

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Wednesday, January 28, 2015
TIME: 1:30 P.M.
PLACE: Room EW42
MEMBERS: Chairman Andrus, Vice Chairman Boyle, Representatives McMillan, Batt, Bell, Dayley, Miller, Romrell, VanOrden, Burtenshaw, Kerby, Troy, Pence, Erpelding
**ABSENT/
EXCUSED:** Vice Chairman Boyle, Rep. Batt
GUESTS: Garth Taylor, University of Idaho

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

Chairman Andrus recognized **John Foltz**, Director of Industry and Government Relations; **Rich Garber**, Director of Industry and Government Relations; **Barbara Petty**, Extension Director for the State of Idaho.

Dr. Garth Taylor, Associate Professor of Agriculture Economics, University of Idaho, addressed the committee concerning the agricultural economic outlook for 2015. This is the fourth straight year of increase record breaking growth in Idaho. If growth continues at this rate, farm income would double every 6 years. Livestock now exceeds 60% of total cash receipts. Hay is the largest crop of production but not cash receipts. Cash receipts for crops as a whole are up 2%. The largest cash receipt increase comes from Livestock, which is up 27%. There are approximately 20,000 cows added to Idaho herds per year. Milk production has increased 59%. Much of the increase is due to research and innovation. Today the average family spends about 10% of their budget on food which is a dramatic decrease from years past. He reviewed the government subsidies and stated they will continue to decrease. In 2013, only 2.2% of Idaho farm income was derived from direct government payments. Net farm income is up 46% with expenses in farming down 6%. Dr. Taylor pointed out the state of Idaho's GDP grew at 2.9% while farming showed a growth of 5.5% GDP. Idaho is now ranked 2nd in net farm income behind California and 3rd in gross cash receipts behind California and Washington.

Dean Foltz, Director of Industry and Government Relations, responded to the committees' question of what he attributed to the huge increase in growth since 2010. He stated that he believed most of the increase can be attributed to research and development. The innovations have accelerated growth. The growth as a whole has come from increased yield rather than increase in prices. He stated his greatest concern is water and how we can be more efficient in our use.

Dr. Garth Taylor, in response to committee questions addressed the lower oil prices. He stated the two biggest factors agriculture faces are oil prices and interests rates. Lower prices on either of these does nothing but good for Idaho's outlook.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:41 p.m.

Representative Andrus
Chair

Joan Majors
Secretary