

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 21, 2012

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Siddoway, Vice Chairman Smyser, Senators Corder, Pearce, Hammond, Vick, Nuxoll, Bock, and Schmidt

ABSENT/ EXCUSED:

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

CALL TO ORDER **Chairman Siddoway** called the meeting to order at 8:04 a.m.

MINUTES The Committee considered the minutes from the Agricultural Affairs Committee meeting on February 7, 2012. **Senator Hammond** moved, seconded by **Senator Vick**, to approve the minutes as written. Motion carried by **voice vote**.

The Committee considered the minutes from the Agricultural Affairs Committee meeting on February 9, 2012. **Senator Pearce** moved, seconded by **Senator Bock**, to approve the minutes as written. Motion carried by **voice vote**.

H389 **Chairman Siddoway** invited **Kevin Merritt**, Bureau of Weights and Measures, Idaho State Department of Agriculture to the podium to present H389, relating to licensing fees for Weights and Measures. **Mr. Merritt** said the intent of the legislation is to allow the fees collected from the weighmaster licenses to be deposited into the dedicated weights and measures fund. He said the ISDA's intent is to bring this program in line with existing licensing programs within the department where it can stand on its own merit, and become a User/Pay program. Supporting documents relating to this testimony have been archived and are accessible through the office of the Committee Secretary. (See Attachment #1.)

Senator Bock asked if the Bureau has spoken with members of JFAC about the precedent this might establish in terms of money going to a dedicated fund instead of the general fund. **Mr. Merritt** replied no, they have not talked to them.

Senator Pearce asked how many people does this impact and by how much. **Mr. Merritt** replied that they licence between 800 and 900 weighmasters at \$10 each. There are people who are required to be licensed to sell certain commodities. **Senator Pearce** asked if that included the people who weigh beets at sugar dumps. **Mr. Merritt** answered yes, those remote locations are licensed as weighmasters.

Senator Nuxoll asked **Mr. Merritt** how the Department knows if this program is "self-sufficient." **Mr. Merritt** answered it is enforced under the general fund of the weights and measures portion of the program. This \$10 fee was established in 1949. **Senator Nuxoll** asked even though it's in the general fund, if they will keep track of expenses and income. **Mr. Merritt** answered that currently the program is funded 70 percent by the general fund and 30 percent from dedicated licenses from inspection fees, like at gas pumps. He said they have not kept track of the actual cost of enforcing this act. All they have is good estimates but not exact figures.

Senator Pearce asked how the system works and what someone has to do to be a weighmaster and how long the license is good for. **Mr. Merritt** answered it is an annual license good from June 1 to May 31. Weighmaster applicants are renewal licenses and applications are mailed out from the Boise office and returned to Boise with a check.

Senator Pearce commented that no one ever sees the weighmasters, so would it make sense to make it a five year license instead of a short term license. **Mr. Merritt** said approval of this legislation would give the Bureau the authority to look at that. He said when the application is sent in, it is signed by the applicant, as well as references who swear to the person's good moral standards. **Mr. Merritt** said there are two requirements for issuing a weighmaster license, that they be 18 years of age and of good moral standard.

MOTION

Senator Hammond moved, seconded by **Senator Bock**, to send H389 to the floor with a do pass recommendation. In discussion, **Senator Vick** commented that he had the same concern **Senator Bock** had about the way this might set a precedence with JFAC. **Senator Bock** asked if **Mr. Merritt** would commit to bringing this up with JFAC. **Senator Hammond** said this is not an appropriations decision, but rather a policy decision, so he doesn't think it needs to go before JFAC. **Senator Vick** said he disagreed with **Senator Hammond**, saying that this would remove funds from the general fund that they could appropriate, noting that he's not voting against it but just expressing his concern. Motion carried by **voice vote**.

PRESENTATION

Chairman Siddoway invited **Kelly Olson**, Administrator, Idaho Barley Commission, to the podium to present the Commission's annual report. **Ms. Olson** introduced one of the board members, **Dwight Little** from Teton, Idaho. **Ms. Olson** reported that in 2011, Idaho became the number one top producer of barley, representing 30 percent of the barley grown in the United States. She said that demonstrates the ongoing competitiveness of Idaho production.

Highlights from **Ms. Olson's** report include: 65 percent of Idaho barley production is in eastern Idaho, 7 percent in northern Idaho, and 27 percent in south central Idaho, and one percent in southwestern Idaho; Anheiser Busch, Modelo, and Miller Coors all use Idaho malt barley; 73 percent of the barley is feed barley while 27 percent is malt barley; Idaho barley acreage is down 37 percent in the past 20 years; Idaho barley production is down 22 percent in the past 20 years.

Ms. Olson said they set budgets based on available resources and many of their investments are long term in nature, including one of their highest priorities being barley research. She said they'll have to provide more dollars to offset declining state and federal dollars, so as the economy improves, she would plead with JFAC and this committee to reinstitute state funding.

Ms. Olson outlined their top priorities of barley research, grower services, and strategic initiatives including malting barley for export, increasing protein and fiber in food barleys, barley as fish feed ingredient, and development of winter barleys. Supporting documents related to Ms. Olson's testimony have been archived and are accessible in the office of the Committee Secretary. (See Attachment #2.)

Senator Pearce asked about the use of barley for feed at dairies and his expectation that as dairies increase, so would barley. **Ms. Olson** replied that they would think that, too, because barley is known to improve the milk fat. However, changes in the railroad system have pushed corn into the market and pushed barley out of the dairy rations. She noted there are still local dairies that would prefer to feed barley.

Senator Schmidt asked when exporting malt barley if it is already processed as malt or sent as grain. **Ms. Olson** most cases it is shipped as feed barley, and exported primarily to Japan. She noted that barley is now just a small specialty crop in the United States. Five years ago, the U.S. was the top barley exporter, but now the states barely ship 1000 metric tons of barley.

Chairman Siddoway asked **Ms. Olson** for her feelings about the Barley Commission's outreach program and effort to connect with producers since the last time the Commission requested an increase in the barley assessment. **Ms. Olson** replied that four years ago, they had pushback, with legitimate concerns about poor communication in their counties. Since then, they have held more than 60 outreach meetings on the subject.

PRESENTATION **Chairman Siddoway** invited **Jon Watson**, Treasure Valley Ag Coalition (TVAC) and Chairman of J.C. Watson Company, to the podium to present the Coalition's annual report. **Mr. Watson** introduced **Bob Simerly** of McCain Foods and **Margaret Watson**, former Mayor of Parma, who are also available for questions after the presentation.

Mr. Watson thanked the Committee and the Legislature for all the work they have done for Idaho and Idaho Agriculture. He said they haven't seen an economy quite like this that happened so fast and hit every business and every producer in Idaho.

Mr. Watson said agriculture is so important to the state of Idaho, saying the factory is the ground, the product is the food we eat, the inputs are feed and water and the hard work of employees and farm workers. He said the water Idaho has is precious and they need research to continue making water available to use in Idaho. He said there are challenges in agriculture, but where there are challenges, there is opportunity, and the TVAC is here to ask for the Committee's help.

Mr. Watson said they have Memorandum of Understanding with University of Idaho about the critical function and economic efficiencies to help determine alternate funding for research, and the Governor has charged TVAC with the task of helping with the alignment of funding for University of Idaho. **Mr. Watson** said TVAC would like Idaho to re-fund Five in Five and reinstate the \$500 thousand line item in the budget for research stations in the state. He said industry has put their money in, and he said he believes the State should, too.

Mr. Simerly said there are threats to the potato and onion industry that require research. He described a new disease called zebra chip, which is a bacterial infection vectored by an insect that discolors the flesh of the potato and makes it unsuitable for french fry manufacturing. Iris yellow spot virus in onions is another threat, as is cyst nematode in potatoes. The University of Idaho is the only place to turn to help deal with this. **Mr. Simerly** said there are also problems with infrastructure in research facilities, with literally leaking roofs, that required TVAC to divert funds to repair them. He shared that he thinks research and extension have benefits that are too numerous to list and need to be financially supported. Two issues that need support are addressing food safety and environmental sustainability, two important elements of agricultural development.

Ms. Watson shared about the difficulty with the Parma research facility and how the community and industries pulled together to save it from shutting down. She said TVAC needs the third leg of the stool to be state funding in order to support the other two legs already in place with the University of Idaho and the industry producers.

Vice Chairman Smyser thanked the speakers for their leadership with TVAC and appreciates their efforts to work with the Governor on funding for agriculture research.

Senator Corder and **Mr. Watson** had a discussion about how land grant institutions and publicly funded research impacts Idaho producers as opposed to privately owned and controlled research and a profit motivation as opposed to a public benefit motivation.

Mr. Watson said, "We are here." He said they haven't always come to the Capitol as often as they should, and they realize they need to "come to town" more often. He said TVAC is not just potatoes and onions, they are agriculture. **Ms. Watson** said she hopes everyone realizes how important agriculture is to the entire Idaho budget, and they can't stay important if they're not global, and the way to do that is through research. She asked the State to be an equal partner.

Supporting documents related to the Treasure Valley Ag Coalition's presentation have been archived and are accessible in the office of the Committee Secretary. (See Attachments #4, #5 and #6.)

Chairman Siddoway noted that the Senate reconvenes in twenty minutes and if **Wally Butler** of the Idaho Farm Bureau would like to try to fit in his presentation, the Committee will stay, but if he'd like more time, he can reschedule with the Committee Secretary. **Mr. Butler** stated he would like to reschedule.

INTRODUCTION **Chairman Siddoway** recognized and welcomed the students from Caldwell High School who were in the audience this morning. Several students came and went from the Committee Meeting throughout the morning.

ADJOURNED **Chairman Siddoway** called the meeting adjourned at 9:44 a.m.

Senator Siddoway
Chairman

Christy Stansell
Secretary