

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Monday, February 20, 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) Stevenson
GUESTS: Kelly Olson, Idaho Barley Commission; Dar Olberding, Idaho Grain Producers; Robert Blair, Blair Farms/Eisenhower Fellowship; Charlotte Eberlein, University of Idaho Extension; Kent Lauer, Idaho Farm Bureau

A quorum being present **Chairman Andrus** called the meeting to order at 1:31 p.m.

MOTION: **Rep. McMillan** made a motion to approve the minutes of Thursday, February 16, 2012 with the following correction: On page 1, paragraph 3, instead of ESA, it should be DSA. **Motion carried by voice vote.**

Kelly Olson, Idaho Barley Commission, said she is privileged to share her report with the others doing presentations today. She introduced their current Vice Chairman, **Dwight Little**. She said Idaho became the number one barley producer in 2011. She reviewed the harvested acreage, average yield, production and acreage type for barley. She said their farm-gate receipts estimated at \$232 million which is up 15% from 2010. Ms. Olson reviewed the top seven producing counties in the state and said of the seven top counties 5 are in eastern Idaho. She also said there are three malt barley processing plants within a 50 mile radius in eastern Idaho. She reviewed Idaho barley trends saying the acreage is down 37% in the past 20 years but production is only down 22% in the past 20 years. She said this has a direct effect on the Barley Commission and their ability to produce revenue. Ms. Olson reviewed their budget highlights. She said the Commission is very proactive in addressing funding needs that occur during the fiscal year. She said the effect is consistent with the trend for declining production, which is declining revenue. She reviewed how their expenses were allocated.

Ms. Olson said barley research remains a top priority and usually means a long term investment. She said in variety development they are looking at a 12 to 15 year investment. She said they are finding more barley checkoff dollars are needed to offset the declining state and federal money. Ms. Olson stated the Barley Commission has had to make up the difference in research were federal and state money has been cut. She said they have found some very interesting results which have lead to some variety releases.

Ms. Olson reviewed their grower services, saying this is their largest category for expenses. She reviewed their upcoming workshops around the state and said they have made a big impact on improving barley growing crop insurance. She said barley insurance hasn't been equal with other crop insurances for providing protection. She explained some of the changes made in the crop insurance.

Ms. Olson reviewed some strategic initiatives saying one of the largest ones is the malt barley export. She said domestic beer sales are declining and reviewed the beer demographic they are faced with. She also reviewed the food barley strategic initiatives. She said other strategic initiatives are focused on fish feed ingredients, which shows great promise. She said research in winter barley also shows great promise. She said there are high yields with winter barley and new and experimental lines.

In response to Committee questions, **Ms. Olson** said they want to embrace technology in the production of new varieties but are cautious. She said more producers want to plant malt barley, but there are commercial opportunities for winter feed barely. She said almost all the malt barley seed is grown in Idaho. In response to more Committee questions, Ms. Olson explained the range of protein being extracted from barley for fish food. She said with the barley purification process, barley now matches or exceeds soy bean protein but it cannot be fed as a whole grain. She said barley could easily compete with soy beans for fish meal.

Rep. Trail introduced **Bob Blair**, Nez Perce Farm Bureau President.

Robert Blair, President, Nez Perce Farm Bureau, said in 2010 he applied for the Eisenhower Fellowship and was chosen in 2012. He reviewed the fellowship saying it is a multi national program and only 30 fellows per year are chosen. He explained what an Eisenhower Fellowship is. Mr. Blair reviewed the areas in Argentina he visited. He reviewed the geography of Argentina. He also reviewed areas in Uruguay, and explained the terrain in the region and the geography. He also reviewed the areas in Brazil that he visited and its geography.

Mr. Blair gave comparisons to the United States saying there are more tractors and land being utilized and more technology in the US. He explained the agriculture rank of these countries in the World and reviewed the similarities and differences to the US. He reviewed the general agriculture saying they have the same types of dealerships and run the same type of equipment. Mr. Blair explained the differences between large and small farms. He said there is some till land but the majority of the land is no-till and there is surprisingly not much irrigation.

Mr. Blair said the cattle industry is big and they are moving away from just grazing and incorporating more feed lots. He said beef is a major food source and a lot of leather products are being produced. Mr. Blair said there is a mining industry in Brazil and they have a timber industry, but it is mostly a pulp timber industry.

Mr. Blair explained the purpose for his travels was to teach and connect with the farmers. He said he taught farmers about precision agriculture. He taught seeding, and used unmanned air vehicles as an example to show images of damage from storms. He did outreach and learned about their countries and cultures, he also created a network and connected with his other fellows. He said they averaged about 19 meetings in each country. Mr. Blair asked farmers their biggest challenges and biggest opportunities. He said their challenges are the government and regulations, environmentalists, and feeding 9.5 billion people. He said their opportunities are feeding 9.5 billion people, room to expand agriculture and precision agriculture. He said Brazil has room to expand agriculture without cutting down trees. He explained they have acreage set aside for trees. He said there is opportunity to be good stewards of the land and to use technology to know every acre of the land. He said older farmers don't understand the technology and there is also a lack of support from service providers. He said for agriculture to grow they need to be efficient, but they also need advocacy and awareness with the industry and within the public and government.

Chairman Andrus introduced the new Page for the second half of the Session, **Aubrienne Christensen**.

Dr. John Hammel, Dean, Agricultural Research & Extension Services, said his presentation is about agriculture's contribution to Idaho's economy. He reviewed Idaho's current commodities and said they have had a good year overall. He explained the impact of agriculture on Idaho's economy and economic job base. Dr. Hammel said agriculture accounts for 11% of jobs in Idaho. He also said that 90% of what is grown and processed in Idaho is not consumed in Idaho. He reviewed the impact on the economic base output, saying 12% of the states GSP is derived from agriculture.

Dr. Hammel reviewed the Agriculture Research and Extension Services (ARES) contribution to Idaho saying an increase in agriculture production must come from technology. He said ARES deal with the increase of yield and disease problems. Dr. Hammel gave some examples of the types of things that are being researched. He said the ARES contributions in wheat and beans expertise are important.

Dr. Hammel reviewed the Agriculture Research and Extension Service appropriation. He said the capacity funding is critical and essential for everything they do. He said they are finding solutions for agriculture related problems and the majority of funds are related to faculty and expertise costs. He explained base capacity and said it is important to have a balance in capacity. He reviewed their grants and their history of collaborations and partnerships. He said if you don't maintain capability you won't be able to have partnerships. He detailed some of the collaborations and partnerships and said they have exchanges of information through their partnerships. He said he had the opportunity to travel to Brazil for the trade mission.

In response to Committee questions, **Dr. Hammel** said that crop variety breeding is not funded by the USDA or others. He said some groups have stepped up to provide money for those ventures. He said there may be concern that the money from commodity groups help point where the research should go, but these are not the only dollars being utilized. He said they work a balance between the different commodities on research.

ADJOURN: There being no further business to come before the Committee the meeting adjourned at 3:15 p.m.

Representative Andrus
Chairman

Susan Werlinger
Secretary