

MINUTES  
**HOUSE AGRICULTURAL AFFAIRS COMMITTEE**  
**BELL SUBCOMMITTEE**  
Administrative Rules

**DATE:** Monday, January 14, 2013  
**TIME:** Upon Adjournment of the Full Committee  
**PLACE:** Room EW05  
**MEMBERS:** Chairman Bell, Representatives Batt, Pence  
**ABSENT/  
EXCUSED:** None  
**GUESTS:** Dennis Tanikuni, Idaho Farm Bureau; Lloyd Knight, ISDA; Jennifer Miller, NCAP; Brian Oakey, ISDA; Dough Jones, Self; Brent Olmstead, MPI; Andrew Smyth, ISDA; Jayson Ronk, IACI; Tanya Holten, Ida Ore Mining; Leland Rice, Rice Family Farms; Sean Ellis, Capital Press

**Chairmen Bell** called the meeting to order at 1:37 p.m.

**DOCKET NO. 02-0602-1201:** **Lloyd Knight**, Idaho Dept. of Agriculture, said the Department entered into negotiated rule making during the summer, he reviewed the public hearing process. Mr. Knight reviewed the list of exemptions that had been moved over from statute. He said By-products or Production Waste has been added to the exemptions and it also remained in the statute. Mr. Knight said the rule will set the per product fee at \$40. He said this increase in registration fee will support a shift in program operating revenue from the termination of the previously collected tonnage fee. He said the \$40 fee is a change from the Temporary Rule after consideration during the public hearing process. He said the fee per product language is in other programs and thought it would also fit here. Mr. Knight said the rule will also include the definition of labeling of statements and promotion on company web sites and other internet based consumer interfaces. He said this will keep the rules consistent with the Commercial Feed Law.

**Brent Olmstead**, Milk Producers of Idaho, said he participated in drafting the rules and is in support of the rule. He stated the rule will provide protections for dairies and they have no objection to the fees. He believes the fees will go down, and this will assure quality feed.

**Jason Ronk**, IACI, spoke in support of the rules and said he participated in the public hearings.

**Doug Jones**, Self, said he opposed the legislation brought forward and passed last year regarding the feed registration process. He said he did also participate in the rule making process. He said the agency holds reserves in the account for a program that operates at a lower cost than what would be brought in by the fees. He said the program could operate for three years from the reserves if no fee is collected. Mr. Jones explained the rule proposes a \$1 million reserve in the fund, where most programs carry a one year operating reserve in their accounts. He said there will be a significant reserve left in the account. Mr. Jones suggested a lower fee be implemented until some of the reserve is used.

In response to committee questions, **Mr. Knight** clarified that the \$1 million reserve was in the original rule but was later removed.

**MOTION:** **Rep. Batt** made a motion to recommend approval of **Docket No. 02-0602-1201** to the full committee. **Motion carried by voice vote.**

**DOCKET NO. 02-0214-1201:** **Kevin Merritt**, Section Manager, Idaho Department of Agriculture, said negotiated rule making was not conducted for this rule because of the nature of the rule. He said this rule simply adopts the current edition of the required reference materials.

**MOTION:** **Rep. Batt** made a motion to recommend approval of **Docket No. 02-0214-1201** to the full committee. **Motion carried by voice vote.**

**DOCKET NO. 02-0633-1201:** **Andrew Smyth**, Program Specialist, Organic Food Certification Program, explained the changes in the Organic Food Product Rules. He said the proposed rule will change the Idaho certified organic seal, it will have a higher resolution with fewer colors, thereby reducing the printing costs for organic operation. Mr. Smyth explained the next change to the rule is the addition of a branded materials registration list which will allow manufacturers to be a part of the organic program's review process.

In response to committee questions, **Mr. Smyth** explained the organic program has the authority to review applications and they are reviewed at the federal standards. He said the organic program will approve the third party that reviews the standards and the use of the seal. He explained the organic program will provide the service so the product is certified and the seal can be displayed. Mr. Smyth also explained that there is not a federal seal available at this time and this will allow the state to provide this service.

**Jennifer Miller**, NCAP, spoke in favor of the rule changes. She said the changes would enhance the promotion of the organic industry in Idaho and gives flexibility for those who have been using the old seal. She said this will also meet the needs of suppliers and makes things easier for organic farmers.

**Lee Rice**, Rice Family Farms, spoke in support of this material accreditation and certification. He said it has been his experience that approved materials need to be shipped from long distances and this will improve if Idaho has more local certified availability of materials. He said this would make it easier for manufacturers to use those types of materials and the logo is very modernistic and will be very attractive on labels. He added that the rule change will provide a very good service for organic producers in the state.

**Tonya Holten**, IDA ORE Mining, spoke in support of the rule and in favor of creating the seal. She said they are currently going out of state to do certifications and having certification in the state allows for the ability to claim they are organic.

**MOTION:** **Rep. Pence** made a motion to recommend approval of **Docket No. 02-0633-1201** to the full committee. **Motion carried by voice vote.** **Rep. Batt** requested to be recorded as voting **NAY**.

**ADJOURN:** There being no further business to come before the Subcommittee, the meeting adjourned at 2:25 p.m.

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Representative Bell  
Chair

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Susan Werlinger  
Secretary