

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, March 19, 2013

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Bair, Vice Chairman Guthrie, Senators Brackett, Tippetts, Rice, Nonini, Patrick, Durst, Buckner-Webb

**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.

CONVENED: **Chairman Bair** called the meeting to order at 8:02 a.m.

MINUTES: The minutes from February 28, 2013 were read.

MOTION: **Senator Nonini** moved that the minutes from February 28, 2013 be approved. **Senator Rice** seconded the motion. The motion carried by **voice vote**.

S 1166 **Chairman Bair** introduced **Stan Boyd**, representing the Velvet Ranch, who presented S 1166. This legislation was brought about because the Idaho State Department of Agriculture (ISDA) came to the industry and said the Domestic Cervidae program was no longer paying for itself. The cervidae industry either has to raise the required funds to run the program, or the ISDA will not have a program. The Federal government passed new Chronic Wasting Disease (CWD) rules that affect the industry. Since inception of the cervidae program, there have never been any cases of CWD found in the domestic cervidae herd. Through the Idaho Department of Fish and Game hunter check stations, no cases have been found in the wild. The cervidae program has not been self-supporting for several years now, and the industry has been shrinking. Funds from other programs are being used and the cattle industry has been subsidizing them as well. Last year there was a shortfall of about \$35,000.

This proposed bill will raise fees and lowers costs to the industry by requiring only 50 percent testing for CWD every year instead of 100 percent testing. Annual registration fees of \$5 per head would be raised to \$9. The fallow deer and reindeer fees would remain the same at this time, but would allow for the ceiling to be raised in the future. There is a \$10 fee on a transfer of ownership, a \$10 import fee if importing from another state and a \$50 export fee if exporting out of the state. This export fee is higher as it takes five times as much paper work and time to guarantee and qualify an elk. The ISDA must provide five years of history on the animal and herd to verify that it comes from a CWD free herd. The amendments to this bill clarify that these new fees do not apply to elk that are being imported or exported to the state that are going directly to slaughter, or a transfer of ownership in the form of cut and wrapped elk. There is no federal compliance for CWD if the elk are going straight to slaughter. **Mr. Boyd** stood for questions

Senator Patrick asked why a sampling couldn't be done to avoid the cost since CWD has never been found. **Mr. Boyd** said that since this was a new industry, the producers stepped forward and tested to build confidence with the public and the ISDA, and to prove that the herds are CWD free.

Senator Rice asked how the 50 percent testing number was chosen, and would this bill help bring the industry back since the herds are declining. **Mr. Boyd** said when the industry was asked what number would maintain the confidence with the public and the department, they decided upon 50 percent. He said this bill will take care of the operational shortfall with a potential \$4,000 in the black. Any additional funds would be put into their reserves. However, if the industry keeps shrinking, there may be a need for more legislation. He said the market place dictates whether the industry will flourish or continue to decline.

Chairman Bair introduced **Dr. Leibsle**, Deputy Administrator of the Division of Animal Industry, ISDA, Deputy State Veterinarian. He responded to questions regarding out-of-state lab testing and said there was never any official state testing and that the Caine Center was an option for operators to use, but this lab is not American Association of Veterinary Laboratory Diagnosticians (AAVLD) accredited. It has the equipment to perform the CWD test accurately and correctly, but they are not nationally recognized, and the USDA is only accepting test performed at AAVLD accredited labs per the federal CWD rule implemented this year. Any operator that wants to export their cervidae must test at an AAVLD lab. Any operator that does not wish to export can still submit their testing to the Caine Center. Current CWD testing is set at 100 percent testing.

Dr. Leibsle responded to questions about what CWD is, how it is transmitted, and if a producer could know in advance that his animal is sick and not submit the sick animal's brain for testing, possibly providing an opportunity for abuse. Dr. Leibsle said CWD is a transmissible spongiform encephalopathy (TSE) that affects four species: mule deer, whitetail deer, moose and elk. The origin of this disease is unknown and is very unpredictable. The symptoms typically arise after they are 17 months old but can be up to 15 years. The average age range is about three to five years of age. The typical symptoms seen are body condition wasting, behavioral change or neurological disease and can appear in any gender and at any time of the year. Because of the unpredictable nature of the disease and from a scientific standpoint, Dr. Leibsle said producers would not have the opportunity to take advantage of or abuse the new testing requirements. If an animal were to become clinical at some point and they were to observe it, that possibility may arise, but it is impossible where or when that may happen. CWD is transmitted by lateral transmission, (i.e. direct contact from saliva or blood.) In some very rare circumstances, it can be a vertical transmission (i.e. from mother to offspring.)

When asked what would happen to the program, should this bill not pass, Dr. Leibsle responded that for the fiscal year 2013, the cervidae program, through February, is already over budget by \$6,500. If this fee rule is not passed, the program will be shut down because there are no funds to support it. It would not be able to be re-initiated until July 1, until the allotted herd assessment for the year and the wildlife license plate money is received. The result to the industry would be no animals could be imported or exported; there would be no movement of any kind. Any of the services the department provides, including inventory verification, facilitation of import, export, and disease surveillance, would not be provided. The following year, based on the trend of the last five years, the funding would run out in mid-December.

TESTIMONY:

Chairman Bair introduced **Gail Ansley**, owner of the CA Bull Elk Ranch and Vice President of the Idaho Elk Breeders Association, who spoke in opposition of the fee increases. **Ms. Ansley** objected to the fees being raised and questioned how the money was being spent. The expense breakdown they received did not give enough detail. She questioned the fees of the other industries (i.e. cattle and sheep) being so much lower and had even heard of one industry receiving General Fund money. Could they as well? **Ms. Ansley** was very emotional and tired of what she called "being regulated right out of business." She said she thought the new fees were "over the top" and wondered if there were people at the ISDA that would just like to see the cervidae business go away. **Ms. Ansley** stood for questions.

Chairman Bair introduced **Senator Jeff Siddoway**, who is an owner of a shooter bull ranch and owns about 750 head of elk. He declared his conflict of interest and spoke in support of this bill.

Chairman Bair introduced **Director Gould**, ISDA, who responded to the question regarding the reporting of CWD and if test results are made available to the public. Director Gould said CWD is a reportable disease, not proprietary information, and results are sent immediately to Animal and Plant Health Inspection Service at the Federal level. There is no doubt the public would be informed. There is extensive traceability to ensure that the food system is always safe, and testing provides safeguards for these diseases to insure safety in our food. She went on to say that the department is not in support or opposition of this bill. They consider themselves a "can do" agency and do their best to provide the services to facilitate and help any operation without undue regulation. The regulation in this bill came at the request of the industry when it was changed from the Fish and Game Department to the Department of Agriculture. Those fees were set in 1989. There are less license plates being issued and declining herds, and it costs more to do business in today's world. This has been an issue for at least the last seven years. There have been other bills before the legislature to address the insolvency of this program but there has been no resolution. Director Gould said she has a fiduciary responsibility to the state and the other livestock producers to not continue to take money out of the animal disease control account to subsidize this industry. This issue was brought before the governor as well, and she determined that unless the department was directed by policy, they will not be using funds that are not specific to the cervidae program.

Senator Brackett asked Director Gould how many plates were sold in the license plate program so far and she responded that she didn't have the exact number but that they have received \$22,300 this year. **Senator Brackett** asked how the funds are allocated between the shooter bull industry, breeding, and velvet meat. **Director Gould** said there is a clear distinction between shooter bull operations and the meat operations with unique problems on both sides. Funds are allocated by how much it costs to perform the services.

Senator Guthrie asked about the sheep industry getting General Fund money. **Director Gould** said they receive about \$50,000 from the General Fund and has been this way for many years. No other General Fund money goes into the animal disease account. **Senator Guthrie** asked if the program is shut down, would instate activities, sales, and transfer of animals cease. **Director Gould** said the statute is vague on the responsibilities of the department and they will have to see what kind of program can be run. The license plate money is delineated for CWD testing. Any other funds that come in will indicate what can be performed with input on what the industry's priorities are. It would be a much scaled down program.

Chairman Bair introduced **Mr. Miller**, Idaho Elk Breeders Association, who spoke in opposition of the bill.

Senator Durst pointed out that the letter from the Ada County Fish and Game League expressed concern about this legislation. He asked if the Idaho Department of Fish and Game or any sportsman's groups had any input or concerns about the bill. **Stan Boyd** responded that the Ada County Fish and Game League is confused and these groups will have an opportunity for their input in the negotiated rulemaking process

MOTION: **Senator Rice** moved to send **S 1166** to the 14th Order for further amendment. **Senator Patrick** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: **Chairman Bair** adjourned the meeting at 9:35 a.m.

Senator Bair
Chairman

Denise McNeil
Secretary