a solution to “falling numbers” losses has been found for the current year. Thanks to Mr. Jones and his connections in Washington, D.C., insurance companies are now recognizing “falling numbers” as a loss in crop production. In regard to growers who suffered high losses the previous year, efforts are being made to recoup losses by declaring Disaster Proclamations for affected counties.

In eastern Idaho, the problem is the low protein of hard red wheat. Although not much can be done at the present time, growers have been advised to

keep it segregated from other wheat. The hope is that in time, the market for low-protein wheat will open up and the wheat could then be blended.

Vice Chairman Andrus asked if damage detected by the falling numbers test could be visualized. Mr. Olberding confirmed that there is no visual correlation. Although the test is supposed to be a sophisticated measure of sprouting, Mr. Olberding stated that falling numbers do not always correlate with actual damage and that the test is too subjective. When asked if there is a machine that can sort the sprouted wheat so it can be used for feed, Mr. Olberding replied that there is not.

Rep. Patrick remarked on what a “one-sided deal” the test is, asserting that if there is a “down,” there should be an “up” — that is, if a crop obtains a high score, the grower should receive a bonus. Mr. Olberding agreed with his reasoning, but reiterated his doubt of the test’s validity regardless of the scores obtained.

Rep. Chavez asked **Mr. Jones** if a plan is in place for the transport of grain from northern Idaho when the locks are closed on the Columbia River later in the year. Mr. Jones updated the committee on the project, indicating that from December 2010 through approximately April 2011, the U.S. Army Corps plans to close the entire Columbia River system and parts of the Snake River to all barge traffic, in order to repair deteriorating parts of the infrastructure, particularly the lock system and gates. He indicated that parts of the infrastructure are over 50 years old and badly in need of repair; funds are coming from the stimulus package passed last year.

Mr. Jones said IGPA has been looking at a variety of solutions, and has been active in educating and informing grain growers (as well as those of other affected industries) on the project. One possible option is to reposition grain in areas on the “down side” of the construction before the locks and dams are closed down. Mr. Jones also met with Union Pacific’s Head of Ag Shipments in Coeur d’Alene in December to make a suggestive plea that railroads help out when the time comes.

Shipping by truck may also be an option. However, 700,000 trucks would be required to move the grain inland to Portland — raising a host of other issues, such as highway safety and carbon emissions. Prices would also be affected, as trucking is a less efficient mode of transport.

H 628:

Vice Chairman Andrus presented **H 628**, which would remove the requirement for the Idaho Sheep Commission (ISC) to be audited annually by a certified public accountant (CPA). Since all funds received are deposited with the Idaho State Treasurer and handled by the Idaho State Department of Agriculture (ISDA), which is audited every year, the requirement is not only costly, but redundant and unnecessary.

The legislation also deletes the requirement for two signatures on the checks written for promotional activities, as checks are not actually written by ISC. Approved expenditures are paid by warrant, issued by the Idaho State Controller’s office, as authorized by ISDA and ISC.

Vice Chairman Andrus explained that ISC operates on very limited funds, yet is charged with the large task of animal disease prevention and the overall

health of sheep in the state. He emphasized that continued animal disease prevention is a critically important task, which depends upon a viable commission with qualified employees. Failures in this area would result in costly problems that would have a negative impact upon the economy.

Stan Boyd, Idaho Wool Growers Association (IWGA), testified in favor of the legislation and thanked **Rep. Bolz** for his assistance with it. He explained that ISC is a unique entity, which was formed in the early 1920s or “late teens” to regulate the animal health program for the State of Idaho.

Mr. Boyd said although ISC was created within the ISDA, its officers and employees are non-classified, and are not subject to the control of the ISDA director. However, Code provides that ISC may contract with administrative and/or veterinary services for a veterinarian. Also, as of the late 1990s, Code was changed to make provision for a promotion program to collect assessments. ISC contracts with IWGA to administer the actual program.

Rep. Lake asked how much money is typically in the ISC account(s). Mr. Boyd replied that the amount varies between \$100,000 and \$120,000 per year, but that around half that amount is dedicated for regulatory animal health. He said for that reason, ISC was not included with the commissions listed in **H 611**.

In regard to removal of the requirement for two signatures on ISC checks, Mr. Boyd clarified that ISC “does not have a checkbook.” Expenditure vouchers are submitted to the Fiscal Officer at ISDA, and upon approval, a warrant is issued by the Controller’s Office.

Concerns were expressed that if ISC was to become more lucrative, an annual audit might be appropriate. However, Mr. Boyd directed the committee to Line 29 of the bill, which states that “right is reserved to the state of Idaho to audit the funds of the commission at any time.”

In regard to removal of the requirement to have two signatures on checks, **Rep. Patrick** asked about a “checks and balances” system. Mr. Boyd referred the question to **Kelly Nielsen**, Fiscal Officer, ISDA. Mr. Nielsen explained that ISC sends an expenditure voucher signed by Mr. Boyd and ISDA reviews it a second time to ensure the expense is within reason and complies with accounting procedures. He confirmed that warrants are issued by the State Controller, and that all financial transactions on behalf of ISC are handled through ISDA, which audits ISC every year.

Rep. Chavez expressed discomfort that ISC was not included in **H 611**, as she felt it fits the same parameters. Mr. Boyd explained again that with general monies, ISC funds often exceed \$100,000, and that they already spend \$2,000 a year to have ISDA “run their books” and provide administrative services. Therefore, it does not make sense to hire a CPA for \$4,000 to \$5,000 every year to audit ISC, and thus ISDA.

Don Berg from Legislative Audits was asked to give his perspective. He said historically, government has not been consistently created or enforced, and that the term “audit” has changed in meaning over time — that it is a “far different animal than when it was inserted in Code.” Mr. Berg explained that 50 years ago, an audit just meant review and approval of financial

transactions. However, today, a whole host of standards and regulatory boards have made the audit a very expensive and lengthy process.

Mr. Berg explained that six separate entities, which are different and apart, are contained within the ISDA. When the statewide audit is conducted every year, ISDA is included; thereby, ISC (and the other entities) are audited as well. The inference in Lines 41 and 42 is that ISC is not already audited, which is simply not true.

Mr. Berg pointed out that if more consistency is needed, perhaps ISC should be removed from the auspices of ISDA and made a self-governing agency like the Idaho Wheat Commission, which is separately audited. However, he assured the committee that in the meantime, ISC is part of the annual ISDA audit, which accounts for all ISC activities. There is, however, no separate specific document reflecting the ISC annual audit. Mr. Berg suggested that the annual reporting to legislative bodies (as required under the boilerplate language in Code for a number of commissions) is probably a better measure of what is going on with ISC each year.

Rep. Bolz asked if doing nothing with the legislation at present would really change anything. Mr. Berg said perhaps not, but the confusion would continue, and that including ISC with the commissions listed in **H 611** would reinforce the confusion. He emphasized that the very fact that ISC was created within ISDA says it is part of the statewide audit. He acknowledged, however, that Idaho Code contains a number of conflicts in regard to ISC, and that **H 628** does not resolve all of it.

Wally Butler, Range Livestock Specialist, Idaho Farm Bureau Federation (IFBF), expressed support on behalf of his organization. He said considering the way assessment monies are divided (for animal disease and regulatory health), ISC only receives about 25% for promotional purposes. If only this portion of collected assessments was included in the accounting, the amount would consistently remain below \$100,000.

The chairman then asked Stan Boyd to return to the podium. Mr. Boyd reinforced what Mr. Butler said regarding the division of collected assessments, indicating that only about \$28,000 is brought in for promotion. He said that his job on behalf of sheep industry is to make sure these monies are spent wisely, and that spending \$4,000 to \$5,000 (approximately 5% of the budget) for a CPA to audit ISDA is not a wise expense.

When asked to wrap up, **Vice Chairman Andrus** said he felt the legislation was well-discussed and questions had been answered adequately.

As further discussion ensued, committee members found other conflicts and inconsistencies — unrelated to the audits — in the proposed legislation, as well as Idaho Code. Although Mr. Boyd and others indicated that the language could be fine-tuned the following year, **Rep. Bolz** said he would feel better endorsing legislation that would clarify and resolve such matters.

**ORIGINAL
MOTION:**

Rep. Bolz moved to **hold H 628 in committee** and work on improving the language in the interim.

Further discussion revealed that because ISDA (and thus ISC) is part of the statewide audit, in actuality, ISC has not been subjected to audits outside ISDA (as required in Lines 41-42) and has no plans to do so in the near future. **Rep. Lake** said the only problem he had with the bill was removal of the audit requirement, but in light of the fact that Lines 41-42 have not been adhered to anyway, he felt it was a fair piece of legislation.

**SUBSTITUTE
MOTION:**

Rep. Lake then made a **substitute motion to send H 628 to the floor with a DO PASS recommendation.**

Rep. Patrick asserted that a totally re-written new section of Code would probably be much clearer than the current piece of legislation.

**VOTE ON
SUBSTITUTE
MOTION:**

Roll call vote was requested on the substitute motion, which failed, 4 aye, 5 nay, 1 absent and excused. Voting in favor of the substitute motion: Reps. Lake and Killen, Vice Chairman Andrus and Chairman Trail. **Voting in opposition** to the substitute motion: Reps. Stevenson, Bolz, Patrick, Pence and Chavez. Rep. Shirley was absent and excused.

**VOTE ON
ORIGINAL
MOTION:**

Chairman Trail called for a vote on the original motion, **to hold H 628 in committee; motion carried on voice vote.** Vice Chairman Andrus requested that he be recorded as voting in opposition to the motion.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:47 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** March 10, 2010
- TIME:** 1:30 p.m.
- PLACE:** Room EW41
- MEMBERS:** Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen
- ABSENT/
EXCUSED:** Reps. Bolz and Shirley
- GUESTS:** Colleen Andrus, private citizen; Rich Garber, University of Idaho College of Agriculture and Life Sciences (UI/CALS); and Candi Fitch, Idaho Apple Commission (IAC) and Idaho Cherry Commission (ICC)
- Chairman Trail** called the meeting to order at 1:36 p.m.
- MOTION:** **Rep. Chavez** moved to approve the minutes from the March 2, 2010 meeting; **motion carried on voice vote.**
- HCR 59:** **Sen. LeFavour** presented **HCR 59**, the newest version of the Idaho Food Resolution, explaining that the original sponsor, **Janie Burns**, was in Chicago. **Sen. LeFavour** said **Sen. Corder** reviewed the resolution and was pleased that the committee had been so receptive and enthusiastic. She said the resolution had been modified mostly in respect to the issue of self-sufficiency, citing the initial concerns of the Idaho Potato Commission (IPC) regarding the resolution's impact on IPC's heavy export market.
- Sen. LeFavour** said critical factors of the resolution include support of local farmers and opportunities for economic recovery, indicating that it would provide job growth and added tax revenues. She urged committee members to think about the millions of dollars going outside the state, considering that Idaho obtains 95% of its food from outside sources. She emphasized that even a small shift toward greater self-sufficiency, with foods of all different kinds, would make a big difference.
- MOTION:** **Rep. Pence** moved to send **HCR 59** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Trail will sponsor the resolution on the floor.**
- MOTION:** **Rep. Chavez** moved to approve the minutes from the March 4, 2010 meeting; **motion carried on voice vote.**
- Vice Chairman Andrus** gave the committee a summary of the meeting held on Tuesday, March 9, 2010, in regard to raw milk rules. He indicated that all stakeholders were present and leadership presided over the meeting. The concern expressed by the dairymen was the issue of public health and the impact on the industry's reputation — and that of milk in general — if a major health crisis occurred in relation to raw milk consumption.

The vice chairman said discussion also ensued regarding a compromise on the numbers involved in the cow/share program ratio. **Rep. Patrick**, when asked if he had anything to add, said the vice chairman summarized the meeting well — that public health and property rights were the main issues.

From an enforcement standpoint, Vice Chairman Andrus said the preference of the Idaho State Department of Agriculture (ISDA) was to have the matter resolved clearly in statute. Vice Chairman Andrus and Chairman Trail both agreed that further legislation could be proposed by session's end.

Candi Fitch, Executive Director, Idaho Apple Commission (IAC) and Idaho Cherry Commission (ICC), presented updates on the commissions. Ms. Fitch said she is also the Executive Director of the Idaho-Eastern Oregon Onion Committee and the Idaho-Oregon Fruit and Vegetable Association, for which she would provide updates as well.

Starting with IAC, Ms. Fitch indicated that there are five commissioners and IAC holds membership with national, regional and local organizations. She said IAC is fortunate to have Idaho representatives in key leadership positions in some of these organizations.

On a local level, Ms. Fitch indicated that after her experience with Leadership Idaho Agriculture, she gained a newfound respect for agriculture and a commitment to provide education on "where food comes from." Therefore, she has encouraged all four of the organizations she represents to become members of Ag in the Classroom. For the past several years, IAC has also been involved with the Idaho Preferred Program, and has participated in the Farm to Chef Collaborative and Farm to Cafeteria events.

Since its inception, IAC has participated in the Taste of Idaho promotion held in September each year. In 2009, it participated once again in the Women's Fitness Celebration, providing apples at the Finish Line Party. The walk, run and stroll events bring 15,000 participants annually from a variety of areas.

IAC has also had conversations with Les Jenkins, Food Services of America, regarding getting more Idaho apples into local schools. As a result, Mr. Jenkins designed a program encouraging his salespeople to do just that, thereby increasing the movement of local produce to schools and boosting apple sales as well.

In regard to the apple market, Ms. Fitch showed a ten-year production chart. She indicated that a drastic drop in production occurred in the 2001-2002 season, during which the bottom fell out of the juice market due to low-cost concentrate coming in from other countries. That year, the cost to pick apples exceeded the price for which they could be sold, resulting in orchards full of apples still hanging on the trees.

Although the most recent crop was down about 40% from the previous season, the crop from the prior season was particularly large — about 110% of a normal crop. Despite several isolated hail storms in the spring and a few significant storms, the weather early in the season was suitable for a satisfactory crop. Ms. Fitch said prices started out a little weak early in the season and increased a bit as it progressed. She said the newer varieties of apples bring a higher price than "old stand-bys such as Red Delicious."

In regard to the budget, IAC has dedicated a large amount for University of Idaho (UI) research projects. With concern regarding the possible closure of the Parma Research Station earlier in the year, the apple, grape and soft fruit people worked out a three-year plan to keep the orchards and vineyards operational in order to continue important ongoing research with the crop. IAC also obtained a Specialty Crop grant for a project written by Dr. Essie Fallahi. The other large line item in the budget was the Trade Association memberships, which commissioners feel are vital in order to stay competitive and have an active voice on industry issues.

Ms. Fitch then provided an overview of the Idaho Cherry Commission (ICC). She said ICC maintains membership on a local and regional level, including Idaho Preferred, Ag in the Classroom and Northwest Cherry Growers (NWCG). ICC feels involvement with NWCG is crucial in order to market cherries in Idaho. Ms. Fitch said ICC commissioners meet on an annual basis. The meeting for the current year is scheduled for next week, when officers will be elected and the amount of NWCG funding will be determined.

In regard to the cherry market, Ms. Fitch said that usually, when she calls shippers for a season update, she hears, "Everything's great." However, this year, the season was described as a total disaster. Although the crop was huge — one of the largest on record — terrible weather, a saturated market and poor quality brought shipments and prices down.

Ms. Fitch then presented information on the Idaho-Oregon Fruit and Vegetable Association, which was formed in September 1962 as a non-profit corporation. The association was formed primarily to give service to produce shippers on matters pertaining to transportation and other relative industry problems, particularly matters arising from the preparation, inspection and shipment of fresh fruits and vegetables.

Idaho-Oregon Fruit and Vegetable Association has national affiliations with U.S. Apple, the Northwest Horticultural Council, the National Onion Association, United Fresh and the Produce Marketing Association. Recently, the association also joined the National Council of Agricultural Employers (NCAE) and the Western Growers Association.

In regard to the industry's economic impact, Ms. Fitch indicated that approximately 22,000 truckloads of onions are shipped annually, with an FOB price of \$9,000 per truckload, generating \$198 million each season. The overall benefit to the local economy is estimated at \$1,386,000,000. Approximately 1,900 loads of fruit are shipped from Idaho annually, creating an economic benefit to Idaho of \$252 million.

In describing the make-up of the industry, Ms. Fitch said the onion and fruit packing-houses in this area employ about 5,000 people during the peak of the packing season. The Idaho-East Oregon growing region — one of the largest in the U.S. — has approximately 300 onion growers, and Idaho has about 100 fruit growers. Many of the onion and fruit growers are third and fourth generation family operations. Onions have been grown in this area since 1910, and apples since the 1890s.

Approximately 23,000 acres of onions are planted annually. The crop is planted in March and April, and is harvested from August to October. Onions harvested in this region account for 23% of the bulb onions

consumed annually in the U.S. During the fall and winter storage season, the number rises to 36%.

In regard to onions, **Chairman Trail** asked what percentage of the 22,000 loads shipped each year are from Eastern Oregon versus Idaho. Ms. Fitch indicated that it is almost an even split — maybe 55/45 — and that although Malheur county ships a bit more, the numbers are very close.

At the conclusion of Ms. Fitch's presentations, committee members expressed concern about the future of the apple industry, and in particular, the fact that lower prices have resulted in land losses. Ms. Fitch responded that the major land losses were primarily associated with the disastrous 2001-2002 season, and that she has not seen that degree of loss in several years. She added that many apple orchards were converted for grape production, and that although the industry appears to be "down to the bare bones" right now, the outlook is improving. She assured the committee that "there will always be an apple industry in Idaho."

Chairman Trail announced that since **HCR 59** had now been heard by the committee, a meeting would not be held on Friday. He indicated, however, that some future legislation was expected to come through the committee before the session ends.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:12 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 16, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Rep. Shirley

GUESTS: Stephanie Cook, private citizen; David Ascuena, Idaho Association of Soil Conservation Districts (IASCD); Randy Purser, IASCD; Arthur Beal, IASCD; Sheryl Stelling, Squaw Creek Soil Conservation District; Lyla Dettmer, Franklin Soil and Water Conservation District (SWCD); Chris Hatch, Franklin SWCD; Angie Weston, Bear Lake SWCD; Kathy Merrill, Central Bingham Conservation District; Kyle Hawley, IASCD; Wayne Newbill, IASCD; Kit Tillotson, Portneuf SWCD; and Sara Schmidt, Idaho Soil Conservation Commission (ISCC)

Chairman Trail called the committee meeting to order at 1:32 p.m., informing members that the House bill related to raw milk would not be in committee until Thursday, March 18, 2010. He also indicated that another Senate bill is expected in committee before session's end.

MOTION: **Rep. Chavez** moved to approve the minutes from the March 8, 2010 meeting; **motion carried on voice vote.**

MOTION: **Rep. Chavez** moved to approve the minutes from the March 10, 2010 meeting; **motion carried on voice vote.** Rep. Chavez added that the secretary's minutes are consistently concise and well-done.

Wayne Newbill, Executive Director, Idaho Association of Soil Conservation Districts (IASCD), introduced **Kit Tillotson**, Supervisor, Portneuf Soil and Water District, who provided a presentation on the IASCD's activities. Mr. Tillotson started out with a history of soil conservation entities, indicating that Hugh Hammond Bennett, a soil scientist, brought soil erosion issues to the forefront during the 1930s Dust Bowl era, when he published a bulletin regarding soil erosion and its potential impact on the entire nation. During this period, dust storms darkened the skies of Washington, D.C., the Northwest was plagued with muddy rain, and a host of other related problems were experienced.

In 1935, Congress approved legislation to create a Soil Erosion Service, which was renamed the Soil Conservation Service in 1936; Mr. Bennett became the organization's first director. As of 1994, it has functioned under the name of the Natural Resources Conservation Service.

In 1937, President Franklin D. Roosevelt sent letters to states, inviting them

to create their own Soil Conservation Districts. Idaho followed through in 1939, with the legislature approving Idaho Soil Conservation District Law and creating the Idaho Soil Conservation Commission (ISCC). Some of the first districts were Latah, Bear Lake, Portneuf (Bannock County), Squaw Creek (Gem County) and Mayfield (Elmore County).

In 1944, 11 districts came together to form the IASCD, a voluntary and non-regulatory organization that cooperates with local land-owners, providing a unified voice for districts. Currently, there are 51 Idaho districts, with five to seven locally elected supervisors per district and 283 supervisors statewide. Mr. Tillotson described the Conservation Partnership, which includes ISCC, IASCD and the U.S. Department of Agriculture, as a “three-legged milk stool,” adding that without one of these legs, the stool would tip over.

He went on to explain that branches of the partnership have worked together on many important projects, including the 1973 Clean Water Act, which facilitated sediment and erosion control efforts, the Idaho Agricultural Pollution Abatement Plan signed by Governor John Evans in 1979, and the Water Pollution Control Account, authorized in 1980. In 1993, the legislature allocated \$29,700 for the IASCD executive director position. One of the most successful programs developed was the OnePlan, authorized by State Code in 2000, in which ISCC was granted development rights. It also provides resources to landowners via an interactive computer program to plan farming activities and monitor fields.

Mr. Tillotson then described what districts are and what they can do. He explained that each district is a governmental subdivision of the state, as well as a corporate and politic public body exercising public powers, and is administered by a locally elected voluntary supervisor. Districts can conduct surveys, investigations, research and demonstration projects, and carry out preventative and control measures. They can also enter into cooperative agreements and provide financial and other types of assistance. In addition, they can acquire, maintain, administer, improve, and sell or lease property, as well as make agricultural and engineering equipment available. They also make and execute contracts, and have the ability to sue and be sued.

Some of the projects in which districts can get involved include water quality and quantity, soil erosion remediation, nutrient risk reduction and TMDL planning and implementation. They are also involved in administration of the Clean Water Act and Endangered Species Act, as well as youth education, review of planning and zoning plans, and preservation of wildlife habitats. Mr. Tillotson clarified that urban lands — not just agricultural and forest lands — are also a big concern for conservationists. Hence, many districts have city representatives on their boards.

Mr. Tillotson emphasized the importance of IASCD remaining non-regulatory, as landowners need to know they have a resource that is not looking for ways to make existing problems bigger. In short, they need an organization that can help resolve issues without penalties.

Vice Chairman Andrus asked for examples of what would prompt districts to initiate lawsuits. **Kyle Hawley**, IASCD, indicated that this could result when a landowner contracts to implement certain features on his land with state funds and then fails to do so. However, he explained, since Idaho’s body is primarily non-regulatory (unlike some other states’ soil conservation

organizations), litigation is not common.

Chairman Trail then announced that the Idaho Mint Commission, which was listed on the agenda, was re-scheduled as the presenter was ill. He then introduced **Connor Cook**, Committee Page, who presented a report on industrial hemp. Mr. Cook said the chairman assigned the project because he wanted the committee to be more informed on the topic. Mr. Cook explained that although he comes from a strong anti-drug background, upon researching industrial hemp, he began to see it as a “diamond in the rough” that has been “right under our noses” all the time. He added that Canada and most of Europe have been growing it for years.

Mr. Cook started out by explaining that hemp, also known as Cannabis Sativa, is a plant-grown herb, which is a distant cousin to marijuana. However, hemp has thousands of applications that are good for the environment. The first recorded use of industrial hemp was in 8000 B.C., when it was used for clothing and textiles among Asians and Europeans alike. The first recorded use of industrial hemp in the production of paper was 100 B.C. In Australia, during the 1800s, hemp was used to combat hunger. People survived two famines by eating nothing but hemp seeds (a good source of protein) and hemp leaves as roughage in salads.

In regard to American history, the sail on Christopher Columbus’ ship was made of hemp. In 1776, not only was hemp used as currency in the colonies, it produced the paper on which the Declaration of Independence was printed. In 1791, George Washington and Thomas Jefferson not only grew hemp, but advocated its use. Hemp was also used to furnish materials and fuel for the prototypes of Henry Ford’s first automobiles.

Due to hemp’s association with marijuana, however, governmental action in the early to middle 20th century resulted in a ban on hemp farming in the U.S. Meanwhile, the crop continued to be grown in many parts of Asia and Europe. In 1998, the Canadian government legalized the farming of hemp. Many European countries that had previously banned hemp also began producing it legally in the 1990s.

Mr. Cook said many people oppose the production of industrial hemp because the plant is associated with marijuana and resembles it in appearance. Many people are also unaware of its multiple benefits. Some of the myths that persist regarding industrial hemp include the belief that it has the same effect as marijuana; that no tell-tale differences exist between the two plants; and that the two crops can be grown together.

In dispelling the myths, Mr. Cook said that unlike marijuana, hemp contains a chemical known as CBD, which counteracts THC (the intoxicating ingredient found in marijuana). Furthermore, the THC levels found in industrial hemp are lower than 1%. The amount of hemp required to achieve any “high” effect would be equivalent to three high-fiber laxatives (which would hardly make the effect worthwhile).

Visible similarities between the two plants should not present major difficulty for law enforcement in distinguishing between the two crops, as THC levels in marijuana clearly register on field tests; hemp does not. Furthermore, visible differences between the plants do exist, with hemp plants growing seven to ten feet tall and marijuana plants growing only four to five feet tall.

Mr. Cook said hemp tends to “grow up” and marijuana “grows out.”

One of the most compelling arguments against the myth that the two plants can be grown together — in an effort to disguise the illegal marijuana crop — is the effect of cross-pollination. When hemp is grown with marijuana, cross-pollination weakens the potency of marijuana and hence its effect, thereby making the crop virtually useless to the producer.

Furthermore, Mr. Cook indicated, discussion with some committee members from agricultural backgrounds revealed that current farming practices would cause difficulty in growing the crops together. Whereas in the past, seeds were planted in rows, spraying methods are now used. With hemp and marijuana seeds being sprayed together, finding the illegal crop would be nearly impossible — and again, with the cross-pollination factor, even upon location, the crop, with its low potency, would yield no profit to the producer.

Mr. Cook then described regulatory and law enforcement measures employed by countries in which hemp is grown legally. In Canada, hemp farmers undergo a licensure process that includes a background check. He said that according to Hawaii Representative Cynthia Thielen, police forces in Europe have not encountered situations in which marijuana and hemp are grown together. Mr. Cook added that although it is illegal to grow hemp in the U.S., the Drug Enforcement Agency (DEA) possesses growth criteria.

In describing the hemp market in Canada, Mr. Cook illustrated how the legalization of industrial hemp could have a positive impact upon the U.S. economy. He explained that between 1989 and 1999, the U.S. imported 7,179,045 pounds of hemp products from Canada; and that between 2003 and 2004, hemp sales to the U.S. were estimated at \$20 to \$40 million.

In regard to Canadian profits, Mr. Connor indicated that in 1997, the return for profit for hemp seed was \$605.91, and that the closest return profit rival was dark air-cured tobacco, with only a \$182.48 profit return. In 1998, the cost to maintain the hemp crop was \$179 per acre, with a profit of \$316 per acre. If the U.S. were to match Canada’s hemp acreage of 8,000, the overall payoff would be \$2,528,000. When applying these figures to Idaho’s economy, Mr. Cook indicated that 100 hemp farms in Idaho, with a return of \$316 per acre, would infuse \$31,600 into the state’s economy.

Mr. Cook then went on to describe the many benefits of industrial hemp and hemp products. He explained that hemp can be used for food, such as ice cream, and that hemp seed oil is very healthy for the human body, containing essential fiber, protein and fatty acids. In fact, hemp has been described as the “world’s premiere food source.” With ingredients like omega 3, 6 and 9, hemp is also beneficial to the outside of the body, serving as a healthier substitute for the petroleum found in many skin products, such as baby oil and moisturizer, as well as facial and shaving creams.

Hemp products are also more friendly to the environment; they can be used to produce non-toxic diesel fuel, as well as non-toxic paint products. In fact, while paint spills have been known to kill grass, spills with paint made from hemp have no effect on flora. Natural resources, such as timber, can actually be conserved with the use of hemp, as paper made from hemp is stronger and longer-lasting, making it a better commodity from which to produce banknotes and archival records. Industrial hemp is also a more

renewable resource, with the crop having a four-month turn-around time.

As with paper, in many cases, products made from hemp are actually superior to counterparts made from other substances. For example, hemp fabrics are often stronger and more durable than traditional ones. Moreover, 5,000 products can be made from hemp, and leftover scraps from the textile industry can be used to create over 25,000 products, including dynamite.

Mr. Cook indicated that one could even build an entire house with nothing but hemp materials, with the strength of the plant's stem having been compared to bamboo. Housing materials made from hemp include caulking, fiberboard, insulation, paneling, plywood and roofing. In conclusion, Mr Cook said if opponents object to the industrialization of hemp because of its association with marijuana, the same logic could be applied to potatoes, as vodka can be produced from it.

After the presentation, **Rep. Lake** asked Mr. Cook why he believed hemp is illegal in the U.S.; Mr. Cook attributed it to the plant's association with marijuana. He said he felt the association was unfair, as the two plants and their uses are distinctly different. He also confirmed that while he believed hemp should be legalized, marijuana should continue to remain illegal.

In follow-up, Rep. Lake expressed the concern that legalization of industrial hemp could result in law enforcement overlooking marijuana fields in the complacent belief that it is hemp. Mr. Cook said while he could not theorize on whether illegal activity would be overlooked, law enforcement officials would be fully equipped with the proper tools (field and lab tests), resources and education in order to take appropriate action.

Chairman Trail asked if it were true that in Europe, hemp has been developed that contains no THC. Mr. Cook replied that he understood they have had good results with significantly lowering THC levels.

Rep. Pence congratulated Mr. Cook on an excellent presentation, indicating that had the committee had access to such information earlier in the session, along with testimony from law enforcement, a different outcome may have occurred with prior legislation. She said she was looking forward to reviewing further legislation on this topic in future legislative sessions.

Chairman Trail wrapped up the meeting by reminding the committee of the upcoming raw milk legislation and Senate bill.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:30 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 18, 2010

TIME: 1:30 (or upon adjournment of the House session)

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Reps. Lake and Shirley

GUESTS: Barbara Jorden, Idaho Trial Lawyers Association (ITLA); Laura Johnson, Idaho State Department of Agriculture (ISDA); Marv Patten, ISDA; Brian Oakey, ISDA; Greg Ledbetter, private citizen; Benjamin Davenport, Risch Pisca; Bob Naerebout, Idaho Diarymen's Association (IDA); Wally Butler, Idaho Farm Bureau Federation (IFBF); Stan Boyd, Idaho Wool Growers Association (IWGA); and Jeremy Pisca, Risch Pisca/Melaleuca

Chairman Trail called the meeting to order at 3:17 p.m.

H 675: **Vice Chairman Andrus** presented **H 675**, which amends Title 37, Idaho Code, by the addition of a new Chapter 11, to provide for the acquisition of raw milk and raw milk products by owners. He explained that the legislation was the result of all concerned parties coming together, in a meeting held by House Leadership, to put all issues "on the table." He said compromises were made and he believed the issues were appropriately addressed.

Jeremy Pisca, Risch Pisca Law Office, Melaleuca, went into more detail on the legislation. First, he thanked the committee and all participants in the meeting, expressing appreciation that everyone came to the table with clean hands and in good faith. The result "at the end of the day" was a product upon which everyone could agree.

One of the first items clarified by the legislation is that acquisition of raw milk products by the owner of the animal(s) involved shall not constitute the sale of raw milk products, and shall not be prohibited. (Proposed rules submitted earlier in the session were unclear in this area.) The legislation also places a cap on share programs, requiring that no more than seven cows be included in a cow share program (as opposed to three under previously proposed rules), and that no more than 15 sheep or goats be included in sheep or goat share programs.

Line 30 clarifies that the owner of a share program may only receive raw milk products directly from the farm or dairy where the animal is located. Such farms or dairies must also register with the ISDA and include the following information: name of farmer, farm or dairy; valid current address for the same; and a statement that raw milk or raw milk products are produced at the farm or dairy. Share agreements must also contain a written contractual relationship between owners and farmers, including a bill of sale, stock certification or other satisfactory written evidence. The legislation also

clarifies that the sale of raw milk or raw milk products is illegal and producers are prohibited from publishing any statement that implies ISDA approval or endorsement.

For safety purposes, testing requirements are also in place, with requirements becoming more stringent as animal numbers in a share program increase. The legislation also allows ISDA to issue injunctions and stop further production if dairies are non-compliant or fail safety tests. Violators of the provisions contained in the legislation can be charged with a misdemeanor, punishable by fines and/or imprisonment.

Bob Naerebout, Idaho Dairymen's Association (IDA), voiced support of the legislation as written and expressed appreciation for the efforts of all involved in the drafting process.

Rep. Patrick said some of the most important parts of the legislation, in his view, were as follows: 1) the requirement that share programs be registered with ISDA; 2) the prohibition on statements implying ISDA endorsement of raw milk; and 3) the authorization of ISDA to stop distribution of raw milk products if safety is a concern. **Chairman Trail** concurred, agreeing that these issues have been addressed satisfactorily.

MOTION: **Rep. Chavez** moved to send **H 675** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Vice Chairman Andrus will sponsor the bill on the floor.**

S 1345: **Sen. Brackett** presented **S 1345**, which adds a new Chapter 28, Title 6, Idaho Code, relating to limitation of liability for death or injuries related to livestock activities such as livestock shows, fairs, competitions, performances, races and parades. The legislation defines "livestock" in this context as "cattle, sheep, swine, goats, llamas or poultry;" the Senate amended it to include "alpacas." Sen. Brackett indicated that notices would be posted in prominent places around livestock at such events and reasonable precautions taken. The legislation is supported by fair managers, 4H advisors and the Idaho Trial Lawyers Association.

Some committee members expressed concern that rodeo events are not included in the legislation, but discussion revealed that rodeo stock is handled under different statutes and rodeos have their own liability insurance and provisions.

Wally Butler, Idaho Farm Bureau Federation (IFBF), testified in favor of the legislation on behalf of his organization, indicating that it is good for 4H groups, with which he has a long history.

MOTION: **Rep. Bolz** moved to send **S 1345** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Patrick will sponsor the bill on the floor.**

With the absence (due to a medical emergency) of the Executive Director, **Moya Shatz**, Idaho Grape Growers and Wine Producers Commission (IGWPC), an update on the industry was presented by **Melissa Witt**, Marketing Coordinator. She said Idaho's grape and wine industry is growing at a fast rate for such a small wine-growing region. Idaho is now home to 41

wineries — with eight new ones opening within the past year — and many award-winning wines.

Ms. Witt said plans are underway for IGGWPC's second annual Savor Idaho event, which showcases local wine and food. The event will be held at the Idaho Botanical Gardens on June 13, 2010, from 2:00 p.m. to 6:00 p.m.; approximately 1,000 attendees are expected and the cost for tickets is \$40. The event also features the "Wheel of Wine," which participants can spin for prizes (from local companies). Money raised from the event goes toward a wine scholarship.

The "Idaho Wines" tour brochure has been updated, with six more wineries included. The statewide map has also been updated, to include directions to various wineries. Ms. Witt indicated that IGGWPC works closely with wineries to promote various events and holiday items. IGGWPC also hosted two media tours last year, including "Idaho Wine Media Boot Camp," which had 19 attendees and included a Strolling Supper and two-day tour.

Ms. Witt said that for the past few months, IGGWPC has been diligently working on applying for an Economic Development Administration (EDA) grant to help promote the Idaho wine industry. The grant would assist in funding several marketing efforts, including the new website planned for Fall. The current site receives 6,000 visitors every five months; IGGWPC is excited to see how the improvements will enhance exposure. The commission is also involved in social media sites such as Facebook, which attracts consumers aged 20 to 25; so far, the site has 1,235 "friends."

A mapping project of the Snake River Valley American Viticulture Area (AVA) is also underway, with the help of **Greg Jones**, research climatologist. The project will determine the best growing varieties for each region, which will help new vineyards break ground and established ones continue to evolve. Ms. Witt indicated that a sustainability study is also needed to determine if Idaho can develop a program similar to Salmon Safe, a program that encourages eco-friendly practices.

In regard to upcoming legislative matters, IGGWPC is in the process of changing the assessment structure from a flat rate to an amount based upon production. Under the new structure, \$7 a ton would be assessed for grapes harvested, and \$.04 a gallon would be assessed for juice produced. IGGWPC is also working on a grant program that would allow funds to be distributed to designated Idaho wine regions to assist with marketing needs.

In addition, legislation is being proposed that would remove the requirement for wineries to have the license renewal form notarized. It would also protect a winery's bottling and manufacturing operations from being shut down (via license suspension or revocation) unless the winery specifically breaks the law under bottling and manufacturing activities.

Ms. Witt reported the total revenue for IGGWPC in 2009 as \$209,491, with total expenditures totaling \$183,750. Committee members remarked on the impressive numbers found on the audit sheet, reflecting a growing industry.

Chairman Trail wrapped up the meeting, indicating that the committee can expect to hear one more Senate bill before the legislative session's end, and

that the agenda for March 18, 2010 would be rather full.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 3:55 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: March 22, 2010

TIME: 1:30 p.m.

PLACE: Room EW41

MEMBERS: Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen

**ABSENT/
EXCUSED:** Rep. Killen

GUESTS: Dr. Bill Barton, Idaho State Department of Agriculture (ISDA); Linda Pirie, Idaho Department of Fish and Game (IDFG); Dr. Mark Drew, IDFG; Sharon Kiefer, IDFG; Roger Batt, Idaho Mint Commission/Idaho Mint Growers Commission; Benjamin Kelly, Idaho Oilseed Commission; Rick Waitley, Association Management Group (AMG); Colleen Fillmore, Idaho State Department of Education, Child Nutrition; Mike Hubbard, Idaho Oilseed Commission; Leslie Tengelsen, Idaho Department of Health and Welfare (IDHW); Jeannie Jorgensen, AMG; Kay Johnson, AMG; Gail Lewis, AMG; Shirl Schultz, AMG; Dorita Waitley, AMG; Cindy Pusey, AMG; Dee Sienknecht, AMG; Patty Nottingham, AMG; Richard Nottingham, AMG; Dr. Christine Hahn, IDHW; Colleen Andrus, private citizen; and Dennis Tanikuni, Idaho Farm Bureau Federation

Chairman Trail called the meeting to order at 1:33 p.m. and announced that two Senate bills would be heard at the session's last regular committee meeting on Wednesday, March 24, 2010.

In the absence of **Jim Briggs**, Chairman, the annual report for the Idaho Alfalfa and Clover Seed Commission was presented by its administrator, **Rick Waitley**, of Association Management Group. The commission, which consists of six members, represents growers primarily from southwestern Idaho and the Magic Valley. Mr. Waitley said Idaho is the second largest alfalfa seed producing state (with California being the first) and is the leading producer of winter-hardy alfalfa seed.

Mr. Waitley outlined the financial report for 2009, which showed an ending balance of \$70,648.68. Idaho produced approximately 9,149,901 pounds of alfalfa and clover seed, which was assessed at \$0.004 per pound. However, seed production was down by two million pounds from 2008. Mr. Waitley explained that the amount of alfalfa and clover seed grown in Idaho has declined due to the competition of other high-priced commodity crops that can be grown on the same soil.

The commission oversees disbursement of funds in three major categories of operation: research, education and promotion. On behalf of its growers, the commission also affiliates with the National Alfalfa and Forage Alliance (NAFA), based in Kennewick, Washington, which coordinates educational and research activities in eight western states.

In the areas of disease, crop rotation and insect research, the industry looks primarily to the University of Idaho Parma Research and Extension Center. When funding to the Center appeared threatened, the commission joined forces with the Canyon County Ag Coalition to invest \$5,000 to bridge funding. Mr. Waitley said the commission values the entire statewide University of Idaho Research and Extension system and is in full support of state funds being used to promote the Centers in order to provide for the future of Idaho's agricultural industries.

When asked about the status of an ongoing lawsuit, Mr. Waitley responded that while friends in the sugarbeet industry had a ruling in their favor, the commission's legal matter is still unresolved. He said a series of meetings have been held across the U.S. and "tremendous testimony" has been presented. However, the commission elected not to send a letter of support or opposition, as growers are divided on the issues at stake.

Stan Boyd, Executive Secretary for the Idaho Sheep Commission (ISC) and Executive Director for the Idaho Wool Growers Association (IWGA), presented the annual report for ISC. He began by saying ISC is the oldest commission in Idaho, being formed in the early 1920s or "late teens." He described it as a "weird duck," as it is under the auspices of the Idaho State Department of Agriculture (ISDA), but has regulatory responsibility to the Idaho Animal Damage Control program.

In response to the industry's interest in creating a promotion program, Idaho Code was changed in 1999 to make provision for ISC to collect assessments; ISC contracts with IWGA to administer the program. The current assessment on wool is \$.08 per pound, with \$.03 devoted to the Idaho Animal Damage Control program and \$.02 going to the Sheep Research, Education and Promotion program. Assessments are collected at the time of sale and remitted to the ISC office on a quarterly basis.

One of the promotion programs described by Mr. Boyd was the annual Idaho Wool Growers Convention, which presents speakers and programs on topics such as animal health, management techniques and marketing options. He said the convention is well-attended and has proven an excellent informational forum for producers. The expenditure amount for the convention in FY 2009 was \$3,000.

Mr. Boyd reported that the Idaho wool industry is only 10% of the size it was 70 years ago. The industry continues to face some of the same problems as in years past, including keeping a sustainable labor force, protection of livestock from predators (the list of which now includes wolves), public land issues and ramifications of the Endangered Species Act. However, despite these issues, Mr. Boyd said prices and demand remain high.

In regard to foreign markets, Mr. Boyd reported that U.S. competition with Australia has decreased, as the latter has suffered a severe and prolonged drought. Also, many New Zealand producers have switched to the dairy industry. Committee discussion revealed that a growing demand in New Zealand for red deer (from which producers harvest meat and antlers) has also decreased sheep numbers.

When questioned about national and international promotion, Mr. Boyd

indicated that at the national level, the American Lamb Board has a lamb "check-off." However, foreign trade missions are not necessary, as 97% of lamb products are consumed in the U.S., with demand exceeding the supply. Mr. Boyd also indicated that lamb consumption in the U.S. has increased by 8%, with more now being served in restaurants.

Dr. Bill Barton, Administrator of the Division of Animal Industries and State Veterinarian for the Idaho State Department of Agriculture (ISDA), gave the first tier of a three-tiered presentation on hydatid disease in livestock, wildlife and human health. He explained that hydatid cysts were found in domestic sheep sent from Idaho to California for slaughter in the late 1960s and early 1970s. He said the presence of hydatid cysts in livestock at slaughter does not generally cause concern; affected areas are trimmed from the edible product and findings are not reported to the state of origin.

However, ISDA has requested the Food Safety and Inspection Service (FSIS) to look into the potential of reporting such findings to Idaho so data can be acquired regarding prevalence of the disease. Dr. Barton's division will be conducting outreach with veterinary practitioners and livestock owners in Idaho to update them on the disease and affirm best management practices necessary to mitigate the risks associated with it.

Dr. Barton then introduced **Dr. Mark Drew**, Wildlife Veterinarian, Idaho Department of Fish and Game (IDFG), who provided background on the disease and how it pertains to wildlife. He said in 2006, IDFG documented the presence of echinococcus granulosus (a tapeworm) in both ungulates and wolves in Idaho. At that time, the presence of the tapeworm was known to occur in about 60% of the 63 wolves examined. From 2007 to the present, hunters have been reporting the presence of hydatid cysts in elk and mule deer in several areas of central Idaho.

The life cycle of the parasite involves two hosts. The adult tapeworm is found in the small intestine of canids (generally dogs, wolves and coyotes), with its eggs being passed within the proglottids in the feces. The proglottids then move away from the fecal material; upon drying out, the eggs are released. When ungulates graze on affected plants, the eggs hatch in the rumen and migrate to blood vessels, being swept to the capillary beds of the lungs or liver. Within the organs, the larvae develop into cyst-like structures containing hundreds of juvenile tapeworms. When a canid eats a hydatid cyst, the juvenile tapeworms form into adult worms in the small intestine of the animal and lay eggs after approximately 30 to 45 days.

There are several known species of echinococcus, four of which are zoonotic diseases capable of infecting humans. The occurrence of human disease is relatively rare, even in areas where echinococcus is common in wildlife and domestic animals. However, Dr. Drew said it is important, from both a wildlife disease and human health standpoint, to understand and separate the two most common forms in the U.S. Echinococcus granulosus is known to occur in Idaho, while echinococcus multilocularis is not.

IDFG is working in cooperation with ISDA and the Idaho Department of Health and Welfare (IDHW) to develop appropriate information regarding occurrence of the parasite in Idaho and recommendations for minimizing exposure of domestic dogs and humans. IDFG has also re-published the

game care brochure and updated their website with appropriate safety precautions for hunters.

Dr. Christine Hahn, State Epidemiologist, Idaho Department of Health and Welfare (IDHW), was then introduced to the committee, to provide information regarding the public health aspect of the disease. She has been working with ISDA and IDFG, as well as **Sen. Corder** and **Sen. Schroeder**, in evaluating the risk of the parasite to human health. There is talk of evaluating it as a state reportable disease like tuberculosis.

Discussions are also underway with IDHW's federal counterpart, the Centers for Disease Control (CDC), regarding testing methodologies for humans. In the meantime, efforts are being made to educate the medical community in regard to symptoms and diagnosis. Information is also being collected from other states in the mid-west that have dealt with the parasite.

When asked about the parasite's effect on humans, Dr. Hahn said most people would be asymptomatic. However, the parasite's presence in the liver or lungs can result in chronic infections, for which antibiotics are available and sometimes surgical treatment is required. So far, the data shows no reportable cases originating from Idaho.

Rick Waitley, Association Management Group, presented the annual report for Idaho Agriculture in the Classroom (AITC), along with a packet of publications and materials, including "Idaho Agriculture Facts," a "Tours and Workshops" brochure, and the "Become an Advocate for Agriculture" registration form for workshops and membership. He also featured the new food pyramid. Unlike many states, Idaho can boast that it produces foods from all five food groups.

Mr. Waitley was pleased to announce that AITC has passed a major milestone — its first full year of operation (independent of ISDA funding and regulation). He said he has been excited to see the growth in industry support, membership and financial contributions, enabling AITC to move forward with new programs, curriculums, events and activities. He said although recovery from the loss of ISDA funding will take time (noting a 14.5% revenue shift), he is glad operations are no longer supported by the state's general fund.

Mr. Waitley said the AITC two-day workshops have been very popular, as was the 2009 four-day Boise to Idaho Falls Tour. This year's Base Tour will be held in June in Twin Falls. The Idaho Agriculture license plate program has not been as lucrative as previously, however, due to the economy.

Economic challenges have also had an impact on enrollment in AITC workshops and tours. Since the continuing education credits required for teacher re-certification are collected on a five-year basis, many teachers experiencing hard times are choosing to defer enrollment until later. Although this may result in a rush of registrations in the next few years, in the meantime, attendance is still strong, keeping prices reasonable.

Mr. Waitley then introduced **Dr. Colleen Fillmore**, Idaho State Director, Child Nutrition Programs, Idaho State Department of Education, who shared the impact of gardens in public schools, showing a series of slides depicting

various school gardens throughout the state. The program offers academic gains, providing a variety of learning opportunities for students and a meaningful tool for teachers as they integrate science with core curriculums.

Physical health benefits are also seen, as gardening burns calories, encourages other outdoor activities and promotes better nutrition. In many cases, students have not previously seen or consumed the foods grown in the garden; exposure to these new foods increases the likelihood that they will be served at home in the future. The program also enhances social skills, connecting people of different generations and cultures.

Chairman Trail remarked on the timeliness of Dr. Fillmore's presentation, as **HCR 59**, the Idaho Food Resolution, was recently passed by the House.

Benjamin Kelly, Administrator of the Idaho Oilseed Commission, introduced the commission's Chairman, **Mike Hubbard**, who presented the annual report. Mr. Hubbard has a farm in Bonners Ferry, where he produces canola and other commodities. He said that for the most part, Idaho's oilseed crops have centered on canola, mustard and rapeseed, but that changes are coming to the industry. Based upon Idaho's soil quality, climate and water availability, potential new oilseed crops have been identified, such as safflower, Camelina, soybean and sunflower.

Mr. Hubbard indicated that research involvement was minimal in FY 2009 due to limited finances. However, in cooperation with Idaho cattle producers, the commission participated in a research project to increase the value of winter canola crops by developing ensiling systems to produce cattle feed. The commission invested \$1,000 in the project.

Mr. Hubbard also reported that the commission has not yet been audited, but that members will abide by auditing procedures prescribed in **H 611** for small commissions. He clarified that with the organization being so small — only seven members — the budget is tight.

In regard to other legislative matters, Mr. Hubbard said a change to Idaho Code, regarding the required number of meetings, will be proposed during the 2011 legislative session. The Code currently specifies that commissions meet every three months. However, as a cost-saving measure for the commission and its growers, members will propose that Code be changed to specify that the commission hold meetings a minimum of twice a year.

Roger Batt, Administrator, Idaho Mint Commission, presented an update on the mint industry, starting with a brief history. He said mint has been utilized in Chinese and Japanese medicines for 3,000 years. It also has been discovered in Egyptian tombs — Egyptian women wore mint leaves on their feet to release a cooling fragrance in their homes. Mint is also referenced in both the Old and New Testaments of the Bible. Spearmint first appeared in European "convent gardens" in the ninth century.

As early as 1635, early American colonists brought mint from England, using it for intestinal ailments. Mint was first cultivated in the U.S. in 1790 in western Massachusetts. In 1824, the peppermint oil produced in that region generated over \$40,000. However, a severe winter in 1825 caused the mint fields to be destroyed; the industry then moved to New York, Michigan and

Ohio, where it became “big business.”

The growing popularity of mint-flavored toothpaste, gum and candy at the turn of the 20th century created a domestic market for high-quality peppermint and spearmint oils. When estimates were made during the 1920s that only 50,000 pounds of mint oils were available, high demand resulted in the “Great Price Rise.” As growers made larger profits, the industry expanded from the mid-west to the Pacific Northwest. Currently, peppermint and spearmint are produced by nine states; the ideal climate for production is found around the 42nd parallel.

Idaho’s history with mint production began in 1946 when small acreages were planted in Payette; the industry was firmly established in 1957. Idaho currently ranks nationally at “number three” in peppermint production and “number four” in spearmint production. Idaho has 55 mint growers, with a total of 15,000 acres. Black Mitcham is the most common peppermint variety grown in Idaho, due to its consistent ability to produce high yields. The two most common spearmint varieties are Scotch and Native spearmint.

In regard to the current market, Mr. Batt said 65% of the mint crop was contracted out in 2009. Going into the 2010 season, 19% more mint has been planted than needed. Mr. Batt went on to describe the greatest threat to mint at present — a fungal disease, known as Verticillium Wilt, which was first observed in Washington in 1955. It is the leading cause of death for mint, and to date, there is no cure. So far, fumigation and conventional treatments have proven unsuccessful.

When asked how long mint oil can be stored in purified form, Mr. Batt indicated that after 15 years, it tends to oxydize.

Chairman Trail announced that the last committee meeting would be held on Wednesday, March 24, 2010.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:00 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary

MINUTES

HOUSE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** March 24, 2010
- TIME:** 1:30 (or upon adjournment of the House)
- PLACE:** Room EW41
- MEMBERS:** Chairman Trail, Vice Chairman Andrus, Representatives Lake, Stevenson, Bolz, Shirley, Patrick, Pence, Chavez, Killen
- ABSENT/
EXCUSED:** None
- GUESTS:** Dennis Tanikuni, Idaho Farm Bureau Federation (IFBF); Alma Hasse, Idaho Concerned Area Residents for the Environment (ICARE); Shavone Hasse, ICARE, Jon Heggen, Idaho Department of Fish and Game (IDFG); Sharon Kiefer, IDFG; Nick Peak, Environmental Protection Agency (EPA); Jim Wertz, EPA; Brian Oakey, Idaho State Department of Agriculture (ISDA); Gayle Batt, private citizen; Claudia Haynes, ICARE; Drew Thomas, Risch Pisca Law; Courtney Washburn, Idaho Conservation League (ICL); Wally Butler, IFBF; Lynn Tominaga, Idaho Ground Water Appropriators (IGWA); and Stan Boyd, Idaho Sheep Commission (ISC) and Idaho Wool Growers Association (IWGA)
- Chairman Trail** called the meeting to order at 2:59 p.m., upon adjournment of the House, announcing that future meetings would be held at the call of the chairman.
- MOTION:** **Rep. Chavez** moved to approve the minutes from the March 16, 2010 meeting; **motion carried on voice vote.**
- MOTION:** **Rep. Chavez** moved to approve the minutes from the March 18, 2010 meeting; **motion carried on voice vote.**
- Chairman Trail** expressed heartfelt thanks on behalf of the committee to both the committee secretary and page for their outstanding efforts, and presented each of them with a card and gift.
- S 1344:** **Brian Oakey**, Deputy Director, Idaho State Department of Agriculture (ISDA), presented **S 1344**, which clarifies the authority of law enforcement agencies to assist in enforcement of the Idaho Invasive Species Act. The legislation includes a definition for the term “conveyance” and a new section related to “prohibited actions.” Requirements for vehicles and conveyances presented for inspection are also clarified, as is the authority of the director to issue Hold Orders. A new section has been added relating to peace officers, clarifying the duty to enforce the Act’s provisions and require inspections, as well as decontamination of conveyances.
- MOTION:** **Rep. Bolz** moved to send **S 1344** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Rep. Bolz will sponsor the bill on the floor.**

S 1346aa:

Stan Boyd, Idaho Sheep Commission (ISC) and Idaho Wool Growers Association (IWGA), presented **S 1346aa**, which amends the 2000 Idaho Beef Environment Control Act, which was originally put in place to regulate beef Concentrated Animal Feeding Operations (CAFOs) in Idaho. The legislation clarifies that beef CAFOs should be regulated by either a state or federal regulatory authority — not both. He said the bill basically removes the “double jeopardy” factor which arose after the Memorandum of Understanding (MOU) between regulatory authorities was dissolved.

Further, the legislation clarifies that the above-referenced Act only applies to CAFOs without water discharge permits. It also ensures that producers’ nutrient management plans (NMPs) and all information generated from such be kept confidential. Mr. Boyd then provided a copy of an Attorney General opinion, which concurred with the need for confidentiality.

Committee members agreed that much of the information contained in NMPs is proprietary in nature, and the release of such could jeopardize the success of a producer’s operation. Such proprietary information includes the composition of a producer’s compost or manure (a product for which competition exists among producers) and cattle head numbers. Mr. Boyd remarked that asking a rancher how many head of cattle he has is comparable to asking him how much money is in his bank account.

Alma Hasse, Idaho Concerned Area Residents for the Environment (ICARE), expressed grave concerns that keeping NMP information confidential and free from disclosure would affect accountability issues. She said **S 1346aa** poses a serious threat to surface and ground water quality, as well as public health. She asserted the public should have the right to know the quality level of their neighbors’ soil and possible contamination factors. She referred to a sample NMP, stating that none of the contained items are related to trade secrets or income, and that much of the information is available to the public (through a variety of sources) anyway.

Vice Chairman Andrus referred Ms. Hasse to several sections in the sample NMP where the information contained (i.e., number of animal units, milked versus dry cows, etc.) could be interpreted from a business perspective as sensitive in nature. He added that the activities itemized in the NMPs involve proper permits from appropriate regulatory authorities. He asked if Ms. Hasse thought the EPA incapable of enforcing NMPs, to which she responded that her concern was with ISDA and their poor “track record” on enforcement.

Rep. Patrick remarked that it sounded as if Ms. Hasse’s “beef” was with the ISDA rather than the legislation itself. Even if distrust of regulatory enforcement procedures is at issue, he speculated as to the ability of the general layperson to interpret NMPs and their impact on the environment.

Ms. Hasse’s daughter, **Shavone Hasse**, ICARE, spoke in opposition to the bill as well. In response to Rep. Patrick’s previous comments, she asserted that information contained in NMPs is not that complicated — that anyone with farming knowledge and experience can usefully interpret them. She added that the criteria to become an NMP planner is minimal, with certification requiring completion of a simple course.

She reiterated that ISDA has a dismal track record in checking compliance with and proper enforcement of NMPs, adding that the organization has chosen to incorporate old standards (from 2007) instead of the most up-to-date ones released in May 2009.

Claudia Haynes, ICARE, spoke in opposition to the bill as well, saying she was simply representing herself rather than any organization. She said she has no interest in any trade secrets or income-related items contained in the NMPs. She simply wants the ability to access information regarding the soil quality of properties that surround her residence and the possible impact on her water supply. She explained that while living in the proximity of CAFOs, she once suffered a miscarriage related to high nitrate levels.

Wally Butler, Idaho Farm Bureau Federation (IFBF), expressed support for the bill on behalf of his organization. He stated that nutrient deposits and their impact should be judged by professionals rather than laymen, warning that serious errors and actions could otherwise result.

Stan Boyd then answered further committee questions and clarified other points of concern. He summarized by praising ISDA's performance, as well as its qualified staff, adding that the confidentiality issue has been debated long and hard and upheld by the Supreme Court.

MOTION:

Rep. Stevenson moved to send **S 1346** to the floor with a **DO PASS** recommendation. **The motion passed by roll call vote, 5 aye, 4 nay, 1 excused. Voting in favor** of the motion: Vice Chairman Andrus and Reps. Stevenson, Bolz, Shirley and Patrick. **Voting in opposition:** Chairman Trail and Reps. Pence, Chavez and Killen. Rep. Lake was excused from voting, per Rule 38. **Rep. Stevenson will sponsor the bill on the floor.**

Brian Oakey, ISDA, gave a presentation on Idaho's Right to Farm Act, which limits the circumstances under which agricultural operations may be deemed a nuisance in an effort to reduce loss to the state of agricultural resources. The term "agricultural operation" has been more broadly defined, as agricultural practices change frequently and statutes cannot be specific enough to capture every type of operation. Nuisance protection may also be extended to operations employing qualifying management practices that may include sound agricultural practices, generally accepted agricultural practices or best management practices.

As with the majority of states with similar legislation, statutes of limitation are also included that protect pre-existing agricultural producers in an area from new property owners who object to the agricultural operation or practices. However, most Right-to-Farm statutes do not protect agricultural operations that change their production activities.

Before adjournment, **Connor Cook**, committee page, bade a fond farewell to the committee, saying his adventure in the political arena reminded him of the song, "The World's Turned Upside Down." He gave special thanks to the chairman and secretary for taking such an interest in him and thanked members individually for help with his research project and guidance on other professional ventures.

He said he leaves the committee with a heavy heart, but the experience has made him a better man. He then speculated that perhaps one day, he would return to his seat as a legislator. **Vice Chairman Andrus** wished Mr. Cook the very best and members concurred that when he returns, he may indeed find available seats in the House.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:59 p.m.

Representative Tom Trail
Chairman

Lisa F. Daniels
Secretary