

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 14, 2012
TIME: 1:30 P.M.
PLACE: Room EW20
MEMBERS: Chairman Andrus, Vice Chairman Boyle, Representative(s) Lake, Stevenson, Trail, Bolz, Shirley, Patrick, McMillan, Batt, Pence, Lacey
**ABSENT/
EXCUSED:** Representative(s) Lake, and McMillan.
GUESTS: Laura Johnson, Idaho Dept. of Agriculture

Chairman Andrus called the meeting to order at 1:33 p.m.

Laura Johnson, Idaho Dept. of Agriculture, said agriculture exports are important to Idaho's economy. She said they shattered last years record for exports out of Idaho which is up 22%. She said there is a strong global demand and Idaho has three strong international trade offices. Ms. Johnson recognized the Director of the Department of Agriculture, **Celia Gould** and the Lieutenant Governor, **Brad Little**, who are both champions of international trade. She also introduced the trade officers.

Eddie Yen, Taiwan Trade Officer, said it was an honor to be back with the Committee and gave an overview of Taiwan. He said the economy was slow in the World overall but Taiwan's economy has grown. He said there is a great market for Idaho products. He gave a comparison of markets and said Taiwan was the sixth largest export market for Idaho products in 2011. He reviewed the main and new export items to Taiwan. Mr. Yen reviewed some new opportunities in the Taiwan market and explained several selected promotions that went on during 2011. He reviewed other tourism and agriculture promotions. He explained several convenient tools for marketing, such as newsletters, facebook, websites and brochures.

Mr. Yen answered questions from the Committee regarding the sturgeon and beef market in Taiwan. He also answered questions regarding students from Asian countries coming to Idaho to study.

Xu Fang, China Trade Officer, gave an overview of China's economy for 2011. He said the economy continues to grow and is the World's 2nd largest economy. He said China is Idaho's fourth largest export market for Agriculture products and exports were up in 2011. Mr. Fang reviewed the main exports which are, whey, vegetable seeds, dehydrated potatoes, lactose, wheat, alfalfa, and pork. He reviewed several promotion events in 2011 including the China Dairy Expo, which is the largest event for their industry. He reviewed other upcoming events they are planning. He reviewed the Governor's Idaho Trade Mission to China and gave some details about the State of Idaho China office.

Armando Orellana, Mexico Trade Officer, gave a brief overview of the Mexican economy. He said the economy is improving from what it was in 2009. He said it is a good market for investors and companies. He said the growth rate is lower, and further growth will be reflective of the elections this year. Mr. Orellana explained the inflation and exchange rates, and said the peso has been very strong over the past few years. He said the economy is doing well and the consumer has money to spend. He reviewed the drought conditions that Mexico is facing, saying it has been the worse drought in 70 years. Mr. Orellana said security is a major concern for all citizens and the cost has impacted the economy. He said it is a regionalized problem and most of Mexico is still safe. He said Mexico is Idaho's second largest export destination for agriculture products. He reviewed the main activities for promotion and the Governor's Trade Mission to Mexico. He said sales are expected to exceed over 30 million dollars from the trade mission.

Blaine Jacobson, Executive Director, Idaho Wheat Commission, said the wheat industry production and consumption continue to increase worldwide. He said it continues to be a strong industry and they have had a very robust production year. He reviewed the World wheat supply and demand saying a high percentage of wheat went into feed. Mr. Jacobson said wheat stocks are back to what they were 10 years ago and wheat prices continue to be very attractive. He explained World wheat imports continue to grow and reviewed the top ten export customers for US wheat. He reviewed the key points of supply and demand and said they hosted 4 or 5 wheat buying teams. He explained the investing that needs to be done in the wheat industry. He said they want to fund areas where they are seeing a return. Mr. Jacobson explained the wheat seed breeding advances, saying there is a competitive advantage for Idaho varieties over other varieties. He explained other technology advances. He reviewed the World wheat trade and gave projections of growth. In summary, Mr. Jacobson said there will be more changes in the industry in the next five years, than there has been in the last 30 years. He said private companies are looking for public partnerships and there is rapidly expanding opportunity for wheat and other agriculture products over the next 20 years.

Rep. Trail gave a historical note on the discussion of animal cruelty legislation in the state, saying during the Third Legislature in 1897 a specific committee was formed to deal with animal cruelty issues.

MOTION: **Rep. Pence** made a motion to approve the minutes of Wednesday, February 8, 2012. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the Committee the meeting adjourned at 2:55 p.m.

Representative Andrus
Chairman

Susan Werlinger
Secretary