

MINUTES  
**SENATE AGRICULTURAL AFFAIRS COMMITTEE**

**DATE:** Tuesday, February 18, 2014

**TIME:** 8:00 A.M.

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Bair, Vice Chairman Guthrie, Senators Brackett, Tippetts, Rice, Nonini, Patrick, Buckner-Webb and Ward-Engelking

**ABSENT/ EXCUSED:** None

**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 January 30, 2013, and February 10, 2014, were presented to the Committee for approval.

**MOTION:** **Senator Brackett** made a motion to approve the Minutes from January 30, 2014. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.  
**Senator Tippetts** made a motion to approve the Minutes from February 10, 2014. **Senator Rice** seconded the motion. The motion carried by **voice vote**.

**GUBERNATORIAL APPOINTMENT:** The Committee considered the gubernatorial appointment of Leon Kyle Slichter to the Idaho Soil and Water Conservation Commission.

**MOTION:** **Senator Tippetts** moved to send the gubernatorial appointment of Leon Kyle Slichter to the Idaho Soil and Water Conservation Commission to the floor with the recommendation that he be confirmed by the Senate. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**. Chairman Bair will be the sponsor.

**RS 22912** Relating to Rules of the Idaho Board of Veterinary Medicine. Seeking unanimous consent from the Committee to send to the State Affairs Committee to print.

**RS 22913** Relating to Rules Governing Noxious Weed Free Gravel and Rock Products. Seeking unanimous consent from the Committee to send to the State Affairs Committee to print.

**Vice Chairman Guthrie** spoke to the Committee regarding **RS 22912** and **RS 22913** and reminded them that these two rules were presented in Committee earlier. They had made motions to strike language from one and reject the other entirely. **Chairman Bair** asked the Committee for unanimous consent to send **RS 22912** and **RS 22913** to the State Affairs Committee to print. There were no objections.

**PRESENTATION:** **Chairman Bair** introduced Linda Lemon, Commissioner from the Idaho Aquaculture Commission (Commission). **Ms. Lemon** said she also served on the Idaho Aquaculture Association that deals with the education, research, policy and regulation aspects. In 2003, they were encouraged by the Idaho State Department of Agriculture (ISDA) to set up a commission for marketing. In 2005, they began collecting their first fees. The Commission is a voluntary checkoff program supported by producer sales, not processor sales. They represent approximately 25 percent of the operators. Currently there are about 65 to 68 commercial aquaculture facilities in Idaho run by about 21 operators.

The world prospective:

- 2012 was a milestone year for aquaculture and was the first year farmed fish production surpassed beef production. 66 million tons of fish were produced on farms versus 63 million tons of beef. 2013 projections should show an even greater increase.
- 46 percent of all fishery products consumed worldwide are farm-raised, not wild caught, and by 2015, this is expected to go over 50 percent
- 65 percent of the world's farmed fish are produced in Asia. China is first, with India, Vietnam, and Indonesia following. The U.S. is number 15 on the list. She said less than 1 percent (.06 percent) of all the fishery products in the world are produced here in the U.S.
- In 2012, the per capita consumption of fish and shell fish dropped. The total consumed was about 14.4 pounds per person, on average, for that year.
- 94 percent of all fishery products consumed by the U.S. are imported. China consumes the most fish, then Japan, then the U.S. We are a top consumer, but one of the lowest producers of aquaculture seafood.
- We import most of our fishery products from Asia, which is also the country we export most of our products to. The U.S. imported 5.4 billion pounds, at \$16.7 billion in value in seafood products, and exported 3.3 billion pounds, at \$5.5 billion in value.

Idaho Aquaculture production for 2012:

- Idaho is the number one trout producing state in the U.S.;
- Produced 77 percent of all food size trout produced in the U.S.;
- Produced 36.6 million pounds of trout valued at the farm to be close to \$42.8 million. The process value would be much higher;
- Produced 1.5 million pounds of talpia;
- Produced .5 million pounds of sturgeon; and
- Produced .4 million pounds of catfish.

**Ms. Lemon** said Idaho was challenged due to limited resources and low farm gate prices. The average price in the east and Midwest U.S. currently being paid to farmers who direct sell their fish is three times the price of what Idaho sells wholesale to the processors. This is due to the large amount of fish produced in Idaho. Transportation is another issue because most of the transportation that comes through the Magic Valley goes right past Boise, off to the West Coast, then back to Idaho, or directly to the East Coast. The individual producer is left to find their own transportation and are dependent on the commercial companies.

**Ms. Lemon** said going forward, the Commission needs to address issues about why consumption is still going down and those negative ads about the risks of mercury and eating farm fish. They will continue to focus their efforts on promotional events and website development to get the "heart healthy" message to the public. She stood for questions.

**Senator Patrick** asked if Idaho was still number two in caviar production. **Ms. Lemon** responded yes, but since the Florida and South Carolina facilities are raising a foreign species of sturgeon that was recently put on the Endangered Species Act (ESA) list, this could turn things around for Idaho.

**Chairman Bair** asked if the Idaho aquaculture sales by producers are continuing to grow. **Ms. Lemon** said that sales in 2013 will be less than 2012, due to several facilities being rebuilt. Trout will see limited production without additional water. She said production of catfish and tilapia are limited as well, but sturgeon production is increasing, due to expansion into those facilities that are not suitable for trout. She said that sales by processors will most likely increase, but not the producers. **Chairman Bair** asked if sturgeon meat is consumed as food. **Ms. Lemon** said yes, meat production is in demand and they have received requests for export to Russia, but right now they do not have enough production to export. The Columbia River has a very limited fishery available and that is continuously shrinking. There was some doubt it would be open this year.

## H 431

**Chairman Bair** introduced Stan Boyd, who represents the Idaho Elk Breeders Association. They are in support of this legislation. **Mr. Boyd** said for the past three years, the industry and the ISDA have had difficulty making the cervidae program work. The intent of **H 431** is to raise the revenue needed to help the ISDA run a responsible regulatory animal health program. For the last four or five years, the industry did not provide enough revenue from fees to support the ISDA cervidae program, so the ISDA decided it could no longer fund it, and temporarily shut it down for a few months. During that time, no importing or exporting could be done.

The new proposed fees are:

- Inventory fees. Will increase to \$10.00 and will continue to go the Division of Animal Industries at the ISDA to help fund the program.
- Import fees. A \$10.00 fee charged for animals brought into the State.
- Export fees. A \$10.00 fee charged for any animal leaving the State.
- Transfer fees. A \$10.00 fee charged for selling an animal from one ranch to another within the State.

He also said that costs to the producer and to the ISDA will be lowered. Currently, in rule, 100 percent Chronic Wasting Disease (CWD) testing on all cervidae 16 months and older is mandatory for CWD. This proposed bill will allow testing to be performed on a "case by case basis" as determined by the State Veterinarian and will be no less than 10 percent. This would apply to the closed herds or herds that transfer among themselves. Producers who wish to export must be in the national CWD herd certified program, have 100 percent testing and be CWD free for five years. Any imported elk must also come from a 100 percent tested herd.

Currently there are 57 domestic cervidae operations consisting of 3,500 head of elk and 260 head of deer, which is down from over 4,200 in 2012. They are expecting about 600 head imports this year (destined for the hunting operations) that should be harvested within 60 to 120 days after arriving. Exports will be around 20 head and transfers will be around 120 head. In 2013, revenues collected were close to \$41,000 and expenses were \$50,765. With the fee increase, the expected revenues should be \$64,000 with expenses at \$48,000. The industry would like to build a reserve fund for any extra costs that may occur.

**Mr. Boyd** said new language was added to § 25-3705 so that inventory and facility inspections will now be at least every five years. The CWD certified herd program requires the producers to have inspections at least every three years, and to have their herd inventory reconciled every year. Currently, the State requires all cervidae and deer producers to submit an annual inventory of their herd at year end.

In closing, **Mr. Boyd** said that **H 431** would allow the industry to stand on its own. He said that in 2012, the Idaho Department of Fish and Game (IDFG) reported that 49,644 deer and 16,418 elk were legally harvested in the State, and out of those 66,740, only 935 (1.4 percent) were tested for CWD. He reiterated that this bill will require 10 percent of the domestic animals to be tested, and that exporting producers will still be required to have 100 percent testing. This bill does not change the existing rules or the herd management plans. He stood for questions.

**Chairman Bair** introduced **Scott Liebsle**, DVM, Animal Industries Division, ISDA, who addressed several questions from the Senators:

- Regarding labs: An "official" laboratory is a national accredited laboratory. The Caine Veterinary Teaching Center laboratory can complete these tests. Specific laboratories are not listed, as this list is dynamic and changeable. He said all definitions and testing requirements are specified in rule. Quality control is carried out by the National Animal Health Lab and is done annually.
- Regarding the inventory and inspections: If a producer has not turned in his inventory by January 1st, there is usually a grace period of about two weeks, after that the ISDA will contact them. A fine could be assessed if the problem is not rectified. The producers' inventories start coming into the ISDA by mid December. How this fine is assessed and the amount is stipulated in rule. There are also provisions in rule that stipulate how a producer handles those animals harvested prior to when the inventory is due.
- Regarding testing: All producers are aware of the procedures for testing. This is not fresh tissue testing, and the sample is to be stored in a solution that needs to be submitted to the ISDA within 72 hours. The testing requirements for producers that export their animals have not changed, they are still required to annually have 100 percent testing done and be CWD free for 5 years. Risk assessment is done on a case by case basis by the ISDA. Any expected effect of the reduction in testing should be minimal. He said that the transmission of CWD is still a question they are trying to solve, and could not comment on where it comes from. He did say that any of the animals imported into the State come from 100 percent tested herds.
- Regarding the testing by the IDFG. Dr. Liesble said he could not comment on why they only tested 1.4 percent of the harvested animals. He said there is no live animal CWD testing as the sample for the test comes from the brain stem.

**Chairman Bair** introduced **Sharon Kiefer**, IDFG, who reiterated Dr. Liebsle's testimony and said that there still is not enough known about CWD. They are still learning about its transmission and could not give a "metric of risk" in terms of the change in testing from 100 percent to 10 percent. She said that one could make the argument that you might be increasing risk, but there is not enough known about the disease to specifically make that connection.

She said she wanted to focus on the question from Senator Brackett and something that has not been pointed out. This bill does not change many of the existing domestic cervidae rules that actually do help protect wild cervids from domestic cervids, that limit their interaction and the potential transmission between them and vice versa. There are rules in place that help reduce that risk. The ISDA and IDFG work with producers on the voluntary herd management plans still stands. She pointed out that the rules in the Idaho Administrative Procedures Act (IDAPA) 02.04.09.101, Domestic Cervidae Ranch Facility Requirements, are the integral components of what is called the "potential risk". She said there is just no way to give a specific threshold metric, nor can the

ISDA. The question for producers then is just how risk averse to be. All facility requirements still stand. This bill does not change this.

**Ms. Kiefer** said that she wishes that the bulk of the animals harvested each year would come through a check station to be tested so they could know more about the elk and moose. They have been using the combination of taking samples at the check stations, as well as providing kits for the sportsmen to collect samples for both CWD and brucellosis. She acknowledged that they do not import or export elk, but that ingress and egress does occur, and they try to focus the sampling from those areas of high probability. In 2012 they sampled 935 elk for CWD, which cost about \$80,000 for personnel, operating costs to collect the tests, process, and catalog samples. This is more than what the industry is costing the ISDA. She said this is not an inexpensive sample proposition.

She agreed with Mr. Boyd, that if the funding to support a program is not synched with the regulatory expectations, it is a hollow proposition, so these increased fees would be very beneficial. The IDFG is monitoring this bill in part, because they recognize there is much to be learned about CWD, about the level of risk that is acceptable and what can be done.

**Chairman Bair** introduced the following people who testified in opposition to **H 431**:

- **John Caywood**
- **Jim Nunley**, Idaho Wildlife Federation
- **Steve Rinehart**
- **John Robison**, Idaho Conservation League
- **Forrest Goodrum**
- **Bob Minter**, Ada County Fish and Game League

**Chairman Bair** introduced the following people who testified in support of **H 431**:

- **Roy Klinger**, Idaho Elk Breeders Association
- **Rulon Jones**, Idaho Elk Breeders Association
- **George Kelly**, Idaho Elk Breeders Association
- **Golden Millet**, Trophy Elk

**Chairman Bair** thanked all that came to testify.

**MOTION:**

**Senator Guthrie** moved to send **H 431** to the floor with a **do pass** recommendation. **Senator Tippetts** seconded the motion.

**Senators Patrick, Guthrie, Tippetts, Rice** and **Brackett** spoke in support of **H 431**. **Senator Ward-Engelking** opposed **H 431**.

The motion carried by **voice vote**. **Senators Bucker-Webb** and **Ward-Engelking** voted **nay**.

**ADJOURNED:**

**Chairman Bair** adjourned the meeting at 10:02 a.m.

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Senator Bair  
Chair

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Denise McNeil  
Secretary