

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 24, 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 8:05 a.m.

RS 23664 **Unanimous Consent to send a Concurrent Resolution Rejecting a Rule Governing Livestock Dealers to a privileged committee to print**

UNANIMOUS CONSENT REQUEST: **Chairman Rice** asked for unanimous consent to send **RS 23664** to State Affairs to print. There were no objections.

RS 23665 **Unanimous Consent to send a Concurrent Resolution Rejecting a Rule Governing the Board of Veterinary Medicine to a privileged committee to print**

UNANIMOUS CONSENT REQUEST: **Chairman Rice** asked for unanimous consent to send **RS 23665** to State Affairs to print. There were no objections.

S 1074 **Relating to the Idaho Honey Commission, Jim Lowe**, representing the Idaho Honey Industry Association, advised this legislation deals with the update and clarification of Idaho Code § 22-28, relating to the Idaho Honey Advertising Commission (IHAC). IHAC is a quasi-governmental agency operating within the Idaho State Department of Agriculture. The purpose of IHAC is the promotion, research and education of the Honey Industry. **S 1074** addresses three areas: 1) Change the name of the IHAC from the Idaho Honey Advertising Commission to the Idaho Honey Commission (IHC) to more accurately reflect the entirety of the purpose of the Commission; 2) In order to maintain consistency changing the fund name from IHC to the Idaho Honey Fund; and 3) This brings the naming of IHC in line with the convention of other commodity commissions. The major change in the bill is to revise the code governing members of IHC, Idaho Code § 22-28-04. Changes to Section 28-04 addresses the qualifications, removal, nomination, terms, function, operations and compensations for members of the IHC. They have removed the three districts because it can be difficult to find individuals that are qualified and willing to serve on the IHC.

He addressed the levy and collection of taxes. Every commercial beekeeper in the State is required to register with IHC, and they are assessed a per hive fee of \$.05. The smaller producers that qualify as hobby beekeepers, less than 50 hives, have the option to register with IHC for a flat fee of \$10.

Senator Burgoyne asked what is the purpose of IHC. **Mr. Lowe** answered Section 28-07 directs the duties of the IHC to set honey quality, identity, labeling standards, advertising, promotion, research and public education.

MOTION: **Senator Souza** moved that **S 1074** be sent to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: Idaho Potato Commission (IPC), Frank Muir, President/CEO, stated that the IPC represents over 600 farms which generate \$4 billion in farm revenue for the State. IPC was formed 78 years ago when the growers realized they had something unique in the soil and climate for their potato crops. The farmers knew that they could not get enough funds voluntarily and approached the Legislature for a law to levy a tax on the growers which created the IPC. The Idaho Potato Truck traveling around the US is the biggest tourism advertisement for Idaho. This year University of Idaho (UOI) requested that they be included in the promotion tour to help recruit students of the northwest to explore an education at UOI.

Mr. Muir focused his presentation on two pages from the financial report for year end August 31, 2014. Revenues collected were \$14,814,712 on 12.5 cents per hundredweight (potato tax); 60 percent is collected from the growers, 40 percent is collected from the first handler; the revenue was up \$552,498 due to a bumper crop of potatoes. This is an increase \$630,000 in revenue over budget. IPC does not believe in taking excess revenue and building up a reserve fund but views those dollars as working dollars that need to be directed toward advertising and promotions to stimulate demand. IPC has to be very aggressive in putting forward the potato message, as a result, IPC voted to keep the potato truck on the road for a third year tour because of the unbelievable success of the campaign. IPC approved an increase of budget from the reserve, which is reflected in line item advertising and public relations for an overspend of \$1.3 million to keep the truck out on the road along with two national potato meetings.

Mr. Muir mentioned there is a piece of legislation progressing through the House dealing with potato cyst nematode (PCN). The bill language requests that the farmers who are affected by the PCN receive a refund of their IPC tax. IPC is opposed to this legislation but not opposed to helping the growers. Nearly \$80 million has been spent by federal, state and IPC funds over the pasted 8 years battling PCN.

Senator Souza questioned the personnel costs of \$3 million; how much staff does IPC employ? **Mr. Muir** clarified that IPC employs 18 people, and that \$3 million represents not only their salary but all of the office costs. IPC tries to keep their administration dollars to 20 percent or less.

Senator Souza asked does the State fund any of IPC directly with money from the General Fund. **Mr. Muir** explained IPC is completely funded, almost 100 percent, by the potato taxes paid by potato growers, shippers and processors.

Senator Patrick questioned the expenditure of \$80 million on 3,000 acres of land that is infected with PCN; would it be more cost effective to purchase those acres and put them in pasture until the PCN is eradicated? **Mr. Muir** explained that the USDA has not offered to purchase those acres because you would have to put those acres into fallow for 30 years. The USDA approach has been to treat PCN because it was found in its early stages. USDA believes the treatment methods of using methyl bromide and other aggressive tactics along with research can eradicate PCN in these acres. They are at that stage with nine of these fields. All the phases of the methyl bromide treatments have been completed and the testing indicates that there are no active viable PCN in those fields. They are also researching a suicide hatch method for control of PCN.

PRESENTATION: USDA Farm Service Agency, Mark Samson, State Executive Director, Farm Service Agency of Idaho, the presenter was not present.

**PASSED
GAVEL:**

**DOCKET NO:
02-0421-1401**

Chairman Rice passed the gavel to Vice Chairman Bayer.

Importation of Animals - Meningeal Worm Parasite, Vice Chairman Bayer reminded the Committee that they have had three proceedings on this docket and ran out of time at each of those meetings.

Senator Den Hartog asked for clarification on a motion that was made at one of the previous meetings and how the House voted on this docket. **Vice Chairman Bayer** explained in the previous meeting the Committee's action was to hold the docket to the discretion of the Chair because of time constraints. The House vote did not reject the rule. To reject a rule the process is to draft a concurrent resolution rejecting that rule through the legislative process for the rule to fail.

Senator Patrick stated that the Committee is tasked with measuring the risks that could come with the importation of elk. It is difficult to know the science that would lead to a no risk decision.

Senator Ward-Engelking said she has read over the documents that have been presented in opposition to the rule change. Experts in the field state this is a bad idea. She has not been assured that an elk imported into the State would not be carrying the meningeal worm. Her course is to take no risks with the State's wildlife and leave the rule unchanged. She believes that not all of the stakeholders were at the table when the rule change was negotiated.

Senator Burgoyne advised that the Committee should reject this rule. He believes The language of 605 on page 56 of the rule is misdrafted: 605. Meningeal Worm - "importation of domestic cervidae known to be infected with p-tenuis is prohibited". This rule language that the Committee is being asked to approve encourages not knowing. It seems that the party that has the affirmative bears the burden of proof. This group of individuals wants a change in the rule, and the science is, at best, conflicting; this group should bare the burden of convincing the Committee that what they propose is going to be safe. He stated he was not convinced. The industry has some responsibility to develop the science and show the Committee that the treatment is effective. Before shifting the risk, it is reasonable that the industry be the party that bears the cost of the science and not put the cost on the wildlife industry. The benefit is narrow to a small group, and the potential risk is broad; if the risk would come to pass it would be devastating to the State's wild herds.

Senator Souza explained she comes from a science background, and the science that has been provided for this change in rule is very uncertain. The Committee has heard from four different veterinarians on various sides of the issue each reporting different tidbits of science but nothing firm enough to convince her that elk could be imported at no risk. The Committee has a responsibility to take all industries into consideration in this case. The population of farmed elk is in serious need of import options. It has been presented that some western states have successfully relaxed their regulation on importing elk and have no reported cases of meningeal worm. The other industry that has to be considered is the hunting and guiding industry, which is extremely valuable financially to many communities in the State. As a member of this Committee, she has a responsibility to protect the wildlife from the possibility of the meningeal worm risk.

Senator Lee stated based on science the Committee has shown that it supports the elk industry by reducing some regulations on the CWD testing. If there was a definitive way to test for meningeal worm, she could support the rule change. Because of conflicting scientific data she cannot support this rule change.

Senator Brackett asked for clarification of the parties that were present at the negotiated rulemaking meeting. **Steven Allen** stated that there is a transcript of that meeting and in the transcript the only industry present at the negotiated rulemaking was the shooter bull industry. There was one small notification within the journal, but he does not believe that this represents proper notification. **Senator Brackett** asked if Mr. Allen was present at the rulemaking negotiations. **Mr. Allen** stated he was not at the meeting. The journal notification was very innocuous, and it failed to notify all the industries who deal in elk. The Committee has had such a large turnout of individuals opposing the rule change because of inadequate representation. The industry was outraged that the rule change was happening so quickly and there was no time to properly prepare for the Committee hearing. There should be proper notification for all interested parties.

Chairman Rice advised that there are experts that are very sound in their profession and there are others that express opinions that are not based in the science. Some of the documentation that has been presented to the Committee is quite dated. There have been statements made that sheep do not pass on the meningeal worm, yet not one single scientific study has been presented on whether sheep pass this worm. Idaho imports sheep from east of the 100th meridian and they send them out into the wild in much larger numbers than what the elk farmers are requesting. In some of the documentation scientists have attributed the meningeal worm to a particular source without any study. Some of the documents given to the Committee by both sides indicate that the only animal species that is a problem is the whited-tail deer; this conclusion comes from the zoo veterinarians. There are areas east of the 100th meridian where the meningeal worm is not present and has not spread such as the Atlantic coast. Colorado has had the same rule for 15 years and has not had meningeal worm. Colorado has imported elk from east of the 100th meridian into herds. Under the rule as it stands the State can import elk from Colorado. **Chairman Rice** specifically asked for evidence of infestation of meningeal worm in any of the domestic herds east of the 100th meridian. Not one scientific study or newspaper article showed that domestic herds of elk east of the 100th meridian have had a problem with meningeal worm. The science does not support the huge risk claim. This means the risk is very low and the potential harm is much lower than has been represented.

Senator Patrick stated he does not believe importing elk will bring disease to the elk herds of the State.

Senator Den Hartog stated she is a supporter of business and reducing regulation in a meaningful way. She is not opposed to reducing regulation when the risk is understood along with the implications of the decision. There has been different expert testimony for both sides of this rule change. There has been no definitive science presented that shows pre-treating of the elk with the dewormer is effective to rid them of the meningeal worm. She understands the need of the industry and the frustration of not being able to import freely within the US. In the future she is not opposed to considering this rule change if the industry would consider importing elk from areas that are not endemic with this worm. There is no consistent way to know if the elk are carrying the worm in their system and no way of treating them so they are worm free. These are the reasons she cannot support the rule change.

MOTION: **Senator Ward-Engelking** moved to reject **Docket No. 02-0421-1401**. **Senator Burgoyne** seconded the motion.

ROLL CALL VOTE: **Vice Chairman Bayer** requested a roll call vote. **Senators Souza, Lee, Den Hartog, Ward-Engelking and Burgoyne** voted aye. **Senators Bayer, Brackett, Patrick and Rice** voted nay. The motion carried.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:17 a.m.

Senator Rice
Chair

Carol Deis
Secretary