

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 26, 2013
TIME: 1:30 P.M.
PLACE: Room EW42
MEMBERS: Chairman Andrus, Vice Chairman Boyle, Representatives Bolz, McMillan, Batt, Bell, Agidius, Dayley, Miller, Romrell, Stevenson, VanOrden, Pence, Erpelding
**ABSENT/
EXCUSED:** None
GUESTS: Wesley Hubbard and Benjamin Kelly, Idaho Oilseed Commission; Jim Lowe, Food Producers of Idaho; Traci Bracco, Idaho Beef Council; Lori Shafer, Kent Lauer, Mark Frei and Wally Butler, Farm Bureau

Chairman Andrus called the meeting to order at 1:31 p.m.

MOTION: **Rep. Pence** made a motion to approve the minutes of February 18, 2013. **Motion carried by voice vote.**

MOTION: **Rep. Pence** made a motion to approve the minutes of February 20, 2013. **Motion carried by voice vote.**

Lacey Menasco, Idaho Bean Commission, provided an annual update. She said the Commission promotes Idaho's premier reputation as a consistent, top-quality, disease-free, dry and green bean seed producer. They also support research on disease, pests, cultural practices, and breeding. Ms. Menasco reported on the Commission's reserves, income, receipts and projected expenditures for the coming fiscal year, noting that bean tax revenue and acreage both fluctuate.

Ms. Menasco explained that over 50% of Idaho's bean production last year was dry, edible beans, with the remaining production being dry bean seed and garden bean seed. In 2010, a Specialty Block Grant allowed Idaho to have trials in Chihuahua, Mexico that included a field day, a trade show, and Spanish literature. In 2011, a Specialty Block Grant focused on Bean Common Mosaic Virus resistance in Yellow Beans for the Sinaloa, Mexico market, building on the 2009 grant. The 2010 Specialty Block Grant involved trials of Pinto Beans in Durango, Mexico, and trials of Black Beans in Zacatecas, Mexico. Additional areas of focus have recently included virus research through the University of Idaho, agriculture pavilions at the Western Idaho Fair and the Twin Falls County Fair, bean grower schools in Magic Valley and the Treasure Valley, the Governor's Trade Mission to Mexico, the Agri-Action and Western Idaho Agriculture Show, and a grower survey. Currently the Idaho Bean Commission is discussing a possible endowment with the University of Idaho for bean breeding and/or continued research. They are also continuing efforts in Mexico and are evaluating the possibility of working with the Dominican Republic.

In response to questions, **Ms. Menasco** stated the Commission has not looked at decreasing assessments. Research has been funded project by project on an individual basis for reasonable prices. The Commission would like an endowment of between \$1 million and \$2 million to ensure that bean breeding continues. Currently Idaho is the top bean seed producer in the world.

Traci Bracco, Idaho Beef Council, provided an annual update. She said the Idaho Beef Council is the marketing arm for the beef producers of Idaho. Its mission is to build consumer demand for beef through integrated state, national and international programs and to increase the opportunity for producer profitability. She said the efficient use of beef checkoff dollars is paramount. Currently in Idaho, beef checkoff is at \$1.50 per head. Recently more than 500,000 Idahoans were reached through advertising, media and public relations including Facebook, radio, newspaper, other print and television ads. Over 197,000 Idahoans were reached through consumer events and promotions, while the Council also built relationships with food service and retail partners to increase the sales of, and focus on, Idaho's beef.

Ms. Bracco explained that money is voluntarily invested outside Idaho for nationwide programs with the National Cattlemen's Beef Association, the Federation Fund, and export marketing. The Federation Initiative Fund allows funding for high population states. Idaho is one of five states that contribute.

Ms. Bracco said each year, the Council develops strategic action plans to address challenges. Currently, challenges include keeping pace with consumers as food prices rise and the economy is difficult. Education plays a key role, as consumers can be taught how to stretch their grocery dollars and creatively cook with beef. Obesity and health problems are on the rise and consumers are searching for things that can help them with feeling better and being healthier; it is important for the Council to educate people about beef as a healthy choice. Consumers have concerns about the treatment of animals and the safety of the food they eat, so reassuring consumers and emphasizing benefits are crucial.

In response to questions, **Ms. Bracco** stated the National Cattlemen's Beef Association receives money from state checkoffs. That money goes to the Cattlemen's Beef Board and is then passed to the Association. Monies that are sent are highly regulated and can only be spent in certain ways.

Blaine Jacobson, Idaho Wheat Commission (IWC), provided an annual update. He said Idaho is the biggest producer of Hard White Wheat, which represents 10% of Idaho's State harvest. Most spring wheat acreage goes into Hard White. Future yield increases in wheat production will be driven by research. Each dollar spent on agricultural research returns \$10 of financial benefit back to the economy. Last year, two \$1 million endowments were created. Just over half the IWC's budget is spent on research, with the rest going to market development, information and education, office operations, and capital outlay. New expenditures in FY2013 include a cookie/cracker line at Wheat Marketing Center, a growth chamber in Aberdeen, a dwarf bunt seeder with Utah State, and an agriculture scholarship at Brigham Young University (BYU) Idaho.

Mr. Jacobson said The IWC has a public-private partnership with Liberty Idaho involving Limagrain Cereal Seeds. Access to global resources and technology is one benefit of the partnership with Limagrain. Wheat acreage is declining as corn and soybean acreage is rising, due to lower returns for wheat. As wheat cereal sales decline, sales of cereals with corn as the main ingredient are on the rise. This is a trend that is happening across the board. The primary focus of the IWC is to maintain what has already been built, to bring the best new wheat technology to Idaho growers, to build on Idaho's strategic advantages with Hard White wheat, and to recognize that Soft White has potential to replace Soft Red in many places. Building a relationship with China will pay dividends to Idaho. Transgenic wheat is needed to hold acres.

In response to questions, **Mr. Jacobson** said there are around 4,000 wheat growers on the IWC's mailing list. More money has been invested in research and development for corn than for wheat. Drought resistant varieties of corn have been developed, but there is not drought resistant wheat. Currently \$100 million is being spent on wheat research. Mr. Jacobson believes wheat will change more in the next five years than it has changed in the last twenty years. The United States is the largest supplier of wheat to Korea. Idaho wheat goes to Korea, Japan, Taiwan, Singapore, and to Peru to make noodles.

Benjamin Kelly, Idaho Oilseed Commission, introduced **Wes Hubbard**, also with the Idaho Oilseed Commission. Mr. Hubbard provided an annual update. He said the Commission represents and tries to develop all oilseeds, however the main oilseed crops in Idaho are canola, mustard, and rapeseed. Idaho Code requires three growers to make up the voting members of the Commission. They are appointed by the Governor for three terms. The Commission's ex-officio member is Steve Vernon from the J.R. Simplot Company and the appointee by the **Dean of Agriculture** at the University of Idaho is **Dr. Donn Thill**. The Commission participated in two research projects during FY2012. They has participated in industry meetings and educational efforts that include the University of Idaho Field Day, the First Annual Tri-State Oilseed Meeting in Kennewick, Washington, the University of Idaho Pacific Northwest Canola Research Program Review, and the Food Producers of Idaho Agriculture Pavilion at the Western Idaho Fair and the Twin Falls County Fair.

In response to questions, **Mr. Hubbard** stated that biofuels being made from grain are struggling because of costs.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:56 p.m.

Representative Andrus
Chair

Mary Tipps
Secretary