

MINUTES  
**SENATE AGRICULTURAL AFFAIRS COMMITTEE**

- DATE:** Tuesday, February 21, 2017
- TIME:** 8:00 A.M.
- PLACE:** Room WW53
- MEMBERS PRESENT:** Vice Chairman Den Hartog, Senators Patrick, Bayer, Guthrie, Johnson, Thayn, and Foreman
- ABSENT/ EXCUSED:** Senators Smith and Jordan
- 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:** **Vice Chairman Den Hartog** called the meeting of the Senate Agricultural Affairs Committee (Committee) to order at 8:01 a.m.
- CONFIRMATION VOTE:** **Vote on the reappointment of Gerald Trebesch of Boise, Idaho to the State Soil and Water Conservation Commission to serve a term commencing July 1, 2016 and expiring July 1, 2021.**
- MOTION:** **Senator Bayer** moved to send the Gubernatorial appointment of Gerald Trebesch to the State Soil and Water Conservation Commission to the floor with recommendation that it be confirmed by the Senate. Seconded by **Senator Guthrie**. The motion carried by **voice vote**.
- INTRODUCE:** **Welcome and Introduction of Committee Page Melissa Freeman. Vice Chairman Den Hartog** introduced and welcomed Committee Page Melissa Freeman.
- MINUTES APPROVAL:** **Senator Thayn** moved to approve the Minutes of February 7, 2017. Seconded by **Senator Johnson**. The motion carried by **voice vote**.
- PRESENTATION:** **Future Farmers of America (FFA). Gretchen Hansten**, State President, said a few weeks ago her family went skiing at Sun Valley. **Ms. Hansten** had been waiting for this day since she was six years old. At the top of the ski lift something was missing, the sun wasn't shining instead there were winds that could blow you to the next mountain, heavy fog, and it was snowing. This day Sun Valley got nine inches of new snow. The snow that allowed our family to enjoy the day has been a tragedy and a blessing for agriculture this year. A tragedy for those who have had onion sheds collapse, but a blessing for those who will need the irrigation water come spring and summertime to irrigate their crops. Even though we have these tragedies and blessings in the future of agriculture there is one thing that we can look forward to which is our upcoming workforce that FFA is preparing.
- Idaho FFA is taking bright intuitive minds and preparing the pipeline for agricultures future workforce. Today 4,441 FFA members in 91 chapters, across Idaho, are participating in courses from food science to agricultural mechanics and horticulture to animal science. Nationally, 649,355 students are engaging in their supervised agricultural experiences where they gain real world skills that will allow them to go into careers in agricultural policy, sales, marketing, or educating the next generation of students who will join the workforce. Career development events where students apply what they learn in the classroom to contests and supervised agricultural experiences while gaining real world skills. FFA is expanding the horizons and ensuring that agricultural workforce will be prepared for the 235 unique careers in agricultural industry.

**Senator Patrick** asked if Ms. Hansten knew what the "Go On Rate" (students going onto higher or more education) of FFA members. **Ms. Hansten** replied that approximately 60 percent of the FFA students will "Go On" to college. **Senator Guthrie** stated that he commended the FFA who do such an incredible job with all their activities. He appreciates the FFA State Officers for being such great ambassadors and setting good examples for the youth in Idaho. **Senators Thayne and Patrick** asked if the FFA Officers had any college credits when they left high school. **Ms. Hansten** said many of the FFA State Officers had completed one semester of college before they left high school.

**PRESENTATION: USDA Farm Service Agency (FSA).** **Aaron Johnson**, State Executive Director, stated that the FSA has an administrative staff of 135 employees which are located in 29 counties around the State of Idaho. FSA is currently operating under the 2014 Farm Bill. Some of the items included in this program are livestock, noninsured crop disaster assistance, Agricultural Risk Coverage (ARC)/ Price Lost Coverage (PLC) Revenue Protection, conservation, price support, and the farm loan program. Under these programs \$515 million in federal program benefits were paid out to Idaho farmers and ranchers in FY 2016. (See Attachment 1). \$313 million of this pay out went to marketing assistance loans for sugar. FSA loans marketing assistance to Amalgamated Sugar while the company is waiting for its payments from the sales of the sugar.

The national office sets goals on farm loans and Idaho achieved all of the goals such as processing time, delinquency, and loss rate. FSA loaned \$122 million to Idaho farmers and ranchers a total of 855 loans. Idaho farmers/ranchers delinquency rate is very impressive with a 1.6 percent for direct loans and 0.7 percent for guaranteed loans. For years the FSA has been known as the lender of last resort. When a rancher/farmer could not go to the bank and get a loan they came to FSA for a loan. FSA has been trying to change that reputation and to become a major lender in the agricultural market for Idaho. FSA now sees itself as the lender of first opportunity for beginning farmers, underserved and the veterans. FSA farm loans are:

1. Guaranteed loans - banker can ask for a guarantee, up to 90 percent.
2. Direct loans - lend out taxpayers dollars to keep producers on the farm who are unable to obtain guaranteed loans. The farmer must go through farm management training to be granted this loan. Last year over 50 percent of these loans were beginning farmers.
3. Emergency loans - these loans are to help producers recover from production and physical losses due to drought, flooding or other natural disasters. Last week the Governor of Oregon declared Malheur County as a disaster. By declaring this county a disaster any county contiguous to Malheur County will also receive this designation. This means that Owyhee, Canyon, Payette, and Washington County can be granted this designation. The disaster status for these counties will allow for FSA to help finance the removal of debris. The farmers would be responsible for the rebuilding through financing from the bank.
4. Microloans - maximum loan limit is \$50,000. These loans help farmers to do an annual or a term operating loan or acquire a down payment for farm ownership.
5. Farm storage facility loans - build or upgrade farm storage and handling equipment.

**Senator Patrick** asked for clarification on the terminology in Mr. Johnson's presentation on lender of last resort versus lender of first resort. **Mr. Johnson** explained that FSA has built into their regulations that banks have the first opportunity to finance farmers and ranchers as long as the interest rate is reasonable for that time period. **Senator Patrick** said wouldn't that make FSA the last resort lender. **Mr. Johnson** replied that many of the farmers and ranchers come into FSA to find out whether they would qualify for a loan. FSA refers most of these enquiries to the bank. Farmers or ranchers need two turn-down letters from the bank before FSA can finance them.

**Senator Guthrie** asked will there be a change in some of the loan programs because of the federal debt and the change in the administration in Washington D.C. **Mr. Johnson** pointed out that the U.S. has signed a Farm Bill for 2017 and 2018.

**ADJOURNED:** There being no further business, **Vice Chairman Den Hartog** adjourned the meeting at 8:40 a.m.

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Senator Smith(Rice)  
Chair

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Carol Deis  
Secretary