

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

- DATE:** Tuesday, January 28, 2014
- TIME:** 8:00 A.M.
- PLACE:** Room WW53
- MEMBERS PRESENT:** Chairman Bair, Vice Chairman Guthrie, Senators Brackett, Tippetts, Rice, Nonini, Patrick and Ward-Engelking
- ABSENT/ EXCUSED:** Senator Buckner-Webb
- 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 8.01 a.m.
- MINUTES:** The Minutes from January 21, 2014 were presented to the Committee for approval.
- MOTION:** **Senator Rice** moved, seconded by **Vice Chairman Guthrie** to approve the Minutes from January 21, 2014. The motion carried by **voice vote**.
- WELCOME:** **Chairman Bair** welcomed the University of Idaho Agricultural Economics student's 14th annual tour, and invited Rick Waitley from the Food Producers of Idaho to the podium to introduce them.
- PASSED THE GAVEL:** **Vice Chairman Guthrie** requested the gavel from Chairman Bair. He then introduced **Kit Tillotson**, President of the Idaho Association of Soil Conservation Districts who surprised Chairman Bair by presenting him with the 2013 Legislator of the Year award. After his acceptance, Vice Chairman Guthrie passed the gavel back to Chairman Bair, and **Mr. Waitley** continued on with his introductions.
- PRESENTATION:** **Chairman Bair** introduced **Frank Muir**, President of the Idaho Potato Commission (IPC), who thanked the Committee and introduced the members of the board. He began his presentation by directing the Committee to the summary page of the 2013 financial report. **Frank Muir** said last year 344,000 acres of potatoes were harvested, which was a record yield. This year they had a very large profile size type of crop, which, because of their size, made them more difficult to market. This required additional programs during the year to make sure these crops could be moved. Potato tax revenues put the IPC \$366,000 ahead of budget. The IPC only receives revenue from potatoes sold for human consumption. Grant money received for research & education and international promotion totaled over \$500,000, with most of the money being used to get methyl bromide for use on Potato Cyst Nematode (PCN) in eastern Idaho.
- Frank Muir** said total revenue was \$936,326; total expenses were \$765,000, with a net \$175,000 incremental revenue. This year consumer advertising and public relations costs increased due to additional programs, particularly the big Idaho potato truck tour and the bin promo. The IPC likes to hold a three month reserve, and any extra money will be used to benefit the growers
- Chairman Bair** asked what a bin promo is. **Frank Muir** said they are large bins found in produce departments of grocery stores. They are colorful bins with graphics identifying them as Idaho grown potatoes and are used when there are large quantities that need to be moved quickly.

Moving on to 2014, **Mr. Muir** said this year less potatoes were harvested with 315,000 acres producing a yield of 415 hundredweight per acre. The potato tax for 2014 is estimated to be \$13.5 million. The IPC is planning on taking \$438,000 out of the reserve to be used for the potato tour, research and education, and two national meetings coming to Idaho this year. It is anticipated that the bottom line for spending will be about \$14.2 million. This is down about \$1 million from last year. Every year adjustments are made based on crop size, profile, and what is happening out in the public. This helps the IPC in making sound decisions that will be the most beneficial for the growers. Mr. Muir stood for questions.

Chairman Bair asked what the balance of the reserve fund is. **Frank Muir** said it varies month to month because the IPC is run on a cash basis. Their target is to have about \$3 million in reserves. That includes what is in the "checking account" and the short term securities they hold.

Chairman Bair asked if the entire amount of the research and education grant was used for the methyl bromide for PCN eradication. **Frank Muir** responded that the amount is about \$250,000. The rest was used to build a facility for the trucks to be used to clean the growers' equipment (part of the PCN eradication program). Travis Black, Industry Relations Director, lead this project. **Chairman Bair** said he understood that the machinery had to be washed as it left the field, and asked how a centralized washing facility could help with this. **Frank Muir** called on **Patrick Kole**, Idaho Potato Commission, who responded that "regulated" fields can be done by the farmer using a steaming process, whereas, "infested" fields must be done by United States Department of Agriculture (USDA) employees. This site houses the equipment that can be borrowed by the growers to self sanitize their equipment. The hope is to reduce costs by having the sanitation process done by growers who have been trained and certified. The total spent on PCN for 2013 was \$4.2 million and for the last 8 years \$77.5 million was spent.

Mr. Muir's last slide detailed the 2014 proposed spending for research & education totaling \$1.1 million, most of it going to the University of Idaho. The IPC has budgeted \$714,402 to be used for research projects to help in improving the quality of crop yields and disease prevention. The IPC has provided \$3.5 million to the University over the past five years.

Chairman Bair thanked the Idaho Association of Soil Conservation Districts for the award and the students for their visit.

ADJOURNED: **Chairman Bair** adjourned the meeting at 8:48 a.m.

Senator Bair
Chair

Denise McNeil
Secretary