

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, March 24, 2015

TIME: 1:30 or Upon Adjournment

PLACE: Room EW42

MEMBERS: Chairman Andrus, Vice Chairman Boyle, Representatives McMillan, Batt, Bell, Dayley, Miller, Romrell, VanOrden, Burtenshaw, Kerby, Troy, Pence, Erpelding

**ABSENT/
EXCUSED:** Rep. Boyle, Bell

GUESTS: Brent Olmstead, MP Idaho; Stan Boyd, Idaho Cattle Association; Jane Wittmeyer, Wittmeyer and Associates; Dennis Tanikuni, Farm Bureau; Benjamin Kelly, Food Producers of Idaho; Mitch Royer, Food Producers of Idaho; Rick Waitley, Food Producers of Idaho; Suzanne Budge, SBSA Associate LLC

Chairman Andrus called the meeting to order at 2:43 p.m.

MOTION: **Rep. Erpelding** made a motion to approve minutes of the Thursday, March 12, 2015 and Monday, March 16, 2015 meetings. **Motion carried by voice vote.**

S 1113: **Stan Boyd**, Idaho Cattle Association, explained the purpose of this legislation is to correct an oversight in the original bill and allow Idaho Beef Council to own or lease property deemed necessary in the operation of the Council.

MOTION: **Rep. Dayley** made a motion to send **S 1113** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Burtenshaw** will sponsor the bill on the floor.

Traci Bracco, Executive Director of Idaho Beef Council, explained the mission of the Idaho Beef Council is to build consumer demand for beef through integrated state, national and international programs and increase the opportunity for producer profitability. She stated the return on Beef Checkoff investment is \$11.20 for every dollar invested. Ms. Bracco explained the various advertising strategies in place using today's media. She addressed the rising cost of beef explaining 76% of consumers say beef is worth the price. She also stated 75% of consumers are eating the same amount of beef this year as last year with 14% eating more than the previous year. She indicated as the middle class grows in the world market, so will the demand for beef and the demand will be met by improved herds, innovation and efficiency in operations.

In response to committee questions, **Ms. Bracco** explained unlike the Idaho Potato, state branding of Idaho Beef is not allowed.

Ms. Bracco stated in response to a committee question regarding refunds requested on the assessment fee, only about 2% have ever been requested. She stated most producers are satisfied with the dollars they spend and the positive results they see.

Brent Holmstead, Milk Producers of Idaho, addressed the committee to explain their position on the fuel tax. He explained the history of the petroleum Clean Water Trust fund started in 1990. The transfer fee of 1 cent per gallon is on all petroleum products, including dyed diesel, jet fuel, and aviation fuel. This is the diesel fuel used in vehicles not driven on public roads or highways.

Russ Hendricks Idaho Farm Bureau, explained how the red die diesel fuel came into being and took the place of a fuel tax refund. He stated vehicles using this fuel do not impact public roads.

Mr. Olmstead stated they are in support of some sort of funding for roads and gave ideas they could support.

In response to a committee question regarding fraudulent use of red die fuel, **Mr. Olmstead** said they would be in favor of stronger enforcement to ensure red die fuel was not used other than for what it was intended.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:43 p.m.

Representative Andrus
Chair

Joan Majors
Secretary