

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, March 08, 2018

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Den Hartog, Senators Patrick, Bayer, Guthrie, Thayn, Harris, Foreman, and Jordan

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 of the Agricultural Affairs Committee (Committee) to order at 8:01 a.m.

MINUTES APPROVAL: **Senator Foreman** moved to approve the Minutes of February 22, 2018. Seconded by **Senator Bayer**. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Bayer** moved to approve the Minutes of February 27, 2018. Seconded by **Senator Patrick**. The motion carried by **voice vote**.

H 537

Relating to Food Safety. **Senator Lee** stated this legislation is the next step in the Food Safety Modernization Act (FSMA). This bill is a collaborative effort of the FSMA Advisory Committee colleagues, Elizabeth Criner with Food Northwest, and Candi Fitch representing the Idaho-Oregon Fruit and Vegetable Association, who were the main contributors and instrumental in drafting the legislation. They worked in conjunction with the broader membership of the FSMA Advisory Committee representing industry, Idaho State Department of Agriculture (ISDA) and Idaho Department of Health and Welfare (DHW).

This legislation does two things. First, for the human food manufacturers, the primary oversight for food safety and inspections fall within the jurisdiction of the federal Food and Drug Administration (FDA), under the authority of the FSMA. The FDA contracts a number of these inspections out to the State of Idaho. Currently, they are contracted with the DHW. This legislation would transition that responsibility over to the ISDA by fiscal year 2020.

Second, FSMA requires food safety inspections in some instances for production agriculture under the auspices of the federal produce safety rule. This legislation creates a new section of Idaho Code that authorizes the ISDA to administer and enforce the produce safety rule in Idaho. It provides the basic program outline to allow ISDA to implement a produce inspection safety program and ensures that the program parameters will not exceed the standards required by federal law. This bill ensures farmers will be able to work with inspectors from the ISDA program, and not the FDA. Idaho's producers are familiar in working with ISDA; this legislation will solidify those relationships.

The bill includes a fiscal note corresponding to the legislation transition funds that currently flow into the DHW and seven health district offices. Idaho currently contracts with the FDA to conduct about 70 inspections at \$844.83 per inspection or \$59,138.10 total. The contracting authority for these inspections would transition over to the ISDA along with funding to carry out the FDA contract. At this time, ISDA cannot predict the negotiated fee for the transitioning inspection fees.

There may be the need for a 2020 general fund request of \$86,000 in order to cover the cost of part of one inspector to carry out contracted human manufactured food inspections. All costs associated with implementation of Idaho Code, Chapter 54, the "Idaho Produce Safety Law" will be covered by federal funds.

Senator Lee concluded that this legislation will ensure a streamlined, expert, cost-effective, safety inspection program that will allow those who feed us to work directly with the ISDA.

Senator Bayer asked if DHW was in support of the removal of these FSMA inspections and placing them under the authority of ISDA. **Senator Lee** answered the DHW has been at the table as part of the FSMA Advisory Committee as a contributor in drafting this legislation. The federal dollars that currently contribute to these inspections would transition to ISDA. The DHW is supportive of shifting the responsibility for the inspections so those growers and producers that currently work with ISDA can maintain those connections under this legislation.

Elizabeth Criner, representing Food Northwest, spoke in support of **H 537**. Food Northwest has been involved in the development of the bill and worked with their colleagues in the FSMA Advisory Committee. This bill provides a centralized expertise for food inspections. Having a safe food supply is important to the brands and businesses that Food Northwest represents. This bill creates an opportunity to have an ongoing, central group of individuals in Food Northwest's facilities and working with the members to ensure a safe food supply. The chain of inspections from the farmer's field through processing is a unique type of inspection work and different than inspections performed in the retail environment. This legislation divides the duties of inspections between the two agencies with retail environment inspections remaining with the DHW and moving the cell side inspections to ISDA.

Candi Fitch, representing the Idaho-Oregon Fruit and Vegetable Association (Association), spoke in support of **H 537**. **Ms. Fitch** stated under FSMA there are some instances where food safety inspections will be required for production agriculture. This legislation creates a new section of Idaho Code that authorizes the ISDA to implement those inspections. The members of the Association are already familiar with working with ISDA and it makes sense for the ISDA to have food safety oversight for production agriculture.

The producers feel more comfortable with the ISDA representatives on their farms and facilities rather than the FDA. The legislation will not exceed the standards required by federal law outlined in the produce safety rule. All costs associated with the implementation of Idaho Code, Chapter 54, the "Idaho Produce Safety Law" will be covered by federal funds. If there is a time when the federal funds are not available, the ISDA Director will cease enforcing the chapter and the rules promulgated under this chapter. **Candi Fitch** said she is also the President of Food Producers of Idaho this year and the Food Producers of Idaho have voted to support and track **H 537**.

Dennis Tanikuni, Assistant Director of Governmental Affairs, Idaho Farm Bureau Federation (IFBF), spoke in support of **H 537**. IFBF represents almost 60 percent of agricultural producers in Idaho, which will be directly impacted by FSMA. IFBF believes that government is best when it is closest to the people. Agricultural producers are accustomed to having ISDA inspectors on their premises.

MOTION:

Senator Bayer moved to send **H 537** to the floor with a **do pass** recommendation. Seconded by **Vice Chairman Den Hartog**. The motion carried by **voice vote**.

PRESENTATION: Idaho Cherry and Apple Commission. **Candi Fitch**, Executive Director, said the winter of 2017 has still impacted most produce. Fuji apple production was down because of the cold temperatures in January. The late spring for the growing season caused smaller apples and a lower price for the fruit. For Idaho, it was an average size crop. The Idaho Apple Commission foresees a normal growing season this year. The State of Washington continues to be the leader in apple crops with a normal crop of 150 to 160 million bushels versus Idaho's consistent volume of 1.5 million bushels.

The specialty crop grant offered the Idaho Apple Commission the opportunity to participate in the Idaho Preferred Roadshow. These funds allowed the Idaho Apple Commission to place advertisements on billboards around the Treasure Valley during the months of September and October. KBOI and Idaho Preferred teamed up to air Idaho Ag Week. Agricultural organizations were given the opportunity to have a month during this series and apples were given the month of September. This advertising afforded banners on KBOI's website for the month; a featured news article; and an Idaho Living segment.

The Idaho cherry season was similar to the apple crop. The crop had issues with the cold weather in January 2017 and the crop was smaller. The Idaho Cherry Commission also participated in the Celebrate Idaho Ag Week and during the last two weeks of June and the first part of July. As KBOI produced the apple and cherry promotions both commissions had in-store sampling aided by the grant money.

Ms. Fitch stated she also represents the Idaho-Eastern Oregon Onion Committee and recently returned from a trade mission to sell onions in Guatemala City, Guatemala and the Dominican Republic. Unfortunately, Idaho will not be able to sell onions in either of these markets. The Dominican Republic has import quotas, which are offered twice a year, and Holland possesses those import quotas. In Guatemala City, it sometimes takes 14 days to get the product to the port and 14 days to get the product out of the port. Onions would not withstand such an extended period of shipping time.

Ms. Fitch mentioned that the apple, cherry, and onion Commissions have submitted letters to the federal Motor Carrier Safety Administration in regard to the Electronic Logging Devices (ELD). Transportation for Idaho agricultural products this year has been challenging. Because of the expense of installing ELDs, many of the older truck drivers have walked away from their trucks. The aging truck driver population has also added to the shipping problems. Even with truck drivers being able to run 14 hour days, the drivers are not driving some of these hours because they are waiting for a load or unloading. The ELD issue has been like taking trucks off the road because they cannot get the products moved as efficiently as in the past. During the onion shipping season, the Idaho-Eastern Oregon Onion Committee was unable to get the railroad cars from Union Pacific Railroad to ship their crop.

Senator Harris stated he is concerned about the slowdown in the shipping of Idaho agricultural products due to the ELDs. He asked if the Apple and Cherry Commission had contacted Idaho's federal representatives concerning this issue.

Ms. Fitch replied that their commissions have written letters concerning the ELDs and the railroad delays to Senator Crapo's office.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 8:29 a.m.

Senator Rice
Chair

Carol Deis
Secretary