

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, January 29, 2015

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Bayer, Senators Brackett, Patrick, Souza, Lee, Den Hartog, Ward-Engelking and Burgoyne

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 Rice** called the meeting to order at 8:02 a.m.

MINUTES APPROVAL: **Senator Ward-Engelking** moved to approve the Minutes of January 20, 2015. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

RS 23389 **To Honor Native Idahoan Gary Steven's Lifelong Achievements in Horse Racing, Jesse Taylor**, Legislative Advisor, stated this legislation is to recognize and honor a great Idahoan, legendary athlete, and Hall of Fame Jockey, Gary Stevens.

Senator Patrick advised that he had met Gary Stevens and believed that he should be honored for his skill and accomplishments as a jockey in the American Thoroughbred horse racing industry.

MOTION: **Senator Patrick** moved to print **RS 23389**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **University of Idaho, College of Agriculture Economic Impacts, Garth Taylor**, Regional Economist, Associate Professor, spoke to the amazing achievements in this year's agricultural economy. This is the fourth straight year of record breaking cash receipts, which were \$9.7 billion. In real dollar terms from 1980 to 2014 this reflects a compounded growth rate of 1.9 percent. Idaho agriculture is livestock, which is its comparative advantage and has driven the growth. Livestock has given Idaho a different growth path and trajectory than U.S. Agriculture which attributes to Idaho's high ranking in the west.

He said cash receipts have increased 16 percent over 2013, a record fourth year of record highs. Where is the agricultural growth coming from? Idaho Agriculture is in livestock, cattle and calves. The Dairy Industry is up 146 percent in sales since 1980. The growth path has come from the number of cows which is up 124 percent, with 20,000 cows being added per year over the last 30 years. Milk production is up 59 percent since 1980 when the dairymen were producing 12,000 pounds of milk per cow to this year's record of 24,000 pounds of milk per cow. These figures reflect the return on innovation which has driven this agricultural growth to the farmer and the dairy industry. The return to the consumer of that research is the drop in milk prices which translates into consumers paying less than 10 percent of their income for food. Idaho agriculture is feeding the world at a cheaper price. Idaho government payments continue to decline because Idaho does not grow Title 1 crops.

Dr. Taylor said net farm income has shot to a record high of 46 percent, which is 54 percent above the 10 year average. This year's net farm income is higher than the gross was ten years ago. Idaho's net farm income continues to be extremely volatile with double digit changes almost every year.

Dr. Taylor stated the income volatility is increasing and brings real risks for many groups. For farmers it will mean more price and production risk, which means stricter borrowing requirements. For government it will translate into more volatile taxation. For the rural economies volatility does not translate into these communities because the purchases the farmers make are very stable because of the following:

1. The stable agriculture multiplier effect.
2. Acres continue to be purchased and remain in production.
3. Costs are tied to operating expenditures not commodity price.
4. The teeter-totter effects in agriculture. When the corn prices are up the feed lots income goes down and when hay prices go up livestock margins go down.

Dr. Taylor next addressed agriculture and the state economy. He showed an agricultural chart depicting the GDP which shows that farming and food manufacturing are steady jobs. The chart shows that during the 2008 recession there was no job loss in this field.

Idaho's ranking by net farm income places the State as the 2nd largest agricultural state in the 11 western states. Idaho's ranking by gross places it as the 3rd largest state. The agricultural business is 20 percent of the economy in this State. Farm income in the State was up 45 percent in 2014. While farm income in the nation was down 22 percent in 2014. Idaho is on a different growth path than the nation.

Dr. Taylor then spoke on revenue outlook: The ethanol boom is waning. The health of Idaho's agriculture will be driven by foreign exports. Debt to equity ratio is at a historic low. The farmers have clean balance sheets; they are not borrowing (see attachment 1).

Senator Brackett asked Dr. Taylor to help the Committee understand the food manufacturing GDP chart. **Dr. Taylor** explained the additions to the GDP which are important to look at are in production agriculture. The propelling force behind the GDP should be the Chobani addition to the State, but the change in the GDP is the result of production agriculture.

Chairman Rice asked Dr. Taylor to expand on efficiency such as crop yields at the farm level versus innovation at food manufacturing level. **Dr. Taylor** explained it is amazing how much product the food manufacturing companies turn out using a small amount of labor. Food manufacturing efficiency will continue.

**PASSED THE
GAVEL:**

Chairman Rice passed the gavel to Vice Chairman Bayer.

**DOCKET NO:
46-0101-1401**

Rules of the State of Idaho Board of Veterinary, Jodie Ellis, Executive Director, said negotiated rulemaking was conducted and the Board received no comments or suggestions during the open comment period; a public hearing was not scheduled. Under the current language applicants for certification as a certified veterinary technician (CVT) in Idaho are required to provide the Board of Veterinary Medicine with proof of graduation from a veterinary technology program:

1. Accreditation by the American Veterinary Medical Association (AVMA).
2. Equivalent to a program accredited by the AVMA.
3. From an institution approved by the Board.
4. In the case of a foreign student who graduated from a foreign program it must be accredited by AVMA.

In recent years the field of veterinary technology has expanded becoming more exacting and technical in nature. The Board recognizes that to fulfill its mandate of safeguarding the people and animals of Idaho along with establishing and enforcing professional standards in veterinary profession. The Board must require consistent reliable baseline standards for all its licensees. The Board concedes that it does not have the manpower, knowledge or means to thoroughly evaluate individual veterinary technology programs or foreign schools of veterinary medicine. The Board proposes that all CVT applicants in Idaho should graduate from programs that have been formerly accredited by the AVMA which does have the knowledge, means and manpower to proficiently evaluate these programs.

The changes to the rule will allow only the following three possibilities for documented education or training:

1. Proof of graduation from an AVMA accredited program of veterinary technology.
2. Proof of graduation from an accredited school of veterinary medicine.
3. Foreign graduates would provide proof of completion of the certification program by the AVMA Educational Commission for foreign veterinary graduates.

Senator Brackett questioned how many foreign veterinary graduates have come before the Board for accreditation. **Ms. Ellis** responded that since 2013 there had been two.

Chairman Rice asked for clarification of the definition of accredited school of veterinary medicine. **Ms. Ellis** stated California has a separate program which is not accredited by the AVMA. California's program has its own accreditation and their graduates are called registered technicians. Sometimes these registered technicians have come to the Board to apply for certification that is accredited by California, but are not held to national standards. **Chairman Rice** asked if these students would be allowed to be certified CVT's in the State. **Ms. Ellis** answered the Board prefers not to give certification to registered technicians from California because the Board does not know the baseline standards of their educational programs. **Chairman Rice** questioned if the California technicians are coming from an accredited school, even though the accreditation is the State of California, will they be accepted for certification. Under this rule change what will be the process for graduates coming from these unaccredited programs. Will they be allowed by the Board to demonstrate equivalent education so they could be certified to work in the State? **Ms. Ellis** explained Idaho is not the only state that is not accepting the accredited in California technicians. In the past, the Board has accepted the California applicants, but even California is moving away from their own accreditation. California is recognizing that in order for this profession to move forward and grow it needs to be governed by a national entity. This rule change will remove the means of redress because the Board cannot guarantee a baseline level of knowledge if the individual comes from a school that the Board has not evaluated; that is why the Board relies on AVMA. The Board would not license a veterinarian

from an unaccredited school. The Board believes that the CVTs should be held to these same standards since they are a professional in the animal health industry.

Chairman Rice asked if a CVT can practice independently or will they be under the supervision of a doctor of veterinarian medicine. **Ms. Ellis** responded that CVTs will practice under a licensed veterinarian in Idaho.

Senator Burgoyne further clarified that a student graduating from a California institution will not have the required accreditation to practice in Idaho. **Ms. Ellis** answered that is correct.

Senator Souza asked could the Board evaluate the California standards in order to certify these technicians. **Ms. Ellis** replied the Board of Veterinary Medicine has a staff of two people and does not have the qualifications to evaluate the technician program from the California schools.

Chairman Rice explained that these CVTs will be supervised by a doctor of veterinarian medicine. Barring these technicians from being certified in Idaho should only be considered if there is a widespread problem with their caliber of training. This could be rectified by administering an examine to show their proficiency. **Chairman Rice** believed the rule change is ill advised.

MOTION: **Senator Burgoyne** moved to reject **Docket No. 46-0101-1401**. **Chairman Rice** seconded the motion. The motion carried by **voice vote**.

DOCKET NO: **Rules Review Department of Agriculture**
02-0214-1401 **Weights and Measures - Incorporation by Reference, Stacie Ybarra**, Program Specialist, stated the weights and measures program's primary purpose is to inspect and test commercial weighing and measuring devices. The Committee may be familiar with seeing inspection stickers on the gas pumps or on the scales used to buy or sell crops or livestock.

This is an annual housekeeping item to incorporate by reference the most current date specific edition of the Handbook 44. Maintaining a current handbook is important to weights and measures officials and the service industry that repair commercial weighing or measuring devices.

MOTION: **Senator Lee** moved to approve **Docket No. 02-0214-1401**. **Senator Den Hartog** seconded the motion. The motion carried by **voice vote**.

DOCKET NO: **Weights and Measures - Ethanol Labeling, Stacie Ybarra**, Program Specialist, explained the purpose of the change in this rule is to simplify the labeling requirements of gasoline containing oxygenates. Currently Idaho's labeling requirements conflict with the EPA's CFR. Idaho's current rule requires a label for gasoline containing oxygenates greater than 1 percent. The federal CFR requires the labeling of ethanol blends at levels greater than 10 percent.

The amended rule narrows the labeling requirement to oxygenate levels between 10 percent. Anything greater than 10 percent would no longer be required to be labeled but is still required to be labeled under the federal CFR.

MOTION: **Senator Ward-Engelking** moved to approve **Docket No. 02-0214-1402**. **Senator Patrick** seconded the motion. The motion carried by **voice vote**.

**DOCKET NO:
02-0214-1403**

Weights and Measures - Licensing, Stacie Ybarra, Program Specialist, stated the Idaho State Department of Agriculture (ISDA) is proposing that the proration requirement be removed from this rule. There are several reasons for this change:

1. To bring the device licensing program in-line with other license programs within the ISDA.
2. The procedures needed to prorate a device are more costly than normal licensing and adds cost to the overall program.
3. It is also more equitable to all competitors when everyone pays the same license fee.

This change will only affect businesses adding new devices during the license period. In 2013, only 13 businesses had devices that were prorated resulting in an approximate combined savings of \$178. In 2012, 20 businesses had devices for a combined savings of \$301.

Each proration roughly costs the program an additional \$30 per proration. This cost is generated by the additional procedures needed to prorate a license fee. The device license fees range from \$5- \$100, the majority of the devices inspected each year have a \$6 license fee; therefore additional cost to prorate a license fee can have a significant effect on the program.

MOTION:

Senator Lee moved to approve **Docket No. 02-0214-1403**. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

**DOCKET NO:
02-0633-1401**

Organic Food Products, Johanna Phillips, Organic Program, explained this rule will repeal the registration requirement for operations that have less than \$5,000 in annual gross organic sales, other certifying agents operating in Idaho, as well as the associated \$50 annual registration fee for those entities.

Operations that have less than \$5,000 in gross organic sales are exempt from organic certification requirements under the federal regulation. Because they operate as a certifying agent of the United States Department of Agriculture (USDA), the agency is not allowed to have more restrictive requirements than USDA for organic operations.

Further repeal of this requirement will not affect an operation's ability to sell organic product if they fall under the federal \$5,000 exemption, nor will it affect the ability for other certifying agents to certify operations in Idaho. With this change, operations that fall under the federal \$5,000 exemption will no longer be required to register with Idaho State Department of Agriculture (ISDA) annually or pay a \$50 annual fee, but may continue to sell organic product pursuant to the federal exemption in the USDA NOP regulation.

Senator Burgoyne asked if they reached out to the industry and consumer groups for their input on this rule change. **Ms. Phillips** answered the ISDA did not conduct negotiated rulemaking on this rule change because it is a condition of their continued accreditation.

A discussion ensued concerning lack of notification to the industry and consumer groups and whether to postpone the rules acceptance until that action occurred.

MOTION:

Senator Souza moved to approve **Docket No. 02-0633-1401**. **Senator Lee** seconded the motion. The motion carried by **voice vote**. **Senator Burgoyne** voted nay.

**DOCKET NO:
02-0303-1401**

Governing Pesticide and Chemigation Use and Application, Ben Miller, Bureau Chief, advised in 1997 a statewide restriction was put into the rules for the use of low volatile liquid ester herbicides around homes and gardens. This rule prohibits the use of these products between the dates of May 1 and October 1 or when temperatures are above 80 degrees. The industry, which includes state licensed applicators and product representatives, has informed them that this date restriction is obsolete and should be eliminated. The temperature restriction is a more proper cut-off mechanism to reduce damage from the use of these specific weed control products. The current federally regulated ester product labels have adequate restrictions to protect against damage from volatilization, which is the movement of herbicide when it changes into a gaseous form and is usually related to higher temperatures. The industry also recommended that the agency remove the current listed specific names of these herbicides to now include all liquid ester herbicides since the current name list is also outdated. The proposed rule change was reviewed and recommended by the Pesticide Licensing Advisory Committee.

Negotiated rulemaking was held at the ISDA office on June 18, 2014 and no negative comments were received. In addition, all 7820 state licensed applicators were also sent a mailing informing them of the change. Again, no negative comments were received.

MOTION: **Senator Patrick** moved to approve **Docket No. 02-0303-1401**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business, **Vice Chairman Bayer** adjourned the meeting at 9:53 a.m.

Senator Rice
Chair

Carol Deis
Secretary