

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, February 28, 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: Candy Moore, Rob Abbott, Terry Pobst-Martin, Dick Rush, Matt Gellings, USDA Farm Service Agency; Karen Vauk, Julie Pipal, Idaho Foodbank; Britnay Hurst, Wyatt Prescott, Idaho Cattle Association; David Bodine; Stan Boyd, Idaho Wool Growers Association; Wally Butler, Idaho Farm Bureau Federation.

Chairman Andrus called the meeting to order at 1:32 p.m.

S 1024: **Stan Boyd**, Executive Director, Idaho Wool Growers Association, presented **S 1024**. He explained that this bill is a follow up to **H 512** from last year, which was signed into law. This was a lengthy bill and a couple items were neglected. One was to give the Idaho Sheep and Goat Health Board the authority to administer their goat program and make assessments. The other was to allow goat producers to serve on the board. This legislation also gives the State of Idaho the right to audit the funds of the Board at any time, in accordance with Governor Otter's request.

MOTION: **Rep. McMillan** made a motion to send **S 1024** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. McMillan** will sponsor the bill on the floor.

Dick Rush, State Executive Director, USDA Farm Service Agency (FSA), provided an update. He stated that farm net income continues to rise and set records. In fiscal year 2012, the FSA paid over \$457 million in federal program payments and loans to Idaho farmers and ranchers. Many of these are low interest loans. Top commodities in Idaho are dairy, beef, potatoes and wheat. He related that other items make up the bulk of federal budgets, and farm programs have a shrinking constituency. The FSA staff in Idaho has been considerably reduced and many offices closed in the last four years.

Mr. Rush remarked that FSA payments provide stability to Idaho agriculture, including writing checks with federal dollars and supplying low interest loans for farm ownership, farm operating, and marketing assistance loans, which are paid back with interest. He asserted that many loans are made to beginning and minority farmers. Those occur in conjunction with financial counseling, which aids in keeping the delinquency rate at less than one percent.

Mr. Rush detailed that the FSA helps with many types of loans, including guaranteed loans, where the farmer can work directly with the lender of their choice. They also offer a new Microloan program, which was just announced, for loans on a smaller scale and with less risk. Idaho had some of the first Microloans in the nation under this program. He also mentioned Farm Storage Facility loans, which provide funding to build or upgrade farm storage and handling facilities.

Relating to the delay of the national Farm Bill, **Mr. Rush** declared that many farm programs have been extended through September 30, 2013. This includes marketing assistance loans, mainly used by the Idaho sugar industry, and direct payments of income support to producers of eligible commodities, based on production history. He acknowledged that direct payments have steadily declined since 1986, indicating less dependence on the government, and are used as a safety net. Also affected by extensions are counter cyclical loans, primarily used in years with low prices or low production. Another program affected is the conservation reserve program, which is declining and voluntary. Other extended programs are the milk income loss program and non-insured crop assistance program, for crops not insured by a federal agency.

Mr. Rush commented on the State Acres for Wildlife Enhancement (SAFE), in partnership with the Idaho Department of Fish and Game. This grant takes land out of production and farmers must plant species that wild game prefer. Idaho has the largest SAFE program in the nation. He mentioned the FSA's disaster assistance program, which is no longer offered. Other programs which no longer offer assistance are supplemental revenue assistance, emergency livestock, and the emergency forest restoration program. However, a one year extension was granted for their non-insured crop disaster assistance program, and emergency conservation program.

Mr. Rush explained the claims process for discrimination lawsuits against women or Hispanics. The end date for submitting claims is March 25, 2013. He reported that Idaho has not received any complaints so far. He also referenced the 2012 Census of Agriculture, which he encourages farmers to participate in, so that the numbers for farm programs and rural services in Idaho can be boosted to help ensure the future growth of farming in our state.

Pertaining to questions on sequestration, **Mr. Rush** indicated that it will mostly impact the budget for their employees and necessitate a few days of furlough. Some payments to producers may be cut as well. Regarding questions on federal assistance programs, he stated that this support helps to keep overall commodity prices lower and more consistent.

Julie Pipal, Food Resource Manager, Idaho Foodbank, presented an update. She addressed how Idaho agriculture has helped the Foodbank meet a growing need of hunger. Many associations have been instrumental in coordinating regular donations from various agricultural industries. She introduced **Karen Vauk**, President and CEO. Ms. Vauk related that the Idaho Foodbank is the largest hunger relief organization in the state. They serve 39 counties through 200 partners. Last year, they supplied over 11 million pounds of food to over 100,000 people per month.

Wyatt Prescott, Vice President, Idaho Cattle Association, noted that the beef industry aids the Foodbank. In conjunction with the Idaho Beef Council and Agribeeff, they have launched the Beef Counts program and matched beef donations to the Foodbank. **Candi Fitch**, Idaho-Eastern Oregon Fruits and Vegetable Association, commented how their industry has contributed to the Foodbank with regular, monthly delivery trucks of onions. **Ms. Pipal** also commended the support of the potato industry, which has delivered truckloads of potatoes from local growers to help feed Idaho's hungry.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:27 p.m.

Representative Andrus
Chair

Kim Jensen-Porter
Secretary