AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, January 11, 2018

SUBJECT	DESCRIPTION	PRESENTER
Introduce	Welcome and Introduction of Committee Page Porter McPherson	Chairman Rice
Rules Review	Assignments	Vice Chairman Den Hartog
RS25750	Relating to the Seed Indemnity Fund Law	Chairman Rice

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE:	Thursday, January 11, 2018
TIME:	8:00 A.M.
PLACE:	Room WW53
MEMBERS PRESENT:	Chairman Rice, Vice Chairman Den Hartog, Senators Patrick, Guthrie, Thayn, Harris, Foreman, and Jordan
ABSENT/ EXCUSED:	Senators Bayer
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 8:00 a.m.
INTRODUCTION:	**Chairman Rice** introduced Porter McPherson, Agricultural Affairs Committee Page.
PASSED THE GAVEL:	Chairman Rice passed the gavel to Vice Chairman Den Hartog.
RULES REVIEW:	**Vice Chairman Den Hartog** presented the rule assignment spreadsheet to the Committee and explained that it was her intent to have the rules completed by the third week of session, January 23, 2018.
RS 25750	Relating to the Seed Indemnity Fund Law. **Chairman Rice** advised this bill addresses the licensing process of the Seed Indemnity Fund. When a seed buyer initially applies for a license they must provide proof that they have maintained a net worth of at least $50,000 or a portion of that amount in a bond. This bill stipulates that a seed buyer seeking license renewal must provide proof that their net worth still remains at the $50,000 threshold. This renewal stipulation seeks to minimize the risk factor in order to protect the integrity of the indemnity fund. Section 2 delineates criteria for the denial of license renewal along with the verification that a seed buyer still possesses a net worth of $50,000.
MOTION:	**Senator Patrick** moved to print **RS 25750. Senator Harris** seconded the motion. The motion carried by **voice vote.**
ADJOURNED:	There being no further business, **Vice Chairman Den Hartog** adjourned the meeting at 8:07 a.m.

Senator Rice
Chair

Carol Deis
Secretary

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, January 16, 2018

SUBJECT	DESCRIPTION	PRESENTER
Docket No. 02-0101-1701	Idaho Rules of Practice and Procedure of the Idaho Department of Agriculture	Brian Oakey, Deputy Director
02-0101-1702	Rules of Procedure	Brian Oakey, Deputy Director
02-0214-1701	Rules for Weights and Measures	Kevin Merritt, Program Manager
02-0214-1702	Rules for Weights and Measures	Kevin Merritt, Program Manager
02-0214-1703	Rules for Weights and Measures	Kevin Merritt, Program Manager
02-0602-1701	Rules Pertaining to the Idaho Commercial Feed Law	Jared Stuart, Section Manager
02-0612-1701	Rules Pertaining to the Idaho Fertilizer Law	Jared Stuart, Section Manager
02-0621-1701	Rules for Voluntary Public Services of the Idaho Department of Agriculture Laboratories	Dan Salmi, Bureau Chief
02-0641-1701	Rules Pertaining to the Idaho Soil and Plant Admendment Act of 2001	Jared Stuart, Section Manager

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE:	Tuesday, January 16, 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.
PASSED THE GAVEL:	Chairman Rice passed the gavel to Vice Chairman Den Hartog.

DOCKET NO. 02-0101-1701

Idaho Rules of Practice and Procedure of the Idaho Department of Agriculture. Brian Oakey, Deputy Director, Idaho State Department of Agriculture (ISDA) explained this docket repeals the existing Rules of Practice and Procedure of ISDA. The Idaho Administrative Procedures Act (APA) requires all state agencies to utilize the Idaho Rules of Practice and Procedure of the Attorney General or promulgate alternative procedures. The Idaho APA also requires that agencies not utilizing the Attorney General's rules to include a "finding that states the reasons why the relevant portion of the Attorney General's rules were inapplicable to the agency."

The rules ISDA proposes to repeal show an effective date of 1994. The rules are an abbreviated version of the Attorney General's rules focusing only on contested case procedures and are silent on rulemaking procedures. This has resulted in a bifurcated process where ISDA has its own rules for some proceedings and the Attorney General's rules apply to others. There are no findings stating why the Attorney General's rules are inapplicable to ISDA. The Attorney General's rules are more detailed and are utilized by other Idaho agencies. The ISDA proposes that the old Rules of Practice and Procedure of ISDA be repealed.

MOTION: **Senator Patrick** moved to approve **Docket No. 02-0101-1701.** Seconded by **Senator Thayn.** The motion carried by **voice vote.**

DOCKET NO. 02-0101-1702

Rules of Procedure. Mr. Oakey said the new Rules of Procedure accept in whole the "Idaho Rules of Administrative Procedure of the Attorney General" governing rulemaking and contested cases. The APA directed the Office of the Attorney General to promulgate these rules of procedure appropriate for use by as many agencies as possible. The rules cover the general functions and duties performed in common by most state agencies. The ISDA reviewed these rules and found them to be appropriate and adequate for ISDA. The adoption of the Attorney General's rules will provide Idaho citizens one rule, instead of two, to review and comply. The goal of this rulemaking is to simplify the procedures of the ISDA.

MOTION: **Senator Harris** moved to approve **Docket No. 02-0101-1702.** Seconded by **Senator Patrick.** The motion carried by **voice vote.**

DOCKET NO. 02-0214-1701

Rules for Weights and Measures. Kevin Merritt, Program Manager, ISDA stated this docket updates Idaho's incorporation by reference for automotive spark engine fuel, diesel fuel, and biodiesel fuel blends. Currently, Idaho incorporates by reference the 2007 American Society of Testing Materials (ASTM) specification for fuel. ISDA requests to update these specifications to more current versions of the ASTM specifications.

Fuel entering Idaho comes from out-of-state refineries. This fuel already meets the most current ASTM specification. This docket change will have little effect on Idaho's petroleum industry that receives fuel directly from refineries. Updating Idaho's fuel specifications to the current ASTM version will protect the fuel consumers from adulterated fuels that fail to meet current ASTM quality standards.

Senator Patrick asked if diesel and biodiesel are part of this dockets change. Mr. Merritt answered that each fuel has its own specification and ISDA is proposing to update the fuel specifications for each fuel.

MOTION: **Senator Foreman** moved to approve **Docket No. 02-0214-1701.** Seconded by **Senator Guthrie.** The motion carried by **voice vote.**

DOCKET NO. 02-0214-1702

Rules for Weights and Measures. Mr. Merritt explained this Pending Rule will add definitions for Liquefied and Compressed Natural Gas, Diesel Gallon Equivalent (DGE), Gasoline Gallon Equivalent (GGE), and their metric equivalents. The rule adds a provision allowing the GGE and DGE units of measurement as an acceptable method of sale for compressed and liquefied natural gas motor fuel. Idaho's current rule does not recognize these units of measurement or allow petroleum products to be sold in units other than volume or weight.

Adoption of these units of measurement will facilitate the use of uniform standards across the country and provide value comparisons for consumers to determine the price of natural gas purchased for transportation purposes. Passage of this rule will align Idaho with surrounding states that recognize and allow these units of measurement in the retail sales of natural gas used for motor fuel.

MOTION: **Senator Guthrie** moved to approve **Docket No. 02-0214-1702.** Seconded by **Senator Bayer.** The motion carried by **voice vote.**

DOCKET NO. 02-0214-1703

Rules for Weights and Measures. Mr. Merritt said this rule change is an annual housekeeping item to incorporate by reference the most current date specific edition of Handbook 44.

Maintaining a current Handbook is important to weights and measure officials and the service industry that installs and repairs commercial weighing or measuring devices because it promotes uniformity.

MOTION: **Senator Jordan** moved to approve **Docket No. 02-0214-1703.** Seconded by **Senator Thayn.** The motion carried by **voice vote.**

DOCKET NO. 02-0602-1701

Rules Pertaining to the Idaho Commercial Feed Law. Jared Stuart, Section Manager, ISDA stated Idaho incorporates by reference standard manuals used nationally by industry and regulatory officials that provide producers with clear and defined guidelines and terms. These standard manuals also provide acceptable standard practices and policies.
The manual incorporated by reference is American Association of Feed Control Officials (AAFCO) which is the official publication of the industry. This publication is heavily used by manufacturers in the production and labeling of their products. This change to the rule updates the reference to the most recently available copy of the manual so that terms, definitions, and standards are up-to-date for producers and regulators. The publication standards ensure that producers and distributors do not encounter changing standards from state to state while producing and distributing product in Idaho and nationwide.

MOTION: **Senator Foreman** moved to approve **Docket No. 02-0602-1701.** Seconded by **Senator Bayer.** The motion carried by **voice vote.**

DOCKET NO. 02-0612-1701 **Rules Pertaining to the Idaho Fertilizer Law. Mr. Stuart** indicated that the Idaho commercial fertilizer rule incorporates by reference the standard manual of the American Association of Plant Food Control Officials (AAPFCO). This publication is used by officials and industry members for consensus of terms, ingredients, definitions, and standards ensuring consistency from state to state.

Vice Chairman Den Hartog asked if there were significant changes in the manual. **Mr. Stuart** replied that there were changes to official ingredients that can be included in commercial fertilizer.

MOTION: **Senator Harris** moved to approve **Docket No. 02-0612-1701.** Seconded by **Senator Foreman.** The motion carried by **voice vote.**

DOCKET NO. 02-0621-1701 **Rules for Voluntary Public Services of the Idaho Department of Agriculture Laboratories. Dan Salmi**, Bureau Chief, ISDA said the Feed and Fertilizer Laboratory's primary function has always been regulatory/enforcement testing. This is chemical testing that the ISDA conducts to ensure feed and fertilizer products are formulated as described on the product label.

In the past, the lab occasionally accepted public service samples on a fee basis. Service samples have never amounted to any significant level of work, since 2014 only 28 customers were served.

The primary mission of the feed and fertilizer lab is to provide enforcement testing services in an accurate and timely manner. The public service samples tie up valuable lab space and time. ISDA is requesting elimination of this rule and chooses to halt voluntary service sample testing as of January 1, 2017.

Senator Harris asked how many private labs are available to the public for this service. **Mr. Salmi** answered that there are ten.

MOTION: **Senator Thayn** moved to approve **Docket No. 02-0621-1701.** Seconded by **Senator Jordan.** The motion carried by **voice vote.**

DOCKET NO. 02-0641-1701 **Rules Pertaining to the Idaho Soil and Plant Amendment Act of 2001. Mr. Stuart** explained the Idaho Soil and Plant Amendment Act of 2001 incorporates the Association of American Plant Food Control Officials (AAPFCO) publication which incorporates the latest available publication for reference in the rule and updates the terms, definitions, and standards for producers and regulators. There are nine new ingredient changes and those are the only changes to the publication.

MOTION: **Senator Jordan** moved to approve **Docket No. 02-0641-1701.** Seconded by **Senator Thayn.** The motion carried by **voice vote.**

ADJOURNED: There being no further business, **Vice Chairman Den Hartog** adjourned the meeting at 8:32 a.m.

Senator Rice
Chair

Carol Deis
Secretary

AMENDED AGENDA #1

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, January 18, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of January 11, 2018	Senator Patrick
RS25702	Relating to Environmental Quality; Authorization to Implement National Pollutant Discharge Elimination System (NPDES)	Barry Burnell, Water Quality Division Administrator
42-0101-1701	Rules of the Idaho Wheat Commission	Clark Hamilton, Idaho Wheat Commissioner
08-0501-1701	Rules Governing Seed and Plant Certification	Tracie Bent, Chief Planning and Policy Officer, State Board of Education
Presentation:	Idaho Wool Growers Association Control of Sheep Diseases	Brandy Kay, Executive Director
Docket No. 02-0801-1701	Sheep and Goat Rules of the Idaho Sheep and Goat Health Board	Brandy Kay, Executive Director

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE:	Thursday, January 18, 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 Senate Agricultural Affairs Committee (Committee) to order at 8:02 a.m.
MINUTES APPROVAL:	**Senator Patrick** moved to approve the minutes of January 11, 2018. Seconded by **Senator Jordon**. The motion carried by **voice vote**.

RS 25702 **Relating to Environmental Quality; Authorization to Implement National Pollutant Discharge Elimination System (NPDES). Barry Burnell**, Water Quality Division Administrator, Department of Environmental Quality (DEQ), stated this proposed legislation amends the Poultry Environmental Control Act (PECA) and the Environmental Protection and Health Act (EPHA). This legislation is necessary for Idaho to demonstrate compliance with the Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) program and establish Idaho's primacy for Idaho Pollutant Discharge Elimination System (IPDES) program.

There are five proposed sections in the bill. The first is to amend and update the PECA. The next three sections amend the EPHA. Section 5 provides authority for the Director of DEQ to sign a Memorandum of Agreement with the EPA to exempt Idaho from implementing the EPA vessel general permit. This agreement will avoid duplication of the permitting process on barges that use the Snake River; the barges are subject to a national permit. Section 6 sets up an IPDES dedicated fund, where the permit fees will be deposited, to support the program. The dedicated account will allow DEQ to track how well the permit fees are funding the program. Under the fiscal note, the IPDES program will be partially supported by permit fees and no fees will be imposed for poultry animal feeding operations. The cost to these facilities will not increase under the proposed legislation and there will be minimal cost to the State in implementing the IPDES program. DEQ is in the third year of the development of the IPDES program, DEQ expects by July 2018 to start the operation of the municipal section of the NPDES program with the approval of the Legislature.

The proposed amendments are necessary to separate the Idaho State Department of Agriculture's Poultry Program authorities from the Clean Water Act (CWA) authorities. This is required in order for Idaho to demonstrate that DEQ would have clear authority over implementing the CWA NPDES requirements for poultry confined animal feeding operations. The PECA has language that authorizes DEQ to enter into a Memorandum of Agreement with the Idaho State Department of Agriculture (ISDA) because DEQ believes that ISDA would have expertise in conducting inspections of poultry operations.

Senator Patrick asked if this legislation is not passed will EPA have primacy over PECA. **Mr. Burnell** responded that EPA would still maintain authority for permitting in the State of Idaho.

Senator Harris remarked that this proposed legislation had been shared with two poultry operations in the State. He asked what was their response to the proposed authority change. **Mr. Burnell** answered that he did not receive a response from Wrightwood Egg Farm in Franklin, Idaho, but did speak with Peter Brown of the High Line North America operations in Burley, Idaho. Mr. Brown had no objection to the proposed legislation. These two poultry operations are designed to not have discharge, so they will not be subject to the EPA Confined Animal Feeding Operation (CAFO) permit.

Chairman Rice questioned the fiscal note and suggested that it be amended to include information about poultry in the general cost. The fiscal note should reflect that, at present, there are no poultry operations currently regulated by the EPA, the cost of this legislation would be minimal, and fall within existing costs. **Chairman Rice** asked Mr. Burnell if DEQ would be amenable to adding this language to the fiscal note as part of the printing process of this bill. **Mr. Burnell** answered in the affirmative that DEQ would add this additional language to the legislation.

MOTION: **Senator Bayer** moved to print **RS 25702** with the corrected fiscal impact note. Seconded by **Vice Chairman Den Hartog**. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Rice passed the gavel to Vice Chairman Den Hartog.

DOCKET NO. 42-0101-1701 **Rules of the Idaho Wheat Commission. Clark Hamilton**, Idaho Wheat Commissioner, said this rule change will allow the Idaho Wheat Commission (IWC) to acquire wheat growers names and addresses at the point where their check-off dollars are collected. This will allow the IWC to supply information to wheat farmers for marketing and other activities. It will give growers the opportunity to weigh in on the future and direction of IWC.

The wheat elevator operators resisted this rule change a few years ago, but now have come to support the new language in this rule. One of their concerns in the past was that private information would become public. The Attorney General's Office assured IWC that this list will remain proprietary and will not be subject to public record requests.. IWC has crafted language to make this list secure within their organization.

Senator Patrick disclosed that he had a conflict of interest pursuant to Senate Rule 39(H); he pays into the IWC, receives their newsletter, and is in support of this rule. He stated that he is in support of this docket because he served on the Idaho Bean Commission and, without a mailing list of the producers, it is impossible to effectively notify growers of issues that may affect their industry.

Senator Harris and Senator Thayn stated that they had a conflict of interest pursuant to Senate Rule 39(H).

Richard Durrant, wheat grower and elevator operator explained that the original rule revision language created much concern amongst the wheat growers and elevator operators. IWC has met with the wheat elevator operators in the state to reassure producers that these lists of names and addresses will remain confidential. **Mr. Durrant** concluded that he supports the rule.

Senator Guthrie indicated that he was comfortable that the wheat producers list would be exempt from public records requests. He asked if the producers have the option to refuse to share their personal information for the list.

Senator Guthrie asked for more clarification on the privacy of this growers list before he voted on the docket. **Blaine Jacobson**, Executive Director, Idaho Wheat Commission reassured the Committee that records of commodity commissions are exempt from public disclosure in the State of Idaho. The disclosure exemption is referenced in IDAPA 74-107.Subsection (7).

MOTION: **Senator Patrick** moved to approve **Docket No. 42-0101-1701**. Seconded by **Senator Thayn**. The motion carried by **voice vote**.

DOCKET NO. 08-0501-1701 **Rules Governing Seed and Plant Certification. Tracie Bent**, Chief Planning and Policy Officer, Idaho State Board of Education, advised this rule has been referred to the Committee from the Senate Education Committee. She further explained that the University of Idaho is required by statute to assess standards on seed certification and they are required to go through rulemaking for this process. There are two changes to the existing standards that are being proposed: 1) Idaho grain standards and 2) potato certification standards. For the Idaho grain certification standards there are changes to the land requirements to allow irrigated fields producing certified class seeds, if the field did not produce small grains the previous crop year. The potato certification standards changes remove the corky ring spot from the Seed Lot Disqualifying Conditions and specify that seed lots with a greater than 1.0 percent of Well Defined Mosaic are not eligible for re-certification.

Senator Patrick asked for clarification on these seed standard changes. **Doug Boze**, Executive Vice President of Idaho Crop Improvement Association, explained the two changes in this rule. 1) The rationale for the change in the land history requirement for irrigated certified class small grains resulted from the desire of the small grain seed industry to reduce the number of years that a field would need to remain fallow. It has been demonstrated under cultural practices in rotational crops that are used in irrigated production that the additional years of remaining unplanted reduce the possibility of volunteer wheat plants being present in the field.

2) The Seed Potato Certification Program corky ring spot is now included as a zero tolerance disease. It has caused an issue in compliance with a trade agreement between the United States and Canada regarding necrotic potato diseases. This change will place Idaho in compliance with this bilateral agreement. By allowing a tolerance for several diseases including the corky ring spot from the Seed Lot Disqualifying Conditions and specifying that seed lots with a greater than 1.0 percent of Well Defined Mosaic are not eligible for recertification.

The rule strengthens and improves the standards to the Seed Potato Certification Program for seed stock that is being planted against the Well Defined Mosaic virus. To control this disease in the State, it was the seed industries desire to reduce the amount of inoculin that is planted, especially in the seed management acres.

Mr. Durrant spoke in support of this rule change, stated this is a wise choice by the University of Idaho for grain and potato production. These crop rotation and disease control management practices will enhance the State's quality seed production.

MOTION: **Senator Patrick** moved to approve **Docket No. 08-0501-1701** and made a recommendation to the Education Committee for approval. Seconded by **Senator Jordon**. The motion carried by **voice vote**.

PRESENTATION: **Idaho Wool Growers Association (Association) Control of Sheep Diseases.**
Brandy Kay, Executive Director, Idaho Wool Growers Association, opened her presentation stating that the wool industry has many varying challenges, because of people's perceptions of the industry. Outside environmental agencies perception of grazing rights cause inumerable slowdowns in the grazing rights and basically these groups do not want sheep on public lands.
This was an informative Powerpoint presentation of the wool industry that showed lambing, the shearing all in one piece of the wool, why shearing is necessary, recently grazed land, and quality of wool clothing.
Ms. Kay addressed the Idaho Wool Growers Association financials and drew the Committee's attention to the wool assessment and how it is formulated. She advised that the industries financial statements are dependent on when they shear and sell the wool. Last year's assessment was delayed because of the downturn in prices; the industry chose to sell the wool later in the year which effected the income calculation.

Chairman Rice asked if there has been an increase in recent years in the amount of depredation from wolves and other predators. **Ms. Kay** explained that there are two answers to this question. The statistics reveal that the numbers are slowly increasing. The industry believes that part of this increase is due to the ranchers learning how to tell when a depredation to the animal occurs. **Chairman Rice** asked if ranchers are taking additional steps with additional costs to prevent these losses. **Ms. Kay** answered that the ranchers use guard dogs, pen their sheep up at night, and alert to the noises of the predators.

Senator Harris asked if the Association is seeing a decline in the number of sheep producers or has that number leveled off.. **Ms. Kay** advised there are between 200 to 300 producers; 60 to 100 being larger operations. The amount of sheep producers are in a decline as some of them are retiring; labor issues are also contributing to this decline.

Senator Guthrie asked if their Idaho Sheep and Goat Health Board revenue model is sustainable. **Ms. Kay** answered this policy model does work for the promotion, research, and education of their producers. Because of the delay in selling the wool, less revenue was credited to the account than in previous years.

DOCKET NO. 02-0801-1701 **Sheep and Goat Rules of the Idaho Sheep and Goat Health Board. Ms. Kay** advised that the rule change is to require that all intact rams entering the State of Idaho be tested for Brucella Ovis. This protects the owners bringing the animals into the State knowing they have a healthy ram that will not transmit Brucella Ovis to other rams.

Chairman Rice commented that this rule helps the State of Idaho fulfill a constitutional requirement of the Legislature. The Legislature is constitutionally required to ensure that the State take adequate measures to prevent diseases in livestock.

MOTION: **Senator Harris** moved to approve **Docket No. 02-0801-1701**. Seconded by **Senator Bayer**. The motion carried by **voice vote**.

ADJOURNED: There being no further business, **Vice Chairman Den Hartog** adjourned the meeting at 8:52 a.m.

Senator Rice
Chair

Carol Deis
Secretary

AMENDED AGENDA #1

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, January 23, 2018

SUBJECT	DESCRIPTION	PRESENTER
Presentation:	Nutrient Management Plan 101	Dr. Scott Leibsle, DVM, Assist. State Veterinarian, Idaho State Department of Agriculture
Docket No. 02-0414-1702	Rules Governing Dairy Byproduct	Bob Naerebout, Idaho Dairymen's Association & Dr. Scott Leibsle, DVM Assist. State Veterinarian

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, January 23, 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.

PRESENTATION: **Nutrient Management Plan 101, Dr. Scott Leibsle DVM**, Deputy State Veterinarian, Division of Animal Industries, Idaho State Department of Agriculture (ISDA), began his presentation explaining what are nutrients and why are they important. Phosphorus and potassium are examples of nutrients that are present in soil, minerals, sediments, plants, water, and animals. Plants absorb only the nutrients they need to grow, whereas, when feeding an animal they will pass the excess nutrients in their manure. It is important to the industry that they manage animal nutrients and apply them responsibly, because excess nutrients can run-off fields and end up in the ground and surface water. In some cases, too much nutrients can create a health or environmental concern.

Phosphorus is present in the feed ration and bedding for a dairy cow then deposited in the manure and applied to crops. The average Idaho dairy produces more nutrients then what they can utilize on their fields and the excess is exported in the form of nutrients to a "third-party receiver/or exporter." All Grade A dairies in Idaho must have an up-to-date Nutrient Management Plan (NMP) on file with ISDA. An NMP has three components: 1) What is the volume of nutrients generated/handled on the facility; 2) what is the storage capacity of lagoons/containment structures on the facility; and 3) how/where will the nutrients be applied. **Dr. Leibsle** detailed the calculations that are required by the dairies for their NMP. Volume of nutrients generated on the facility has two components: 1) amount of phosphorus produced by the number of cattle, and 2) the volume of water.

The nutrients produced and stored by the facility must be applied in a responsible manner. The number of acres farmed by a producer, and the crops they grow, can only support a certain amount of phosphorus. Any phosphorus applied to fields that is not absorbed by growing crops will remain in the soil and may adversely impact the environment, if not managed appropriately. If a facility does not have enough acreage to manage their total volume of nutrients, the remaining nutrients must be exported to a third-party receiver. NMP requires farms that use third-party receivers to list them in the plan along with the number of acres being farmed.

Dr. Leibsle provided an example of a simplified, basic NMP proposal for the Committee. Advising that soil testing is another key component in he yearly NMP cycle. ISDA conducts an annual assessment to determine how much phosphorus remains in the soil after crop production.

All NMPs must be approved by ISDA. ISDA reviews the plan and asks the following questions: 1) how much nutrients will the dairy handle and how many cows do you have; 2) is there enough acreage to support the nutrients; 3) if there is not enough acreage, where will the excess be sent; and 4) the third-party's total acreage. Each year, the ISDA staff will tour the dairies to review their NMP's.

Senator Jordan asked for clarification on the third-party capacity calculation. **Dr. Leibsle** recounted that the dairy will have a NMP which will calculate the total volume of phosphorus that needs to be managed on a facility. If the facility does not have enough acreage to manage their phosphorus, the NMP must spell out the third- party exporters and their acreage. **Senator Jordan** asked if there are dairies that run into trouble finding enough capacity and third party exporters. **Dr. Leibsle** answered usually not, because there are many farms in Idaho and they trade these nutrients back and forth; fertilizer is a valuable commodity.

Senator Patrick disclosed that his farm is a user of phosphorus and other nutrients. With the advent of composting, the product can be hauled much further than in the past. This has helped reduce concentrations and has made farms more fertile. Most farmers are happy to be third-party recipients, because it is a cheap form of fertilizer.

PRESENTATION: **Bob Naerebout**, Executive Director, Idaho Dairymen's Association (IDA), introduced Dr. Stephanie Kulesza, Environmental Programs Director, IDA, stated that she will be presenting this rule for the Committee. **Dr. Kulesza** stated these rules were enacted in 2001 and require dairies to have a NMP in place. The rule before you today is is the first change, since those rules were adopted.

Current law defines 40 parts per million (ppm) as the threshold for the first foot of soil. The phosphorus indexing formula is based on the soil and environment that exists in Idaho, along with individual assessments of each field focusing on the risk of phosphorus loss (see Attachment 1). Instead of an arbitrary number set for each field, the rule treats each field individually and assesses the risk of phosphorus loss from that field. **Dr. Kulesza** stated that phosphorus indexing is scientifically defensible. To protect the dairy industry ,the IDA wanted a rule and a standard that is legally defensible in the courts. Each factor that will be discussed is based on scientific information found in literature.

A phosphorus index uses a matrix of factors: 1) source; 2) soil test; 3) how much phosphorus to apply; 4) when to apply phosphorus; 5) transport (run-off); and 6) irrigation types. These items give a score and focus on risk factors for changing strategies on field management and transport risk factors (see Attachment 2). Best management practices that impacted phosphorus loss to the environment evolves into a percentage transport score.

There is a five-year implementation window written within this rule to allow the dairy industry to comply and ensure there are no additional costs to the dairymen. The initial cost of writing an NMP for less than 25 fields is $3,000 and each additional field over the 25 will cost an extra $20. There is a three-year contract option, which is $1,500 to $2,500 per year depending on the number of fields. This includes an annual NMP check up, record keeping assistance, and manure and fertilizer application recommendations.

Senator Guthrie pointed out that on the Idaho-specific phosphorus index slide there were no producers listed. His second question concerned the consultants to be hired by the dairy industry to write their NMP's. He wondered if the NMP plan does not work how would that be resolved. **Dr. Kulesza** answered question two concerning a NMP plan that does not work. The NMP planner can lose their certification if ISDA deems that they have written a false plan. These plans are a collaborative effort between the NMP planner and the producer. The producer

provides the planner information about the operation and the planner writes up the plan for the facility.

Dr. Kulesza answered the first question concerning the slide content disclosing that there were no producers directly involved with the technical group writing the phosphorus index because it is a very technical document. Producers were involved in many discussions concerning this phosphorus index. IDA would not have brought the rule before the Committee today, if they did not have the full support of the dairy industry.

Senator Patrick observed that currently the phosphorus level is set at 40 ppm threshold in the first foot of soil. He inquired as to how high phosphorus level be in a field could be. He indicated that he had bought a farm thirty years ago that had 60 ppm and did not apply any fertilizer for fifteen years. **Dr. Kulesza** answered within the rule, separate to the phosphorus index, a zero-out level of 300 ppm is the threshold. The rule allows some flexibility within the system, especially in multiple best management practices. Some fields could register higher and have less risk then some fields that are lower that have a higher risk.

Senator Harris asked how the dairy industry is responding to this rule change. **Mr. Naerebout** by explaining that the make up of the board that governs IDA is comprised of dairy producers. IDA relies heavily on these officers to make decisions on legislation for their industry. There were two concerns initially: 1) cost factor and 2) animal agriculture being treated differently then those farmers who use commercial fertilizers.

PASSED THE GAVEL:

Chairman Rice passed the gavel to Vice Chairman Den Hartog.

DOCKET NO. 02-0414-1702

Rules Governing Dairy By-product, Dr. Leibsle said the rule before you is the result of a petition ISDA received from the IDA to adopt a more accurate and reliable standard for measuring soil phosphorus. The complexity of determining the score of each phosphorus index will require different sources of information. The Agriculture Research Service (ARS) document provides information and calculations to score a field, where a field; it also outlines where a field falls in a risk category, and what the NMP restrictions will be for a risk category. To complete the phosphorus index scoring there are two additional sources of information needed: 1) the web soil survey data base, and 2) the hydrology portion of the National Engineering Handbook.

The bulk of the change to the rule begins on page 26, Section 031 which describes the dairy farm shall utilize either phosphorus indexing or phosphorus threshold until June 30, 2023. This gives dairy producers a five-year phase-in period to comply with the rule. The rule stipulates that it shall be the responsibility of the certified nutrient management planner to conduct the phosphorus indexing scoring. Lastly, the phosphorus threshold language is being preserved in Sub section 02.

Senator Patrick asked if there was any opposition to this rule change by the dairy industry. **Dr. Leibsle** said outreach was conducted by IDA before the negotiated rulemaking process began. The negotiated rulemaking session was very collaborative and the stakeholders arrived at a consensus on the language to place in the rule that would satisfy all parties involved.

Ted Vander Schaaf, Vander Schaaf Farms in Kuna, Idaho, spoke in support of the rule change and believes the update to the rule incentivizes producers to implement best management practices on their farms which will protect the environment of Idaho.

Pete Doornenbal, P & L Doornenbal Dairy, spoke in support of the proposed rule change declaring that it will help their industry be better stewards of the cows and the environment through the improved farming practices. He believes it is a win for all parties.

Jonathan Oppenheimer, Government Relations Director, Idaho Conservation League, spoke in support of the phosphorus site index rule. Their organization views it as a step in the right direction for improving IDA farming practices. One of the gaps that the Idaho Conservation League perceives in this rule is the third-party application process.

Senator Patrick indicated that he is a third-party user of dairy by-product. There is a cost to applying the manure to farm fields. Users are careful to not over apply the product to their fields because of cost margins. He does test the fields for phosphorus index and assured Mr. Oppenheimer that most farmers use good management practices and are good stewards of the land.

MOTION: **Senator Bayer** moved to approve **Docket No. 02-0414-1702.** Seconded by **Senator Guthrie.** The motion carried by **voice vote.**

Senator Bayer expressed his appreciation for how deliberative the negotiated rulemaking process was for this docket.

Senator Guthrie acknowledged that this docket presentation was very well prepared but the key aspect of the presentation for him were the producers that showed up and spoke in support of this rule change for their industry.

ADJOURNED: There being no further business, **Vice Chairman Den Hartog** adjourned the meeting at 9:08 a.m.

Senator Rice
Chair

Carol Deis
Secretary

IDAHO IDA dairymen's association

Idaho Phosphorus Site Index Rule

January 2018

195 River Vista Place, Suite 308, Twin Falls, ID 83301 208.736.1953 idahodairymens.org

Regulatory Timeline

- In 2000 & 2001, the Idaho legislature amended I.C. § 37-401 to require dairy farms to have Nutrient Management Plans (NMPs) (SB 1437 (2000), SB 1040 (2001)).
- Those laws put into place the Phosphorus Threshold of 40 ppm in the first foot of soil.
- This is the first proposed major revision to that Nutrient Management Standard since it was enacted.
- Animal agriculture is the only sector of agriculture that is regulated on its nutrient applications.

Why did IDA Petition the ISDA for Moving from a Phosphorus Threshold to Phosphorus Indexing?

- Phosphorus index assesses the risk of phosphorus loss rather than an arbitrary soil test value.
- Multiple ag fields across the state, both dairy and non dairy, have soil test P above 40, but animal agriculture is the only ones regulated.
- Phosphorus Indexing is scientifically defensible, counter to an arbitrary number that treats all fields equally regardless of their potential to lose phosphorus to the environment.
- Scientifically based risk of P loss evaluated using the most current information.
- Gives flexibility to producers while protecting the environment.
- If our standard is scientifically defensible, it enhance a producer's ability to be legally defensible in a litigation case.

Managing Phosphorus

- While Phosphorus Indexing is widely used, each state or region has an index catered to their soil and climatic conditions.
- Regulating agriculture utilizing Phosphorus Indexing is not new, the first Phosphorus Index was created in the Chesapeake Bay Watershed over 20 years ago.
- Several states currently employ Phosphorus Indexing including:
  - Washington, Oregon, Maryland, Delaware, Pennsylvania, Iowa, Arkansas, New York, Wisconsin, California, New Mexico, Minnesota, Texas, etc (8 of 10 top dairy states)

What is a P Index?

- Fields are evaluated on an individual basis using **transport and source factors, including Soil Test P,** to assess the risk of P loss.
- Matrix used to determine a risk rating - There are four risk rating categories that a field can receive: Low, Medium, High, and Very High.
- Scientifically based risk of P loss evaluated using the most current information.
- Gives flexibility to producers while protecting the environment.
- Allows producers to focus on managing the risk of phosphorus loss rather than the soil test phosphorus.

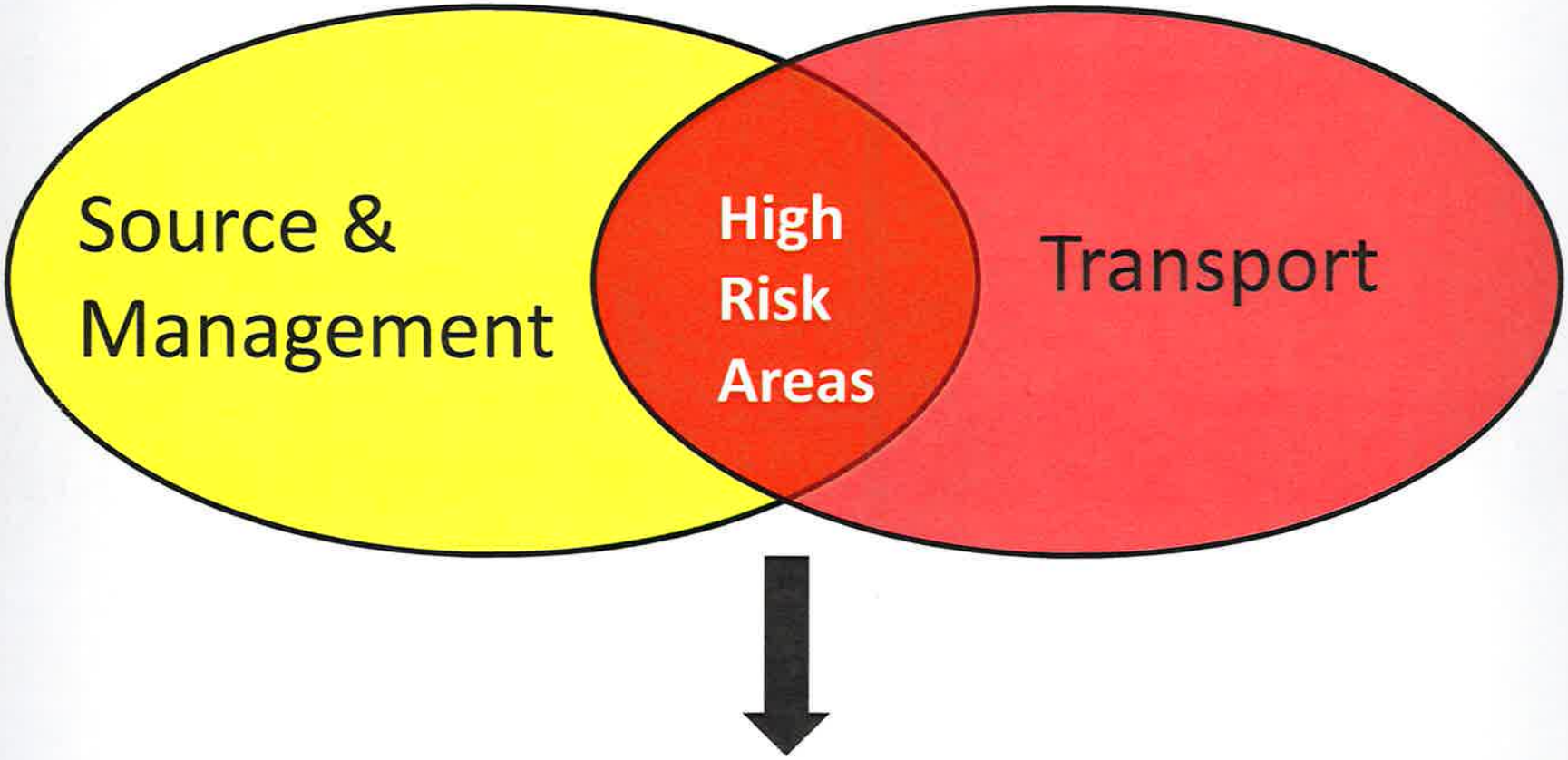
Idaho Phosphorus Index Developed BY

- Dave Bjorneberg, PhD – ARS*
- April Leytem, PhD – ARS*
- David Tarkalson, PhD – ARS*
- Stephanie Kulesza, PhD – IDA Consulting Services, Inc.**
- Marsha Neibling – Neibling Environmental Consulting**
- Bob Ohlensehlen – O&H Associates**
- Matt Thompson, PE –Partner at Ag Tech**
- Rick Naerebout – Idaho Dairymen's Association
- Bob Naerebout – Idaho Dairymen's Association

*Author of *The Phosphorus Site Index*

**Certified Nutrient Management Planner in Idaho

Phosphorus Site Index Concept

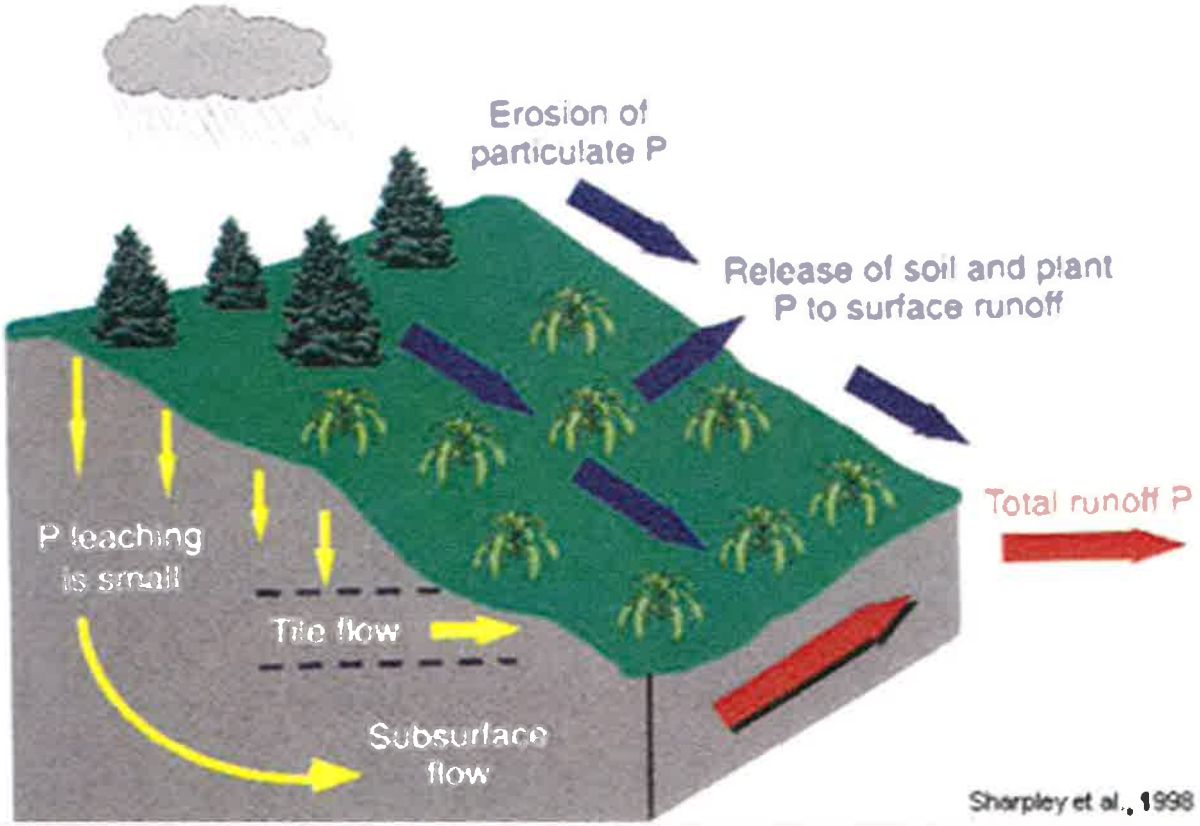


Overall rating for the potential P loss from a site

Transport Factors

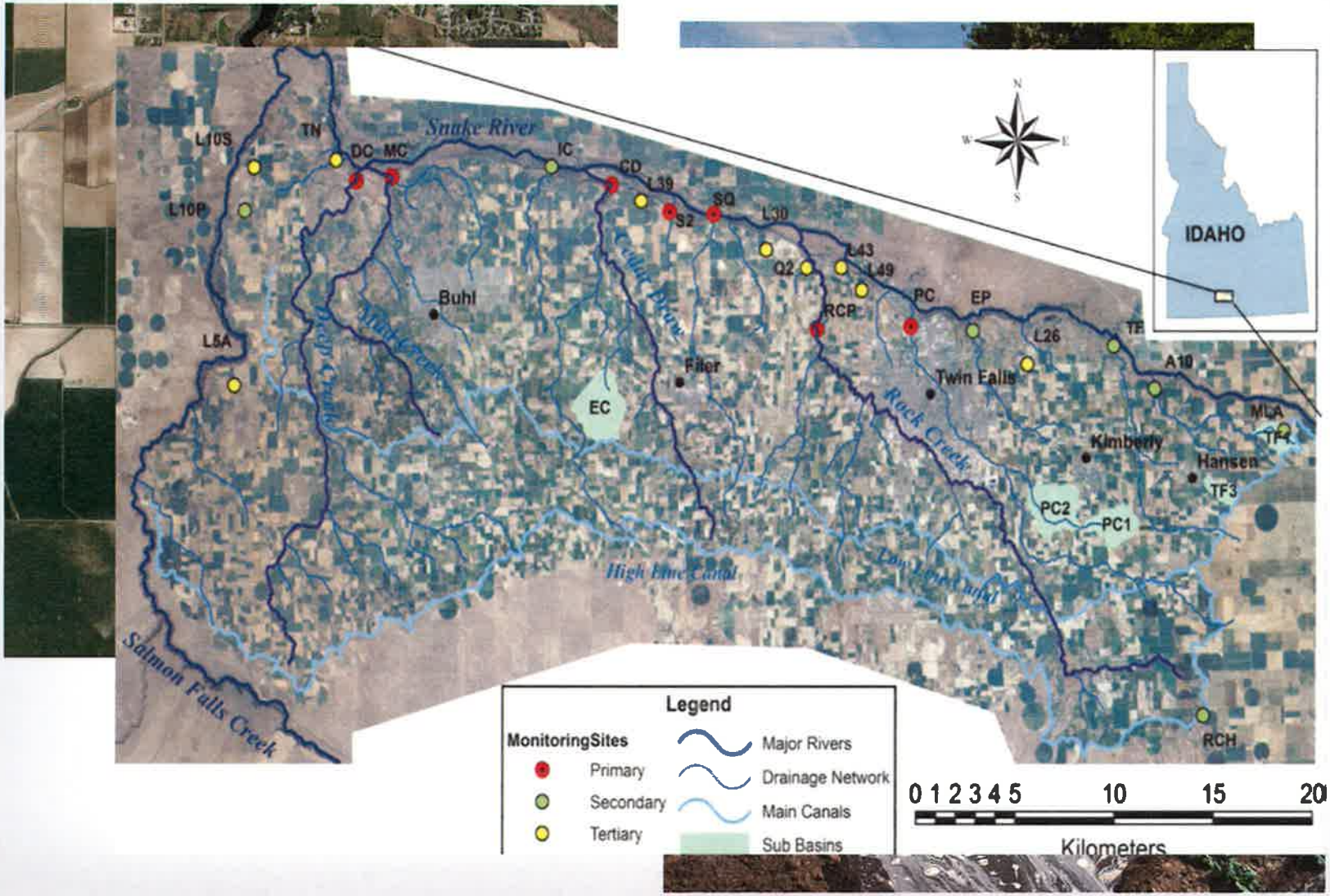
- Soil Erodibility
- Soil Surface Runoff Index
  - Surface Irrigated
  - Sprinkler or Non Irrigated
- Leaching Potential
- Distance from Edge of Field to Surface Water

Phosphorus Transport - losses occur when water moves across the landscape



Sharpley et al., 1998

Connectivity to surface water



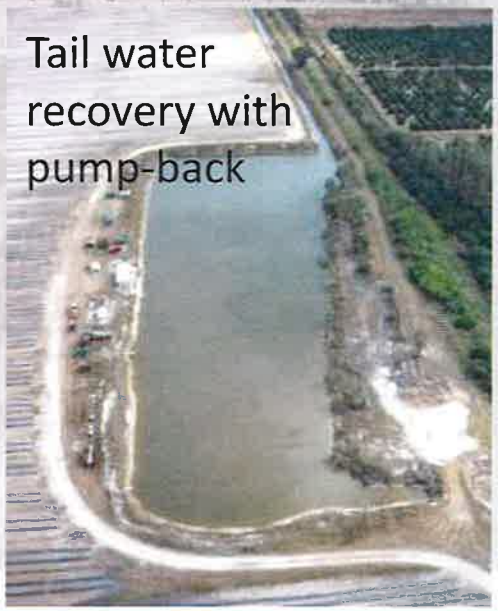
Source Factors

- Phosphorus Soil Test
- Phosphorus Application Rate
- Phosphorus Application Method and Timing

Best Management Practices

Management Practice	Reduction in Transport Score %
Contour Farming	20
Cover & Green Manure Crop	30
Dike or Berm	40 or 80
Drip Irrigation	80
Filter Strip	35
PAM - Furrow Irrigation	60
PAM – Sprinkler Irrigation	30
Residue Management/Conservation Tillage	30
Sediment Basin	30
Tailwater Recovery & Pumpback Systems	80
Established Perennial Crop	50

Reducing P movement by BMP's



Determining the P Index Rating

- Sum Transport and Source Separately
- Multiply Transport, Source, and BMP Reduction Coefficient
- Use the P Index Value to determine the field Risk Rating

Transport Total

x Source Total

x BMP Reduction Coefficient

= P Index Value

Field Scoring Example

Transport Total

x Source Total

x BMP Reduction Coefficient

= P Index Value

Without BMP

13 x 10 = 130 (Medium)

With BMP (perennial crop)

13 x 10 x 0.5 = 65 (Low)

P Site Index Value	Generalized Interpretation of the P Site Index Value
< 75	**LOW** potential for P movement from this site given current management practices and site characteristics. There is a low probability of an adverse impact to surface waters from P losses from this site. Nitrogen-based nutrient management planning is satisfactory for this site. Soil P levels and P loss potential may increase in the future due to N-based nutrient management planning
75 - 150	**MEDIUM** potential for P movement from this site given current management practices and site characteristics. Practices should be implemented to reduce P losses by surface runoff, leaching and erosion. Phosphorus applications should be limited to the amount expected to be removed from the field by crop harvest or soil test-based P application recommendations, whichever is greater. Testing of manure P prior to application is required
151 – 225	**HIGH** potential for P movement from this site given the current management practices and site characteristics. Phosphorus applications should be limited to 50% of crop P uptake. Testing of manure P prior to application is required.
> 225	**VERY HIGH** potential for P movement from this site given current management practices and site characteristics. No P should be applied to this site.

Educational Process

- Membership.
  - Information was distributed to Idaho dairy producers over the past 18 months in membership letters and the IDA Dairy Focus, electronically and through USPS.
  - Phosphorus management and an introduction to phosphorus indexing were the main topics of the 2017 IDA District meetings.
  - Idaho's Phosphorus Index is the main topic of the 2018 IDA District meetings.
- Impacted Organizations, State and Federal Agencies
  - The authors and contributors of the Idaho Phosphorus Index Nutrient Management Standard made no fewer than 11 detailed Phosphorus Indexing presentations to at least 13 state organizations, state associations, and state and federal agencies who ultimately supported this effort.

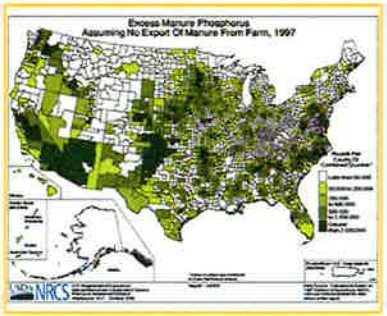
Concerns Expressed by Dairy Producers in Educational Meetings

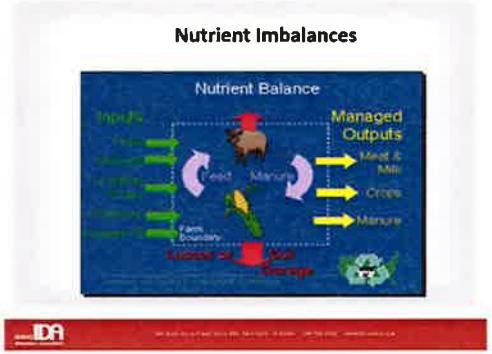
- Additional Cost –
  - ISDA no longer provides NMP's to producers, which was a free service through the department. This decision was independent of these requested rule changes.
  - ISDA is developing a website to replace the old Idaho One Plan nutrient management planning software, which could be utilized by producers if they choose to develop their own NMP.
  - There are multiple private individuals and companies who provide nutrient management planning services to producers. It will be their prerogative to maintain or change their current pricing practices if the Phosphorus Indexing Rule is approved.
  - IDA Consulting, which is solely owned by the membership of IDA, does not plan to change their pricing structure for development of NMP's.
  - 5 year implementation time frame, which is part of the rule. This gives the industry additional time to assess what, if any, increase in cost the new rule has created, what those increases were contributed to and identify avenues to reduce those costs.

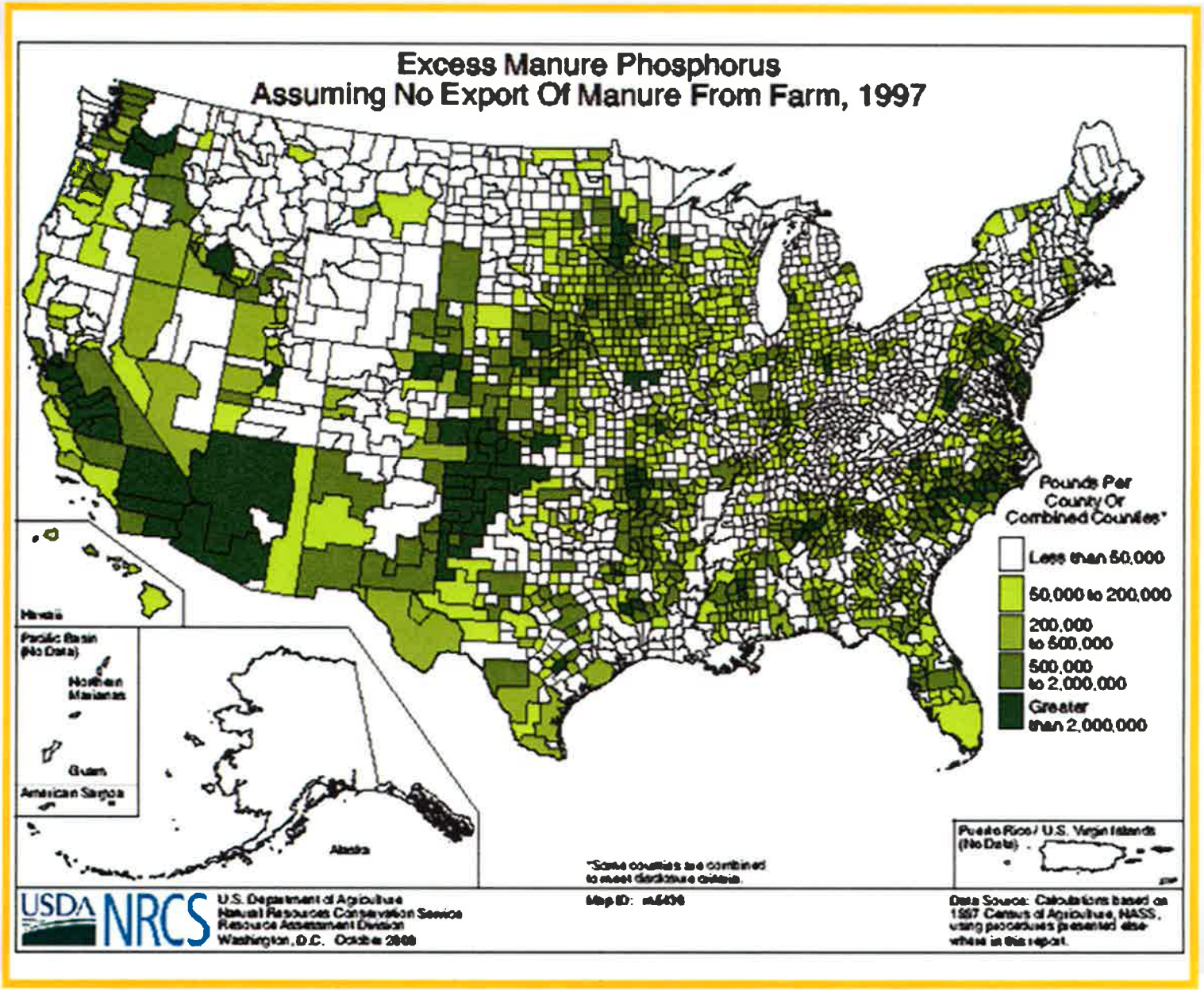
IDA Consulting Cost for Development of a NMP

- One Time Fee:
  - $3000 base price
  - $20 for each field over 25
- Three Year Option:
  - $1500 - $2500 per year, depending on number of fields
  - Includes annual NMP checkup, recordkeeping assistance, manure application recommendations, and fertilizer recommendations

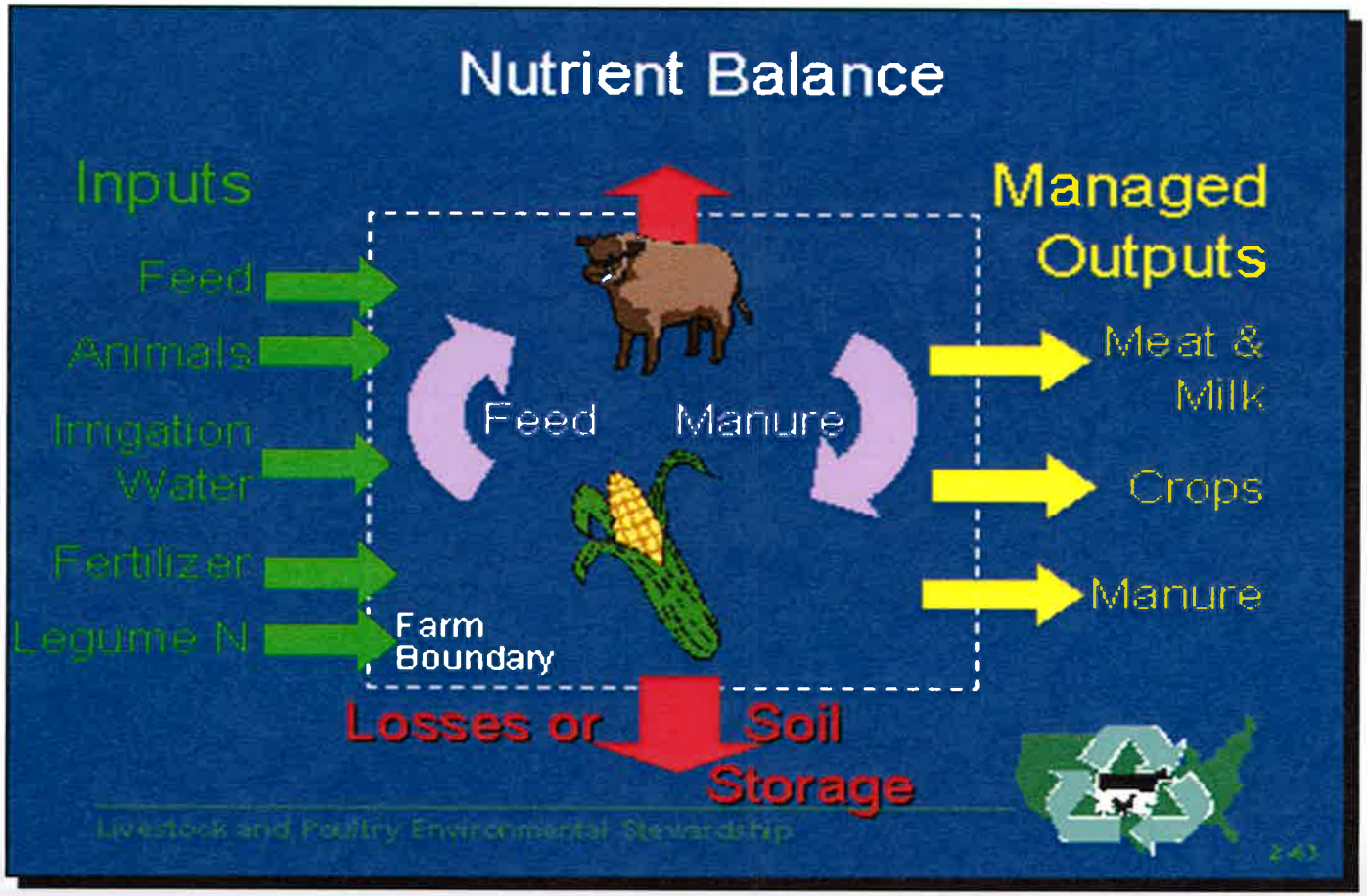
The Importance of Center for Agriculture, Food and the Environment (CAFE) to Idaho and the Nation



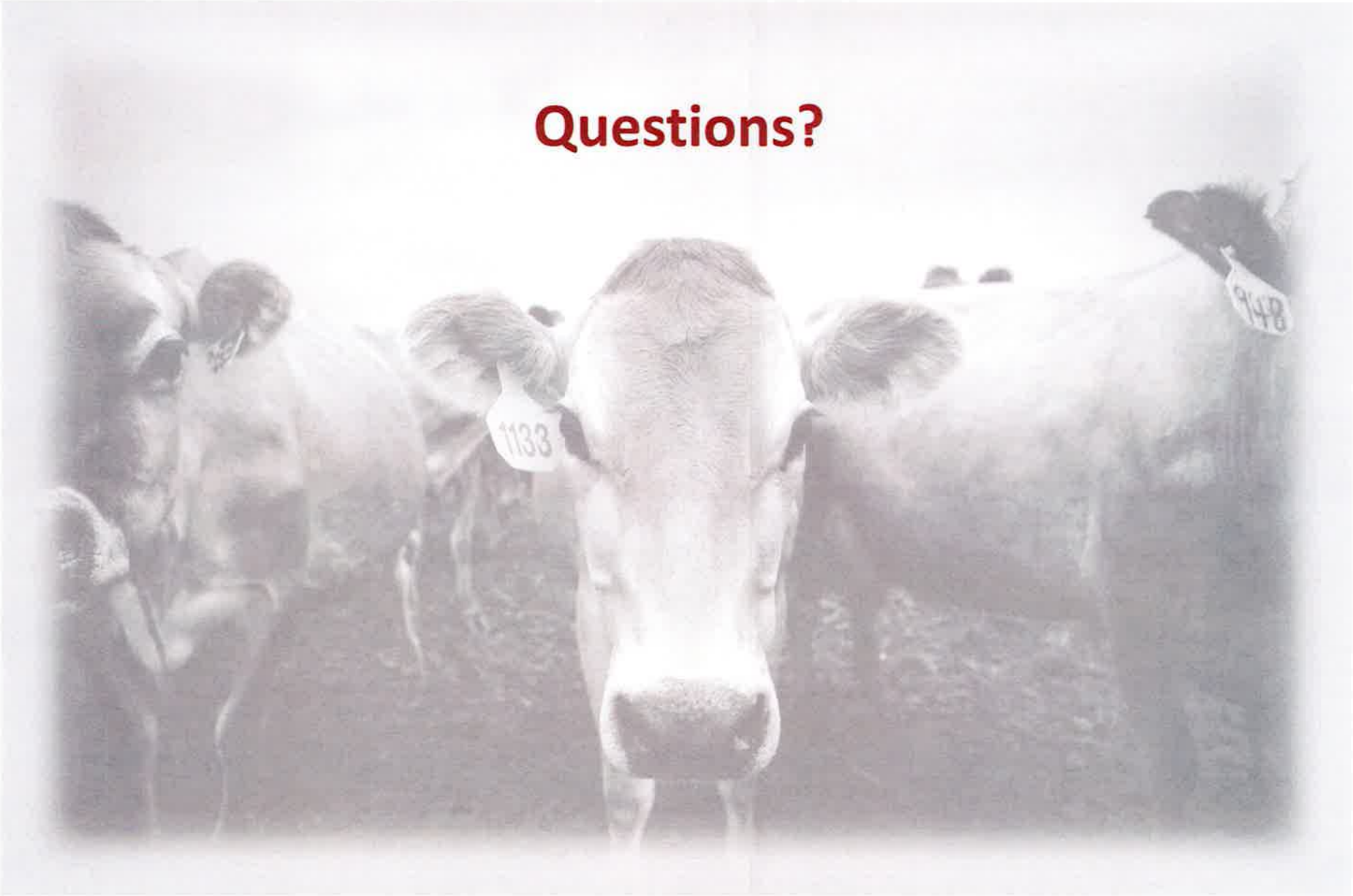



Excess Manure Phosphorus
Assuming No Export Of Manure From Farm, 1997
Pounds Per County Or Combined Counties*
Less than 50,000
50,000 to 200,000
200,000 to 500,000
500,000 to 2,000,000
Greater than 2,000,000
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska
Puerto Rico / U.S. Virgin Islands (No Data)
*Some counties are combined to meet disclosure criteria.
Map ID: m6416
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington, D.C. October 2000
Data Source: Calculations based on 1997 Census of Agriculture, NASS, using procedures presented elsewhere in this report.

Nutrient Imbalances



Questions?



Example!

- This year's crop = 30 t/ac corn silage
- Soil Test P = 80 ppm
- Application Rate = 100 lbs/acre
- Incorporated in 5 days
- Soil Hydrologic Group C
- Average Slope = 3%
- Pivot Irrigated
- Bedrock > 24" below soil surface
- Water drains through ditches west of field
- K_w= 0.39

Results of Index

Soil Test P Score	App Rate Score	App Method Score	Runoff Index Score	Soil Erodability Score	Distance to Surface Water Score	Leaching Potential Score	Total Source Score	Total Transport Score	Overall Score	BMP Implemented	BMP Implemented	Final Score	Category	Allowable Application
4	2	2	1	2	8	2	8	13	104			104	Medium	P Rate
4	4	1	1	2	8	2	9	13	117	Green Manure Crop	Filter Strip	53.235	Low	N Rate
4	4	2	1	2	8	2	10	13	130	Perennial Crop		65	Low	N Rate

- Risk Rating was a Medium, which means manure application must be limited to crop uptake
- Field Management and BMP's can greatly affect this score
  - Growing alfalfa can reduce the score to a Low category
  - Incorporating manure within 2 days, adding a filter strip, and adding a cover crop would reduce the score to a Low category

Attachment 2:

IDAHO IDA dairymen's association

Phosphorus Indexing Fact Sheet

What is the Idaho Dairymen's Association and who do they represent?

- The Idaho Dairymen's Association was established in 1924 and represents all Idaho dairy producers. The Association is governed by a board of nine directors, elected by the membership, all of whom are dairy producers

- The industry is requesting changes that were thoroughly discussed in multiple board meetings, beginning in 2016. At our May 2017 board meeting, the IDA board voted unanimously to change the Idaho dairy industry's basis for Nutrient Management Plan's (NMP's) from a Phosphorous Threshold Standard to the Idaho Phosphorus Indexing Standard.

- As board members, like your responsibility as legislators, they based their decision on what was best for the Idaho dairy industry, not what was best for their individual operations.

Why do dairymen want the Phosphorus Index?

- Phosphorus indexing allows flexibility. Each field is different and assessed on an individual basis, which allows producers to focus management strategies on fields with the highest risk of phosphorus loss. Also, dairymen can decide which BMP's to implement or whether changes in management that impact the risk of phosphorus loss are practical to accomplish.

- Phosphorus Indexing is scientifically defensible, counter to an arbitrary number that treats all fields equally regardless of their potential to lose phosphorus to the environment. If our standard is scientifically defensible, it enhance a producer's ability to be legally defensible in a litigation case.

- We have dairymen already requesting to update their NMP's to the new indexing standards and are eager to utilize it

Will Changing to Phosphorus Indexing Increase Cost to Dairymen?

- ISDA no longer provides NMP's to producers, which was a free service through the department. This decision was independent of these requested rule changes. However, ISDA is developing a website to replace the old Idaho One Plan nutrient management

195 River Vista Place
Twin Falls, Idaho 83301
208.736.1953
www.idahodairymens.org

planning software, which could be utilized by producers if they choose to develop their own NMP.

- There are multiple private individuals and companies who provide nutrient management planning services to producers. It will be their prerogative to maintain or change their current pricing practices if the Phosphorus Indexing Rule is approved.

- IDA Consulting, which is solely owned by the membership of IDA, does not plan to change their pricing structure for development of NMP's.

- With the potential for an increase in cost being a concern during the Negotiated Rule making process, Farm Bureau and Milk Producer of Idaho requested that the rule have a 5 year implementation time frame, which is part of the rule. This gives the industry additional time to asses what, if any, increase in cost the new rule has created, what those increases were contributed to and identify avenues to reduce those costs.

What educational efforts did IDA utilize to bring awareness to the dairy producers and other organizations, state agencies and federal agencies that might be interested in the Rule Change?

- Information on Phosphorus Indexing and phosphorus management has been the focus of 3 Idaho Dairy Focus, IDA's newsletter, articles over the past 18 months. The Idaho Dairy Focus is distributed electronically and sent to all members by postal service.

- Phosphorus management and phosphorus indexing was the main topic of IDA's 2017 District meetings. Phosphorus indexing was the main topic of Dr. April Leytem's presentation and was introduced as a potential new nutrient management standard to the membership at those meetings

- Over the course of the summer and fall of 2017, there have been multiple meetings across the state with dairy producers. Phosphorus indexing is also the main focus of IDA's 2018 District meetings, of which the Magic Valley & Treasure Valley meetings have already taken place.

- The Authors of the Idaho Phosphorus Indexing Nutrient Management Standard, Dr. David Bjorneberg, Dr. April Leytem, Dr. David Tarkalson, along with Dr. Stephanie Kulesza, Environmental Programs Director for IDA Consulting and IDA staff made no fewer than 11 detailed Phosphorus Indexing presentations to at least 13 state organizations, state associations, and state and federal agencies who ultimately supported this effort.

Why do we care about Phosphorus?

- Phosphorus is a nutrient required for crop production. However, excess phosphorus that leaves agricultural fields contributes to freshwater systems over enriched in nutrients. Those available nutrients increase plant and algae growth in waterways, such as the Snake River.

What are the current rules surrounding phosphorus for the dairy industry?

- Idaho's Rules Governing Dairy Byproducts state that if soil tests exceed the phosphorus threshold outlined within the 1999 NRCS Conservation Practice Standard 590, "the producer shall only apply nutrients at the appropriate phosphorus crop uptake rate." This threshold is currently set at 40 ppm in the first foot of soil.

- Since the implementation of the 1999 590 standard, the NRCS Standard has been updated three (3) times. Each adjustment would have changed the Idaho Nutrient Management Standard if the state chose to adopt the new Federal NRCS guidelines and incorporated them into rules.

Is Phosphorus Indexing new?

- Phosphorus Indexing is not a new concept. In fact, the first Phosphorus Index was created in the Chesapeake Bay Watershed over 20 years ago.

- Eight of the top ten dairy states utilize Phosphorus Indexing in their Nutrient Management Standards.

- While Phosphorus Indexing is widely used, each state or region has an index catered to their soil and climatic conditions. Idaho is no exception. While soil test phosphorus is a component of the index, several other soil factors are used to determine a relative risk of phosphorus loss to the environment. This allows producers to focus management changes in areas of highest risk, which provides a lot of flexibility while adequately protecting the environment.

What is a Phosphorus Index?

- There are seven key factors within the Phosphorus Index focusing on phosphorus sources/management and transport: soil test phosphorus, application rate, application timing and method, soil erodibility, soil surface runoff index, leaching potential, and distance to surface water. These factors are scored for each individual field and the result is a Phosphorus Index Risk Rating.

- There are four risk rating categories that a field can receive: Low, Medium, High, and Very High.

- When fields fall into the Low category, Nitrogen based management is allowed. When fields fall into the Medium and High categories, application rates are limited to either reduce or maintain the current levels of phosphorus in the soil. When fields fall into the Very High category, there is typically a high risk of transport coupled with a high amount of phosphorus in the soil and no application is allowed.

- While this might seem harsh, there are some areas where the risk is too great to allow further application without some sort of mitigating practice. This is where Best Management Practices can provide relief.

- There are several BMP's that reduce phosphorus loss in agricultural fields. Eleven practices were added to the index and provide a reduction in the risk rating score when implemented on that individual field. This allows application in areas that are more susceptible to phosphorus loss while mitigating any potential impact on the environment. The magnitude of the reduction was determined by reviewing scientific literature and using a reasonable estimate for actual reduction in phosphorus loss.

Who developed the Idaho Phosphorus Site Index?

- This was a collaborative effort between researchers at the USDA ARS in Kimberly and several of the nutrient management planners in the state. Drs. April Leytem, Dave Bjorneberg, and David Tarkalson from the USDA ARS authored the guidance document outlining the phosphorus index.

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, January 25, 2018

SUBJECT	DESCRIPTION	PRESENTER
Introduction:	University of Idaho	Brent Olmstead, Assistant Dean Government
Presentation:	University of Idaho, College of Agricultural and Life Sciences and Research Extension	Dean Michael Parrella
Presentation	Agriculture Research Return on Investment	Dr. Cathy Roheim, Senior Associate Dean & Professor of Economics
Presentation:	University of Idaho	Dr. Barbara Petty, Associate Dean & Director of Extension
Presentation:	Economics of Idaho Agriculture	Dr. Garth Taylor, University of Idaho

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, January 25, 2018

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Senators Patrick, Bayer, Guthrie, Thayn, Harris, Jordan

ABSENT/ EXCUSED: Vice Chairman Den Hartog, Senators Foreman

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 Senate Agricultural Affairs Committee (Committee) to order at 8:02 a.m.

INTRODUCTION: **University of Idaho (UI), Brent Olmstead**, Assistant Dean, College of Agricultural and Life Sciences (CALS), introduced his fellow colleagues and speakers for the upcoming presentations.

PRESENTATION: **University of Idaho, College of Agricultural and Life Sciences and Research Extension. Dr. Michael Parrella**, Dean, CALS, focused his discussion on the Research and Extension Centers; he noted how things are changing in the areas of research and the challenges they, as a university, face in keeping up with these changes to better serve the agricultural industry in the State of Idaho. UI currently has nine Research and Extension Centers across the State and owns approximately 4,000 acres of land. **Dean Parrella** discussed the importance of the Research and Extension Centers. The Centers, as a combination of science and education, are a valuable resource of information for growers; they offer the convenience of walk-in and on-site diagnostic tools for both insect contamination and plants under stress from disease.

Their goals as a university, to better serve agriculture and to recruit and keep the best faculty and graduate students, are impacted by the issues they currently face in the Research and Extension Centers. He discussed three major issues that had the greatest impact upon these goals: 1.) aging facilities; 2.) aging labs; and 3.) outdated information technology. The average age of the buildings is around 50 years with an estimated replacement cost of $100 million; the deferred maintenance costs are estimated around $48 million.

Secondly, **Dean Parrella** mentioned the need for molecular-based labs. He pointed out that they are vital in today's world of DNA technology. Molecular-based labs are not only informative, they also help move technology forward. They aid in precision agriculture by helping in pest diagnostics, identification, and early detection of new invasive species. He discussed nematodes as a major pest that affects Idaho crops. He then discussed the wireworm. He passed around a sample containing live wireworms. These worms attack and cause considerable damage to some of Idaho's major crops, including potatoes, sugarbeets, and wheat. Studies done in Moscow, Idaho have identified seven to eight species of wireworms, each of which appear to differ in biology.

Thirdly, **Dean Parrella** mentioned CALS' needs for updated information technology. Research and Extension Centers are evolving; there is a need for

greater interconnectivity within, and across centers. There is also a need for cross-discipline participation and collaboration between scientists. This, in turn, creates a demand for current computer hardware and software. There are also mobile needs for on-site diagnostics and assistance in training and education.

He emphasized the link between modern facilities and hiring and keeping the best faculty and graduate students, keeping the college more competitive at a national level for federal funding. He added that approximately 25 percent of their staff is due to retire within the next five years. **Dean Parrella** concluded his presentation with a brief discussion of some of the more current work done to modernize their facilities and their plans for moving forward. Improvements include: a new classroom facility in November 2017; graduate housing; a new facility at the Aberdeen Research and Extension Center; and new offices in the Nancy M. Cummings facility in Salmon, Idaho. In March 2018 they have plans for a "visioning session" in Parma, Idaho; they plan to do commodity research incorporating crops from the past, present, and future. **Dean Parrella** stated that they anticipate an investment of $25 million over the next five years.

Senator Harris asked if there had been any collaboration with professors and researchers on nematodes. **Dean Parrella** replied that there was currently a project in Moscow, Idaho that is part of a USDA federal project that spanned several other states and universities.

Chairman Rice asked if there were any specific instances where staff has been lost due to the quality of facilities and equipment. **Dean Parrella** replied while they do their best not to lose staff to other institutions there are varying reasons beyond their control as to why staff leave. However, having almost lost a grant at the national level due to the college's apparent lack of proper facilities, he does feel that the lack of modern facilities and inability to keep pace with the changes in research and information technology is definite issue.

PRESENTATION: **Agricultural Research Return on Investment. Dr. Cathy Roheim**, Senior Associate Dean and Director of Extension, CALS, **Dr. Roheim** mentioned that when UI requested their budget from JFAC last year, they were asked about the return on investment for the Research and Extension Centers. In response, they hired an outside source to get an impartial view. They hired a company in Moscow, Idaho called Economic Modeling Specialists International (EMSI), to conduct an economic impact analysis of the Idaho Agricultural Experimental Station. Since there are nine Research and Extension Centers and a broad range of information to study, they narrowed the study to three of their largest centers: 1.) Parma Research and Extension Center in Canyon County; 2.) Aberdeen Research and Extension Center in Bingham County; and 3.) Kimberly Research and Extension Center in Twin Falls County. They focused on the spending impacts of research activities and a few commodity-specific impacts.

Potatoes, wheat, barley, hops, and sugarbeets are some of the commodities that are studied at each of these centers; they are also crops that play critical roles in Idaho's agricultural economy. The research done at the Centers helps keep these crops healthy and productive. They study pest and disease identification and control, irrigation efficiency, new crop varieties, and improving storage technology.

The results of the study showed that in fiscal year (FY) 2016-2017, research spending on the three Centers was approximately $8.1 million a year. There is a return of $3.8 million a year in the form of grants and other outside sources as the research itself generates additional funding in the form of grants and other outside sources. The research also generates a sales impact that shows for every research dollar spent, $1.41 in sales are created in Idaho.

Dr. Roheim added that it is not just monetary value that is returned, it is intellectual as well. For example, gaining information on how to be more efficient in applying water for irrigation purposes helps lower water usage costs. Improving varieties of wheat, barley, and potatoes leads to more pest-resistant varieties that require less fertilizer and/or pesticide applications. Since it is hard to attribute a monetary value to intellectual property, she emphasized that the numbers in the study show that the Research and Extension Centers are reducing the cost to the producers and, in some cases, increasing the return to the producer. The contributions that the Research and Extension Centers provide to the economy, in terms of improved quality of life, provide an economic impact beyond that which can be fully measured.

Chairman Rice pointed out page 4 details the affect of these returns on Idaho's economy. (see Attachment 1).

PRESENTATION: **University of Idaho, Role of Extension with K-12 Education. Dr. Barbara Petty**, Associate Dean and Director of Extension, CALS, **Dr. Petty** started her presentation by sharing a brief video highlighting the role of UI Extension in Idaho. Some of the services they offer the State of Idaho include strategies for living a healthy life style, guiding children to live responsibly through the 4-H programs, and helping farmers and ranchers grow food while preserving resources. She discussed how UI partners with K-12 school systems to help educate the youth of Idaho. This is done through a variety of programs and program delivery methods. There are school-based enrichment programs and out-of-school programs offered through the 21st Century Learning Centers and instruction offered for the fifth day, for rural areas that only have four-day school weeks. Often acting as a guest speaker, they visit schools and speak on subjects such as plant sciences, horticulture, gardening, food preparation, and preservation.

Dr. Petty highlighted two of their programs: 1) The 4-H youth mentoring program, and 2) Robotics. The 4-H program has ten sites across the State of Idaho. A study in 2014 showed graduates of 4-H had a go-on rate of 62.5 percent compared to Idaho's average of 42 percent. The Robotics program started in 2006 and now has 288 teams statewide. **Dr. Petty** noted that UI is the official sponsor of the FIRST program in Idaho. FIRST is an acronym for "For Inspiration and Recognition of Science and Technology." The goals of the Robotics program are to create innovative solutions to real-world problems. The program helps youth learn skills for the future, such as teamwork and creativity.

Dr. Petty concluded her presentation with a discussion of the Extension's future needs. They are looking to develop curriculum both in STEM education and in precision agriculture by focusing on science-based education centers, like the EUREKA Palouse Tinkering and Training Center. She stated that, to reach their goals, they would need additional faculty and staff to expand their reach throughout the Centers and an ability to keep up with changing technology.

Senator Patrick asked about the go-on rate of the FFA program. **Dr. Petty** replied that the particular study was only of the 4-H program and she was unaware of the FFA rate.

PRESENTATION: **Economics of Idaho Agriculture. Dr. Garth Taylor**, Associate Professor and Extension Specialist, CALS, **Dr. Taylor** highlighted the latest statistics of the second quarter gross domestic product (GDP) in the United States for 2017. He noted that Midwestern states, particularly Nebraska, South Dakota, and Iowa, which are ahead of Idaho as the largest agricultural states in the nation, were in an agricultural-driven recession. Idaho is the fourth largest agricultural state. After two down years, Idaho is finally up five percent in cash receipts, just over 60 percent of these receipts are attributed to cattle, calves, and milk. He noted that Idaho is driven by livestock. This change happened somewhere in the early part of the century. These cash receipts also incorporate waste that is processed into feed for livestock.

While Idaho agriculture is driven by livestock, the biggest growth rate in cash receipts is in the dairy industry. To illustrate, he graphed the numbers beginning on a scale of 100; the graph analyzed the time frame from 1997 to 2017 (see Attachment 1). His data compared Idaho with the United States. In real Idaho dairy cash receipts, Idaho is 58 percent above where it was in 1997, compared to the United States at 22 percent. Farm income is up 15 percent after three down years. Total revenues are up five percent. Expenses are almost level. Idaho real net farm income has grown 100 percent more than the United States.

Dr. Taylor went on to discuss GDP. GDP is the broadest measure of economic activity in the State. Idaho total GDP is growing 172 percent over what it was in 1997. Farm GDP (not processors) is 159 percent above what it was in 1997. He said farmers have grown 87 percent more than the State's economy, whereas food processors have only grown 20 percent over what they were in 1997. The biggest growth was in production agriculture.

Dr. Taylor concluded his presentation with a look at 2018. The weaker dollar will help make exports more competitive. Ethanol demand is slightly increasing. There are record grain stocks and a huge grain production. Interest rates are low, but rising. Milk prices will not start recovering until the second half of 2018. Hay and wheat, like grain, have large stocks. Potatoes had a good year in 2017; prices for potatoes in the first part of 2018 will likely be good, but may not do as well later in the year due to the tendency to over-plant after a good year. The sugarbeet revenues are dependent upon yields.

Chairman Rice asked for clarification on the slide titled 2018 Outlook USDA breakeven on milk. **Dr. Taylor** replied Idaho's break-even on milk is $16; this dollar amount is average. Idaho is still the most competitive state in the nation in milk prices. California's break-even is $24, and Washington's is $29. He said the difference was due to the federal milk pools and the cost of production.

Chairman Rice asked what causes some of the differences in break-even dollars. Is it due to the regulatory atmosphere and taxation in other states. **Dr. Taylor** replied yes to both and the third factor that contributes is access to fluid milk markets along with federal milk pools that sell into those markets.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:04 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Diane James
Secretary

U of I College of Agricultural and Life Sciences

2018 Presentation to the Idaho Senate Agricultural Affairs Committee

Chairman – The Honorable Jim Rice
January 25, 2018

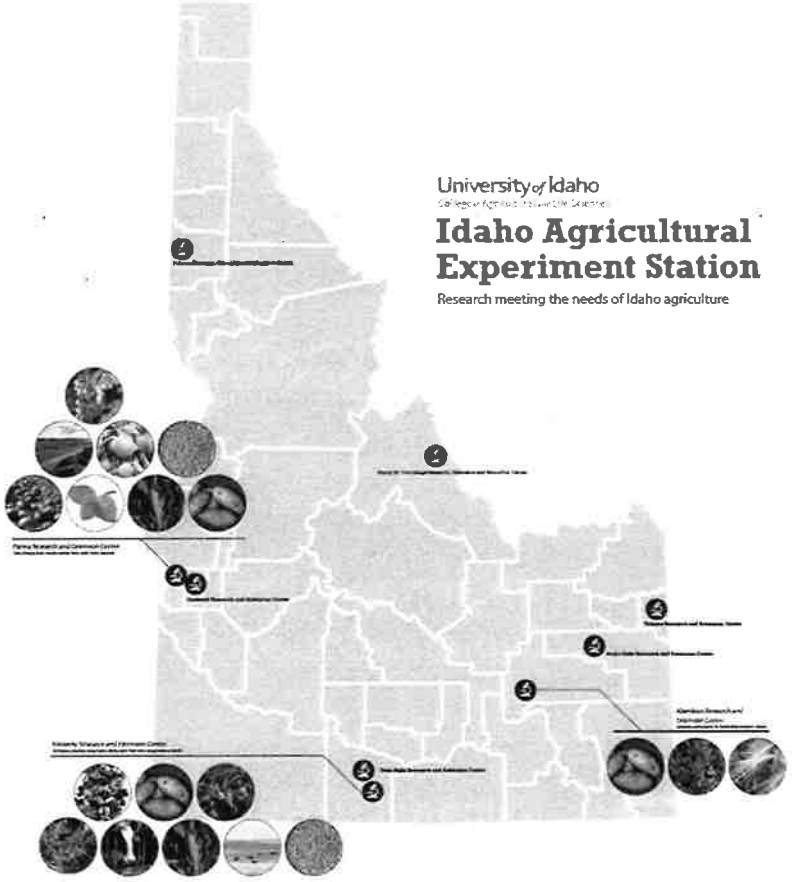
Michael P. Parrella
Dean, College of Agricultural and Life Sciences

University of Idaho
College of Agricultural and Life Sciences

Idaho Agricultural Experiment Station (IAES)

R&E CENTERS

- 9 Research and Extension Centers
- 3,975 acres owned
- Average age of buildings = 50 years
- Replacement cost = $98 million
- Deferred maintenance = $48 million



*Map used for EMSI study; highlights commodities at 3 focus R&E Centers

Idaho Agricultural Experiment Station (IAES)

R&E CENTERS

Issues limiting the effectiveness of our work:

1. Aging Research and Extension Centers
2. Antiquated labs for modern agricultural research
3. Outdated information technology

These three issues significantly impact our efforts in **recruiting** and **retaining** the best **faculty** and **graduate students** as well as our ability to **attract nationally competitive grant funding**.

Idaho Agricultural Experiment Station (IAES)

R&E CENTERS

How R&E Centers have historically operated:

1. Walk-in traffic
   - Expect immediate response to a problem
   - May require a visit to the field
2. Research/plot work on the station
3. Research/plot work with cooperating growers
   - Includes field days and community education opportunities

Idaho Agricultural Experiment Station (IAES)

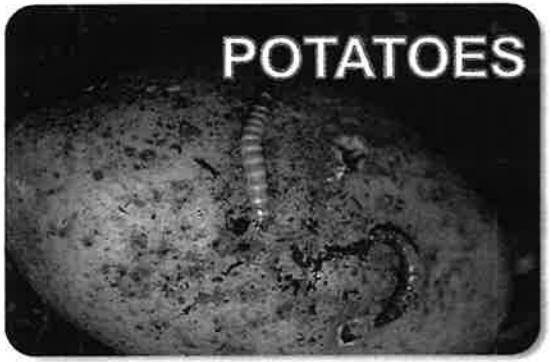
R&E CENTERS

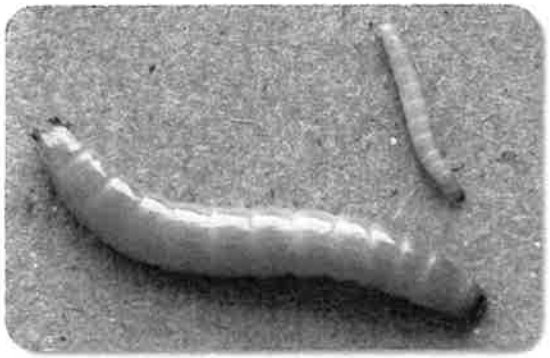
How R&E Centers operate today is evolving:

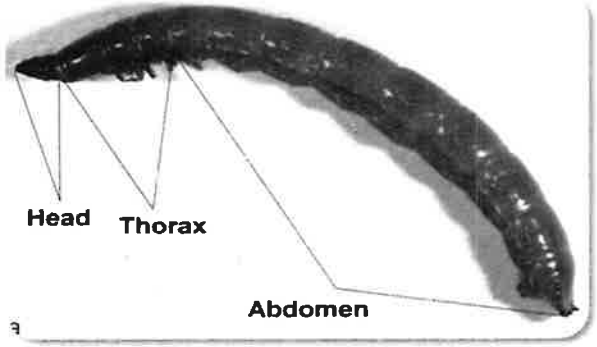
- Molecular based tools for identification used at an increasing rate
  - Modern, 'clean' and appropriately equipped labs are required
  - Pest diagnostics: insects, diseases, nematodes
  - Early detection of 'new' invasive species

IAES Research and Extension Centers

PEST IDENTIFICATION







University of Idaho
College of Agricultural and Life Sciences

Idaho Agricultural Experiment Station (IAES)

R&E CENTERS

How R&E Centers operate today is evolving:

- A single discipline is not sufficient to address agricultural problems
- Cross-disciplinary work is essential
  - Shared laboratories, greater collaboration between all R&E Centers and academic units in the college

Example: Precision agriculture is forever changing the industry

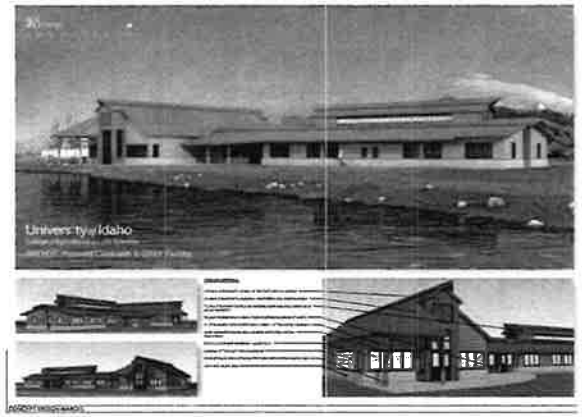
- Fertilizer application; pest identification; pesticide application; irrigation; aerial imaging via drone technology *(field assessment)*
- Demands current IT *(computers, hardware, software, interconnectivity)*
- Critical for undergraduate and graduate student education

Idaho Agricultural Experiment Station (IAES)

R&E CENTERS

Ongoing Efforts to modernize our facilities:

- New classroom facility
  Nancy M. Cummings Research, Extension & Education Center (Salmon)
- Graduate student housing
  Aberdeen Research & Extension Center
- Scheduled vision session – March 8, 2018
  Parma Research & Extension Center
- Emphasizing the partnership between
  University + Legislature + Industry



Nancy M. Cummings Research, Extension & Education Center

Aberdeen Research & Extension Center

University of Idaho
College of Agricultural and Life Sciences

Idaho Agricultural Experiment Station (IAES)

R&E CENTERS

Recruiting and retaining the best faculty:

- 25% of faculty will be retiring in the near future
- Salary issues; addressing through market-based compensation
- Modern facilities are essential; both in the lab and field
- Recruiting and training students for these faculty
- Greater interconnectivity between R&E Centers (including Moscow)

U of I College of Agricultural and Life Sciences

Idaho Agricultural Experiment Station Return on Investment Study

Cathy Roheim
Senior Associate Dean, College of Agricultural and Life Sciences

University of Idaho
College of Agricultural and Life Sciences

Idaho Agricultural Experiment Station (IAES)

RETURN ON INVESTMENT

- Hired EMSI to conduct an 'Economic Impact of the Idaho Agricultural Experiment Station'
- Focus on Aberdeen, Kimberly and Parma Research and Extension Centers
- Results
  - IAES attracts additional grant dollars
  - IAES generate intellectual contributions that have an economic value
  - Economic Impact of dollars invested in IAES

University of Idaho Extension

Impact on Idaho's K-12 Youth

Barbara Petty
Associate Dean and Director of University of Idaho Extension

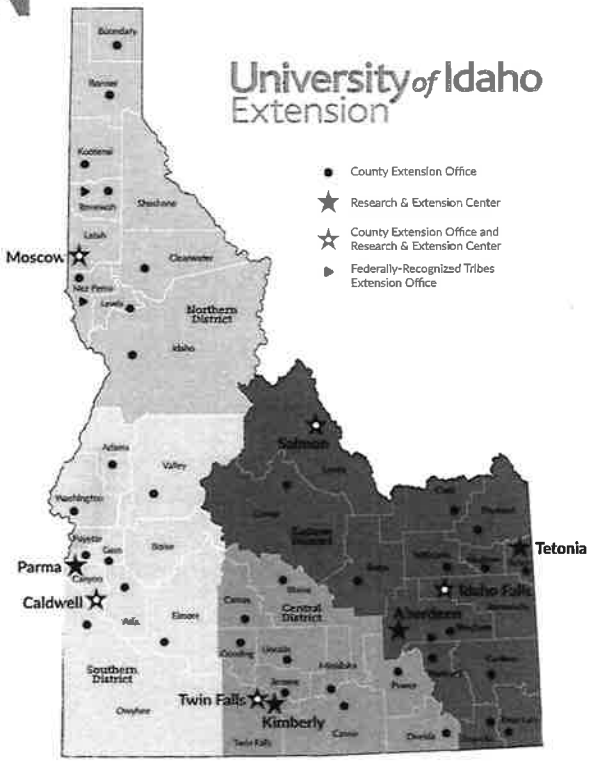
University of Idaho
College of Agricultural and Life Sciences

University of Idaho
Extension

University of Idaho Extension

IMPACT ON K-12 EDUCATION

- School based – school enrichment
  - Informal and formal partnerships with school districts, specific schools, grade levels, and individual classrooms
  - Variety of program delivery methods and subjects
- Out of school – After-school and 5th day
- Blended programs

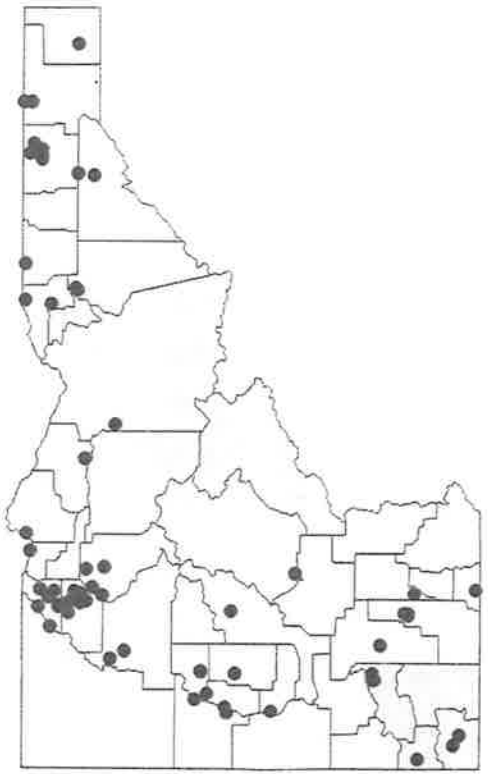


University of Idaho Extension

University of Idaho Extension

IMPACT ON K-12 EDUCATION

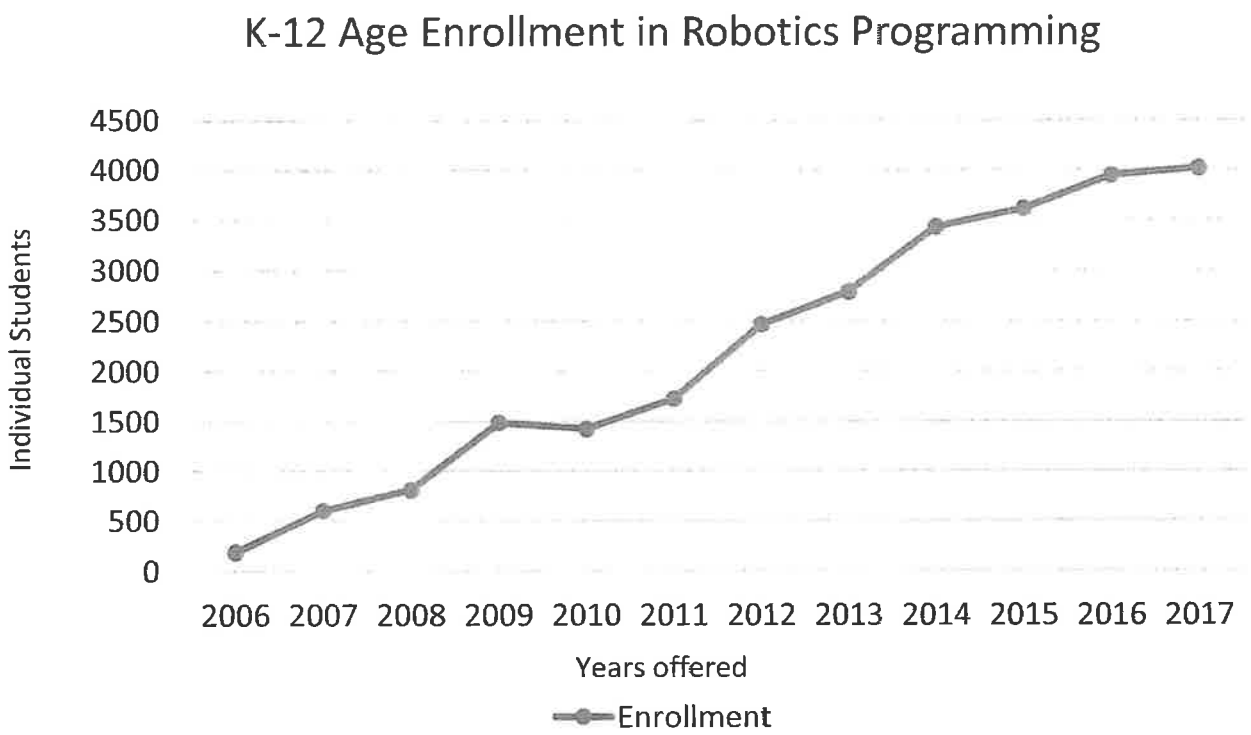
- Official sponsor of the **FIRST** Partner in Idaho
- 288 teams statewide
- Create innovative solutions to real world problems

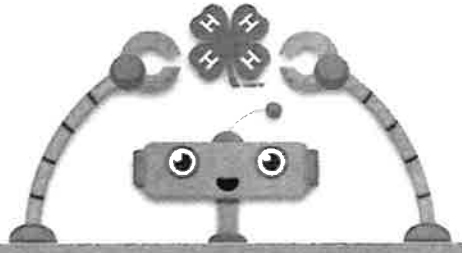


University of Idaho Extension

University of Idaho Extension

IMPACT ON K-12 EDUCATION



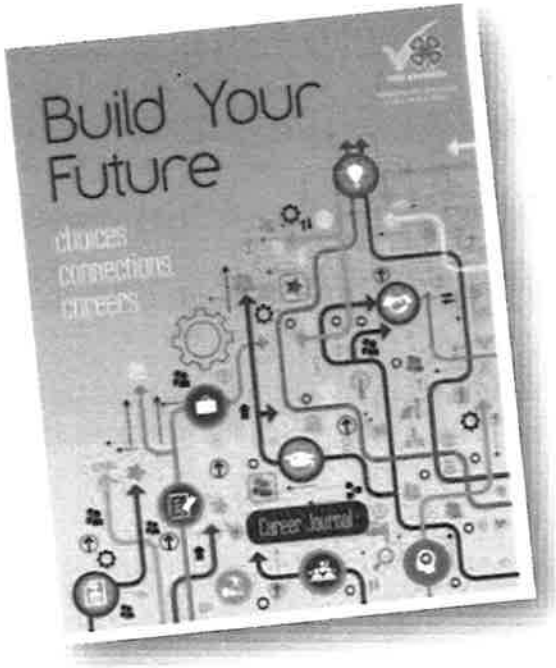


University of Idaho Extension

University of Idaho Extension

BUILD YOUR FUTURE

- 4-H students "go-on" at a rate of **62.5%**
  - Idaho state average is approximately **42%**
- Youth mentoring program
- 10 sites across the state
- Campus visit

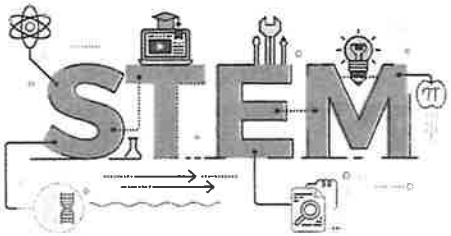


University of Idaho Extension

University of Idaho Extension

FUTURE NEEDS

- Curricula development in STEM education
- Science based education centers
  - **Eureka!** *Palouse Tinkering & Training Center*
- Faculty and staff to expand our reach



Eureka! STEM Tinkering Center Palouse

University of Idaho Extension

The Economy of Idaho Agriculture

U of I Department of Agricultural Economics and Rural Sociology

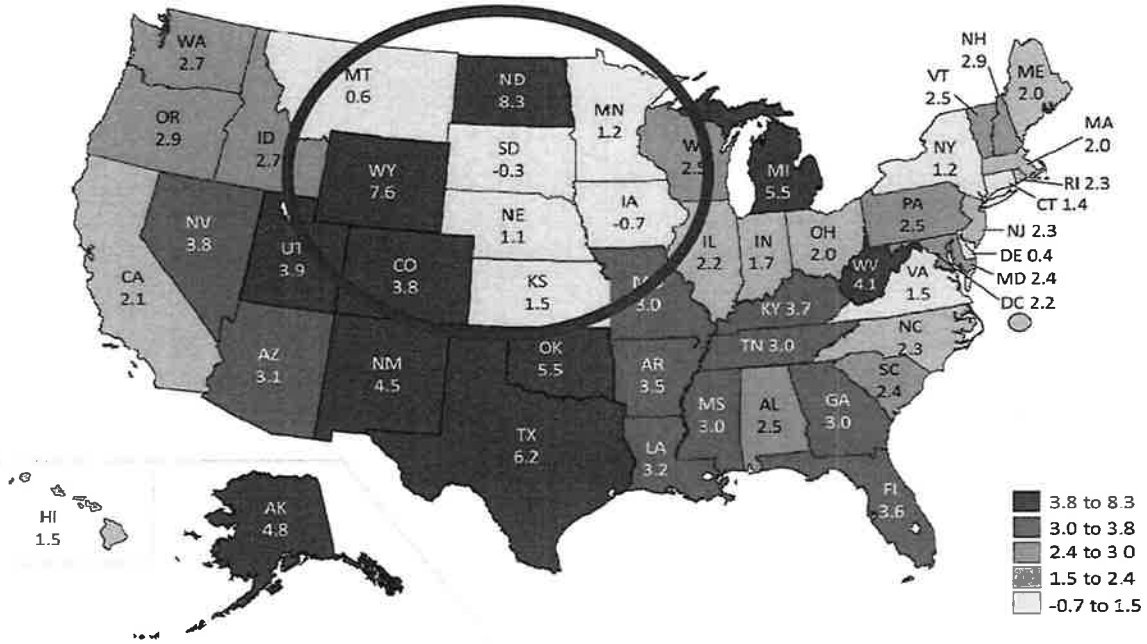
Garth Taylor
Associate Professor and Extension Specialist

University of Idaho
College of Agricultural and Life Sciences

The Economy of Idaho Agriculture

2017 2nd quarter…heartland has ag heartburn

Percent Change in Real GDP by State, 2017:Q1–2017:Q2, Seasonally Adjusted at Annual Rates

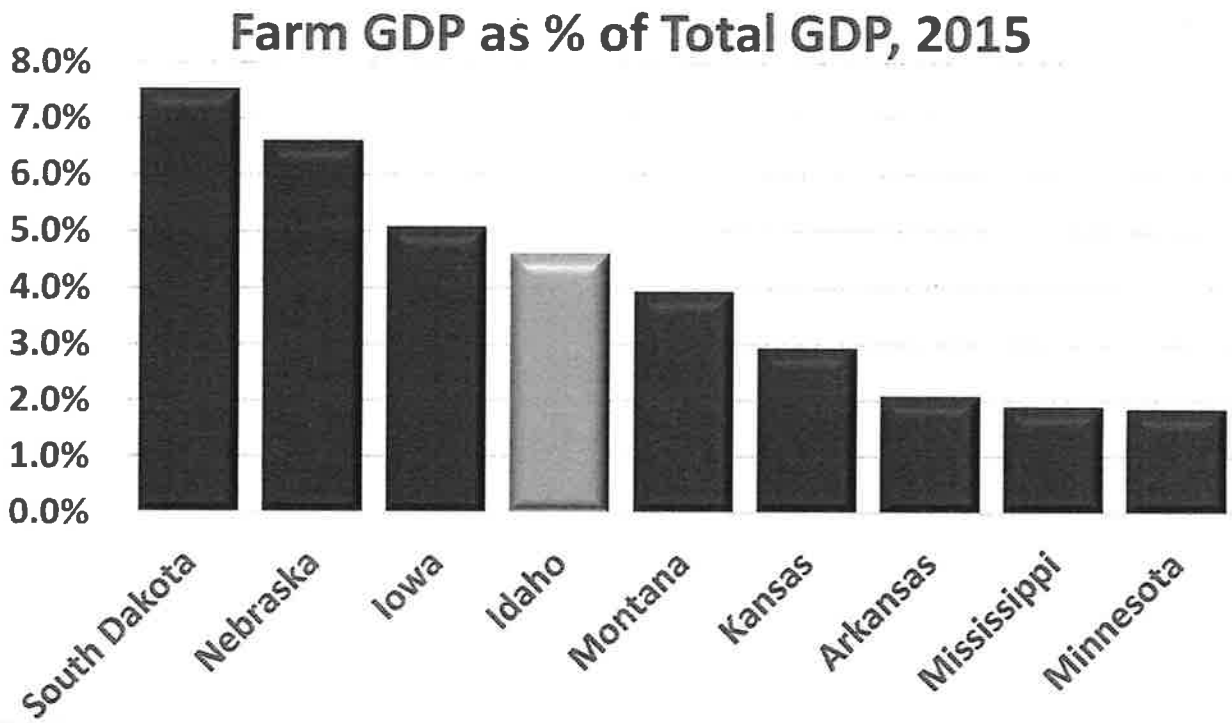


U.S. Bureau of Economic Analysis

University of Idaho
College of Agricultural and Life Sciences

The Economy of Idaho Agriculture

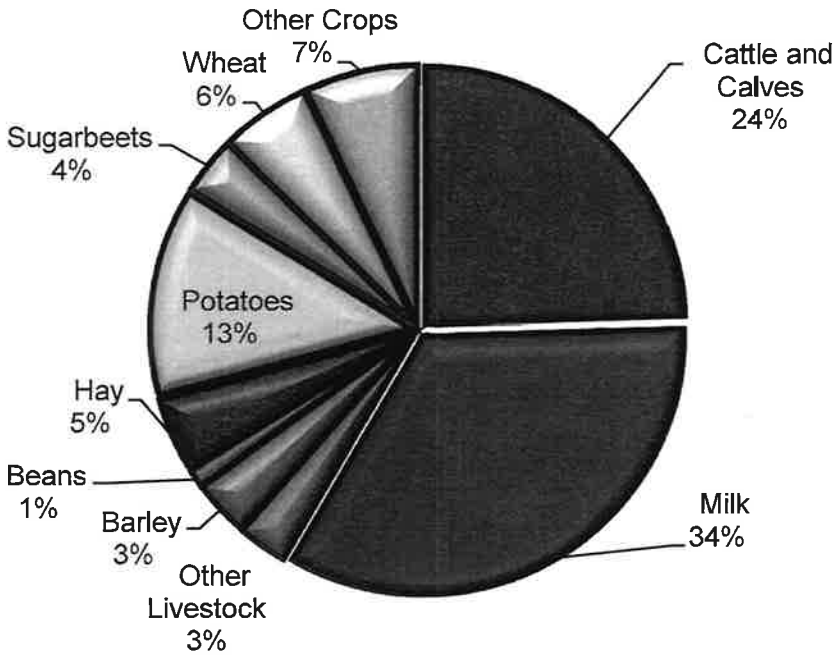
Idaho 4th largest Ag state economy



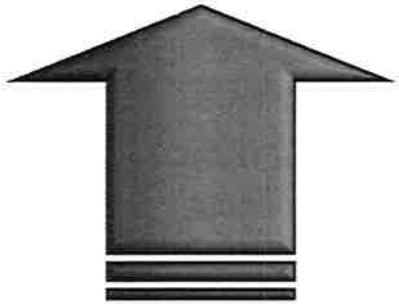
The Economy of Idaho Agriculture

Following two down years, 2017 cash receipts up 5%

Idaho Cash Receipts, 2017



$7.5 billion up 5%

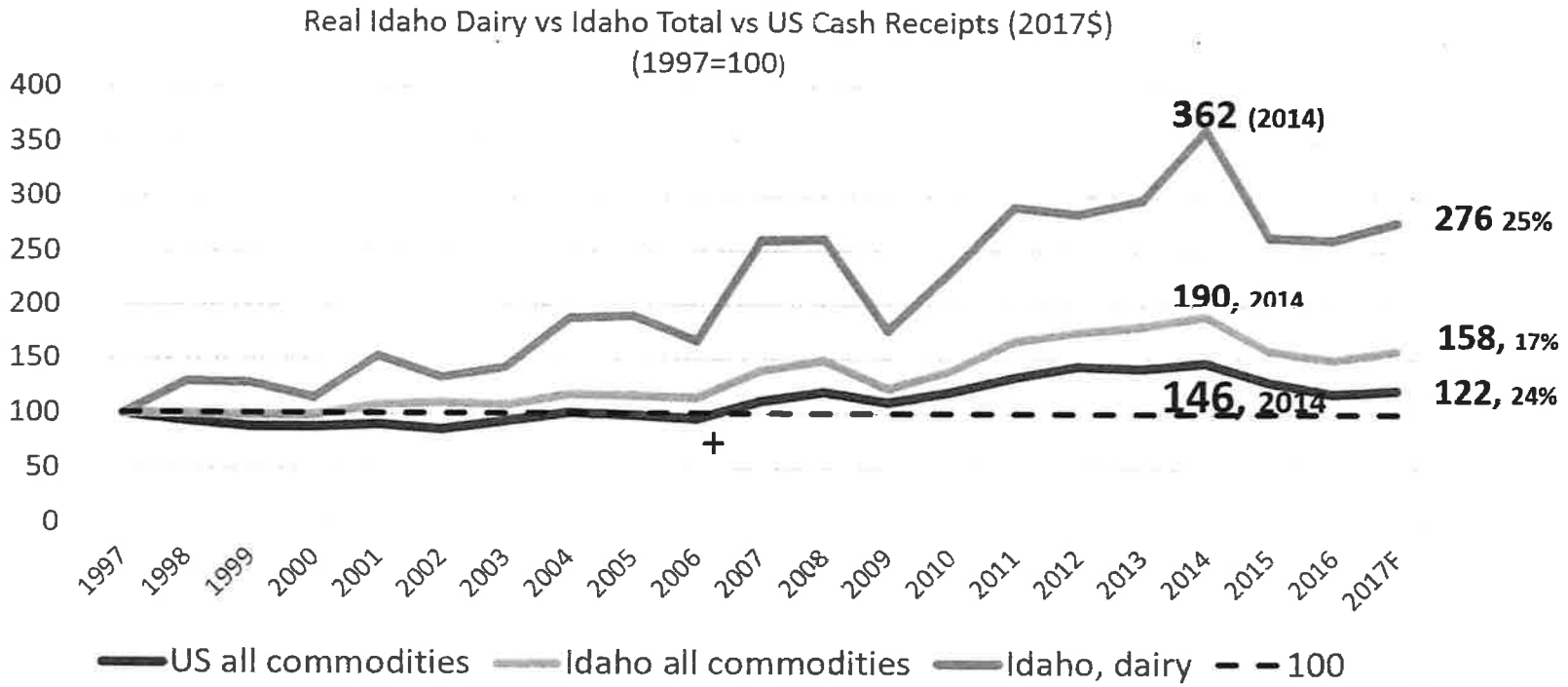


$7.1 billion, 2016

Source: University of Idaho

The Economy of Idaho Agriculture

Following two down years, 2017 cash receipts up 5%

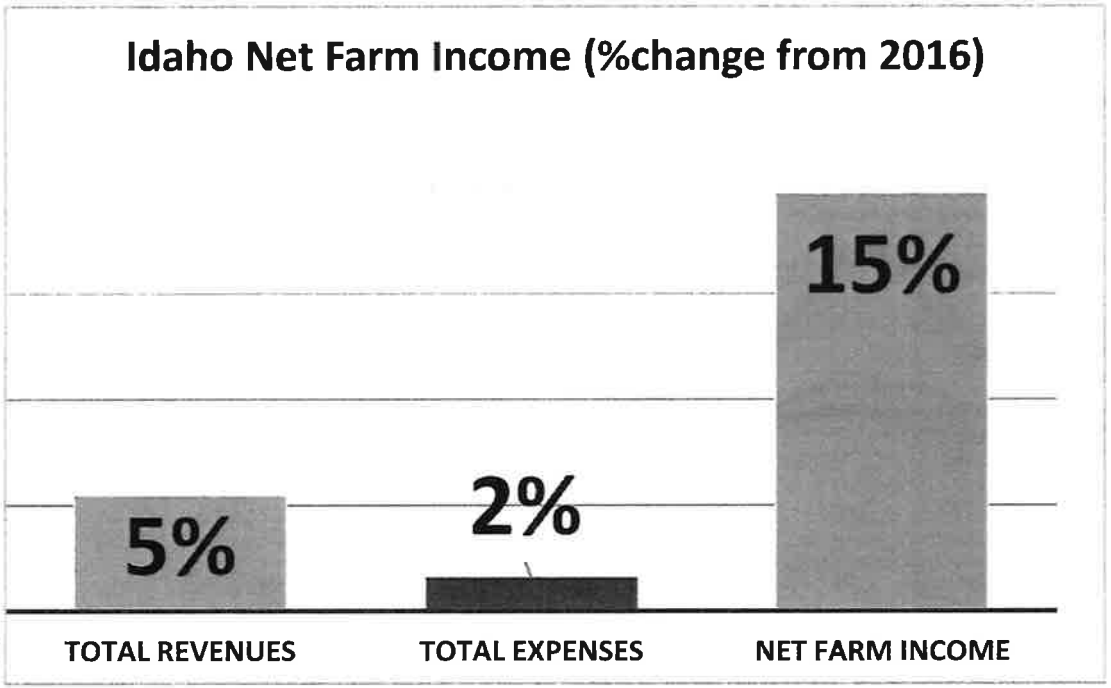


Source: USDA-ERS, 2016 University of Idaho

University of Idaho
College of Agricultural and Life Sciences

The Economy of Idaho Agriculture

After 3 down years, net farm income up 15%

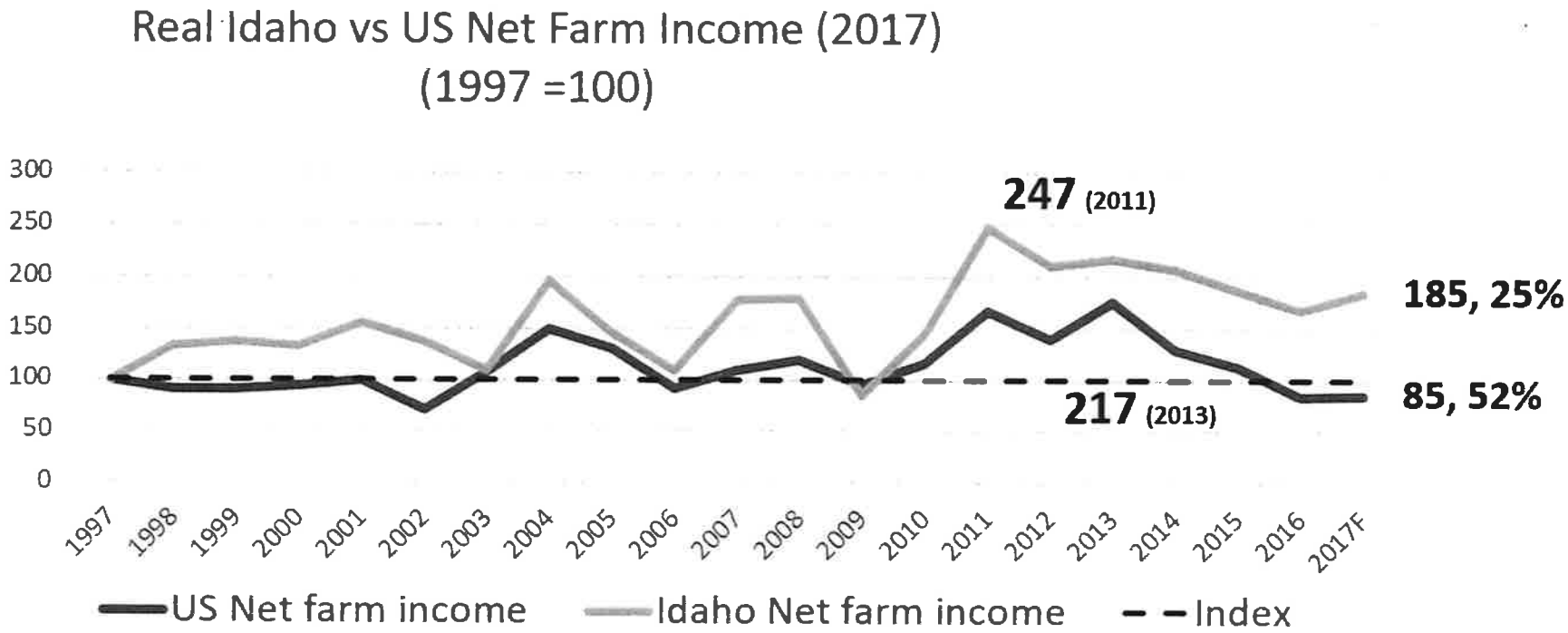


$1.9 billion Up 15%

$1.7 billion, 2016

The Economy of Idaho Agriculture

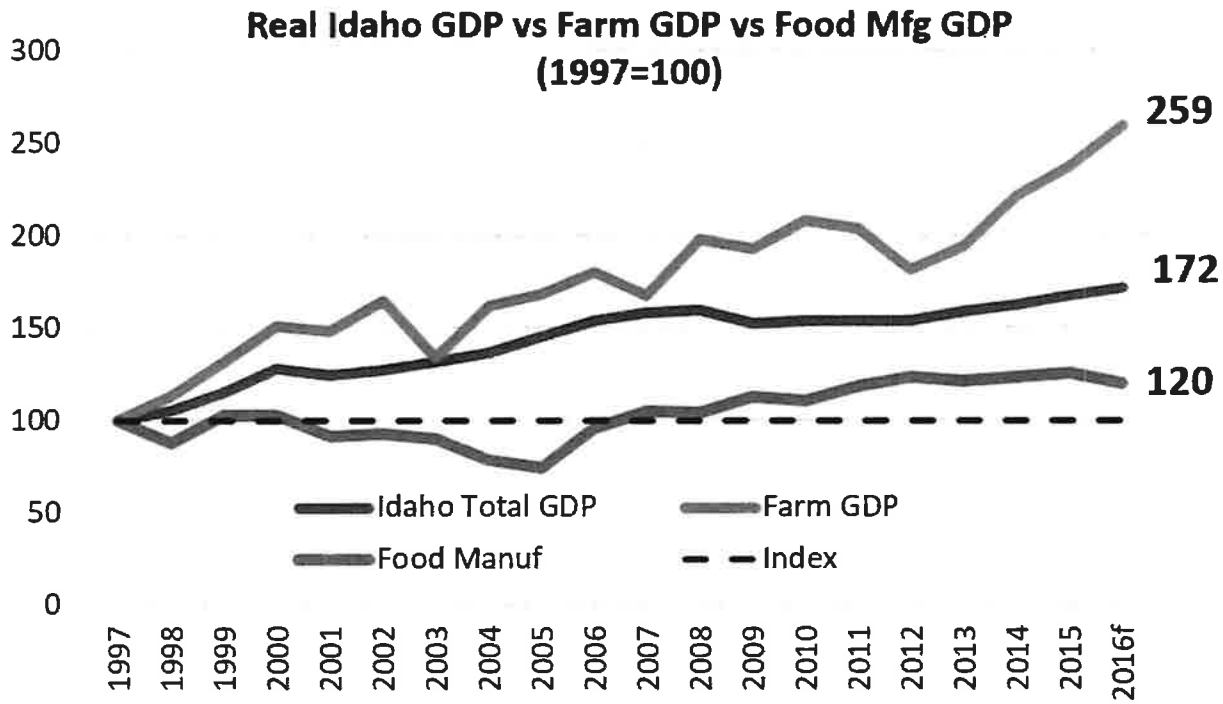
Idaho real net farm income has grown 100% more than U.S.



University of Idaho
College of Agricultural and Life Sciences

The Economy of Idaho Agriculture

Real Idaho farm GDP has grown 90% more than real Idaho total GDP



- **Idaho real GDP(2009$)**
  - $61 billion in 2016
- **Farm GDP (2009$)**
  - 4.5% of Idaho GDP
- **Food mfg GDP (2009$)**
  - 2.6% of Idaho GDP

Source: US Dept. of Commerce, BEA

University of Idaho
College of Agricultural and Life Sciences

The Economy of Idaho Agriculture

2018 Outlook

Crop	Comments
Milk	Contracts NOT renewed and herd liquidation. Milk prices NOT good until 2nd half of 2018. USDA breakeven: ID $16, CA, $24, WI, $27, WA, $29.
Wheat	Huge stocks and record world production. Lowest wheat acres in 100 years.
Hay	Huge stocks. Weak corn price.
Beef	Prices continue good – not great like 2014 and 2015
Spuds	First part of 2018 will be very good prices for 2017 crop BUT with 2018 crop prices will fall because farmers over plant because of grain and hay prices are weak
Sugarbeets	Revenues largely dependent on yields
Corn	Huge stocks and record yields
Barley	Priced from wheat

- **2018 revenue themes**
  - Export markets rebound
    - *Weaker dollar*
    - *Strengthen foreign economies*
    - *Russian embargo*
  - Ethanol demand increasing
  - Huge grain production
  - Record grain stocks
- **2018 costs themes**
  - Oil below $60 a barrel
  - Low, but rising, interest rates

THANK YOU

University of Idaho
College of Agricultural and Life Sciences

University of Idaho

THE UNIVERSITY OF IDAHO COLLEGE
OF AGRICULTURAL AND LIFE SCIENCES

The Economic Impact of the Idaho Agricultural Experiment Station

October 2017

Contents

3 EXECUTIVE SUMMARY

5 INTRODUCTION

Demonstrating the Value of IAES / 7

8 SPENDING IMPACTS OF IAES ON THE IDAHO ECONOMY

Funding the Future / 10

11 BROADER BENEFITS OF IAES RESEARCH

About the Research and Extension Centers / 11
Potatoes / 12
Wheat / 12
Barley / 13
Hops / 13
Irrigation / 14
Nematode Prevention / 14

15 CONCLUSION

17 APPENDIX 1: ABOUT ECONOMIC IMPACT ANALYSES

Example of Sales Versus Income / 18

Executive Summary

IN 2013, an estimated 16% of Idaho's Gross State Product (GSP), or $10.1 billion, stemmed from the work of its agribusiness economy.[1] This represents billions of dollars in economic activity every year, with the Crop and Animal Production sector alone generating almost $3.0 billion in GSP in 2016, and $8.8 billion in cash receipts in 2014.[2] A major part of this work is directly supported and enabled by the research and development at the Idaho Agricultural Experiment Station (IAES) at the University of Idaho in the College of Agricultural and Life Sciences. For 125 years, IAES has worked to improve the quality of life for Idahoans, impacting citizens and the state economy by working with producers, businesses, and communities to find solutions to critical issues. Operating at Research and Extension Centers strategically located throughout Idaho, IAES focuses on improving Idaho farming practices, developing new and valuable crop varieties, and protecting crops from pests and disease. This research represents a multi-million-dollar annual investment in Idaho's economy, including a significant investment from state sources.

Given the variety of subjects researched at IAES facilities, calculating the total value of their work cannot be fully quantified. This report instead focuses on capturing the spending impacts of IAES research activity and a few commodity-specific impacts. We highlight resulting benefits to illustrate the far reach of IAES research. These activities are just a few notable examples demonstrating how IAES boosts the state economy, contributes to the state's agricultural sector, and improves the well-being of citizens. The true economic impact of IAES naturally extends above and beyond all that is captured in this analysis, yet this analysis demonstrates a solid return on the state's investment.

The Idaho Agricultural Experiment Station (IAES) provides significant value to Idaho's

1 "Contribution of Agribusiness to the Idaho Economy, 2013." Garth Taylor, Ben Eborn, and Philip Watson. University of Idaho, 2015.

2 Emsi data – Idaho sales for North American Industry Classification System (NAICS) 11: Crop and Animal Production, 2016.

economy in three main ways: the economic impact of IAES research spending, the further external research funding research attracted to the IAES, and the value of the intellectual property created by IAES research.

- IAES research spending amounted to $8.1 million in FY 2016-17, creating an impact of $5.1 million in added income. This can also be stated in terms of a sales impact, where IAES research spending created a total of $11.5 million in additional sales. In other words, for every research dollar spent, $1.41 in sales were created throughout Idaho.
- New grant funding has averaged $1.7 million per year at the Aberdeen Center, $1.4 million at the Kimberly Center, and over $700,000 at the Parma Center for the last three years. These represent just three of nine Research and Extension Centers. Much of this funding can be attributed to the high-profile success of prior IAES work, making potential partners interested in investing in its research. This in turn accelerates the virtuous circle of more research, leading to more high-profile success and further funding.
- Intellectual property stemming from IAES research creates impacts through better quality and more efficient potato and wheat varieties, the early detection and therefore prevention of disease epidemics like stripe rust in wheat, collaboration in new malting and food barley varieties, pest mitigation for barley production, and improved irrigation and tillage practices for crops like onions and sugarbeets.
- Not all intellectual property can be directly quantified, but what can be yields an estimated annual impact of $11.0 million in additional income and $37.6 million in additional sales if fully implemented. This excludes the one-time economic impact stemming from IAES early detection and warning of stripe rust in 2011, an estimated $178.5 million in income and $230.0 million in sales in savings to the Idaho wheat industry and state economy.
- The total annual economic impact of IAES research spending and the annual impacts stemming from intellectual property sums to $16.1 million in additional income and $49.1 million in additional sales. Again, this is a snapshot of the research and outreach activities taking place, yet it demonstrates a strong return on the state's investment in IAES. The reach of IAES extends beyond this analysis's scope and continues to serve the state and society as a whole.

Introduction

As Idaho's land-grant university, the University of Idaho has always been committed to reaching out to all of Idaho's citizens. This includes the world-class education the University's students receive, but it also includes the research of the Idaho Agricultural Experiment Station (IAES). For 125 years, IAES has worked to improve the quality of life for Idahoans, impacting citizens and the state economy by working with producers, businesses, and communities to find solutions to critical issues.

Operating from nine Research and Extension Centers, IAES conducts scientific research across 4,000 acres of dedicated land and is based at the University of Idaho College of Agricultural and Life Sciences (CALS). IAES also partners with industry and other government agencies, such as the US Department of Agriculture (USDA), to create research synergy that improves research efficiency. Furthermore, the type of research IAES conducts mitigates risk for farmers. For example, IAES tests new crop varieties and irrigation methods for farmers, practices which otherwise may not be profitable for farmers to implement without testing.

Given the variety of subjects researched at IAES facilities, the full impact of IAES cannot be completely quantified. To provide some sense of its value, this report quantifies and provides notable examples of the actual and potential impact of IAES at three Research and Extension Centers:

- Parma Research and Extension Center, in Canyon County;
- Aberdeen Research and Extension Center, in Bingham County; and
- Kimberly Research and Extension Center, in Twin Falls County.

These research stations are displayed in Figure 1, on the next page.

Demonstrating the Value of IAES

At the Research and Extension Centers, IAES faculty and staff are involved in a wide range of research on critical issues to Idaho's agricultural producers. Taken as a whole, IAES research provides economic value to Idaho in three ways.

- First, IAES research involves the spending of money to employ faculty and staff and to purchase equipment and other supplies, spending which creates a ripple or "multiplier" effect in the state economy.
- Second, the high-profile success of this research attracts new grant money from public and private sources who see value in IAES research, increasing IAES' ability to produce intellectual property.
- Third, IAES research creates new intellectual property, such as improved potato breeds and more efficient irrigation techniques, improving the quality of crops, efficiency of farmers, and economic sustainability of farmers.

This analysis starts by taking a narrow focus on the spending impacts of IAES research and the amount of grant funding attracted through public and private sources to support IAES. We then highlight the application of IAES work and the resulting benefits to illustrate the broader effects of IAES research. Where possible, we capture the impacts stemming from intellectual property created through IAES research. These activities are just a few notable examples demonstrating how IAES boosts the state economy, contributes to the state's agricultural sector, and improves the well-being of citizens. The true economic impact of IAES naturally extends above and beyond all that is captured in this analysis.

Spending Impacts of IAES Research on the Idaho Economy

In Fiscal Year (FY) 2016-17, IAES spent more than $8.1 million on research and development. This included employing over 100 full- and part-time faculty, staff, and students. This spending added nearly $11.5 million in sales to the Idaho economy in FY 2016-17. In other words, every dollar IAES spends on research creates $1.41 in sales. The impact can also be stated as $5.1 million created in additional income, or value added, and an additional 137 jobs across the state.

The Idaho economy is impacted by IAES through research expenditures and the spending of employees. IAES is an employer and buyer of goods and services for various research activities. Faculty and staff payroll and benefits are part of the state's overall income, and the spending by employees for groceries, apparel, and other household spending helps support businesses in the state economy. These expenses create a ripple effect that generates additional jobs and income throughout the economy. In this section, we estimate the economic impact of this spending on the Idaho economy.[3]

IAES employed 62 full-time and 46 part-time workers in FY 2016-17 at the Parma, Kimberly, and Aberdeen Centers. This includes faculty, technicians, postdoctoral researchers, graduate students, and undergraduate students. All of these employees lived and worked in the state, which is crucial as it means their salaries initially stay in the state as they spend for housing, food, and other living expenses. Furthermore, working for IAES provides valuable experience for all levels of students, increasing human capital through their added skills which adds to the productivity of the state economy.

Table 1 shows the FY 2016-17 expenses of IAES. In total, IAES spent over $8.1 million on research and development activities, much of which were dollars that would not have otherwise entered the Idaho economy but for IAES. These expenses would not have been possible without funding from outside the state from federal sources, which were then matched by state funding.

TABLE 1. *Expenses by type of cost, FY 2016-17*

EXPENSE ITEM	TOTAL	%
Salaries, wages, and benefits	$3,202,645	39%
Capitalized software and equipment	$2,246,092	28%
Other direct costs	$2,696,862	33%
Total expenses	**$8,145,599**	**100%**

Source: Data supplied by IAES.

The first step in estimating the multiplier effects of IAES expenditures is to map these categories of expenditures to the approximately 1,000 industries of the Emsi Multi-Regional Social Accounting Matrix (MR-SAM) model. Assuming the spending patterns of IAES personnel approximately match those of the average consumer, we map salaries, wages, and benefits to spending on industry outputs using national household expenditure coefficients supplied by Emsi's national MR-SAM. Everyone working in IAES live in Idaho, and therefore we consider 100% of the salaries, wages, and benefits.

Mapping the other research expenses by category to the industries of the MR-SAM model requires some exposition. IAES primarily spends its research expenditures

3 See Appendix 1 for more information on economic impact methodology and model.

on the life sciences research and development field. We map this fields of study to its respective industries in the MR-SAM model. The result is a distribution of research expenses to the various life sciences industries.

We now have three vectors of expenditures for IAES: one for salaries, wages, and benefits; another for capital items; and a third for purchases of supplies and services. The next step is to estimate the portion of these expenditures occurring inside the state. The expenditures occurring outside the state are known as leakages. We estimate in-state expenditures using regional purchase coefficients (RPCs), a measure of the overall demand for the commodities produced by each sector that is satisfied by state suppliers. For example, if 40% of the demand for the industry Offices of Certified Public Accountants is satisfied by state suppliers, the RPC for that industry is 40%. The remaining 60% of the demand for the industry is provided by suppliers located outside the state.

Table 2 presents the economic impact of IAES research spending. The people employed by IAES and their salaries, wages, and benefits comprise the initial effect, shown in the top row of the table in terms of labor income, non-labor income, total income, sales, and jobs. The additional impacts created by the initial effect appear in the next four rows under the section labeled multiplier effect. Summing the initial and multiplier effects, the gross impacts are $5.3 million in labor income and $1.3 million in non-labor income. This comes to a total impact of $6.6 million in total added income associated with the spending of IAES and its employees in the state. This is equivalent to 154 jobs and $13.9 million in sales.

The gross impact is often reported by researchers as the total impact. We go a step further to arrive at a net impact by applying a counterfactual scenario, or what

GLOSSARY

Economic impact analyses use different types of impacts to estimate the results:

Income impact: assesses the change in gross regional product, or GRP. Income is also synonymous with value added. It is comprised of labor income and non-labor income.

Labor income impact: assesses the change in employee compensation, or earnings.

Non-labor income impact: assesses the change in income and business profits.

Jobs impact: the number of full- and part-time jobs required to support the change in income.

Sales impact: comprises the change in business sales revenue in the economy as a result of increased economic activity. It is used interchangeably with output.

TABLE 2: *Impact of IAES activities, FY 2016-17*

	LABOR INCOME (THOUSANDS)	NON-LABOR INCOME (THOUSANDS)	TOTAL INCOME (THOUSANDS)	SALES (THOUSANDS)	JOBS
Initial effect	**$3,203**	**$0**	**$3,203**	**$8,146**	**108**
Multiplier effect					
Direct effect	$1,186	$452	$1,638	$2,817	24
Indirect effect	$170	$54	$224	$427	3
Induced effect	$781	$754	$1,535	$2,484	19
Total multiplier effect	**$2,137**	**$1,261**	**$3,397**	**$5,727**	**46**
Gross impact (initial + multiplier)	**$5,340**	**$1,261**	**$6,600**	**$13,873**	**154**
Less alternative uses of funds	-$599	-$865	-$1,464	-$2,377	-17
Net impact	**$4,740**	**$395**	**$5,136**	**$11,495**	**137**

Source: Emsi impact model.

would have happened if a given event – in this case, the expenditure of in-state funds on IAES – had not occurred. IAES received monies from sources such as state-sponsored research awards and private donations. We must account for the opportunity cost of this in-state funding. Had other industries received these monies rather than IAES, income impacts would have still been created in the economy. In economic analysis, impacts occurring under counterfactual conditions are used to offset the impacts actually occurring in order to derive the true impact of the event under analysis.

We estimate this counterfactual by simulating a scenario where in-state monies spent on IAES are instead spent on consumer goods and savings. This simulates the in-state monies being returned to the taxpayers and being spent by the household sector. The results of this exercise are shown as negative values in the row labeled less alternative uses of funds in Table 2.

The total net impacts of IAES research are equal to the gross impacts less the impacts of the alternative use of funds – the opportunity cost of the state and local money. As shown in the last row of Table 2, the total net impact is approximately $4.7 million in labor income and $395,000 in non-labor income. This sums together to $5.1 million in total added income and is equivalent to 137 jobs. The impact in terms of sales is $11.5 million. These impacts represent new economic activity created in the state economy solely attributable to the operations of IAES.

Another way to interpret the results is to calculate an implicit multiplier. An implicit multiplier is the total impact divided by the initial effect. The implicit sales multiplier for IAES is the total sales impact of $11.5 million divided by the initial spending of $8.1 million, equal to $1.41. In other words, for every dollar spent by IAES, an additional $0.41 in added spending is generated in Idaho. We can do the same for income and for jobs. The implicit income multiplier is $1.60, or $5.1 million in total income impact divided by $3.2 million in initial payroll spending. For jobs, dividing the 137 in total jobs impact by the 108 employees of IAES provides an implicit jobs multiplier of 1.27.

IMPLICIT MULTIPLIERS OF IAES RESEARCH SPENDING

An implicit multiplier is the total impact divided by the initial effect.

- The *implicit income multiplier* of IAES is $1.60. In other words, for every dollar IAES pays its employees, an additional $0.60 in income is created in Idaho.
- The *implicit sales multiplier* of IAES is $1.41. In other words, for every dollar spent by IAES, an additional $0.41 in sales occurs in Idaho.
- The *implicit jobs multiplier* of IAES is 1.27. In other words, for every person IAES employs, an additional 0.27 jobs are created in Idaho.

Funding the Future

The above demonstrated the economic impacts from current IAES expenditures. However, one of the biggest limits on how much work a research organization can conduct relates to its funding. It is therefore crucial for IAES to attract grant funding from both private and public sources to continue to provide the benefits it does. When it does so, additional sources of funding, such as from competitive grants for the USDA and private sources, enhance the impact of IAES. This is the beginning of a positive cycle, where the new research enabled by added grant funding will in turn draw attention to IAES and attract more funding.

According to figures provided by CALS, over the last three years the Aberdeen, Kimberly, and Parma Research and Extension Centers have attracted millions of dollars in grant funding. Averaging the total grant funding received across each of the last three years, Aberdeen received $1.7 million annually, Kimberly received $1.4 million, and Parma received $724,000. These injections of funding to each Center accelerate the virtuous circle of more research, leading to more high-profile success, and further funding.

Broader Benefits of IAES Research

To illustrate the broad economic contribution IAES research creates, we highlight specific research areas at three Research and Extension Centers. In these areas, we calculated an annual impact of approximately $11.0 million in added income, or $37.6 million in additional sales, resulting from the implementation of IAES research. This excludes the $178.5 million impact in one-time added income, or $230.0 million impact in sales, resulting from IAES research mitigating a wheat epidemic in 2011. These are only a subset of the overall impact of the knowledge and intellectual property IAES develops; the full economic impact of this property is above and beyond what can be directly quantified.

About the Research and Extension Centers

Aberdeen

Established over a century ago, the Aberdeen Research and Extension Center has long played an important role in IAES activity. Today, the Aberdeen Research and Extension Center conducts research on important Idaho crops, such as potatoes, wheat, and barley, as well as other projects like finding ways to incorporate native plants into Idaho horticulture. The Aberdeen Research and Extension Center also hosts regular community events, learning opportunities, and more.

Parma

The Parma Research and Extension Center's research includes nematology, irrigation technology, hops, onions, and other crops. It also hosts community outreach services and Extension classes. For example, its annual Field Days events attract community members with tours of indoor and outdoor facilities, teaching sessions, and samples of new varieties the Center has developed. The Parma Research and Extension Center is also home to the USDA-ARS Horticultural Crops Research Unit Worksite, which creates valuable opportunities for shared research.

Kimberly

The Kimberly Research and Extension Center shares its laboratory and greenhouse space, along with its 180 acres of farmland, with the USDA-ARS Northwest Irrigation and Soils Research Laboratory, creating additional research opportunities and synergy. Today, the Kimberly Research and Extension Center conducts research in areas such as potato storage, irrigation efficiency, sugarbeets, and dry beans.

Potatoes

Potatoes are Idaho's most famous crop, so it comes as no surprise that potato production contributes significantly to the state's economy. In 2016, Idaho planted 325,000 acres of potatoes, producing over 139 million hundredweights (CWTs) valued at $968 million. Idahoans produce more than one-third of the nation's potato production. Of these potatoes, about 60% are processed, while 30% are eaten fresh and the remainder are used as seed. Since many applications exist for potatoes, IAES research looks for ways to develop new potato breeds that meet specific needs, like the early-maturing and blight-resistant Blazer and the efficient Clearwater Russet varieties.

The industry standard potato is the Russet Burbank, the traditional brown-skinned potato perfect for french fries, and the primary potato variety used by restaurants such as McDonald's. IAES has developed the Clearwater Russet, a new variety with similar processing qualities but far less costly to produce. The Clearwater Russet holds particular potential if it is widely adopted in the place of Russet Burbank. For example, it could lead to an average savings of $5.2 million per year in nitrogen fertilizer if producers replaced Russet Burbank with Clearwater Russet. This change would create an impact of $5.1 million in added income for the state economy per year, or $12.1 million in sales.

IAES research also helps Idaho's potato growers by improving storage technology. While they're stored, potatoes face the threat of shrinkage and disease. IAES works to minimize this damage by developing new approaches to post-harvest diseases, particularly pink rot and late blight. Pink rot has usually been prevented with disinfectants, but the new phosphite application technique stemming from IAES research reduced the incidence of pink rot and late blight from 44% and 57%, respectively, to 1% and 7%. Using a conservative estimate, phosphites could save $1.5 million in potatoes every year in Idaho alone. Further adoption of this approach nationwide will lead to even larger savings and impacts.

Wheat

Idaho planted 1.2 million acres of wheat in 2016, ranking 10th in the nation and producing almost 102 million bushels worth approximately $710.3 million. IAES faculty and staff have supported Idaho's wheat farmers by developing several new varieties. Two of the most prominent varieties created include:

- UI Sparrow, a low protein soft white winter wheat producing an average yield of 104 bushels per acre, with a high yield of 134 bushels per acre and high resistance to snow mold, moderate resistance to stripe rust, and immunity to dwarf bunt. This immunity represents a savings of nearly $37,000 in pesticide costs per 1,000 acres planted.
- UI Silver, a hard white winter wheat designed for the Asian noodle market with high resistance to dwarf bunt and to the stripe rust that affects its dryland growing region. It has a yield of 113 bushels per acre, with similar pesticide-cost savings as Sparrow wheat.

IAES also protects Idaho's wheat against disease. In 2011, IAES research was critical to protecting the wheat crop against a stripe rust epidemic that would otherwise have devastated wheat production. Certain wheat varieties could have had an estimated 80% yield loss. Thanks to preventative measures from IAES, losses were reduced to between 10 and 20% for those varieties. This amounted to an estimated savings impact of $178.5 million in added income, or $230.0 million in sales across Idaho.

Barley

Idaho's 2017 barley crop will be over 49 million bushels, produced on 480,000 planted acres. This represents nearly one-third of the nation's barley production, and a crop worth $313 million in 2016. To support the barley crop, IAES research, in collaboration with USDA-ARS, pursues new frontiers in barley production. Idaho barley can be used for malting (i.e. beer production), for human food, or for animal feed. IAES research includes developing barley varieties for all uses.

In 2016, over 80% of Idaho's barley was used for malting, particularly by the large brewing plants in southern Idaho owned by Anheuser-Busch and Molson Coors. Malting barley requires different traits, such as low protein and beta-glucan content, compared to food barley varieties. To meet these significant needs, IAES developed barley varieties like Charles and Endeavor in 2005 and 2008, respectively. Approved by the American Malting Barley Association, these barley varieties are competitive with the industry standards.

IAES also develops food barley varieties. For example, Transit, a spring food barley variety, was developed to contain a high protein content and beta-glucan content, traits making it attractive to the significant Japanese barley market. Another IAES food barley, Kardia, has proven to produce $158.40 more per acre than other food barley.

In addition to variety research, IAES helps keep barley crops healthy and productive. Currently, IAES faculty and staff are evaluating innovative irrigation techniques like Low Elevation Sprinkler Application (LESA) to help keep barley heads dry. Wet barley heads develop head blights that produce toxins, which can ruin entire crops. The LESA research also promises to create cost savings in water use for farmers who adopt it.

Hops

Along with malting barley, hops are crucial to Idaho's brewing industry, since hops, barley, yeast, and water are the key ingredients in beer. Hops are grown on vines, not unlike grapes, and require significant infrastructure investment to economically produce. In 2017, Idaho's hop planting grew by 27% from 2016, up to roughly 7,200 acres. This is likely due to the increase in craft beer, which surpassed a 10% share of the overall US beer industry in 2016 and is experiencing increasing numbers of breweries. Furthermore, IPAs, which require high levels of hops, remain the largest category of craft beers and are expected to continue to grow.

IAES supports the hops industry primarily by helping to reduce two pest problems facing hops growers: California root borers and spider mites. California root borer beetles destroy the roots, spending as much as five years feeding on the vines' roots as larvae before revealing themselves as adults. The adult beetles are nocturnal, making it difficult to recognize the problem until the vines die. Since the trellis infrastructure required makes hop production very capital-intensive, losing crops is extremely costly. The faculty and staff at the Parma Research and Extension Center are working on a promising option to combat the infestation more cost-effectively via an innovative pheromone-based solution.

Spider mites, on the other hand, attack the leaves of a hop vine. They feed on plant cells, and their web starves the plants by blocking photosynthesis. If not treated effectively, they can destroy vast swathes of vines. Overall productivity and quality of the hops industry declines without the proper control for spider mites, reducing profitability for hops producers. Overuse of insecticides can lead to spider mites developing resistances, making it imperative for the station to continue evaluating new

safe and effective insecticides. Overall, identification of more effective and efficient insecticide use will result in cost savings to hops producers.

Irrigation

Water is critical for successful agriculture. All crops require water, at certain times and in various amounts, making IAES research on irrigation management and water conservation crucial to Idaho's farmers.

New methods of irrigation developed by IAES involve upgrading onion fields from inefficient furrow irrigation to a more controlled drip method. This saves an estimated 17 inches of water per acre, or approximately 1.4 acre feet of water. The new methods also increase the efficiency of chemigation and fertigation techniques by allowing nitrogen-based fertilizers to be injected through the water lines directly to the plants' root systems. This leads to greater nitrogen uptake efficiency, saving an estimated 1.2 million pounds of nitrogen per year.

IAES also supports Idaho's sugarbeet industry – the second-largest in the nation – by pioneering strip tillage methods. Strip tillage turns over less soil than other approaches, translating into both less time for farmers and more efficient soil usage. It creates the added benefit of decreased water runoff and moisture loss. Combined, producers could realize savings of $11.6 million through IAES strip tillage techniques, providing Idaho with an estimated annual economic impact of $5.0 million in added income, or $20.8 million in sales.

Finally, IAES is conducting unique research around unmanned aerial vehicles (UAVs) to help with Idaho's apple crop. Remote sensing technologies pinpoint the specific areas and trees requiring water, in conjunction with physical monitoring of the orchards. IAES faculty and staff have discovered the cost of monitoring orchards' water needs can be significantly reduced using UAVs; in IAES studies, UAV implementation has led to as much as a 20% reduction in water costs.

Nematode Prevention

Nematodes, also known as roundworms, are microscopic worms that live in soil and can be major pests to root vegetables. As a pest, nematodes infect potato tubers and sugarbeet roots and slow plant growth, reducing crop yield. For example, the pale cyst nematode and the golden nematode can reduce potato production by as much as 80%. To combat such losses, nematode research at the Parma and Kimberly Research and Extension Centers focuses on disease prevention and management.

The standard approach to eliminating nematode infestation has been fumigation. As a replacement, IAES pioneered the use of nematode-resistant crops such as oil radishes as a soil amendment for vulnerable crops. This approach has been effective with sugarbeet and potato crops, reducing infestation by as much as 92% and providing a combined gross annual benefit the University of Idaho estimated at $32.9 million in 2000.

The nematode research and diagnostic laboratory helps Idaho farmers prevent nematode infestations before they begin, as well as effectively manage crops with a nematode presence. The Kimberly Research and Extension Center performs soil diagnostics to test for nematodes and the efficacy of pesticides through field trials. It also offers seed testing for farmers since all potato seed exported from the state must be tested and certified nematode-free. As a result, the rejection rate for potato seed has been reduced from approximately 6% to less than 0.5%.

Conclusion

For 125 years, IAES has worked to improve the quality of life for Idahoans by finding solutions to critical issues and providing learning opportunities to students. Every year, IAES faculty and staff spend millions of dollars in developing new crops, production techniques, and disease prevention methods. This would not be possible without an investment by the state. In return for the state's investment, IAES creates a significant economic value for the state of Idaho, while also nationally and internationally raising the University of Idaho's profile and attracting new grant funding. IAES research spending at Kimberly, Parma, and Aberdeen amounted to $8.1 million in FY 2016-17, creating an impact of $5.1 million in added income for the state. This can also be stated in terms of a sales impact, where IAES research spending created a total of $11.5 million in additional sales. In other words, for every research dollar spent, $1.41 in sales were created throughout Idaho.

IAES faculty and staff have developed new and improved varieties of Idaho's signature crop – potatoes. These new varieties have been recognized by some of the world's largest potato consumers. The varieties also increase the viability of stored potatoes by preventing diseases that may affect them. The development of better quality and more efficiently produced potato varieties, like Clearwater Russet, could create an annual impact of $12.0 million in annual sales in Idaho if widely adopted. This is equivalent to creating $5.1 million in added income. Improved storage practices using techniques developed through IAES research could conservatively save up to $1.5 million worth of Idaho potatoes on an annual basis.

Research at the Centers is crucial to the development of new varieties of key grains, such as barley and wheat, that can resist disease while providing key properties such as high protein content and above-average yields.

Idaho's barley crop was worth $313 million in 2016. Recent IAES successes, in collaboration with USDA-ARS, include the approval of two barley varieties by the American Malting Barley Association. In addition to creating profitable new barley and wheat varieties, IAES prevented a stripe rust epidemic in 2011. We estimate this was responsible for a one-time economic savings impact of $178.5 million in added income. This was equivalent to $230.0 million in sales.

IAES also helps Idaho agriculture decrease costs and increase efficiency and revenue by improving irrigation methods. These new methods conserve scarce water resources while cutting costs – an obvious and significant benefit – associated with valuable crops such as onions and sugarbeets. Improved irrigation methods lead to additional savings in terms of the more efficient application of pesticides and fertilizers. IAES research on improved irrigation and tillage practices for crops like onions and sugarbeets can produce benefits responsible for up to $5.5 million in added income per year, which is equivalent to $22.7 million in additional sales.

Taken together, these activities provide a sense of how important IAES, CALS, and the University of Idaho are to the state's agricultural economy. While not all research can be directly quantified, the research highlighted here yields an estimated annual impact of $16.1 million in added income and $49.1 million in added sales of the state due to activities at Parma, Kimberly, and Aberdeen. This is just a snapshot of the research and outreach activities taking place, yet it demonstrates a strong return on the state's investment in IAES. The reach of IAES extends far beyond the scope of this analysis, and as it has for the past 125 years, it will continue to serve the state and society as a whole.

Appendix 1: About Economic Impact Analyses

Economic impact analyses use different types of impacts to estimate the results. The one we focus on the most in this analysis is the income impact, which assesses the change in gross state product, or GSP. Income may be further broken out into the labor income impact, which assesses the change in employee compensation; and the non-labor income impact, which assesses the change in income and business profits. Another way to state the income impact is in terms of jobs, a measure of the number of full- and part-time jobs that would be required to support the change in income. Finally, a frequently used measure is the sales impact, which comprises the change in business sales revenue in the economy as a result of increased economic activity. It is important to bear in mind, however, that much of this sales revenue leaves the state's economy through intermediary transactions and costs. All of these measures – jobs, income, and sales – are used to estimate the economic impact results presented in this analysis.

The analysis breaks out the impact measures into different components, each based on the economic effect that caused the impact. The following is a list of each type of effect presented in this analysis.

- The initial effect is the exogenous shock to the economy caused by the initial spending of money, whether to pay for salaries and wages, purchase goods or services, or cover operating expenses.
- The initial round of spending creates more spending in the economy, resulting in what is commonly known as the multiplier effect. The multiplier effect comprises the additional activity that occurs across all industries in the economy and may be further decomposed into the following three types of effects.
    - The direct effect refers to the additional economic activity that occurs as the industries affected by the initial effect spend money to purchase goods and services from their supply chain industries.
    - The indirect effect occurs as the supply chain of the initial industries creates even more activity in the economy through their own inter-industry spending.
    - The induced effect refers to the economic activity created by the household sector as the businesses affected by the initial, direct, and indirect effects raise salaries or hire more people.

The terminology used to describe the economic effects listed above differs slightly from that of other commonly used input-output models, such as IMPLAN. For example, the initial effect in this study is called the "direct effect" by IMPLAN, as shown below. Further, the term "indirect effect" as used by IMPLAN refers to the combined direct and indirect effects defined in this study. To avoid confusion, readers are encouraged to interpret the results presented in this section in the context of the terms and definitions listed above. Note that, regardless of the effects used to decompose the results, the total impact measures are analogous.

Emsi	Initial	Direct	Indirect	Induced
IMPLAN	Direct	Indirect		Induced

Multiplier effects in this analysis are derived using Emsi's Multi-Regional Social Accounting Matrix (MR-SAM) input-output model that captures the interconnection of industries, government, and households in the state. The Emsi MR-SAM contains approximately 1,000 industry sectors at the highest level of detail available in the North American Industry Classification System (NAICS) and supplies the industry-specific multipliers required to determine the impacts associated with increased activity within a given economy.[4]

4 Please contact Emsi for more information on the Emsi MR-SAM.

Example of Sales Versus Income

Emsi's economic impact study differs from many other studies because we prefer to report the impacts in terms of income rather than sales (or output). Income is synonymous with value added or gross state product. Sales include all the intermediary costs associated with producing goods and services. Income is a net measure that excludes these intermediary costs.

For this reason, income is a more meaningful measure of new economic activity than reporting sales. This is evidenced by the use of gross domestic product (GDP) – a measure of income – by economists when considering the economic growth or size of a country.

To demonstrate the difference between income and sales, consider an example of a baker's production of a loaf of bread. The baker buys the ingredients such as eggs, flour, and yeast for $2.00. He uses capital such as a mixer to combine the ingredients and an oven to bake the bread and convert it into a final product. Overhead costs for these steps are $1.00. Total intermediary costs are $3.00. The baker then sells the loaf of bread for $5.00.

The sales amount of the loaf of bread is $5.00. The income from the loaf of bread is equal to the sales amount less the intermediary costs.

In our analysis, income can be found by summing the labor income and non-labor income. To provide context behind these figures, we also report the number of jobs associated with the income. The impacts are also reported in sales terms for reference.

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, January 30, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of January 16, 2018	Vice Chairman Den Hartog and Senator Bayer
Presentation:	Idaho Bean Commission	Andi Woolf-Weibye, Executive Director
Presentation:	Impact of the Soy Bean Cyst Nematode on Sugar Beets and Dry Beans	Roger Batt, representing Idaho Eastern Oregon Seed Association, Dr. Saad Hafez, PhD UI, Dr. Oliver Neher, PhD Amalgamated Sugar Company, and Aaron Phillips, Del Monte Food Operations

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, January 30, 2018

TIME: 8:00 A.M.

PLACE: Room WW53

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

ABSENT/ EXCUSED: Senator 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: **Chairman Rice** called the meeting of the Agricultural Affairs Committee (Committee) to order at 8:00 a.m.

MINUTES APPROVAL: **Vice Chairman Den Hartog** moved to approve the minutes of January 16, 2018. Seconded by **Senator Thayn.** The motion carried by **voice vote.**

PRESENTATION: **Idaho Bean Commission (IBC), Andi Woolf-Weibye**, Executive Director, said in 2017 the IBC had growth in the growers attendance of their annual Bean School. They are continuing their efforts in the multi-state bean consortium. They have four grants in process and two that closed this year.

The hurricane that hit Costa Rica this year delayed trials on bean test plots. Two hurricanes hit Puerto Rico, which made it impossible to plant their bean seed plots. IBC believes that their bean seed trials in Puerto Rico will allow them to expand their seed market in Latin America.

IBC has developed a yellow bean variety named Patron. This new variety has been approved and Treasure Valley Seed has a use permit to distribute that seed. In the Mexican culture yellow beans are consumed for their breakfast meal and this is the market where this bean will be exported.

Future plans for IBC include focusing on garden beans and new markets for the product. The multi-state bean consortium has been delayed at the University of Idaho (UI). IBC submitted the Memorandum of Agreement (MOA) in August 2016 and UI has not responded to IBC. IBC is looking to contract with UI to move this project ahead. Wyoming and Colorado see this consortium as a need for their operations. The serology testing and certification program will be processed in Idaho and the trials will be conducted in the other states. IBC is pursuing trade barriers in the Mexican market with the assistance of ISDA's new marketing manager Fabiola McCullum in Mexico.

Vice Chairman Den Hartog asked if there was any indication from UI why there is a hold up on the MOA. **Ms. Woolf-Weibye** responded that they had spoken to Dean Parrella last year in May, but have had no resolution.

PRESENTATION: **Impact of the Soy Bean Cyst Nematode on Sugarbeets and Dry Beans, Roger Batt**, representing Idaho Eastern Oregon Seed Association, stated today's presentation is centered around soy bean cyst nematode in which the industry is highly concerned about this pest, along with some of the diseases and vectors that can be transmitted from soybeans to the dry bean industry.

Dr. Saad Hafez, PhD , UI Parma Extension, stated that he came before the Committee in 2006 when they discovered the potato cyst nematode, which was a disaster for the potato industry. He does not want a repeat of this problem for Idaho's bean industry. The nematode is a pest that affects many crops and can easily devastate a crop. There are four varieties that affect bean crops (see Attachment 1) and the cyst nematode can remain in the soil for ten to fifteen years. Once the host is planted these cyst nematodes hatch and attack the plants. Every area of the world where the soybean is grown have cyst nematode and the nematode has spread by moving the seed around.

A bean crop can lose 80 percent of its yield if the cyst nematode is present in the soil. A common bean is a host plant along with alfalfa. The sugarbeet cyst and the soybean cyst can mate and they produce another nematode that will survive on beans and sugarbeets. The Measuring Management Practices for Soybean Cyst Nematode throughout the world is to develop a resistant variety. **Dr. Hafez** believes this procedure is the worst technique of management for any cyst forming nematode. Once a resistant variety is developed the nematode can develop another race and then you cannot fix the resistant variety. Now the soybean breeder has twenty-eight different races of cyst nematodes instead of the one variety; if management practice has multiple races the management of control becomes difficult.

Senator Patrick stated when he raises sugarbeets his practice is to raise a radish crop before the sugarbeet crop to help control nematodes. **Dr. Hafez** explained this method is called a trap crop. The trap crop triggers the cyst nematode to hatch and once they hatch they cannot survive on the radish or reproduce. Unfortunately, this method is not available for the soybean cyst nematode. The radish trap crop will only work on the sugarbeet cyst nematode.

Vice Chairman Den Hartog questioned the slide that showed the impacts to yields on the soybean crop. She asked if there were other impacts, such as crop quality, that affect the crop. **Dr. Hafez** advised that anytime you deal with cyst nematode damage it can affect the quality, produce disease, and affect yield.

Dr. Oliver Neher, PhD, Amalgamated Sugar Company, advised that his presentation should be viewed as a technical session concerning the impact of the cyst nematode on sugarbeets. He began his presentation with the following statistics for the 2017 sugarbeet season: 177,000 acres of sugarbeets were harvested; supports 1,600 full-time employees; with annual cash receipts of $850 million; pays employee compensation of $61 million; with a $90 million added value to the Idaho economy.

There are current threats to the industry besides the cyst nematode which are: 1) beet curly top virus; 2) soil-born and foliar pathogens; and 3) sugarbeet cyst nematode. Between 65 to 75 percent of their acres are already infected by the sugarbeet cyst nematode. There are control measures in insecticide, biological seed treatments, and genetic tolerance.

Mr. Neher explained that the introduction of soybeans into Idaho would bring the soybean cyst nematode to the State. The sugarbeet industry also fears that through this introduction it would bring uncertified soybean seed along with contamination. There would be infestation and penetration of sugarbeet roots, hybridization of soybean cyst nematodes, and the negative effects of a third crop of the Round-Up Ready technology. Sugarbeet cyst nematodes can effect seedlings and will open up the root for damage. There will be other bacteria and fungi penetrating the root and causing root decay and rot. The sugarbeet industry is experiencing problems with rysatonia, which is a soil-born pathogen and the introduction of nematodes would multiply the damage.

The sugarbeet industry is concerned that the new strains will be able to feed on both hosts and overcome the genetic tolerance that is currently in place for sugarbeet nematodes. There is no known resistance to soybean cyst nematodes in sugarbeets. Sugarbeets cyst nematode is a major chain resistance with some minor chain being affected.

The ability of spraying the sugarbeet crop with a glyphosate containing herbicide is a common practice for the crop. Amalgamated Sugar is growing Round-Up Ready Sugarbeets along with Round-Up Ready Corn in Idaho. If there is a third crop, such as soybean which is also Round-Up Ready, there will be more volunteers in the field and more glyphosate spraying will be required which will increase selection pressure (see Attachment 2).

Senator Bayer asked if there was a situation where there was a sugarbeet-soybean hybrid species, would that new hybrid potentially be susceptible to a radish trap crop. **Dr. Neher** explained that the sugarbeet industry has only seen the hybridization in the lab. No studies have been done on the affects of these radish crops.

Aaron Phillips, representing Del Monte Food Operations, spoke to the issue of soybean production on the health of the bean seed crop and would be focusing on the disease aspect for the bean crops. There are two main seed production areas in Idaho the Treasure and Magic Valley. Soybeans and beans are both legume crops. Soybeans take a month longer to reach maturity than most beans. This extra month of growing gives a broader window of opportunity for disease transmittal and nematodes (see Attachment 3). Some of the diseases that soybeans could bring into the State could be potential border closers for Idaho crops. These diseases would not just be economic losses within the State, but lost opportunities for companies that do business exporting their goods.

The seed industry establishes new varieties within the State which could be susceptible to disease. These are very valuable crops and the loss of one of these crops can set back an organization several years. The Legislature understood decades ago that Idaho was a premier location for producing bean seed. They put safeguards in place that have created a thriving industry. Numerous seed companies have located their businesses in Idaho decades ago due to the environment created by stringent regulations. Relaxing rules for soybeans places these companies and their seed production operations at risk.

The UI Bean Breeding Program has been developing varieties for the State's Bean Industry since 1925 and that research continues. Idaho's bean seed crop totals 50,000 acres annually and total $70 million in 2016. Growers make about $2,200 per acre gross on a 3,500 pound yield and their net return is approximately $968 per acre. A soybean grower in Illinois grosses $680 per acre on a 72 bushel yield and the return is approximately $300 per acre.

Senator Patrick asked if the seed companies consider diseases coming from backyard gardens. **Mr. Phillips** replied that those backyard gardens do pose threats to crops from diseases and insects.

Roger Batt, representing the Idaho Eastern Oregon Seed Association (IEOSA), said the Bean Industry is concerned about soybean production in the State. There are approximately 200 acres of soybeans already in Idaho. The bean growers are concerned about what could happen to their industry. IEOSA met with ISDA early last year to discuss proposed negotiated rulemaking. ISDA denied the request because they believe there are enough measures in place with ISDA's testing and the growers should not be concerned about the soybean cyst nemotode being transported. IEOSA respectfully disagrees with ISDA's assessment.

The bean industry is requesting that the Legislature consider the following to protect the companies interests. Placing a moratorium on soybean production in the major bean production areas of the State, which are the Treasure and Magic Valleys. This is not the first time the Legislature has placed a moratorium on production of a certain crop. Through rulemaking the brassica species, canola and rapeseed species, in the late 1980s. During that time they found that oil seed brassica species canola and rapeseed, if they cross-pollinate with turnips, rutabagas and other types of seed it makes them toxic and inedible. IEOSA had a very good reason to ask for the moratorium and were able to conduct negotiated rulemaking which were adopted by the Legislature the next year. Those rules still apply today and they have worked well for those production areas. IEOSA is pursuing similar measures through legislation, since they have been denied rulemaking.

In addition, the bean industry would ask that soybeans be allowed to be regulated by the IBC. IBC would be able to work closely with the growers to make sure there would not be no potential impact in the future. This might solve problems with existing and future production in those area.

Senator Patrick declared that Idaho is one of the best seed growing states for many reasons. He asked when soybeans are grown along with sugarbeets in other states how it affects those crops. **Mr. Neher** answered that the sugarbeets grown in North Dakota's Red River Valley do not have any issues currently with soybean nematodes. They are testing heavily for these pathogens, but have not found them. North Dakota does have the soybean cyst nematode, but it has not affected the sugarbeet crops because there is no hybridization.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:02 a.m.

Senator Rice Chair	Carol Deis Secretary

Attachment 1:

NEMATODES THAT CAN AFFECT BEANS

Dr. Saad Hafez
University of Idaho

Outline

- Nematodes- an Overview
- Nematode Transmission
- Industry crops- including soybean
- Management
  - *Non-chemical*
  - *Chemical*
- Summary

NEMATODES

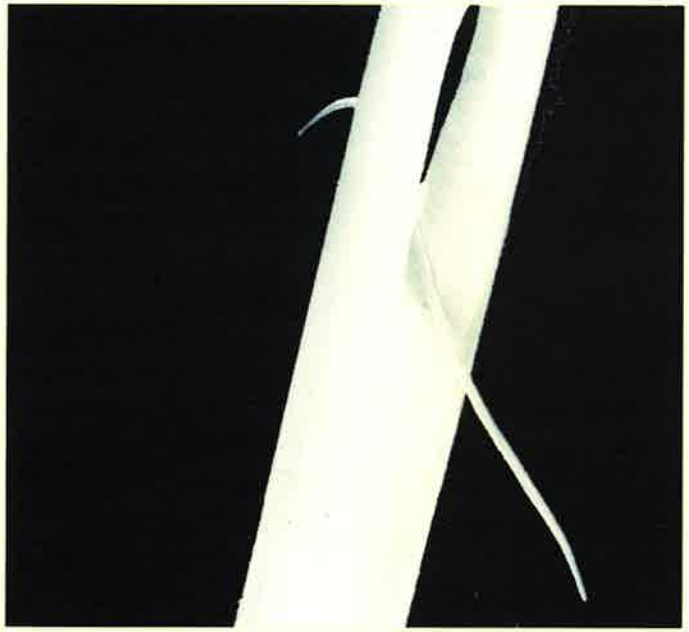
An Overview

What are Nematodes?

- Small->microscopic
- Thread shaped
- Aquatic
- Obligate parasites (can't live without feeding on living plant tissues)
- Plant Parasitic nematodes are harmful to plant vigor and growth

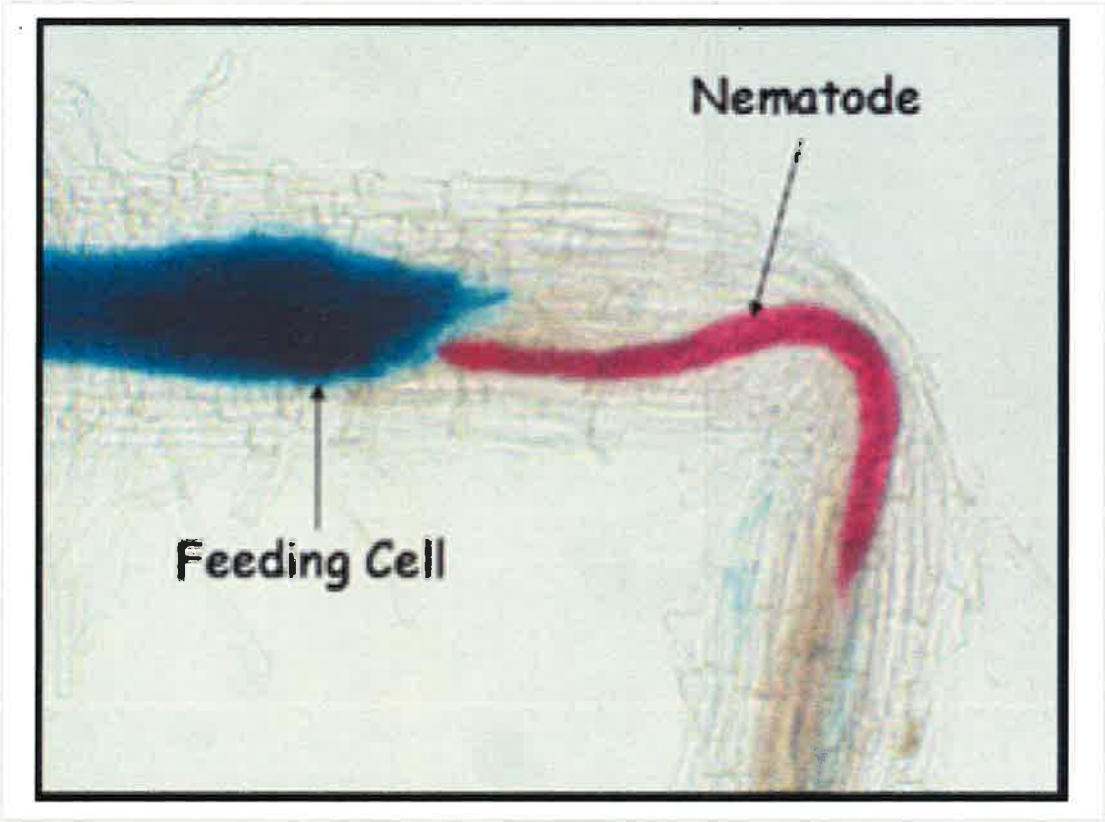
Perspective

Nematode through the needle hole



Female root-knot nematode on a pin head

Why Nematodes are Bad for Plants?



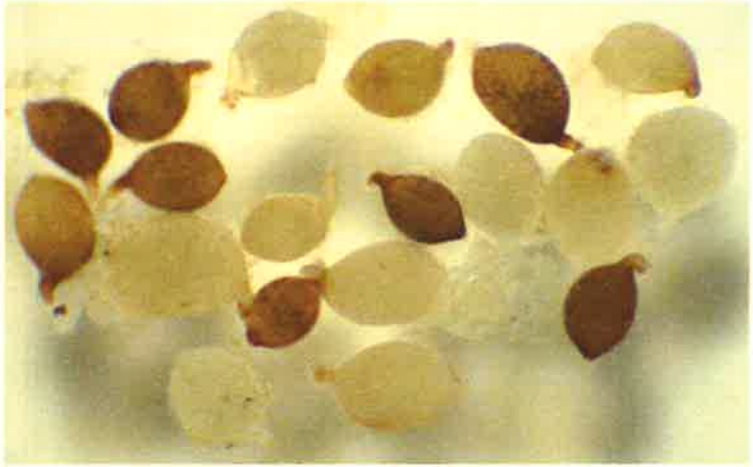
http://ipg.missouri.edu/faculty/mitchum.cfm

Nematodes on beans:

1. Northern Root-Knot Nematode (*Meloidogyne hapla*)
2. Root Lesion Nematode (*Pratylenchus* spp.)
3. **Bean Cyst Nematode (*Heterodera glycines*) (not found in Idaho)**
4. Pin Nematode (*Paratylenchus* spp.)

Cyst Nematodes

- *Heterodera sp.*
- Females turn into cysts
  - *Solidified body protects eggs*
- Decreases available nutrients
- Decreases vigor and plant growth
- Long lasting in the soil
- More selective hosts
  - *Sugar beet*
  - *Soybean*
  - *Cereals*



http://www.ipm.iastate.edu/ipm/icm/2007/7-30/nematode.html

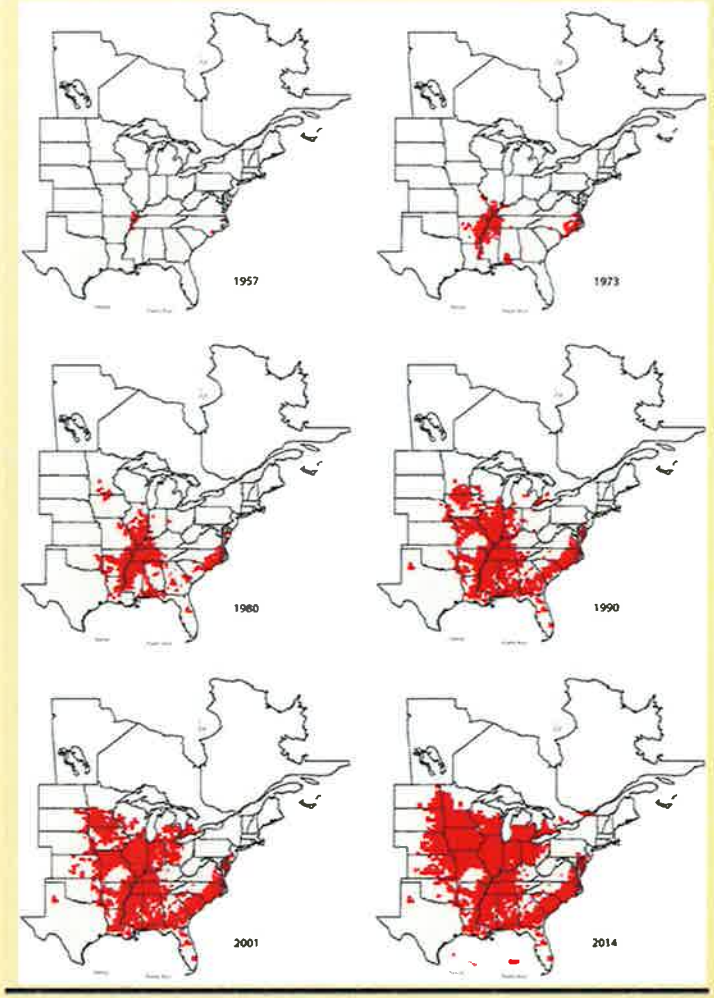
Soybean Cyst Nematode

Heterodera glycines

http://www.pinsdaddy.com/soybean-cyst-nematode-testing_KnU1tgf3RX96jS*Yy2JDVzo5RCvzlKpZtRz2bSUF98/

Soybean cyst nematode: *H. glycines*

- First recorded in Shirakawa, Japan, 1915.
- Described and named in 1952 by Ichinohe.
- Currently found in most areas of the world where soybean is produced.
- Broad host range in Fabaceae family, as well as at least 66 weed species



http://www.soybeanresearchinfo.com/diseases/scn.html

Soybean cyst nematode: *H. glycines*

- 3-5 generations per cropping season
- Development stops below 57°F and above 93°F (14°C - 34°C)
- Many cysts remain viable in soil for 6-8 years. A few for much longer.
- No cases yet recorded in Idaho

http://www.soybeanresearchinfo.com/diseases/scn.html

Soybean cyst nematode: *H. glycines*

- Interferes with nodulation and causes early yellowing and stunting of soybean plants.
- Foliar symptoms difficult to distinguish from other diseases
- Causes nearly $2 billion in worldwide soybean losses.
- 10-70% yield reduction

http://www.extension.umn.edu/agriculture/soybean/soybean-cyst-nematode/managment.html

Soybean cyst nematode: *H. glycines*

- Once a field is infested, **complete eradication is not possible**
- Management practices must be used, including use of resistant varieties and rotation of nonhost crops

Greg Tylka, Iowa State University http://nematode.unl.edu/scn/scnisu.htm

Soybean cyst nematode: *H. glycines*

- Common bean is a host, some varieties are resistant to *H. glycines* (1,2,3,4)
- Alfalfa was found to be a host in one study (1).
- Some cucurbits are a host, some resistant (5,6).
- One study found corn to be a host (6).
- Several studies from Miller show *H. glycines* can reproduce on sugar beet (7,8).
- Tomato also shown to be a host (9).

1. Goodey, J. B., M. T. Franklin, and D. J. Hooper. 1965. T. Goodey's: The Nematode Parasites of Plants Catalogued Under Their Hosts. Commonwealth Agricultural Bureaux, Farnham Royal, Bucks, England. Third Edition
2. Heydari, R., Pourjam, E., Tanha Maafi, Z., and Safaie, N. 2010, Nematology 12:335-341.
3. Pormarto, S. H., Nelson, B. D., and Helms, T. C. 2011. Reproduction of soybean cyst nematode on dry bean cultivars over multiple generations. Plant Disease 95:1239-1243.
4. Smith J.R., Young, L.D. 2003. J. Nematology 35:23-28.
5. Elmiligy, I. A. 1968. The occurrence of Heterodera glycines on Trifolium alexandrinum in United Arabic Republic. Nematologica 14:592.
6. Rodriguez-Kabana, R., P. S. King, D. G. Robertson, and C. F. Weaver. 1988. Potential of crops uncommon to Alabama for management of root-knot and soybean cyst nematodes. Annals of Applied
7. Miller, L. I. 1965. Variation in development of eleven isolates of *Heterodera glycines* on *Beta vulgaris*. Phytopathology 55:1068.
8. Miller, L. I. 1975. Sugar beet (*Beta vulgaris*) as a host of the soybean cyst nematode (*Heterodera glycines*). Virginia Journal of Science 26:44.
9. Miller, L. I. 1974. Susceptibility of Pearson S-1 tomato (*Lycopersicon esculentum*) to certain isolates of *Heterodera glycines*. Pp. 11-12 in Proceedings of the XII Simposio International de Nematologia. Septemeber 1-7, 1974.

Soybean cyst nematode: *H. glycines*

- Common bean is a host, some varieties are resistant to *H. glycines* (1,2,3,4)
- Alfalfa was found to be a host in one study (1).
- Some cucurbits are a host, some resistant (5,6).

1. Goodey, J. B., M. T. Franklin, and D. J. Hooper. 1965. T. Goodey's: The Nematode Parasites of Plants Catalogued Under Their Hosts. Commonwealth Agricultural Bureaux, Farnham Royal, Bucks, England. Third Edition
2. Heydari, R., Pourjam, E., Tanha Maafi, Z., and Safaie, N. 2010, Nematology 12:335-341.
3. Pormarto, S. H., Nelson, B. D., and Helms, T. C. 2011. Reproduction of soybean cyst nematode on dry bean cultivars over multiple generations. Plant Disease 95:1239-1243.
4. Smith J.R., Young, L.D. 2003. J. Nematology 35:23-28.
5. Elmiligy, I. A. 1968. The occurrence of Heterodera glycines on Trifolium alexandrinum in United Arabic Republic. Nematologica 14:592.
6. Rodriguez-Kabana, R., P. S. King, D. G. Robertson, and C. F. Weaver. 1988. Potential of crops uncommon to Alabama for management of root-knot and soybean cyst nematodes. Annals of Applied

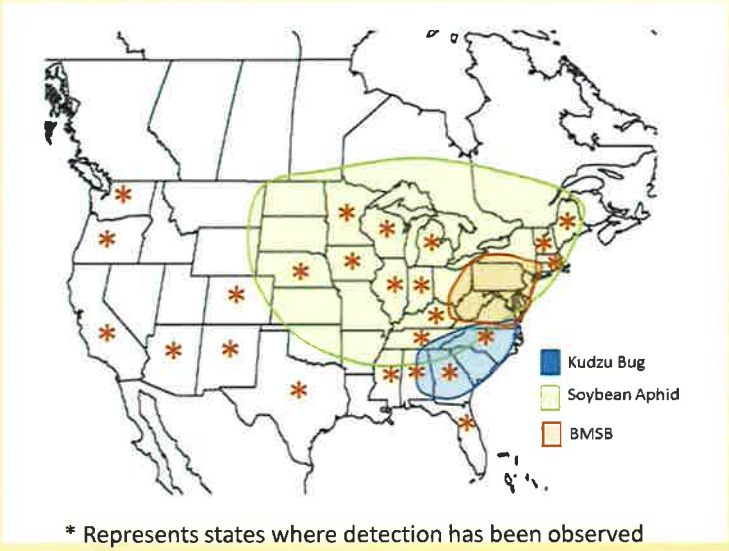
Soybean cyst nematode: *H. glycines*

- One study found corn to be a host (6).
- Several studies from Miller show *H. glycines* can reproduce on sugar beet (7,8).
- Tomato also shown to be a host (9).

1. Rodriguez-Kabana, R., P. S. King, D. G. Robertson, and C. F. Weaver. 1988. Potential of crops uncommon to Alabama for management of root-knot and soybean cyst nematodes. Annals of Applied
2. Miller, L. I. 1965. Variation in development of eleven isolates of *Heterodera glycines* on *Beta vulgaris*. Phytopathology 55:1068.
3. Miller, L. I. 1975. Sugar beet (*Beta vulgaris*) as a host of the soybean cyst nematode (*Heterodera glycines*). Virginia Journal of Science 26:44.
4. Miller, L. I. 1974. Susceptibility of Pearson S-1 tomato (*Lycopersicon esculentum*) to certain isolates of *Heterodera glycines*. Pp. 11-12 in Proceedings of the XII Simposio International de Nematologia. Septemeber 1-7, 1974.

Soybean aphid (*Aphis glycines*)

- Invasive aphid species not currently found in Idaho
- Relies solely on soybean plants and common Buckthorn for life cycle
  - Common buckthorn found throughout Idaho
- Acts as insect vector for various viruses
  - Soybean mosaic virus, bean common mosaic virus, alfalfa mosaic virus, cucumber mosaic virus, potato virus y, potato leafroll virus, peanut mottle virus, tobacco ringspot virus, tobacco vein-banding mosaic virus, etc.
- Additional soybean pests include the kudzu bug and the brown marmorated stink bug



Hybridization of Sugar Beet Cyst Nematode and Soybean Cyst Nematode

H. glycines females (soybean cyst nematode) were mated with *H. schachtii* males (sugar beet cyst nematode), and the offspring reproduced on sugar beets, with some offspring able to reproduce on BOTH soybean and sugar beet.

"... hybridization between *H. schachtii* and *H. glycines* has been obtained. If pseudofertilization or parthenogenesis had occurred, the progeny would be expected to have the parasitic capability of the maternal parent."

- Potter, J.W., Fox, J.A. 1965. Hybridization of *Heterodera schachtii* and *H. glycines.* Phytopathology Vol. 55:800-801.

"Although *H. schachtii* and *H. glycines* currently occupy exclusive geographic areas, they are reproductively compatible, and some segragates of the fertile hybrids... should, therefore, be considered subspecies..."

- Miller, L.I. 1983. Diversity of Selected Taxa of *Globodera* and *Heterodera* and their Interspecific and Intergeneric Hybrids. Systematics Association Special Volume No. 22, "Concepts in Nematode Systematics". 1983 pp.207-220 ref.35

What is meant by stylet?

✓ Stylet is a minute, needle like structure at the anterior end through which nematode penetrate the root and feed the root contents.

Nematode Transmission

1. Soil Transfer
2. Farm equipment
3. Infected seed
4. Water/Irrigation contamination
5. Wild life and Humans
6. Wind

Nematode Testing Lab

University of Idaho
College of Agricultural and Life Sciences

Address to Send Sample

c/o Dr. Saad L. Hafez
Parma Research and Extension Center
University of Idaho
29603 U of I Lane
Parma, ID 83660
USA

Attachment 3:

Importance of beans to Idaho

A few facts worth considering:

- Since 1925 the University of Idaho bean breeding program has been developing varieties for the state's bean industry. That research continues today.
- State's bean crop totals around 50,000 acres each year and is worth approximately $70MM annually, according to Capital Press September 2016 article. That number rose to roughly 55,000 acres in 2017.
- #1 Dry Bean Seed Producing State in U.S.

Year	Acres grown	Average yield	Return to grower/ac	Net return/ac
2016	50,000	3,500	$2,200	$968
2017	55,000	3,500	$2,030	$933

- Average Soybean return per acre is $680/ac gross, $300/ac net

Red Node Virus (from Tobacco Streak Virus)

Photo courtesy of Seminis

Diseases of Soy and Common Beans

Disease	Soybean (Vector)	Snapbean (Vector)
*Bacterial blight (Psuedomonas syringae pv glycinea & phaseolicola)	Yes - Seed, water, wind	Yes - Seed, water, wind
Alfalfa mosaic virus	Yes – aphids	Yes – aphids
**Bean pod mottle virus	Yes – leaf feeding beetles	Yes – leaf feeding beetles
Soybean mosaic virus	Yes – soybean aphid	Somewhat (var. dependent) - aphid
Soybean vein necrosis virus	Yes - thrips	Not known
**Tobacco ringspot virus	Yes – nematodes	Yes – nematodes
**Tobacco streak virus	Yes – thrips	Yes – thrips

*Existing Idaho bean laws require crop destruct
** Import restrictions in southern hemisphere locations (NZ, Chile, others)

Bean production areas within Idaho

Two major growing regions within the state:

Treasure Valley

Magic Valley

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, February 01, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of January 18, 2018	Senator Guthrie and Thayn
Minutes:	Approve Minutes of January 23, 2018	Senator Harris and Foreman
S 1218	Relating to Environmental Quality Poultry Animal Feeding Operation	Barry Brunell, Water Quality Division Administrator, Department of Environmental Quality
Presentation:	Idaho Wine Commission	Moya Dolsby, Executive Director
Presentation:	Idaho Rangeland Resource Commission	Gretchen Hyde, Director

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE:	Thursday, February 01, 2018
TIME:	8:00 A.M.
PLACE:	Room WW53
MEMBERS PRESENT:	Chairman Rice, Senators Patrick, Bayer, Guthrie, Thayn, Harris, Foreman, and Jordan
ABSENT/ EXCUSED:	Vice Chairman Den Hartog
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 8:00 a.m.
MINUTES APPROVAL:	**Senator Thayn** moved to approve the Minutes of January 18, 2018. Seconded by **Senator Bayer**. The motion carried by **voice vote**.
MINUTES APPROVAL:	**Senator Harris** moved to approve the Minutes of January 23, 2018. Seconded by **Senator Jordon**. The motion carried by **voice vote**.
S 1218	**Relating to Environmental Quality Poultry Animal Feeding Operation. Barry Brunell,** Water Quality Division Administrator, Department of Environmental Quality (DEQ), said this legislation is necessary for Idaho to demonstrate compliance with the Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) Program. This program issues permits for discharges to surface water.

DEQ submitted the primacy application package on August 31, 2016. Since then, DEQ has been hiring, training, and developing guidance documents for staff to administer the Idaho Pollutant Discharge Elimination System (IPDES) Program. The State program implementation will be a four-year, phase-in approach and DEQ anticipates EPA approval for the municipal permitting portion of the program by July 1, 2018. This bill ties up some loose ends in the program development process for needed statutory authority to run the program.

The bill has five topics:

1. Amend and update the Poultry Environmental Control Act (PECA): The bill uses the same language that was used in the Beef Environmental Control Act;
2. Amend the Environmental Protection and Health Act;
3. Exempt the State from implementing the EPA Vessel General Permit. This is to avoid duplication of permitting of barges on the Snake River;
4. Provide authority for the DEQ Director to sign a Memorandum of Agreement with EPA, and;
5. Set up an IPDES Program Dedicated Fund. Permit fees will be deposited in this fund to support the program.

The fiscal note details the following aspects of the legislation:

- The IPDES program will be partially supported by permit fees and no fees will be imposed for poultry animal feeding operations.
- Therefore, the costs to such facilities should not increase under the proposed legislation. There will be minimal costs to the State of Idaho to implement this aspect of the IPDES Program, since there are no poultry facilities currently permitted.
- The overall IPDES Program costs are estimated to be $3 million annually with 29 full-time employees.

Mr. Brunell described each of the seven sections of the bill. Section 7 is an emergency clause to allow the legislation to take effect after passage and approval. This clause is needed so that EPA can complete their program review and begin the delegation process to Idaho for implementing the IPDES Program starting July 1, 2018.

Senator Foreman stated it was his understanding the Idaho State Department of Agriculture (ISDA) regulates the poultry industry. **Mr. Brunell** responded that ISDA is the agency that is directed in the Poultry Environment Control Act to permit poultry operations. **Senator Foreman** asserted that the adoption of this IPDES Program will increase Idaho government spending by $3 million a year and add 29 full-time employees. He asked what would be the result of Idaho not adopting this legislation and allowing EPA to take primacy on the Clean Water Act of Idaho. **Mr. Brunell** answered that the fiscal note of $3 million and 29 full-time employees is for the entire IPDES Program. The PECA portion of the IPDES Program will be very minimal. There are no poultry facilities.

The poultry portion for DEQ would have a general permit for Confined Animal Feeding Operation (CAFO) and this general permit would cover beef, dairy, and poultry operations. The discharge poultry operations are subject to NPDES permitting. The ISDA program has never been to authorize the discharge of wastewater from a poultry operation to surface water, this would be under EPA's jurisdiction. This legislation changes that dynamic from EPA regulating the discharges to DEQ along with ISDA, while still maintaining their PECA obligations. **Senator Foreman** asked if he would be correct in assuming, if Idaho chose not to adopt the IPDES Program, the EPA would step up and assert its federal authority to enforce Idaho's Clean Water Act. **Mr. Brunell** replied it would be a problem for DEQ to acquire primacy for the entire IPDES Program, if DEQ did not have clear authority to regulate discharges from poultry operations.

Alex LeBeau, representing Idaho Association of Commerce and Industry (IACI) spoke in support of **S 1218**. He stated IACI has been working on this legislation from an industry standpoint. Three feasibility studies were conducted by the Legislature prior to consideration of this legislation in 2014. That legislation created the seven-year process of full implementation. It is necessary to have these technical changes, along with authorization for Director Tippets to sign the agreement with the EPA, and the Memorandum of Understanding with ISDA.

MOTION: **Senator Bayer** moved to send **S 1218** to the floor with a **do pass** recommendation. Seconded by **Senator Guthrie**. The motion carried by **voice vote**.

PRESENTATION: **Idaho Wine Commission (IWC). Moya Dolsby**, Executive Director, opened her presentation stating Idaho grows quality grapes and makes award-winning wines for all tastes. IWC is funded from the per gallon excise tax on wineries, industry assessments, and USDA grants, these sources totaled $519,393 in 2017. IWC recently received a $200,000 ISDA grant, which will fund media tours, website improvements, videos, and the grower incentive program.

Getting grapes in the ground is one of the major problems for Idaho wineries. Currently, Idaho wineries do not have enough grapes locally to produce their wines, so they must import grapes from other regions. An ongoing issue for IWC is convincing the growers to plant more grapes. Confidence in lending and contracts with the wineries are the main issues growers assert for their reluctance to plant more acres of grapes.

Two annual events that IWC sponsors include: 1) Vinter education; IWC funds a presentation by a grape farmer from California to Idaho growers; and 2) IWC funds travel expenses for Idaho growers to attend an annual class offered at University of California, Davis.

IWC is currently working on legislation for private labeling (see Attachment 1). Telaya Winery and the Riverside Hotel have proposed a private label partnership for the Telaya Merlot. The label would read Riverside Merlot. Currently, this labeling is illegal in Idaho. The Riverside Hotel wants to support local wineries because consumers are requesting Idaho wines.

Senator Bayer asked how many of the wine grapes, grown in Idaho, are used in Idaho wine. He inquired as to the representation of wineries using Idaho grapes versus importing. **Ms. Dolsby** stated, because Idaho had such a hard winter in 2017, most of the wineries have imported grapes from Washington to produce their wines this year. Several of the wineries want to produce their wines with all Idaho grapes and they are working toward that goal.

Senator Guthrie asked for clarification on the private label legislation. He said hotels could serve an Idaho wine now in their hotels with an abbreviated label such as RS (Riverside). **Ms. Dolsby** explained the hotels want to pursue private labeling because of branding. Consumers will not realize with the RS labeling that an Idaho wine is being served. Smaller businesses in Boise want to support local wineries, because their consumers are requesting Idaho wine.

PRESENTATION: **Idaho Rangeland Resource Commission (IRRC). Gretchen Hyde**, Director stated, over the last year, the IRRC has gone through a strategic planning process to update their logo. The objective was for the logo to represent the broad array of rangeland uses encompassing recreation, livestock, and wildlife. In the process of updating their strategic plan, IRRC updated their mission and vision statement to speak to the collaborative nature of IRRC (Attachment 2).

Ms. Hyde advised that the rangeland educational materials all take partnerships; the following are some of the educational campaigns that IRRC helped to develop in 2017:

- This was the fourth year that IRRC hosted the 4H Skill-a-thon. This program focuses on children that have no rangeland background. The program is designed to teach them about rangeland, wildlife, and ranching. The purpose is to educate students on how rangeland is habitat and how it ties ranches to wildlife.
- In IRRC's partnership with the United States(U.S.) Forest Service, they have developed a new informational video regarding the Sage Hen Reservoir.
- IRRC received a grant to create a pilot program entitled "Idaho Rangeland Outdoor Adventure's Mobile", which will allow them to take two school classrooms on rangeland field trips.
- In the summer of 2018, the International Envirothon will be hosted by Idaho State University in Pocatello, Idaho. There will be over 1,000 students from all over the world participating in this event; the topic will be "Rangeland." IRRC has been working with University of Idaho Extension to develop a study guide for this highly competitive event.

- IRRC's Care and Share Campaign is now ten years old. This campaign continues to grow, due to the U.S. Forest Service development of recreational trails in areas that have livestock. Signage was developed and placed at the trailhead to inform recreational visitors that the trails are multiple-use. This educational campaign has minimized conflict between trail users and livestock. IRRC's indication that this method of education is effective has been the decline in complaints to the U.S. Forest Service.
- IRRC's website is their proverbial store front, where individuals come to find information. Their "Life on the Range" series has grown to 45 videos; with three in progress. IRRC has had over 600,000 views of these videos over the last years and the audience continues to grow. Their most popular video pertains to sheep; the video educates the viewer on a year in the life of a lamb with 300,000 views.

Ms. Hyde showed the Committee a video of the Rock Creek Ranch. The ranch offers a great example of a collaboration between a diverse group of people to provide an opportunity for grazing research. One of the biggest challenges ranchers face in grazing on public lands is the lack of quality replicated research. There is no opportunity to conduct grazing management research on public lands without onerous agency paperwork and regulations. Research projects on private land conflict with landowners desire to control their own land. The Rock Creek Ranch has created a unique opportunity to study grazing and livestock management from an academic and scientific perspective.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:08 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Attachment 1:

IDAHO WINE
COMMISSION

TEAM

IDAHO WINE
COMMISSION

- Mike Williamson, Williamson Vineyards
- Earl Sullivan, Telaya Wine Co.
- Melissa Sanborn, Colter's Creek Winery
- Greg Koenig, Koenig Vineyards
- Crystal Potter, Potter Wines

COMMISSIONERS

The Idaho Wine Commission supports Idaho's grape growers and winemakers.

The Idaho Wine Commission acts as the united voice of the Idaho wine industry, helping to grow awareness and sales of Idaho wines.

IDAHO WINE
COMMISSION

Qualities of Idaho Wines Are ...

High Quality
An Important Part of Idaho's Economy
Growing and Developing

IDAHO WINE
COMMISSION

Idaho grows quality grapes & makes award-winning wines for all tastes.

The Idaho wine industry is an important part of Idaho's economy.

Idaho has thriving wine industry that is posed for growth.

KEY MESSAGES

IDAHO WINE
COMMISSION

Excise Tax Income $278,373
Assessment Income $57,607
USDA Grant Income $ 83,063
Events/Other Income $100,353

TOTAL $519,393

Market Share 9.82%

2016/2017 REVENUE

IDAHO WINE
COMMISSION

Marketing - $138,497

Media Tours

New Website Design and Platform

New Tour Brochure Design

Video & Promotion

Education - $71, 702

Grower Incentive Plan

Vineyard Educator

Annual Meeting Speakers

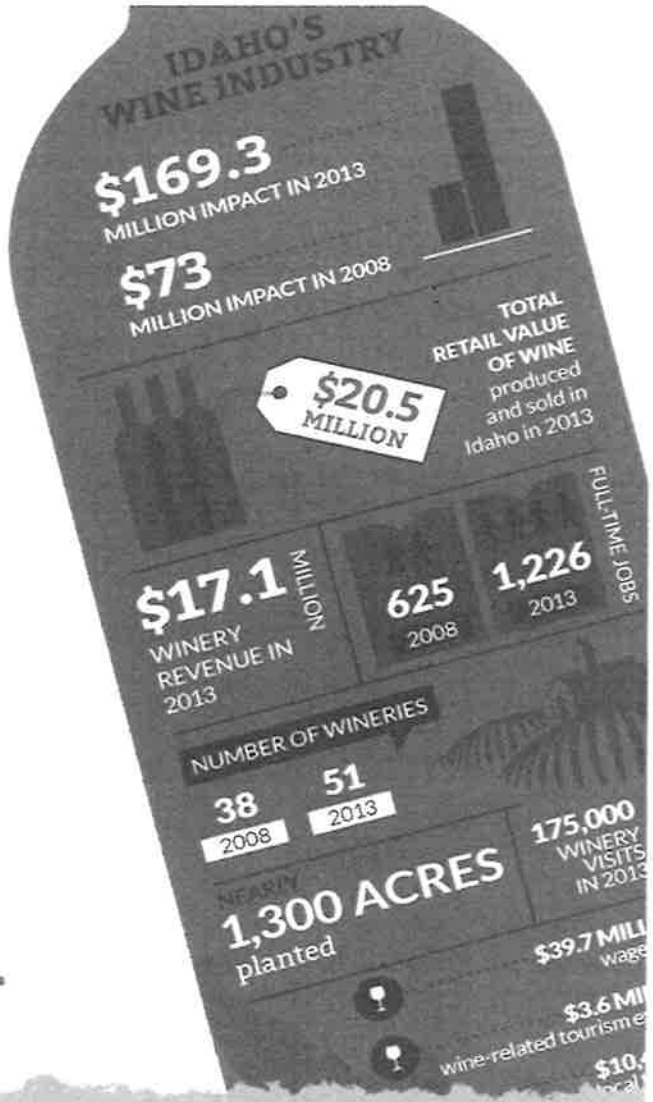
UC Davis Seminars

CURRENT GRANT PROJECTS

IDAHO WINE COMMISSION

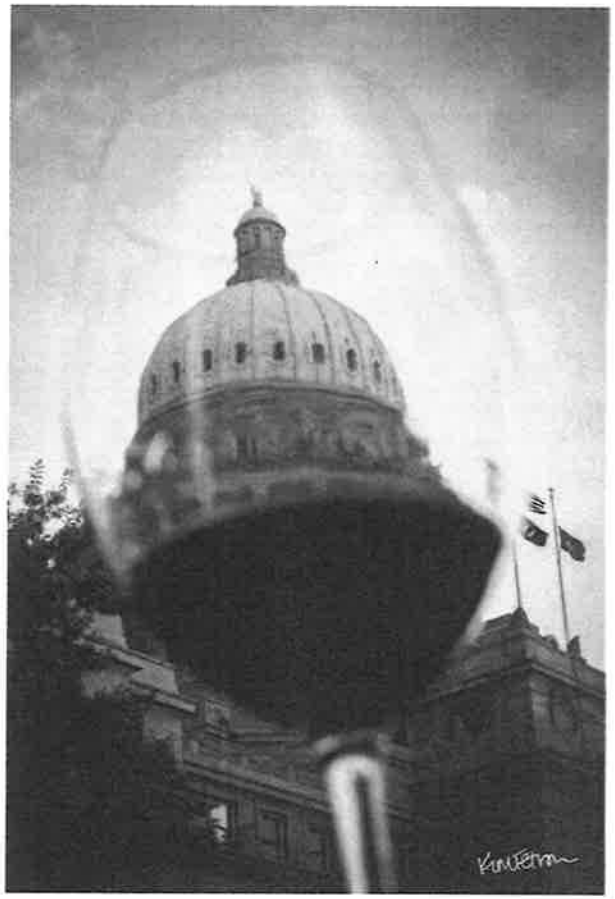
- **$169.3M** Impact
- **$20.5M** Total Retail Value of Wine Produced & Sold in Idaho
- **$17.1M** Winery Revenue
- **1,226** Full-Time Jobs
- **175,000** Winery visits
- **$39.7M** Wages Paid
- **$3.6M** Wine-related Tourism Expenses

2013 ECONOMIC IMPACT



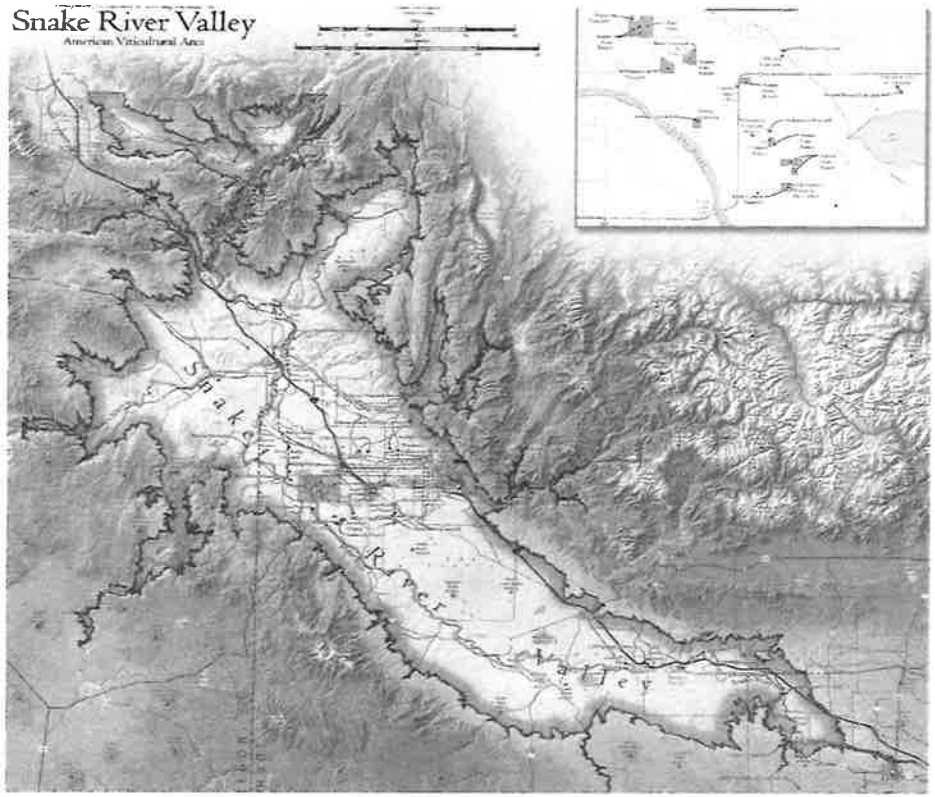
IDAHO WINE COMMISSION

Private Labeling



CURRENT LEGISLATION

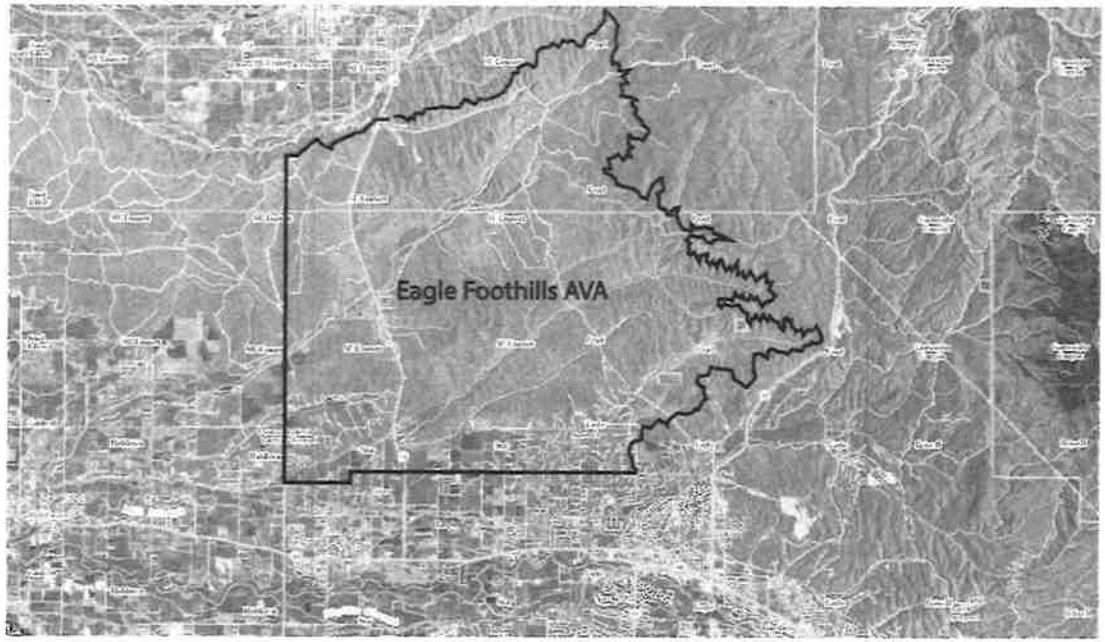
IDAHO WINE
COMMISSION



- 2007
- 8,263 square miles
- 1,125 vineyard acres planted
- 34 Wineries

SNAKE RIVER VALLEY AVA

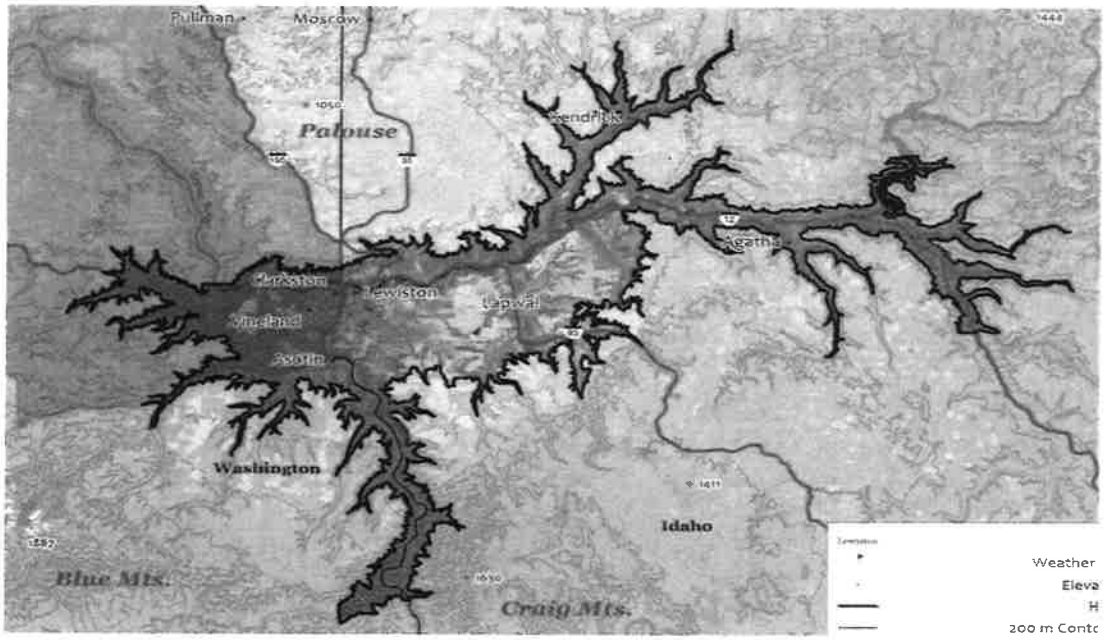
IDAHO WINE
COMMISSION



- 2015
- 49,815 acres
- 67 vineyard acres planted
- 1 Winery

EAGLE FOOTHILLS AVA

IDAHO WINE
COMMISSION



- 479 square miles
- 80 vineyard acres planted
- 4 Wineries
- * Most of the 80 acres are planted within Nez Perce County

LEWIS CLARK VALLEY AVA

IDAHO WINE COMMISSION

ACRES BY VARIETY

- Barbera – 1.75
- Cabernet Franc – 45.6
- Cabernet Sauvignon – 189.53
- Camenere - 0.5
- Grenache – 8.13
- Lemberger – 7.54
- Malbec – 28.13
- Merlot – 129.8
- Mourvedre – 3.59
- Nebbiolo – 2.25
- Petite Sirah – 4.5
- Petit Verdot – 13.5
- Pinot Noir – 9.97
- Primitivo – 0.5
- Sangiovese – 11.75
- Syrah – 76.8
- Tempranillo – 13.08
- Zinfandel – 4.88
- Chardonnay – 110.05
- Chenin Blanc – 0.5
- Gewurztraminer – 47.6
- Muscat Blanc – 7
- Muscat Canelli – 2.1
- Muscat Ottarel – 1.5
- Orange Muscat – 2
- Other – 42.43
- Pinot Gris – 9.14
- Riesling – 212.51
- Sauvignon Blanc – 12.6
- Semillon – 5
- Viognier – 16.1
- Unidentified - 280

- Ada – 20
- Bonner – 2
- Canyon – 29
- Elmore – 3
- Gem – 10
- Gooding – 3
- Kootenai – 1
- Latah - 3
- Nez Perce – 7
- Payette – 1
- Twin Falls – 2

WINERIES BY COUNTY

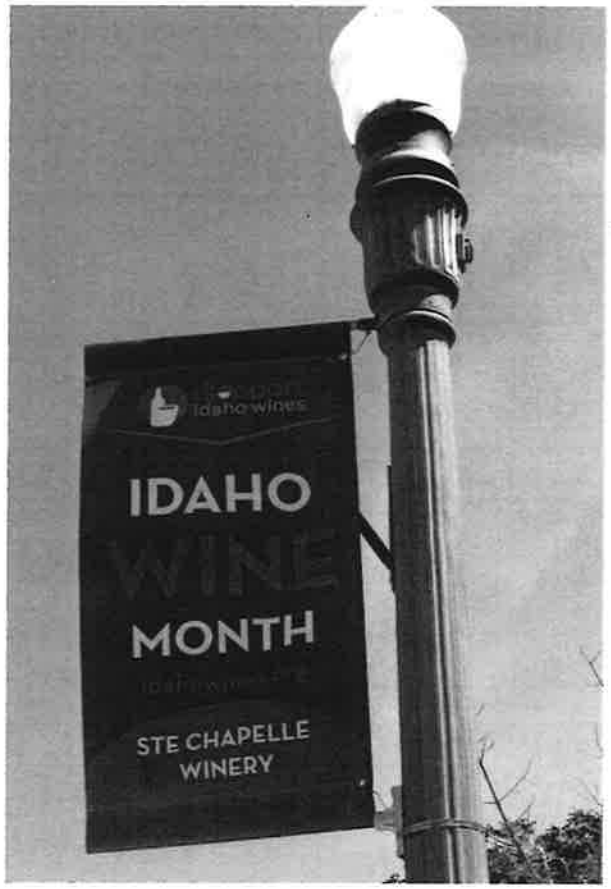
IDAHO WINE
COMMISSION

Alaska Airlines– Launched June 2017

IDAHO WINES FLY FREE

IDAHO WINE
COMMISSION

- 75 Events
- Kick off event at Juniper in Downtown Boise
- Raised $1,000 for Idaho Wine Scholarship Fund
- Banners in Boise, Lewiston and Caldwell



IDAHO WINE MONTH

IDAHO WINE
COMMISSION

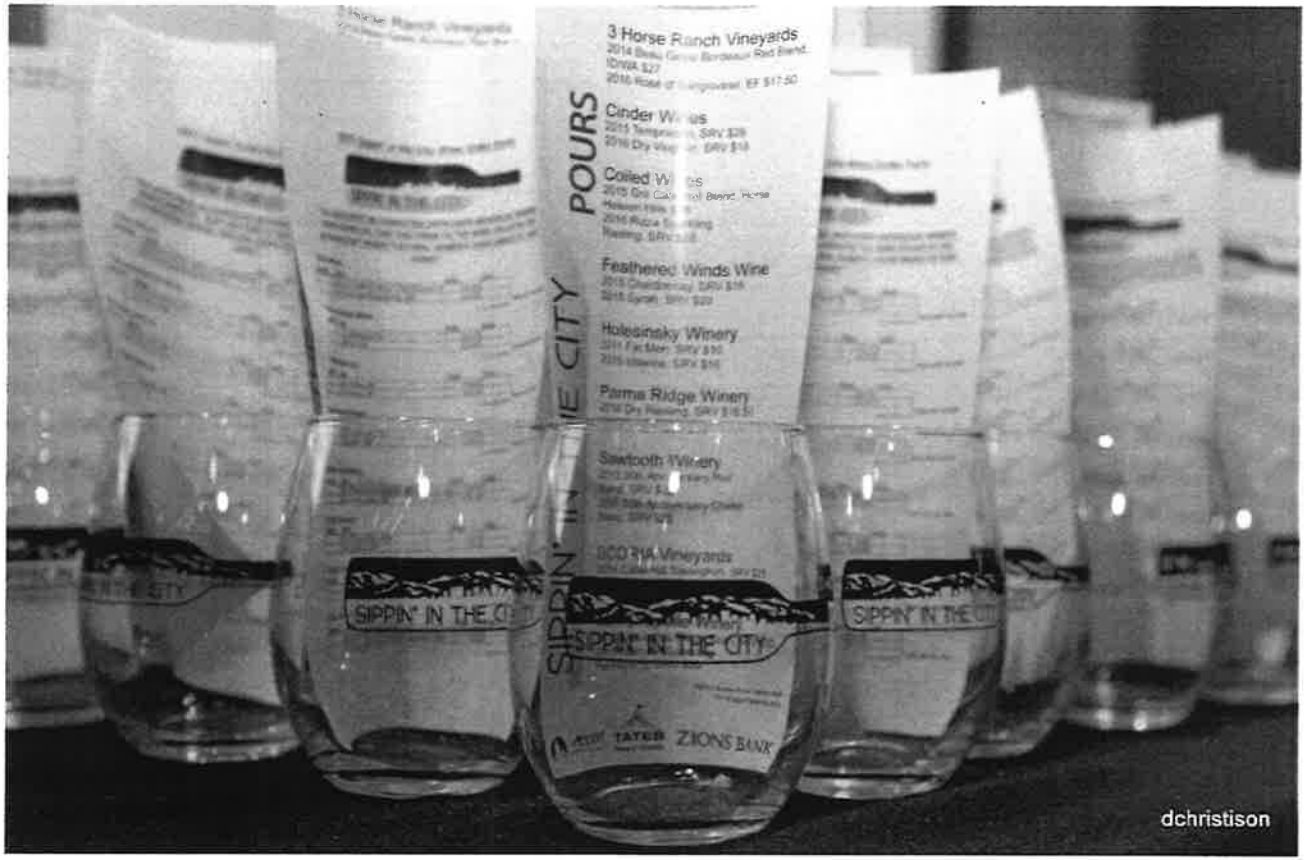
SAVOR IDAHO

IDAHO WINE
COMMISSION

Savor IDAHO

IDAHO WINE
COMMISSION

SIPPIN' IN THE CITY



IDAHO WINE
COMMISSION

- September 12th and 13th
- 51 Participants
- Visited wineries and vineyards

INDUSTRY BOOTCAMP

IDAHO WINE
COMMISSION

- 3,000+ acreage in the ground
- 100+ wineries
- 15% Market Share (wine only)
- Full-time Educator Coordinator
- Satellite/Online 2 year program for En/VT
- Extension Office
- Establish position on Wine Excise Tax
- 5-6 Total Staff

5 YEAR GOALS - 2022

IDAHO WINE
COMMISSION

- Need More Grapes in the Ground
- Grower Incentives
- Extension Office
- Buy Local
- Government Buying Idaho Wine
- More Funding for Research

CHALLENGES WE FACE

IDAHO WINE
COMMISSION

IDAHO WINE
COMMISSION

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, February 06, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of January 25, 2018	Senator Jordan and Vice Chairman Den Hartog
Minutes	Approve Minutes of January 30, 2018	Senator Patrick and Bayer
RS26009	Relating to Poisonous Plants	Senator Heider
Presentation:	Invasive Species Program	Lloyd Knight, Administrator, Division of Plant Industries, Idaho State Department of Agriculture (ISDA) and Nic Zurfluh, Section Manager, ISDA
Presentation:	Noxious Weeds	Jeremey Varley, Section Manager, Noxious Weeds, ISDA

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 06, 2018

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Den Hartog, Senators Patrick, Bayer, Guthrie, Thayn, Harris, Foreman, 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 8:00 a.m.

MINUTES APPROVAL: **Senator Jordon** moved to approve the Minutes of January 25, 2018. Seconded by **Senator Bayer**. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Patrick** moved to approve the Minutes of January 30, 2018. Seconded by **Senator Bayer**. The motion carried by **voice vote**.

RS 26009 **Relating to Poisonous Plants. Senator Heider**, stated several animals died on the fringes of the forest from eating the Japanese Yew plant last winter. Ann Bates, Executive Director of the Idaho Nursery and Landscape Association, gave legislation input of control measures; her suggestions include educating the public on the awareness of these plants as toxic and forbidding the specification of the plants in landscape where livestock and wildlife would come in contact with them. There could be labeling, not only for the Japanese Yew, but for other toxic plants to make people aware of the responsibility they have to keep them away from areas that could result in death to animals.

This bill would direct the Idaho State Department of Agriculture (ISDA) to make a public outreach to any person or entity that offers any poisonous plants for sale. They shall be required to conspicuously adhere a red label to the container of the plant, measuring a minimum eight inches by eight inches, with the word "poison" appearing in black. This would not prohibit customers from buying the plant; it would simply make them aware that this particular plant is a poisonous plant.

MOTION: **Senator Patrick** moved to print **RS 26009**. Seconded by **Senator Harris**. The motion carried by **voice vote**.

PRESENTATION: **Invasive Species Program. Lloyd Knight**, Administrator, Division of Plant Industries, ISDA said during the 2017 Legislative Session there was much discussion concerning the Invasive Species Program (ISP). ISDA received clear direction in four areas related to the program: 1) budget; 2) staffing; 3) regional coordination; and 4) station operation. Prior to the 2017 Legislative Session, the ISP operated on $1.4 million per year, which was revenue from the Invasive Species Sticker. The 2017 Legislature added $3.1 million in ongoing General Fund appropriation, $1 million in one-time federal fund authority from a grant from the United States Army Corps of Engineers, and appropriated $171,000 for Idaho State Police support for the program. There was direction for three new inspection stations, plus 24-hour operations at Cotterell on Interstate 84, and 4 full-time positions. ISDA has put in a request for the calendar year 2019 to U.S. Army Corps of Engineers to reauthorize the $1 million grant.

The new positions for the ISP were welcome as ISP has expanded operations Statewide. With the addition of these new positions, ISDA reorganized within the group. Under statewide management and support there are two new section managers: Nic Zurfluh as the section manager for ISP, and Jeremey Varley as the section manager for Noxious Weeds.

Interagency coordination was instituted by the Governor's executive order reauthorizing the Idaho Invasive Species Council. The executive order directs the Council to coordinate between private industry, local, tribal, state, and federal agencies focus on prevention and control. It directed the Council to meet twice a year. In addition to the agencies outlined in the executive order, there are other individuals who participate. As such, there is a wide variety of stakeholders from across the spectrum.

Regional coordination has been a part of the ISP and ISDA staff placed special emphasis on it this year. There are added groups ISDA is interfacing with this year. Western Governors Association and ISDA participated in an assessment of the ISP at Lake Mead which developed some new contacts. Conference calls with counterparts around the region focused on the technical aspects of the program.

Nic Zurfluh, Section Manager, ISP, stated ISDA operates 18 inspection stations throughout the State and each station has a law enforcement component. ISDA has a new agreement with the Bear Lake Regional Commission supporting two watercraft inspection stations in Utah. The Bear Lake solution offered the opportunity for Idaho to pool their efforts on the Idaho border and reallocate them to the Utah Inspection Station to be more efficient in watercraft inspections. **Mr. Zurfluh** expanded on other Inspection Station Cooperators throughout the State (Attachment 1). Through a partnership with Idaho Transportation Department and the Port of Entry staff, the staff focuses on large, commercially fouled boats which are the highest risk.

There were 93,000 inspections performed in 2017, 31 watercraft had mussels in various degrees, and 2 watercraft had live, viable mussels. Of the two boats found with live mussels, 1 was destined to Alberta, Canada and the other to Twin Lakes, Idaho.

Chairman Rice asked where were these two boats coming from and which stations found the live mussels. **Mr. Zurfluh** answered that the boat going to Alberta, Canada was from Lake Havasu; the Highway 93 Jackpot Station found the mussels. The second boat was destined to Twin Lakes, Idaho and was stopped at the Cedar Station. Of the remaining 29 boats with various stages of mussels, 7 were destined to Idaho, 11 were going to Washington, 4 to Oregon, 4 to Montana, 2 to Alberta, and 3 to British Columbia. The total number of watercraft that had weeds were 525. This is a continuing threat, as Idaho sees weed expansion throughout the water bodies in Idaho and the United States. Their stations perform clean, drain, and dry on boats fouled with weeds at the check stations. They perform hot washes on the boat to reduce risk. There is a 97 percent compliance rate when the stations request to hot wash a boat. The two watercraft inspection stations by Henry Lake, Highway 87 and Highway 20, are hot washing a very large amount of boats.

Each inspection station is truly unique; some stations inspect only a few boats a year, while others inspect several thousand. **Mr. Zurfluh** cited that Jackpot inspects a few thousand boats a year. The high risk demographic that they experience on Highway 93 are much different than those they see at Hutter. When watercraft are stopped at a station, they are asked three key questions: 1) Where are you from?; 2) Where are you going?; and 3) Where have you been boating before you came to Idaho?

The answer data is then plotted on a United States map. The data shows that people are traveling to and through Idaho from every corner of North America. Another question the stations ask is, "where was your boat in the last thirty days?" Mussels can survive out of the water for this period of time. They also tracked the data of mussel fouled boats from 2009 to 2017 and large portions of the watercraft are coming from the Lower Colorado drainage.

Vice Chairman Den Hartog asked what inspections the stations perform when watercraft are leaving the Lower Colorado Basin waterways. **Mr. Zurfluh** replied it depends on the water body. At the source water body there are a series of inspections, decontaminations, and pre-notifications to the destination states. For example; at Lake Mead when boats are pulling out of the water body the watercraft go through a series of inspections dependant on the length of time the watercraft has been moored in the water. If the watercraft has been in the water a long period of time, it will be referred to a decontamination station and that will be recorded on an inspection form. This will generate a pre-notification document that will be sent to neighboring states where the watercraft is destined.

Mr. Zurfluh continued the presentation with an explanation of the accumulation of their inspection data. He pointed out that the form has a time stamp which generates information for when to open and close stations. There is an early bump of watercraft from the "snowbird" demographic in spring; ISDA will open up some stations next week to capture these boats. There is a later bump in data in the summer for the recreational boater.

ISDA operated the first nighttime inspection stations in 2017 season at Cotterell (I-84 W). ISDA's cooperator was West Cassia Soil and Water Conservation District. The station received good support from the Idaho State Police and Port of Entry for security of the station, increased lighting and electronic message board. It was opened from July 21 to October 1, 2018. **Mr. Zurfluh** explained the data that was collected from this station along with plans for ISDA inspection program for 2018 (Attachment 1).

Mr. Zurfluh concluded with an update on the status of Montana. In October 2016, mussel veilgers were identified at Tiber Reservoir with a category of suspect for Quagga Mussels. At Canyon Ferry Reservoir, they found one single veilger that appeared to be Quagga or Zebra Mussel under a microscope. Because the mussel was not confirmed, the water body was categorized as inconclusive. These categories released an Invasive Species Emergency Declaration by Governor Bullock of Montana and established an instant command team. The team has been disbanded and Montana is now in implementation mode for their operations. Montana expanded their prevention and containment measures and **Mr. Zurfluh** detailed these measures. Montana has had no veilger or adults that have been found in Tiber or Canyon Ferry Reservoir in 2017.

ISDA staff performed 905 early detection monitoring in 2017. ISDA initiates sampling in the summer when the water temperatures reach spawning conditions. ISDA staff perform multiple samplings every two weeks, throughout the season, to capture the best picture of the status of the particular water body. All water bodies are classified by risk; if it is a critical water body, it needs a higher level of monitoring, such as C.J. Strike, Brownlee, and Lake Pend Oreille. They have two-week turnaround for these samples, which is the key to early detection.

Senator Patrick asked if ISDA gives this presentation to the Resources and Environment Committee. **Mr. Zurfluh** answered that they do not present this information to the Resources and Environment Committee. **Senator Patrick** stated this is extremely important information for the Agricultural Affairs Committee, but even more so for the fisheries of the Columbia River Basin as well as the recreational boaters.

Senator Harris asked **Mr. Zurfluh** to expand on the level of cooperation from local law enforcement in the support of the check stations. **Mr. Zurfluh** replied that ISDA has great cooperation through various levels of law enforcement throughout the State. One of the key cooperators this season was the Bonner County Sheriff's Department at the three Bonner County Stations which increased compliance and security at that site.

Senator Guthrie asked: 1) where the operators look for mussels on a watercraft, and 2) how long is a boat detained at the check stations. **Mr. Zurfluh** explained that the check station inspectors are trained to look for very small mussels, they look in cavities, and very hard places. For boats that came from a mussel fouled water body, the inspectors will request a hot wash. How long watercraft will be detained at a station depends on where the watercraft has come from, the body of water where it has been moored, and destination. The typical inspection lasts 3 to 5 minutes for the local Idaho boater. If the boat is from out-of-state, large, and they are coming from a fouled water body, they could be detained up to 20 minutes or more.

PRESENTATION: **Noxious Weeds. Jeremey Varley**, Section Manager, Noxious Weeds, ISDA, said there have been some staffing changes in the Noxious Weed Department and have implemented taking time for outreach to the weed superintendents, as well as the Cooperative Weed Management Areas (CWMA). The primary program for terrestrial weeds is the Cooperative Weed Management Area cost share grant. A CWMA can be made up of a single or multiple counties, multiple jurisdictions, and multiple states. In 2017, $1.1 million was awarded along with a contribution from the CWMA of $4 million, these dollars resulted in over 180,000 acres of noxious weeds being treated and 1.2 million acres being inventoried. In 2018, $1.5 million was available, and an additional $180,000 was received in federal funds, for projects to improve greater sage grouse habitat. Approximately 30 CWMAs have applied for funds of $1.6 million in requests and all these will be reviewed by a committee of their peers, along with ISDA staff, to make sure they would be a qualified activity.

Changes are occurring in the CWMA cost share to make improvements. There are several challenges facing the program; one is measuring success. When you talk about weeds, it is hard measure success when you have to revisit a treated area of weeds. The easiest way they have found to measure success is to require all CWMAs submit mapping data, which illustrates what is going on in the State and where the dollars are spent. This ultimately measures the agencies project performance plus gives them information to report to their local commissions.

Mr. Varley continued with a detailed 2017 aquatic noxious weeds update with all populations trending downward through their control efforts. (Attachment 1). Invasive Species and Noxious Weeds rely heavily on education. The Invasive Species of Idaho website has been created to provide the public with resources and information. ISDA has created four main campaign slogans tailored for specific outreach groups: 1) "Clean, Drain, and Dry, for Invasive Species Quagga Mussel; 2) "Know" what you grow, targeting gardeners; 3) "Don't let it loose," Invasive Species for pets being released into the environment; and 4) "Knock It Off," outdoorsmen for noxious weeds.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:07 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Feb 5, 2018

Attachment 1:

Invasive Species - Noxious Weeds
2017 Review & 2018 Operations

1899 Carlotta, Huetter (I-90) Summer 2017

IDAHO STATE DEPARTMENT OF AGRICULTURE

Budget

- Prior to FY18 - Invasive Species program operated on $1.4 million/year budget, funded through the Invasive Species Sticker.
- 2017 Legislature Funding:
  - $3,143,300 in ongoing appropriation from the General Fund
  - $1,000,000 in one-time federal fund spending authority (WRRDA)
  - $1,400,000 base spending authority from the Invasive Species Fund
  - $171,300 for Idaho State Police support
  - Three new inspection stations, plus 24-hour operation at Cotterell
  - Four new full-time positions
- WRRDA
  - Funding from US Army Corps of Engineers
    - Water Resources Reform and Development Act (WRRDA)
  - Agreement through Pacific States Marine Fisheries Commission
  - Provide funding to Pacific Northwest CRB States for prevention efforts
  - $1 million to Idaho
  - Invoice PSMFC for CY17 watercraft inspection expenses December 2017
  - CY18 funding and agreement January 2018

NON-MOTORIZED IDAHO INVASIVE SPECIES FUND 18 EXPIRES G18-000002

NOT REGISTERED IN IDAHO IDAHO INVASIVE SPECIES FUND 18 EXPIRES A18-000001

IDAHO STATE PARKS & RECREATION

IDAHO BOATING PROGRAM

IDAHO STATE DEPARTMENT OF AGRICULTURE

PACIFIC STATES MARINE FISHERIES COMMISSION

US Army Corps of Engineers

Program Staff

Since 2017 Session: 4 new FTEs, Turnover in 4 other positions

Statewide Management and Support

- Nic Zurfluh, Section Manager for Invasive Species Coordination and Outreach
- Jeremey Varley, Section Manager for Noxious Weeds
- Stephen Cox, GIS Specialist
- Dan Safford, Cricket/Grasshopper and Weed Free Hay

Regional Program Staff

Northern Idaho

- Dr. Kim Holzer, Ag Program Specialist
- Vacant, Technician

Southwestern Idaho

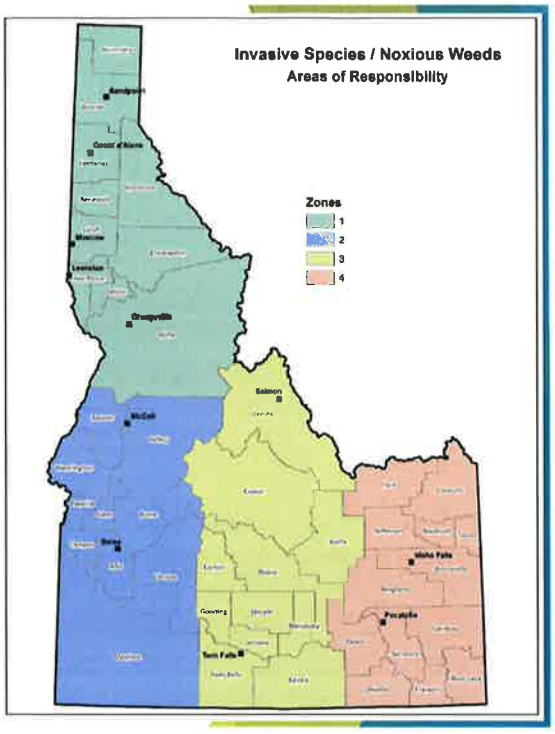
- Bethany Muffley, Ag Program Specialist
- Michael Johnson, Technician

South central Idaho

- Aaron Ursenbach, Ag Program Specialist

Southeastern Idaho

- Cole Morrison, Ag Program Specialist
- Vacant, Technician



Interagency Coordination

- Executive Order No. 2017-05 Idaho Invasive Species Council
  - Coordinated effort between private industry, local, tribal, state and federal governments.
  - Prevention and control of invasive species.
  - Bi-annual meetings
  - Chaired by the Director of Idaho State Department of Agriculture

Regional Meetings & Coordination

- Pacific Northwest Economic Region (PNWER)
  - Portland
- Columbia River Basin Team (CRB)
  - Helena
  - Portland
- Western Regional Panel (WRP)
  - San Diego
- Building Consensus
- Western Governors' Association (WGA)
- Dept. of Interior Lake Mead Assessment
- Regional Conference Calls
- Lakes Commission
- Capital for the Day
- Bear Lake Regional Commission
- Fremont County

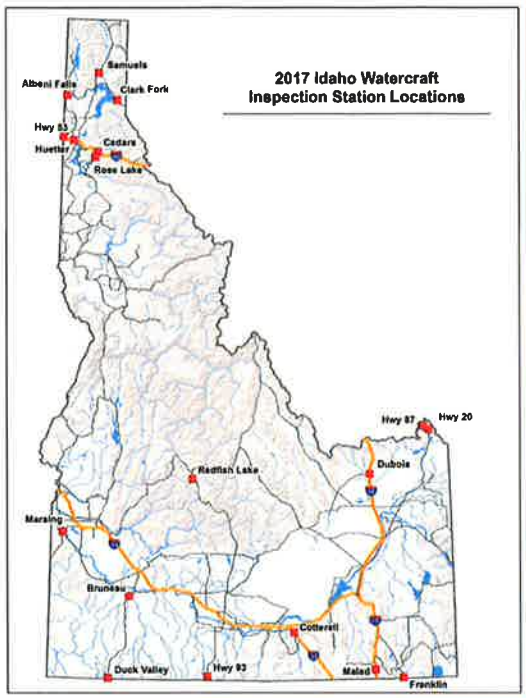
3 Program Areas

- Prevention
- Early Detection Monitoring
- Education and Outreach

Watercraft Inspection 2017

- 9th year of the inspection program
- 18 inspection stations
  - 13 Cooperator stations
  - 5 ISDA stations
- Law enforcement support
  - Local County
  - Idaho State Police
- Agreement with Bear Lake Regional Commission to support two Utah stations
- Three roving crews- Boise, Coeur d'Alene, Idaho Falls

http://invasivespecies.idaho.gov/watercraft-inspection-stations/



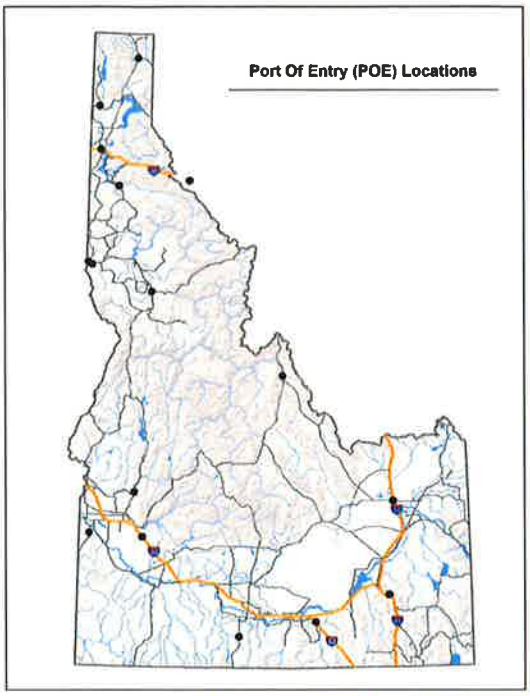
Inspection Station Cooperators

- Bear Lake Regional Commission
  - Garden City & Laketown Canyon (Utah)
- Bonner Soil & Water Conservation District
  - Albeni Falls, Samuels & Clark Fork
- Bruneau River Soil & Water Conservation District
  - Bruneau & Marsing
- City of Dubois
  - I-15 S Dubois
- Franklin Soil & Water Conservation District
  - Franklin
- Fremont County
  - HWY 87 & HWY 20
- Kootenai-Shoshone Soil & Water Conservation District*
  - I-90 W Cedars, I-90 E Huetter, HWY 3 Rose Lake, HWY 53.
- Lemhi County*
  - HWY 93 North Fork
- Mid-Snake Resource Conservation & Development Council (Twin Falls County Weed Department)
  - HWY 93 Jackpot
- Oneida Soil & Water Conservation District
  - I-15 N Malad
- Shoshone-Paiute Tribe
  - Duck Valley
- West Cassia Soil & Water Conservation District
  - I-84 W Cotterell

*New Cooperator for 2018

Idaho Transportation Department Port of Entry (POE)

- Commercially Hauled Vessels are inspected for mussels at POE
- Customs & Boarder Protection also inspecting
  - Notify ISDA staff if mussel are found



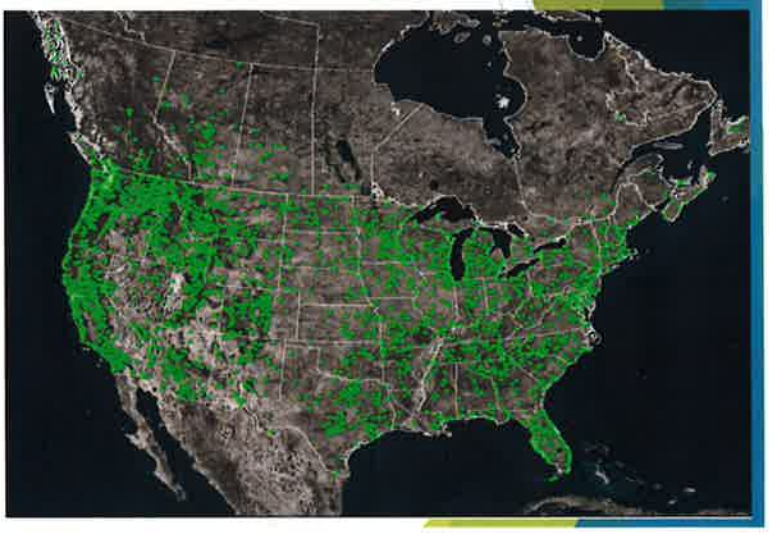
Inspection Data 2017

- 93,083 watercraft inspections
- 31 mussel fouled vessels
  - 29 Non-viable mussels
  - 2 Viable mussels (Hold order issued)
    - Alberta
    - Twin Lakes Idaho (Kootenai County)
- Destinations
  - 7 Idaho
  - 11 Washington
  - 4 Oregon
  - 4 Montana
  - 2 Alberta
  - 3 British Columbia
- 525 with weeds
- 5,497 Hot washes performed
  - 97% Compliance

Station	Final #	Hot Wash	Weeds	Fouled	Refused Hotwash
Albeni Falls	8,585	2	11	0	1
Bruneau	2,661	6	1	0	0
Cedars	10,779	111	60	12	18
Clark Fork	5,734	15	54	0	1
Cotterell	2,815	250	10	5	44
Dubois	917	0	2	0	0
Franklin	4,177	26	24	0	2
Huetter	13,926	21	76	0	2
Hwy 20	6,144	2,386	126	0	5
Hwy 51 Duck Valley	63	0	0	0	0
Hwy 53	5,646	2	22	1	1
Hwy 87	6,431	2,105	18	0	0
HWY 93	1,835	228	4	5	31
Malad	4,327	291	19	5	86
Marsing	1,849	8	3	0	2
Redfish Lake	1,729	7	1	0	0
Rose Lake	3,316	6	19	0	0
Samuels	6,780	32	56	0	1
Roving Crew 1	1,333	0	4	0	0
Roving Crew 2	1,071	0	8	0	0
Roving Crew 3	819	1	0	0	0
Henrys Lake	2,146	0	7	0	0
ISDA				3	
Total	93,083	5,497	525	31	194

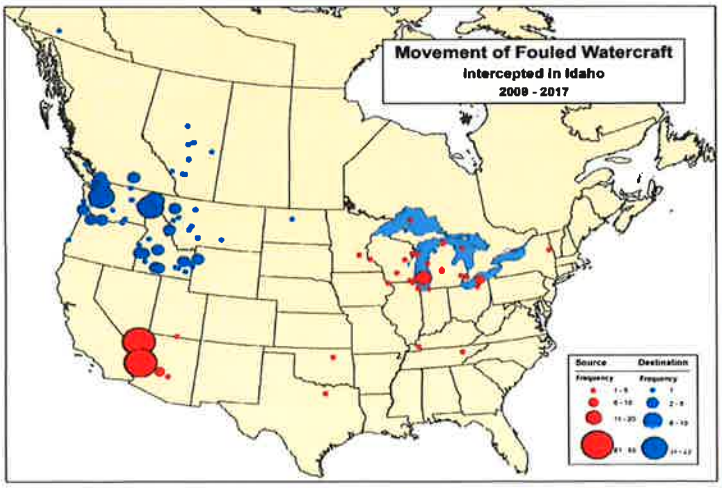
Inspection Data 2017

- Each Station is Unique
  - Boating traffic, demographic and timing can vary greatly from one station to another
- Where are you from ? (Zip code)



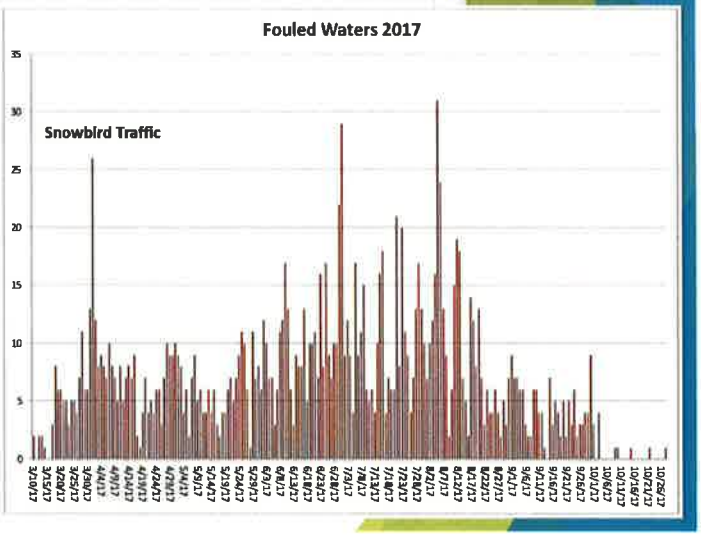
Inspection Data 2017

- What was the last waterbody you visited in previous 30 days? (RED)
- Where is your destination? (BLUE)



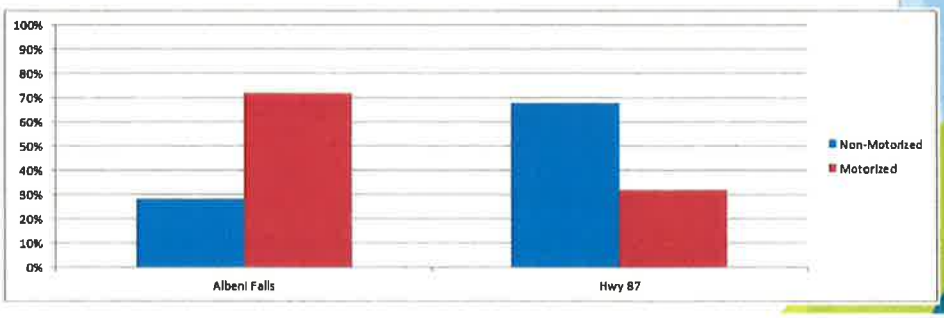
2017 Inspection Data

- What time of year are watercraft traveling?
  - "Snowbird" demographic (Spring)
  - Recreational boater demographic (Summer)
- Adjust open/close dates to most efficiently capture high risk traffic when traveling through



2017 Inspection Data

- User Demographic
  - Motorized vs. Non-motorized



Why Non-Motorized Watercraft?

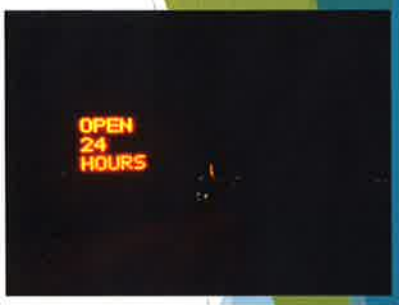
- 3 Touring Kayaks
  - Summer 2015
  - Hwy 93
  - Origin: Lake Mead, NV
  - Destination: MT
- Drift Boat
  - Summer 2016
  - Hwy 87
  - Origin: Muskegon River, MI
  - Destination: Henry's Fork, Idaho
- Inflatable Raft
  - Spring 2017
  - Malad (I-15 South)
  - Origin: Havasu, AZ
  - Destination: MT

AIS Roving Inspection Crew

- Watercraft inspection & boater education
- Primarily at high use boat launches and boating events
  - Races, expos, regattas, peak holiday weekends, etc.
- Thursday-Sunday work week
- Motorized and non-motorized users
  - Headwater launches (i.e. Boundary Creek)
- 3 regional inspection crews
  - Southwest (Boise)
  - North (Coeur D'Alene)
  - Southeast (Idaho Falls)

24 Hour Nighttime Operations

- Cotterell (I-84 W)
- Cooperator: West-Cassia Soil & Water Conservation District
- Idaho State Police security support
- Idaho Transportation Department Cotterell Port of Entry support
- Increased lighting at site
- Electronic message board
- Nighttime Inspections July 21st, 2017- October 1st, 2017.



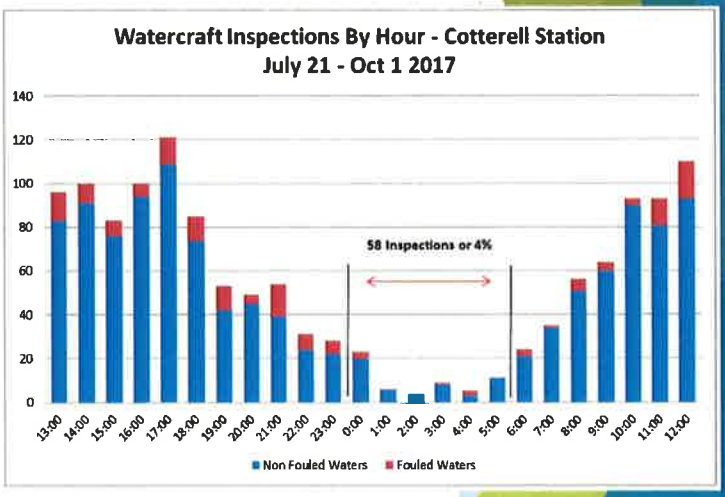
Cotterell Data

All inspections starting July 21st: 1,333

- Only 10:00 pm - 6:00 am: 117
- Only 12:00 am - 6:00 am: 58

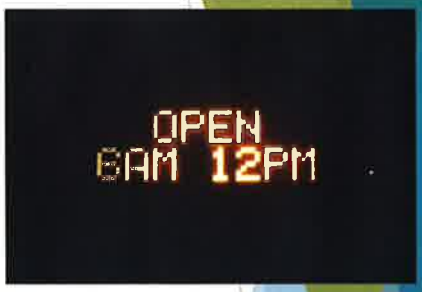
From Fouled Waters (High Risk)

- All inspections starting July 21st: 153
- Only 10:00 pm - 6:00 am: 39
- Only 12:00 am - 6:00 am: 7



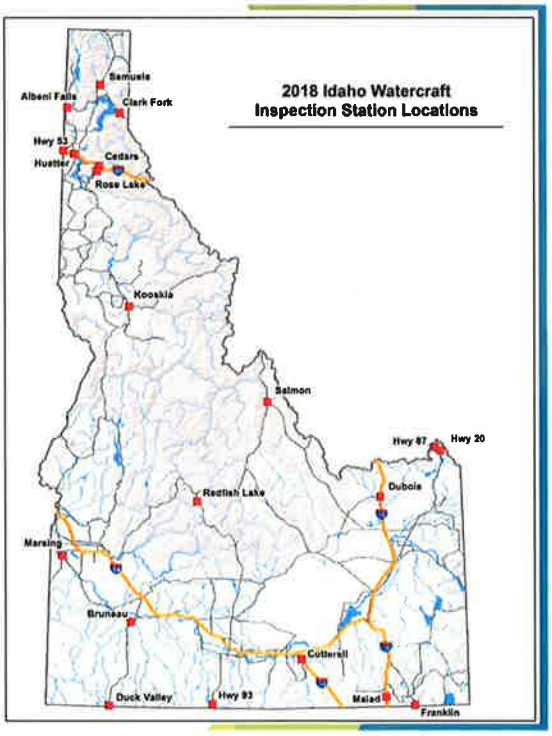
2018 Inspection Station Operations

- New Inspection Stations
- Expanded Season Duration
- Expanded Law Enforcement Support
  - Idaho State Police (ISP)
  - Local County Sherriff's
- Expanded Night Operation
  - 18 Hour
    - Malad (I-15 N)
    - Cedars (I90 W)
    - Jackpot (HWY 93 N)
  - 24 Hour
    - Cottrell (I-84 W)



2018 Inspection Station Agreements

- October 25, 2017
  - End of year meeting with station cooperators in Boise
- Early November
  - Gather cooperator feedback regarding operations & site improvements
- November 8, 2017
  - Idaho Invasive Species Council fall meeting in Boise
- January, 2018
  - Inspection Station agreements to cooperators

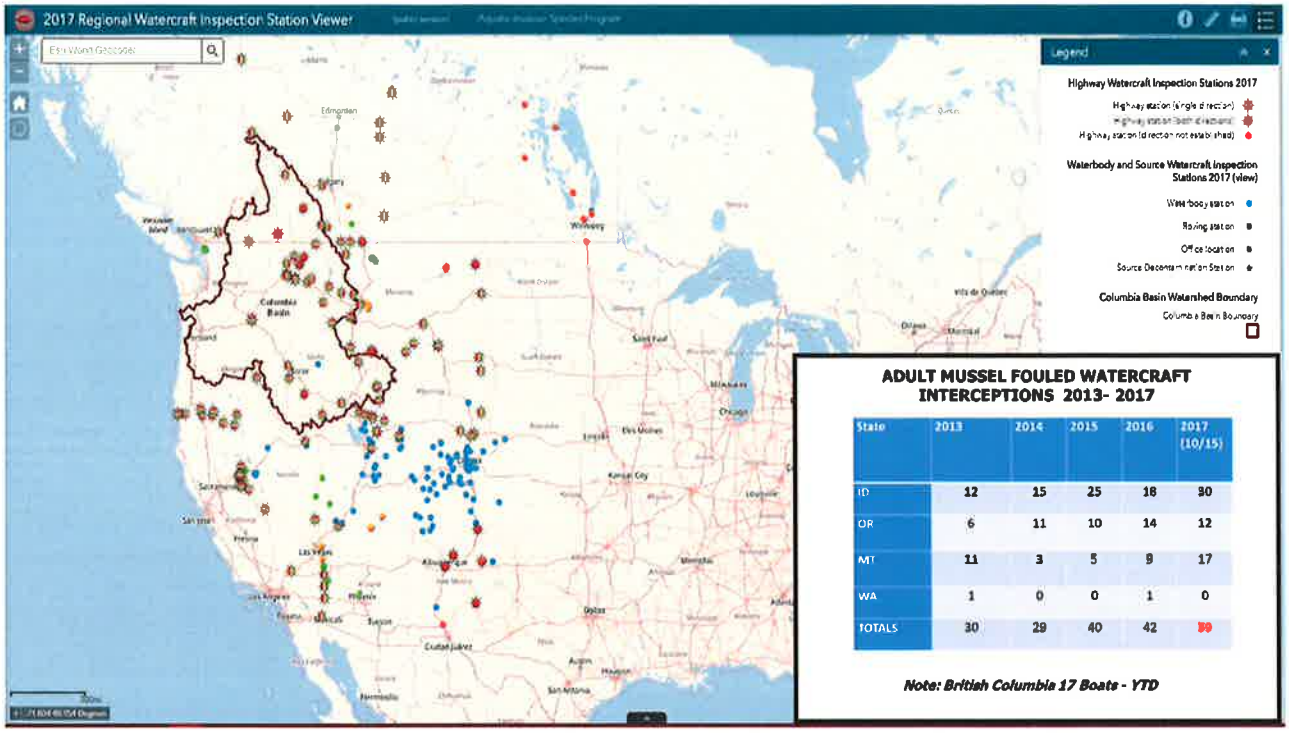


2018 Inspection Station Site Improvements

- Internet service at Cedars (I-90 W)- ITD
- Work shelter and electrical power (Bruneau)- ITD, Bruneau River SWCD, Idaho Power
- Work shelter (Marsing)- Bruneau River SWCD
- Expand footprint, work shelter, electrical power (Hwy 93)- ITD, Idaho Power, BLM, Twin Falls Weed Control
- Electrical power (Cotterell)- ITD, West Cassia SWCD
- Electrical power (Malad) - ITD, Oneida SWCD
- Solar panels (Franklin)- Franklin SWCD completed Fall 2017
- Permanent signage (Bonner stations)- ITD, Bonner SWCD
- Work shelter, electrical power (Dubois)- shelter completed Fall 2017
- Electronic message boards- Statewide

Montana Mussel Update

- Tiber (Lake Elwell) Reservoir:
  - Mussel veligers identified in October 2016
  - Montana categorized as "suspect" for quagga mussels
- Canyon Ferry Reservoir: Helena
  - Single mussel veliger identified that appears to be zebra/quagga
  - Montana categorized as "inconclusive"
- Invasive Species Emergency declared
- Incident command team established
  - Team disbanded and shifted to implementation
  - $10 million over the next 2 years
- Expanded prevention and containment measures
- No veliger or adult detections in 2017



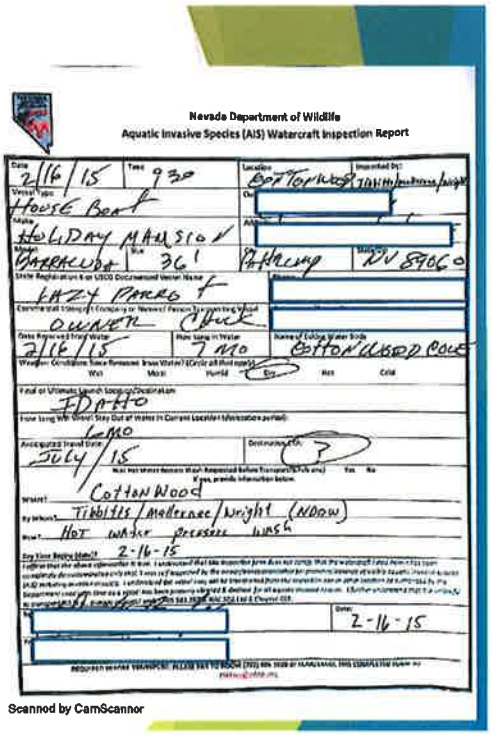
ADULT MUSSEL FOULED WATERCRAFT INTERCEPTIONS 2013- 2017

State	2013	2014	2015	2016	2017 (10/15)
ID	12	15	25	18	30
OR	6	11	10	14	12
MT	11	3	5	9	17
WA	1	0	0	1	0
TOTALS	30	29	40	42	59

Note: British Columbia 17 Boats - YTD

Prenotification Documents

- Networking between regional partners is improving
- Information provided by various agencies
  - State partners
  - Colorado System
  - Transportation permits
- Information passed on to inspection station(s) & managers

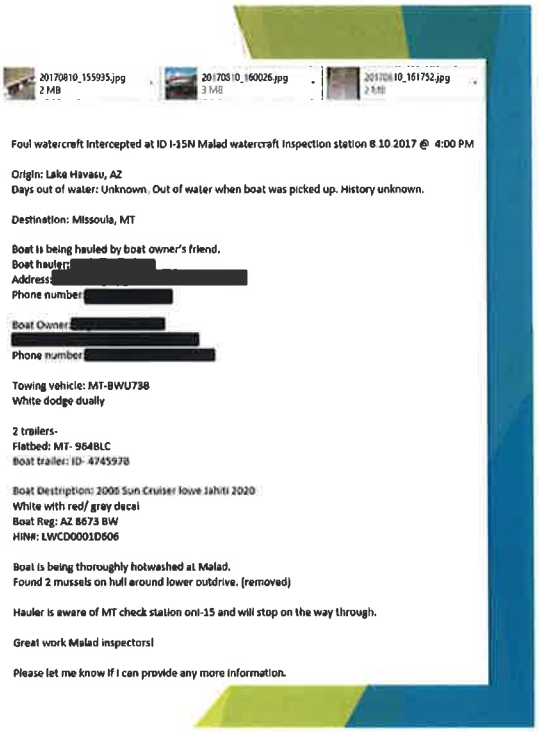


Nevada Department of Wildlife
Aquatic Invasive Species (AIS) Watercraft Inspection Report

Scanned by CamScanner

Foul Watercraft Protocol

- Call the Hotline: 208-332-8623
- Provide detailed information:
  - Origin and destination
    - Destination address and phone number.
  - Owner / Hauler's Name, Address, Phone #
  - Type of boat
  - Location of mussels
  - Description of mussels
- Follow-up inspections by ISDA staff for all Idaho destined watercraft
- Information forwarded to regional partners for out of state destinations



20170810_155935.jpg 2 MB | 20170810_160026.jpg 3 MB | 20170810_161752.jpg 2 MB

Foul watercraft intercepted at ID I-15N Malad watercraft inspection station 8 10 2017 @ 4:00 PM

Origin: Lake Havasu, AZ
Days out of water: Unknown. Out of water when boat was picked up. History unknown.

Destination: Missoula, MT

Boat is being hauled by boat owner's friend.
Boat hauler: [redacted]
Address: [redacted]
Phone number: [redacted]

Boat Owner: [redacted]
Phone number: [redacted]

Towing vehicle: MT-BWU738
White dodge dually

2 trailers-
Flatbed: MT- 964BLC
Boat trailer: ID- 4745978

Boat Destription: 2005 Sun Cruiser Iowe Jahiti 2020
White with red/ gray decal
Boat Reg: AZ 8673 BW
HIN#: LWCD0001D506

Boat is being thoroughly hotwashed at Malad.
Found 2 mussels on hull around lower outdrive. (removed)

Hauler is aware of MT check station on I-15 and will stop on the way through.

Great work Malad inspectors!

Please let me know if I can provide any more information.

Foul Watercraft Protocol

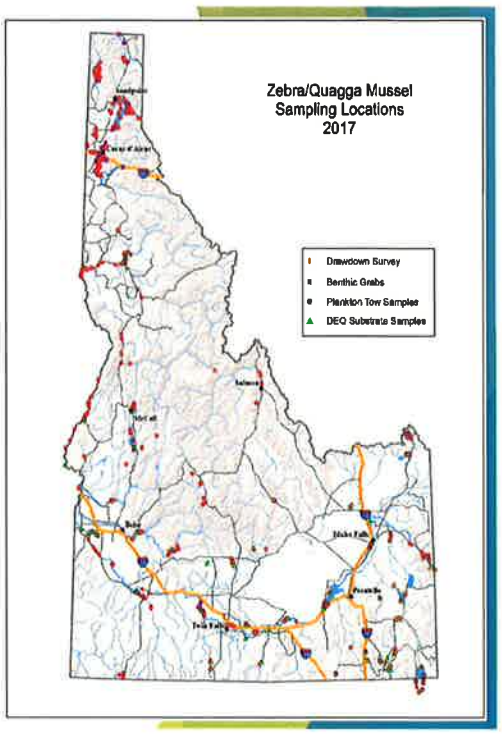
- Inspectors perform field tests to determine mussel viability

  Viable mussels: Wet, moist, intact. Close when agitated. Hesitate forced opening. Sink in water. Open and begin siphon in water

  Dead mussels: Dry, brittle, crumbling. Stay open when agitated. Easily forced opened or crumbles. Float in water. Will not siphon in water
- Viable mussels. (2 watercraft in 2017)
  - ISDA will impound and decontaminate
    - Decontamination is more thorough and intensive than a Hot Wash
    - Law enforcement will be contacted
- Dead mussels. (29 watercraft in 2017)
  - Inspectors perform hot wash
  - ISDA will notify destination states and/or provinces
  - Information documented with data unit and high risk inspection form

Early Detection Monitoring

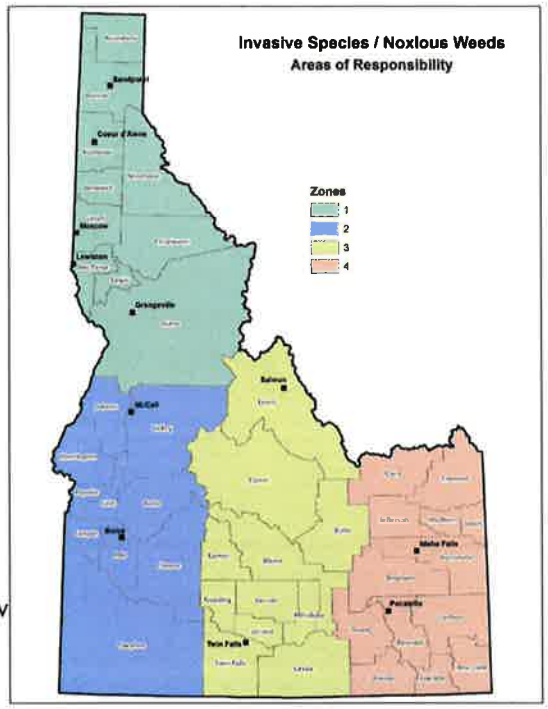
- Veliger Monitoring (microscopy)
  - 905 plankton samples collected from 80 waterbodies
    - Multiple sample events, bi-weekly, per waterbody
    - 2 week turnaround for lab analysis
    - Initiate rapid response if detections occur
- Adult Monitoring (visual)
  - Reservoir drawdown, substrate and benthic grab sampling
- No suspicious detections in Idaho or anywhere in the Columbia River Basin
- Assistance from partners
- Survey for invasive plants, snails, clams, mussels, crayfish, etc.



IDAHO STATE DEPARTMENT OF AGRICULTURE

Noxious Weed Update

Zone 1 (North)
Kim Holzer Ph.D.
Ag Program Specialist
Kim.Holzer@isda.idaho.gov
(208)580-4254

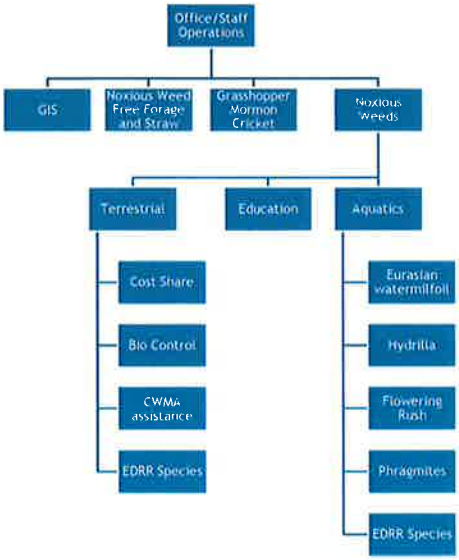


Zone 3 (Central)
Aaron Ursenbach
Ag Program Specialist
Aaron.Ursenbach@isda.idaho.gov
(208)293-9710

Zone 2 (West)
Bethany Muffley
Ag Program Specialist
Bethany.Muffley@isda.idaho.gov
(208)332-8675

Zone 4 (East)
Cole Morrison
Ag Program Specialist
Cole.Morrison@isda.idaho.gov
(208)525-7206

2018 Season



Cooperative Weed Management Area Cost Share Grant

- Review of 2017
- Outlook for 2018
- Changes for 2018

CWMA Cost Share 2017

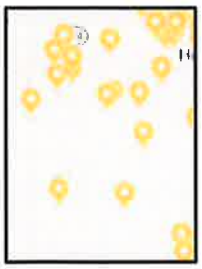
- 29 CWMAs participated
- $1.1 million awarded
- $4 million in in-kind generated
- 180,955.5 acres of noxious weeds treated
- 1.2 million acres inventoried
- Over 699,000 people contacted through the CWMAs
- 1,692.4 acres of site revegetation

CWMA Cost Share 2018

- $1.5 million available
- $180k federal funds available for projects to improve Greater Sage Grouse habitat
- 30 CWMAs have applied with $1.6 Million in requests
- Cost Share Review Committee Met on January 30-31st to review projects
- Recommendations from the committee are passed to Director for approval

CWMA Cost Share 2018

- For the 2018 Cost Share cycle some changes where implemented to overcome some of the challenges with noxious weed control
- Challenges
  - Measuring success
    - CWMAs are required to turn in "mapping data" as to their weed control activities, but no parameters set as to the type of data of to be turned in
  - Conflicts of Interest
  - In-kind match rates

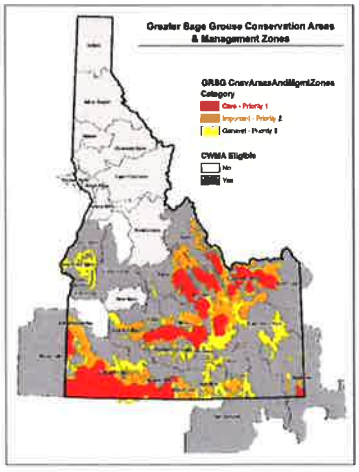


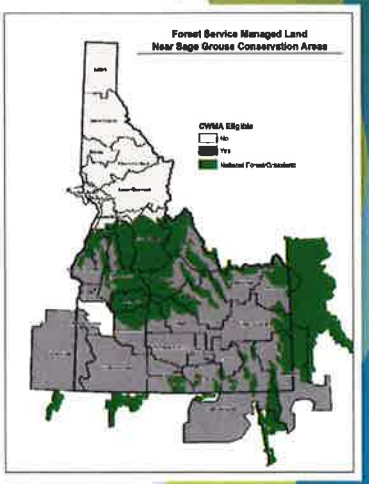
CWMA Cost Share 2018

- The CWMAs have been good at turning data in, Everyone's is just different
  - Every CWMA's capabilities are different (paper → Advanced GIS)
- This change is to require a minimum standard to apply to data reporting not how it is collected.
- This will allow for more useful data for the purposes of:
  - EOY reporting
  - Project Performance (Audit)
  - Legislature
- Answer the question: Is this program successful?

CWMA Cost Share

- There will be federal funds available for the 2018 grant cycle. It will be tied to Sage grouse habitat and relation ship to forest canopy cover. All projects will be based on approval of ISDA, OSC, and USFS.





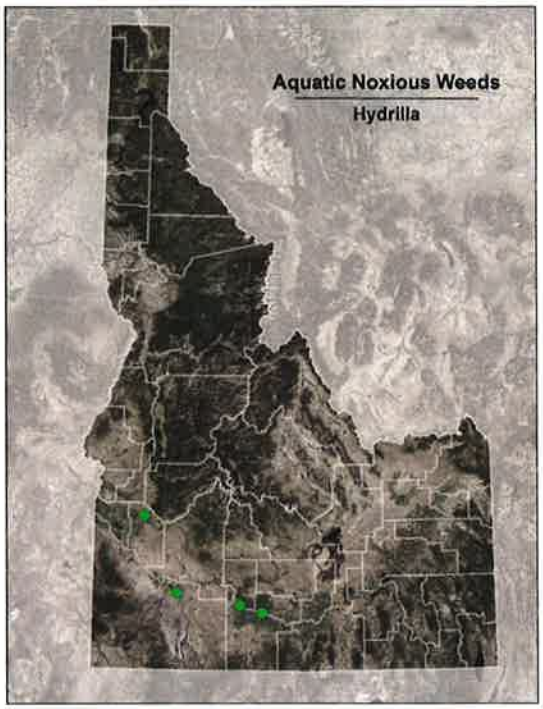
Aquatic Noxious Weeds

- A review of 2017 projects
  - Hydrilla
  - Eurasian watermilfoil
  - Flowering rush
  - Phragmites

Hydrilla

- 4 known locations
  - Boise (2007)
  - Bruneau River (2008)
  - Buhl (2015)
  - Twin Falls (2015)
- All locations are in geo-thermal influenced waters
  - Very aggressive and persistent plant
  - Only requires 1% of light to grow

Feb 5,2018



Hydrilla

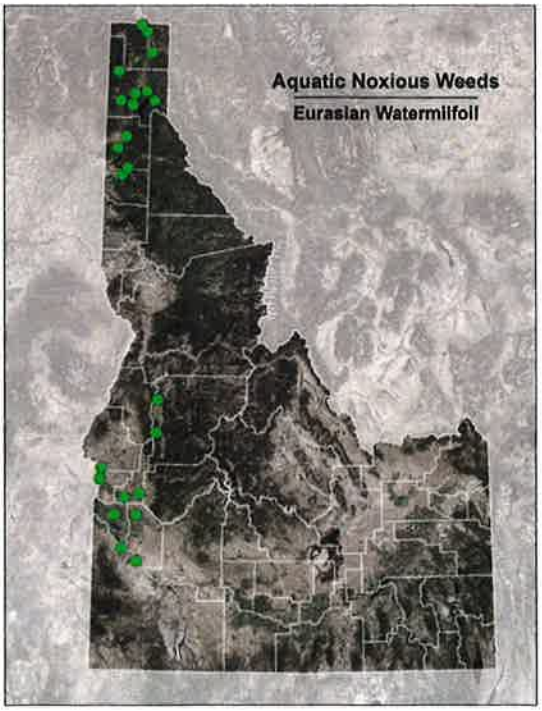
- Success story of Hydrilla in Idaho
  - Treated as Early Detection Rapid Response (EDRR)
  - Removal efforts have been Chemical, Biological, and Mechanical removal
  - All populations are trending down
    - Boise population is in its second year of no plants found
  - Bruneau River population is well illustrated on Invasive Species of Idaho Website

INVASIVE SPECIES OF IDAHO

Eurasian watermilfoil

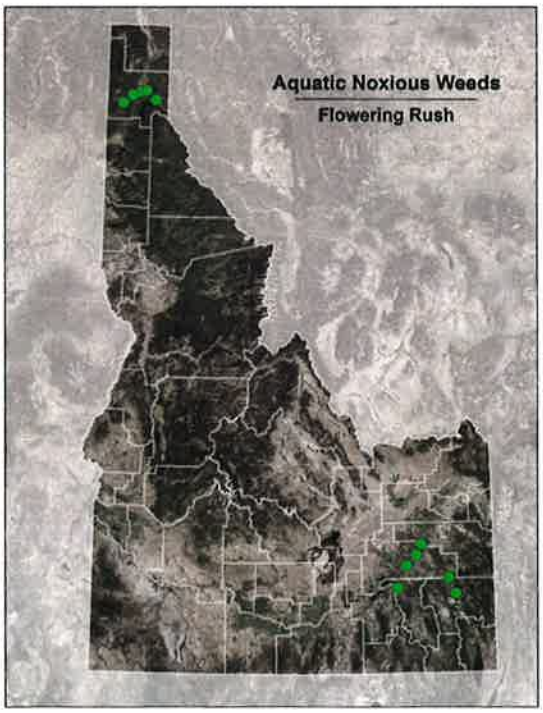
August 2nd Herbicide Treatments

- Chemical Treatments 133.5 acres
  - Hayden Lake (113.5)
  - Cocolalla Lake (20)
- Mechanical Removal
  - Contracted Diver Removal
  - ISDA Mokins Bay, Hayden Lake dredge removal
- Increased survey efforts to facilitate better control efforts in 2018



Flowering Rush

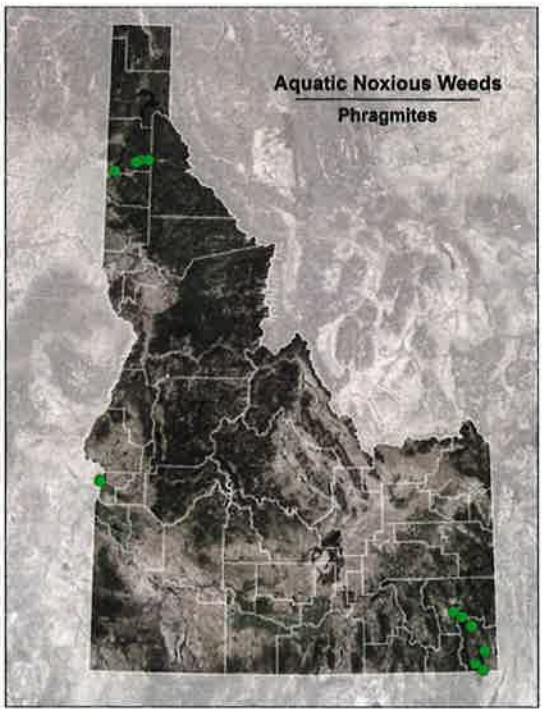
- 2017 was a continuation of ARS Flowering rush effective treatment evaluation.
  - Pend Oreille Lake (Bonner County)
  - Rose Ponds (Bingham County)
- Expecting end of season report soon
- Flowering rush will be surveyed and treated in 2018
  - Determine rate of spread
  - Total distribution
  - Work on leading edges to try and reduce rate of spread



Feb 5,2018

Phragmites australis

- Looking into viable treatment options for 2018
- Pilot project targeting seed head removal in high traffic area
  - 9/20/2017 1,765 seed heads removed
    - Potentially 2 million seeds removed



Phragmites australis

- Historically population has been in the Bear Lake area
  - ISDA has worked with local Cooperative Weed Management Area to control this species
  - Currently working with local groups to make the best management decisions for 2018
- As new populations are being identified ISDA will continue to work with local working groups to better facilitate management of the invasive plant

Aquatic Noxious Weeds

- Anytime water is involved there are additional requirements and public perception issues
- Each of these species present challenges in tools available for control
- New plans for survey techniques for 2018 to capture a better picture of what Idaho really has and where our focus needs to be
- With each aquatic species also comes the challenge of selecting the best management practice to achieve control level goals

Feb 5, 2018

INVASIVE SPECIES OF IDAHO

www.invasivespecies.idaho.gov

- Invasive Species & Noxious Weeds
- Watercraft Inspection
- Early Detection Monitoring
- Grasshopper & Mormon Cricket Control
- Noxious Weed Free Forage & Straw
- Forms, Reports, & Publications
- Maps
- FAQs
- Laws & Rules
- Contact Information

INVASIVE SPECIES OF IDAHO

Education and Outreach

- Campaign
  - Clean, Drain, Dry
  - Know What you Grow
  - Don't Let it Loose
  - Knock it Off
  - Buy it where you burn it
- Various Pathways
  - Inspection stations
  - Cooperative partners
  - Outreach events, seminars and workshops
  - Radio
  - Website
  - Facebook
  - Banner advertisement
  - Google advertisement
  - Promotional item, brochure, sticker, etc.
  - Watercraft registration flyer

Feb 5,2018

IDAHO STATE DEPARTMENT OF AGRICULTURE

Lloyd Knight
Administrator, Plant Industries
Lloyd.knight@isda.Idaho.gov
(208)332- 8664
(208)859-4173

Nic Zurfluh
Section Manager, Invasive Species
Nicholas.zurfluh@isda.Idaho.gov
(208)332-8686
(208)631-9574

Jeremey Varley
Section Manager, Noxious Weeds
Jeremey.varley@isda.Idaho.gov
(208)332-8667
(208)993-0950

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, February 08, 2018

SUBJECT	DESCRIPTION	PRESENTER
Presentation:	Idaho Barley Commission	Kelly Olson, Administrator

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, February 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 8:00 a.m.

PRESENTATION: **Idaho Barley Commission. Kelly Olson**, Administrator, highlighted the Idaho Barley Commission's (IBC) budget slide, stating in 2018 the IBC income is projected to be up 5 percent at $734,280 with expenses up 5.5 percent to $743,995. By June 30, 2018, she projected reserves to be over $540,000. IBCs expense allocations are projected to be: 13 percent for administration; 52 percent to research; 12 percent for market development; 15 percent to growers services; and 8 percent for information education (Attachment 1).

Despite higher income, barley growers produced a lower crop this year. Malt companies were carrying large inventories from 2015 and 2016. The companies cut contracted acres across the entire country, with Idaho's cuts less than other states. Idaho's barley production was 48.5 million bushels, down 22 percent. IBC's income is based on an assessment of 3 cents per hundredweight. Why is IBC's income up with lower production? **Ms. Olson** explained, because of the large inventories from 2015 and 2016, the malt and brewing companies pipeline was clogged. Farmers held most of the 2016 harvest on their farms. The 2016 crop has now come to market and the farmers have been paid for that crop. IBC is now receiving income from the 2016 crop.

Idaho is the largest producer of barley in the United States. The State produces 34 percent of the entire crop. The farmers are working down the big inventories of grain, the 2018 crop has stabilized acres, and prices are up. The majority of the barley crop is used to make beer. For the fifth consecutive year, beer demand in the United States was down 2.2 percent in 2017. The segment of the industry that continues to prosper is the craft beer manufacturers. In 2017, sales were up 6.2 percent with craft beer brewers using 40 percent of the malt. The Pocatello malt plant expanded their production capacity in 2017 by 130 percent to support craft beer brewers.

Ms. Olson pointed out the exciting opportunity and market demand for food barley. Idaho is the largest producer of food barley and **Ms. Olson** highlighted the companies IBC has partnered with for innovative food products which include barley. The cereal companies are moving away from their rice based cereals into healthier multi-grain products. This change has been driven by millennial's food preferences. All of the demand for Idaho food barley came from the Hakubaku company in Japan. IBC is launching a marketing campaign with a new logo "Barley Nature's Hearty Grain." In 2006, IBC received a Food and Drug Administration

heart health claim which documented barley's unique soluble fiber and that it had the most fiber of any grain. Barley has been proven to lower cholesterol and the associated risk of heart disease.

Barley is also a low glycemic carbohydrate which regulates blood glucose levels to help reduce glucose intolerance and insulin resistance which is seen in type II diabetes. The University of Idaho (UI) has developed and merchandised their "Healthy Diabetes Plate" information where barley is prominently featured on the Plate.

Ms. Olson concluded her presentation stating, five years ago, IBC made a big investment and increased their assessment from 2 cents to 3 cents a hundredweight. The assessment was increased for the purpose of establishing an endowment at the UI to create a dedicated barley research agronomist position. IBC has completed that funding, Dr. Christopher Rogers, based at the Aberdeen Research Extension Center, has been on staff for three years. IBC appreciates the Legislature's commitment to UI Center for Agriculture, Food and the Environment (CAFE) Project. While it is based around research for dairy, IBC believes the project has multipurposes and IBC will consider a modest investment in that Center.

IBC is one of the few commissions that publishes a weekly grain market report; there is no federal grain market news service. IBC also hosts educational webinars. Two grain marketing workshops will be held next week, and for the younger farmers IBC has been developing an application for the mobile phone where Idaho cash prices will be posted on that platform.

Senator Patrick asked a question concerning the import slide which showed that the United States imports beer from Mexico. He wondered if that beer contains Idaho barley. **Ms. Olson** replied the beer that is imported from Modelo in Idaho Falls; their malt does go to Mexico, but it does not come back as beer to the United States marketplace.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 8:28 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Idaho Barley Commission Budget Highlights

	FY 2016	FY 2017	FY 2018
Income	$772,154	$701,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

Attachment 1.

Idaho Barley Leads the Nation

34% Idaho's share of 2017 US barley crop

Idaho produced 48.5 million bushels barley (down 22%) on 510,000 acres (down 12%).

Average yields were down 11% from 2016 record yields.

2016 Idaho barley farm-gate receipts were $304 million, up 10%, making barley the 4th largest cash crop.

Domestic beer sales stagnate; craft sales growth slowing

2017 beer sales are down 0.7% (through Sept.), but major beer makers see opportunities to turn negative trends around.

2016 domestic beer sales were flat, while craft beer sales grew 6.2%, down from several years of double-digit growth.

Food barley acres expanded 5X in 2017

- Strong Japanese demand boosts contract acreage across Idaho.
- Barley health benefits include lower cholesterol, weight management and improved gut health.
- Launching new food barley campaign targeting school meals, restaurants and food bloggers.

Barley
NATURE'S HEARTY GRAIN

IBC fully funds ONE MILLION DOLLAR University of Idaho Barley Research Endowment

- Dr. Chris Rogers assumed barley scientist position at the Aberdeen Research & Extension Center in July 2014.
- Research shows proper soil testing and recommended fertilizer practices result in optimal plant growth and yields.
- Irrigation beyond soft dough stage on a silt-loam soil with a full soil-water profile provides no agronomic or economic benefit.

High return on federal barley research investment...

$13 million

annual federal investment in barley research provides essential support to a dynamic

$277 billion annual barley industry

including raw agricultural commodity ($1.2 billion), brewing businesses, value-added food and feed uses and federal excise and income taxes.

1 IN EVERY 10

Acres of American farmland harvested goes to **CANADA** or **MEXICO.**

MEXICO IS THE #1 IMPORTER OF U.S. MALT, WHEAT & CORN

2018 Idaho Barley Report

Kelly Olson, kolson@barley.idaho.gov
Idaho Barley Commission
February 2018

IBC Budget Highlights

	FY2016	FY2016	FY2018
Income	$772,154	$702,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

2017 Idaho Barley Crop

Harvested area 510,000 acres -12%

Production 48.45 million bu -22%

Ave. Yields 95 bpa -11%

2017-18 Idaho barley farm-gate value - $265 million -1%
(UI 2017 Financial Condition of Idaho Agriculture)

Idaho barley represents 34% of total U.S. barley production

Source: USDA Small Grains Report, Sept. 30, 2017

U.S. Beer Demand

Percent Change in Volume	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015	Calendar Year 2014	Calendar Year 2013
Total Supply	-2.2%	+0.0%	-0.1%	+0.4%	-1.2%
Domestics		-0.8%	-1.2%	-0.7%	-1.3%
Imports		+6.8%	+6.2%	+6.9%	-0.6%

2016 Craft Beer Sales +6.2% 12.3% share

Steady growth in food barley demand

Highland Specialty Grains

Idaho Barley Commission

McKay Seed Company, Inc. Seeds For Success

Pacific Northwest Farmers Cooperative

HB Specialty Foods

Ardent Mills

Thresher Artisan Wheat

Hakubaku

Kellogg's

Barley's Health & Wellness

Barley

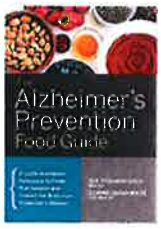
NATURE'S HEARTY GRAIN

- Reduces cholesterol and associated risk of heart disease
- Regulates blood-glucose levels, reduces glucose intolerance and insulin resistance
- Helps with weight control
- Improves digestive health
- Boosts immune system.

Barley's Health & Wellness

University of Idaho Healthy Diabetes Plate

Top 100 Foods for Alzeimer Prevention



Food Barley Products

IBC GROWER EDUCATION

- **Idaho Grain Market Report** published weekly by IBC at www.barley.idaho.gov
- Links to recorded **WEBINARS**...
  - **Five Common Mistakes in Grain Marketing featuring Ed Usset,** University of Minnesota Center for Farm Financial Management.
  - **Winter 2018 Weather & Water Outlook featuring Troy Lindquist,** NWS Senior Hydrologist.
  - **How to Write a Pre-Harvest Grain Marketing Plan, featuring Ed Usset,** Univ. of Minnesota.
- **Idaho Grain Marketing Workshops – Feb. 13 and 14 in Rexburg and Pocatello**
- **GeoGrain Market App** – working with app developer to add Idaho elevator cash prices. Offers terrific grain market optimizer tools.

Idaho Barley Commission Budget Highlights

	FY 2016	FY 2017	FY 2018
Income	$772,154	$701,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

Attachment 1.

Idaho Barley Leads the Nation

34% Idaho's share of 2017 US barley crop

Idaho produced 48.5 million bushels barley (down 22%) on 510,000 acres (down 12%).

Average yields were down 11% from 2016 record yields.

2016 Idaho barley farm-gate receipts were $304 million, up 10%, making barley the 4th largest cash crop.

Domestic beer sales stagnate; craft sales growth slowing

2017 beer sales are down 0.7% (through Sept.), but major beer makers see opportunities to turn negative trends around.

2016 domestic beer sales were flat, while craft beer sales grew 6.2%, down from several years of double-digit growth.

Food barley acres expanded 5X in 2017

- Strong Japanese demand boosts contract acreage across Idaho.
- Barley health benefits include lower cholesterol, weight management and improved gut health.
- Launching new food barley campaign targeting school meals, restaurants and food bloggers.

Barley
NATURE'S HEARTY GRAIN

IBC fully funds ONE MILLION DOLLAR University of Idaho Barley Research Endowment

- Dr. Chris Rogers assumed barley scientist position at the Aberdeen Research & Extension Center in July 2014.
- Research shows proper soil testing and recommended fertilizer practices result in optimal plant growth and yields.
- Irrigation beyond soft dough stage on a silt-loam soil with a full soil-water profile provides no agronomic or economic benefit.

High return on federal barley research investment...

$13 million

annual federal investment in barley research provides essential support to a dynamic

$277 billion annual barley industry

including raw agricultural commodity ($1.2 billion), brewing businesses, value-added food and feed uses and federal excise and income taxes.

1 IN EVERY 10

Acres of American farmland harvested goes to **CANADA** or **MEXICO.**

MEXICO IS THE #1 IMPORTER OF U.S. MALT, WHEAT & CORN

2018 Idaho Barley Report

Kelly Olson, kolson@barley.idaho.gov
Idaho Barley Commission
February 2018

IBC Budget Highlights

	FY2016	FY2016	FY2018
Income	$772,154	$702,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

2017 Idaho Barley Crop

Harvested area 510,000 acres -12%

Production 48.45 million bu -22%

Ave. Yields 95 bpa -11%

2017-18 Idaho barley farm-gate value - $265 million -1%
(UI 2017 Financial Condition of Idaho Agriculture)

Idaho barley represents 34% of total U.S. barley production

Source: USDA Small Grains Report, Sept. 30, 2017

U.S. Beer Demand

Percent Change in Volume	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015	Calendar Year 2014	Calendar Year 2013
Total Supply	-2.2%	+0.0%	-0.1%	+0.4%	-1.2%
Domestics		-0.8%	-1.2%	-0.7%	-1.3%
Imports		+6.8%	+6.2%	+6.9%	-0.6%

2016 Craft Beer Sales +6.2% 12.3% share

Steady growth in food barley demand

Highland Specialty Grains

Idaho Barley Commission

McKay Seed Company, Inc. Seeds For Success

Pacific Northwest Farmers Cooperative

HB Specialty Foods

Ardent Mills

Thresher Artisan Wheat

Hakubaku

Kellogg's

Barley's Health & Wellness

Barley

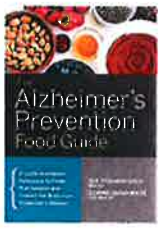
NATURE'S HEARTY GRAIN

- Reduces cholesterol and associated risk of heart disease
- Regulates blood-glucose levels, reduces glucose intolerance and insulin resistance
- Helps with weight control
- Improves digestive health
- Boosts immune system.

Barley's Health & Wellness

University of Idaho Healthy Diabetes Plate

Top 100 Foods for Alzeimer Prevention



Food Barley Products

IBC GROWER EDUCATION

- **Idaho Grain Market Report** published weekly by IBC at www.barley.idaho.gov
- Links to recorded **WEBINARS**...
  - **Five Common Mistakes in Grain Marketing featuring Ed Usset,** University of Minnesota Center for Farm Financial Management.
  - **Winter 2018 Weather & Water Outlook featuring Troy Lindquist,** NWS Senior Hydrologist.
  - **How to Write a Pre-Harvest Grain Marketing Plan, featuring Ed Usset,** Univ. of Minnesota.
- **Idaho Grain Marketing Workshops – Feb. 13 and 14 in Rexburg and Pocatello**
- **GeoGrain Market App** – working with app developer to add Idaho elevator cash prices. Offers terrific grain market optimizer tools.

Idaho Barley Commission Budget Highlights

	FY 2016	FY 2017	FY 2018
Income	$772,154	$701,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

Attachment 1.

Idaho Barley Leads the Nation

34% Idaho's share of 2017 US barley crop

Idaho produced 48.5 million bushels barley (down 22%) on 510,000 acres (down 12%).

Average yields were down 11% from 2016 record yields.

2016 Idaho barley farm-gate receipts were $304 million, up 10%, making barley the 4th largest cash crop.

Domestic beer sales stagnate; craft sales growth slowing

2017 beer sales are down 0.7% (through Sept.), but major beer makers see opportunities to turn negative trends around.

2016 domestic beer sales were flat, while craft beer sales grew 6.2%, down from several years of double-digit growth.

Food barley acres expanded 5X in 2017

- Strong Japanese demand boosts contract acreage across Idaho.
- Barley health benefits include lower cholesterol, weight management and improved gut health.
- Launching new food barley campaign targeting school meals, restaurants and food bloggers.

Barley
NATURE'S HEARTY GRAIN

IBC fully funds ONE MILLION DOLLAR University of Idaho Barley Research Endowment

- Dr. Chris Rogers assumed barley scientist position at the Aberdeen Research & Extension Center in July 2014.
- Research shows proper soil testing and recommended fertilizer practices result in optimal plant growth and yields.
- Irrigation beyond soft dough stage on a silt-loam soil with a full soil-water profile provides no agronomic or economic benefit.

High return on federal barley research investment...

$13 million

annual federal investment in barley research provides essential support to a dynamic

$277 billion annual barley industry

including raw agricultural commodity ($1.2 billion), brewing businesses, value-added food and feed uses and federal excise and income taxes.

1 IN EVERY 10

Acres of American farmland harvested goes to **CANADA** or **MEXICO.**

MEXICO IS THE #1 IMPORTER OF U.S. MALT, WHEAT & CORN

2018 Idaho Barley Report

Kelly Olson, kolson@barley.idaho.gov
Idaho Barley Commission
February 2018

IBC Budget Highlights

	FY2016	FY2016	FY2018
Income	$772,154	$702,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

2017 Idaho Barley Crop

Harvested area 510,000 acres -12%

Production 48.45 million bu -22%

Ave. Yields 95 bpa -11%

2017-18 Idaho barley farm-gate value - $265 million -1%
(UI 2017 Financial Condition of Idaho Agriculture)

Idaho barley represents 34% of total U.S. barley production

Source: USDA Small Grains Report, Sept. 30, 2017

U.S. Beer Demand

Percent Change in Volume	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015	Calendar Year 2014	Calendar Year 2013
Total Supply	-2.2%	+0.0%	-0.1%	+0.4%	-1.2%
Domestics		-0.8%	-1.2%	-0.7%	-1.3%
Imports		+6.8%	+6.2%	+6.9%	-0.6%

2016 Craft Beer Sales +6.2% 12.3% share

Steady growth in food barley demand

Highland Specialty Grains

Idaho Barley Commission

McKay Seed Company, Inc. Seeds For Success

Pacific Northwest Farmers Cooperative

HB Specialty Foods

Ardent Mills

Thresher Artisan Wheat

Hakubaku

Kellogg's

Barley's Health & Wellness

Barley

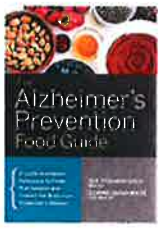
NATURE'S HEARTY GRAIN

- Reduces cholesterol and associated risk of heart disease
- Regulates blood-glucose levels, reduces glucose intolerance and insulin resistance
- Helps with weight control
- Improves digestive health
- Boosts immune system.

Barley's Health & Wellness

University of Idaho Healthy Diabetes Plate

Top 100 Foods for Alzeimer Prevention



Food Barley Products

IBC GROWER EDUCATION

- **Idaho Grain Market Report** published weekly by IBC at www.barley.idaho.gov
- Links to recorded **WEBINARS**...
  - **Five Common Mistakes in Grain Marketing featuring Ed Usset,** University of Minnesota Center for Farm Financial Management.
  - **Winter 2018 Weather & Water Outlook featuring Troy Lindquist,** NWS Senior Hydrologist.
  - **How to Write a Pre-Harvest Grain Marketing Plan, featuring Ed Usset,** Univ. of Minnesota.
- **Idaho Grain Marketing Workshops – Feb. 13 and 14 in Rexburg and Pocatello**
- **GeoGrain Market App** – working with app developer to add Idaho elevator cash prices. Offers terrific grain market optimizer tools.

Idaho Barley Commission Budget Highlights

	FY 2016	FY 2017	FY 2018
Income	$772,154	$701,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

Attachment 1.

Idaho Barley Leads the Nation

34% Idaho's share of 2017 US barley crop

Idaho produced 48.5 million bushels barley (down 22%) on 510,000 acres (down 12%).

Average yields were down 11% from 2016 record yields.

2016 Idaho barley farm-gate receipts were $304 million, up 10%, making barley the 4th largest cash crop.

Domestic beer sales stagnate; craft sales growth slowing

2017 beer sales are down 0.7% (through Sept.), but major beer makers see opportunities to turn negative trends around.

2016 domestic beer sales were flat, while craft beer sales grew 6.2%, down from several years of double-digit growth.

Food barley acres expanded 5X in 2017

- Strong Japanese demand boosts contract acreage across Idaho.
- Barley health benefits include lower cholesterol, weight management and improved gut health.
- Launching new food barley campaign targeting school meals, restaurants and food bloggers.

Barley
NATURE'S HEARTY GRAIN

IBC fully funds ONE MILLION DOLLAR University of Idaho Barley Research Endowment

- Dr. Chris Rogers assumed barley scientist position at the Aberdeen Research & Extension Center in July 2014.
- Research shows proper soil testing and recommended fertilizer practices result in optimal plant growth and yields.
- Irrigation beyond soft dough stage on a silt-loam soil with a full soil-water profile provides no agronomic or economic benefit.

High return on federal barley research investment...

$13 million

annual federal investment in barley research provides essential support to a dynamic

$277 billion annual barley industry

including raw agricultural commodity ($1.2 billion), brewing businesses, value-added food and feed uses and federal excise and income taxes.

1 IN EVERY 10

Acres of American farmland harvested goes to **CANADA** or **MEXICO.**

MEXICO IS THE #1 IMPORTER OF U.S. MALT, WHEAT & CORN

2018 Idaho Barley Report

Kelly Olson, kolson@barley.idaho.gov
Idaho Barley Commission
February 2018

IBC Budget Highlights

	FY2016	FY2016	FY2018
Income	$772,154	$702,437	$734,280
Expenses	$701,355	$704,941	$743,995
Reserves	$551,284	$553,138	$543,423

FY 2018 Expense Allocation		
Admin	13%	($98,046)
Research	52%	($390,250)
Market Development	12%	($83,998)
Grower Services	15%	($114,351)
Info/Education	8%	($57,350)

2017 Idaho Barley Crop

Harvested area 510,000 acres -12%

Production 48.45 million bu -22%

Ave. Yields 95 bpa -11%

2017-18 Idaho barley farm-gate value - $265 million -1%
(UI 2017 Financial Condition of Idaho Agriculture)

Idaho barley represents 34% of total U.S. barley production

Source: USDA Small Grains Report, Sept. 30, 2017

U.S. Beer Demand

Percent Change in Volume	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015	Calendar Year 2014	Calendar Year 2013
Total Supply	-2.2%	+0.0%	-0.1%	+0.4%	-1.2%
Domestics		-0.8%	-1.2%	-0.7%	-1.3%
Imports		+6.8%	+6.2%	+6.9%	-0.6%

2016 Craft Beer Sales +6.2% 12.3% share

Steady growth in food barley demand

Highland Specialty Grains

Idaho Barley Commission

McKay Seed Company, Inc. Seeds For Success

Pacific Northwest Farmers Cooperative

HB Specialty Foods

Ardent Mills

Thresher Artisan Wheat

Hakubaku

Kellogg's

Barley's Health & Wellness

Barley

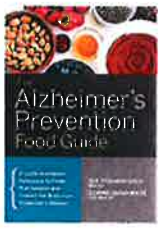
NATURE'S HEARTY GRAIN

- Reduces cholesterol and associated risk of heart disease
- Regulates blood-glucose levels, reduces glucose intolerance and insulin resistance
- Helps with weight control
- Improves digestive health
- Boosts immune system.

Barley's Health & Wellness

University of Idaho Healthy Diabetes Plate

Top 100 Foods for Alzeimer Prevention



Food Barley Products

IBC GROWER EDUCATION

- **Idaho Grain Market Report** published weekly by IBC at www.barley.idaho.gov
- Links to recorded **WEBINARS**...
  - **Five Common Mistakes in Grain Marketing featuring Ed Usset,** University of Minnesota Center for Farm Financial Management.
  - **Winter 2018 Weather & Water Outlook featuring Troy Lindquist,** NWS Senior Hydrologist.
  - **How to Write a Pre-Harvest Grain Marketing Plan, featuring Ed Usset,** Univ. of Minnesota.
- **Idaho Grain Marketing Workshops – Feb. 13 and 14 in Rexburg and Pocatello**
- **GeoGrain Market App** – working with app developer to add Idaho elevator cash prices. Offers terrific grain market optimizer tools.

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, February 13, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of February 1, 2018	Senator Guthrie and Thayne
Introduction:	University of Idaho Public Policy Tour	Rick Waitley, AG Econ, Executive Director, Food Producers
Presentation:	Idaho Soil and Water Conservation Commission	Teri Murrison, Administrator
Presentation:	Idaho Association of Soil Conservation Districts	Kit Tillotson, President

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 13, 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 8:00 a.m.

MINUTES APPROVAL: **Senator Thayn** moved to approve the Minutes of February 1, 2018. Seconded by **Vice Chairman Den Hartog**. The motion carried by **voice vote**.

INTRODUCE: **University of Idaho (UI) Public Policy Tour. Rick Waitley**, Agriculture Economics, Executive Director, Food Producers, introduced the UI students. **Mr. Waitley** advised the students are attending a four-day seminar on public policy and agency government. They also will interact with industry leaders.

PRESENTATION: **Idaho Soil and Water Conservation Commission (ISWCC). Teri Murrison**, Administrator, ISWCC, said Conservation the Idaho Way is locally led agricultural stewardship on private lands. It depends on voluntary actions concerning projects to improve water quality; restore streams, rivers, forest, range, croplands; and contribute to healthy soils. The program balances our economic health with that of our natural resources, and helps satisfy environmental laws and regulations.

ISWCC focuses on several core functions:

1. Serving conservation districts: providing financial and technical assistance;
2. Providing incentive-based and other conservation programs;
3. Educating about voluntary conservation.

ISWCC offers assistance in district plans and implements local projects. ISWCC works closely with their federal partner, the Natural Resources Conservation Service (NRCS). ISWCC provides districts with financial and technical assistance based on the expertise and availability of staff. Districts receive about 50 percent of ISWCC field staff hours because of other program obligations.

A short video was played to help the Committee understand how projects develop and agencies seek ISWCC expertise. The video illustrated the restoration work that is underway for the City of Weiser and Weiser River. In early February 2017, after two months of severe winter weather, it warmed up in Weiser, Idaho and subsequent spring flooding occurred on farm fields and low lying areas around the City of Weiser. The flooding destroyed the Weiser River Soil Conservation District wetlands area, which was constructed to filter out sediment from an irrigation canal. This was a $456,000 water quality project funded by the Idaho Department of Environmental Quality (DEQ) and the Environmental Protection Agency (EPA). Numerous levees were damaged or breached in a ten mile span of the river. After the flood waters subsided, ISWCC offered 200 hours of technical assistance

including drafting of engineering plans for repairs and handling permitting with multiple agencies. The levee was restored on both sides of the river and the river bank repairs were designed so the new levees would meet United States Army Corps of Engineers standards. ISWCC engineers managed to pay for the highest priority projects with Flood District Funds and Landowner Cost Share Funds; these funds allowed more than five areas to be repaired.

Ms. Murrison discussed some of the issues ISWCC faces in providing district support based on the expertise and availability of their staff. Because there are other program obligations, districts receive about 50 percent of ISWCC field staff hours, less than what they request. ISWCC continues to refine their technical assistance allocation process to deliver as much assistance as possible, but given ISWCCs constrained resources the most feasible solution to this issue might be for districts to write technical assistance into grant applications and take on new partners.

Ms. Murrison advised ISWCC is the State lead for the Conservation Reserve Enhancement Program (CREP). For a number of reasons, producers have been slow to enroll acreage in this program. The following are a few of those reasons:

- Annual payment rates do not keep pace with increasing cropland rental rates, spurred by high commodity prices;
- CREP's 15-year fixed annual rental rate had no allowance for inflation;
- Native grass seed is expensive.

To address these issues, the Farm Service Agency (FSA) increased rental rates to $30 per acre for the 15-year contract term and ground water districts will offer annual incentives.

The Resource Conservation and Rangeland Development Program (RCRDP) was reviewed in August to determine what changes needed to be made in this program to attract more potential borrowers. In a collaborative effort with agency partners, they plan to bring rule changes before the Legislature to increase interest for future borrowers. During the first six months of fiscal year 2018, loan volume and interest in the program has rebounded significantly.

Vice Chairman Den Hartog asked if there is Statewide interest in a farmland preservation program. **Ms. Murrison** answered ISWCC currently does not support farmland preservation as one of their statutory roles; however, it would fit well with their conservation mission which is the preservation of agricultural lands. In particular, **Ms. Murrison** had conversations with different districts concerning the need in the Treasure Valley to make sure the heritage and ability to produce food and fiber continues into the future. **Ms. Murrison** indicated the Idaho State Department of Agriculture has spoken to groups concerning this issue.

Chairman Rice questioned the comments in Ms. Murrison's presentation which indicated not all of the Weiser River Project work has been completed. He asked Ms. Murrison if she could give the Committee information on the work that remains to be completed and the levee repairs. **Ms. Murrison** spoke to the issue of the replacement by the U. S. Army Corps of Engineers limits replacement in certain areas of that project. Idaho's repair efforts were able to repair the river projects to higher standards than the U.S. Army Corps of Engineers. The U. S. Army Corps of Engineers standards for repair would be a minimum restoration and Idaho's interest is to make sure that the river system works for the landowners who use the river. **Chairman Rice** asked if the larger rocks used in the restoration are new to the Weiser River Levee Project. **Ms. Murrison** explained there is an escarpment that goes up from the river. At the top of the escarpment is a canal that conveys

water. The canal was severely eroded in the flooding. The large rock used on the cliff was to shore-up the canal erosion.

PRESENTATION: **Idaho Association of Soil Conservation Districts (IASCD). Mike Sommerville**, member of IASCD Board, stated IASCD is primarily responsible for leadership in locally led, non-regulatory conservation. IASCD works on environmental enhancement efforts, sustainability of agricultural production, and improvement in the natural resource base. IASCD conducts surveys and demonstration projects in response to exigency work. IASCD enters into district flood prevention measures establishing agreements and building partnerships with all conservation agencies. They support landowners one-on-one in improving soil health projects, such as cover crops, erosion, and flood control.

IASCD works with districts and landowners to reduce ground water pollution from agricultural lands by assisting them with the implementation of BMPs on private lands. Idaho is still $100 million in need to address water quality issues in the State on agricultural, range, and dry land.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 8:42 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Attachment #1:

Established 1939

Conservation the Idaho Way

ISSUE FIFTY-SIX IDAHO SOIL & WATER CONSERVATION COMMISSION FEBRUARY 2018

Calvin Hickey and Bill Lillibridge, reviewing options.

Flooding persisted for months after the initial event.

IDAHO CONSERVATION PARTNERS WORK TO FIX WEISER RIVER LEVEES

By Steve Stuebner

In early February 2017, it warmed up after 2 months of severe winter weather in Weiser, Idaho.

Deep snow covered the ground everywhere. The river was frozen with thick ice. When the weather warmed up rapidly, things began to melt, fast!

The Weiser River rapidly rose to flood stage, and the ice-covered river spread out, flooded farm fields and low lying areas around the city of Weiser.

Rain falling on deep snow caused roofs to collapse. It was a difficult time.

Farmer Calvin Hickey, chairman of Flood District #3, worried about the damage and erosion that the ice flows would cause to the river banks and levees.

"When it's moving, it scours the banks," he said. "Where it gets plugged up, that's where it causes the damage, but when it's moving, it's an awesome thing to see. It's rumbling, crunching, moving, there's trees flowing by, and ice ... it's just a solid flush of ice."

Vicki Lukehart, district administrator for the Weiser River Soil Conservation District, worried about the damage as well.

"It was heart-breaking when we first saw this," she said. "This whole area was covered with ice, it looked like a foreign planet, it was indescribable. But it was heartbreaking because it was a beautiful structure ... we just look forward to repairing it and getting it going again."

Several years ago, the Weiser River Soil Conservation District created a large wetlands area to filter out sediment from an irrigation canal as part of a $456,000 Section 319 water quality project funded by the Idaho Department of Environmental Quality and the Environmental Protection Agency.

"The whole dike in here has been damaged in several areas," she said. "The trees have been shaved off, as if they never existed, you've never been able to see through here."

LEVEES, cont. on Page 2

SENATE AGRICULTURAL AFFAIRS COMMITTEE FEBRUARY 2018

Idaho Soil & Water Conservation Commission

FY 2017 ANNUAL REPORT

Conservation the Idaho Way: Sowing the Seeds of Stewardship

IDAHO SOIL & WATER CONSERVATION COMMISSION

Senate Ag Affairs
February 2018

Commissioners

established 1939

FY 2017/18
17.75 FTPs, 4 t-FTPs

Conservation the Idaho Way: Sowing the Seeds of Stewardship

IDAHO SOIL & WATER CONSERVATION COMMISSION

CORE FUNCTIONS

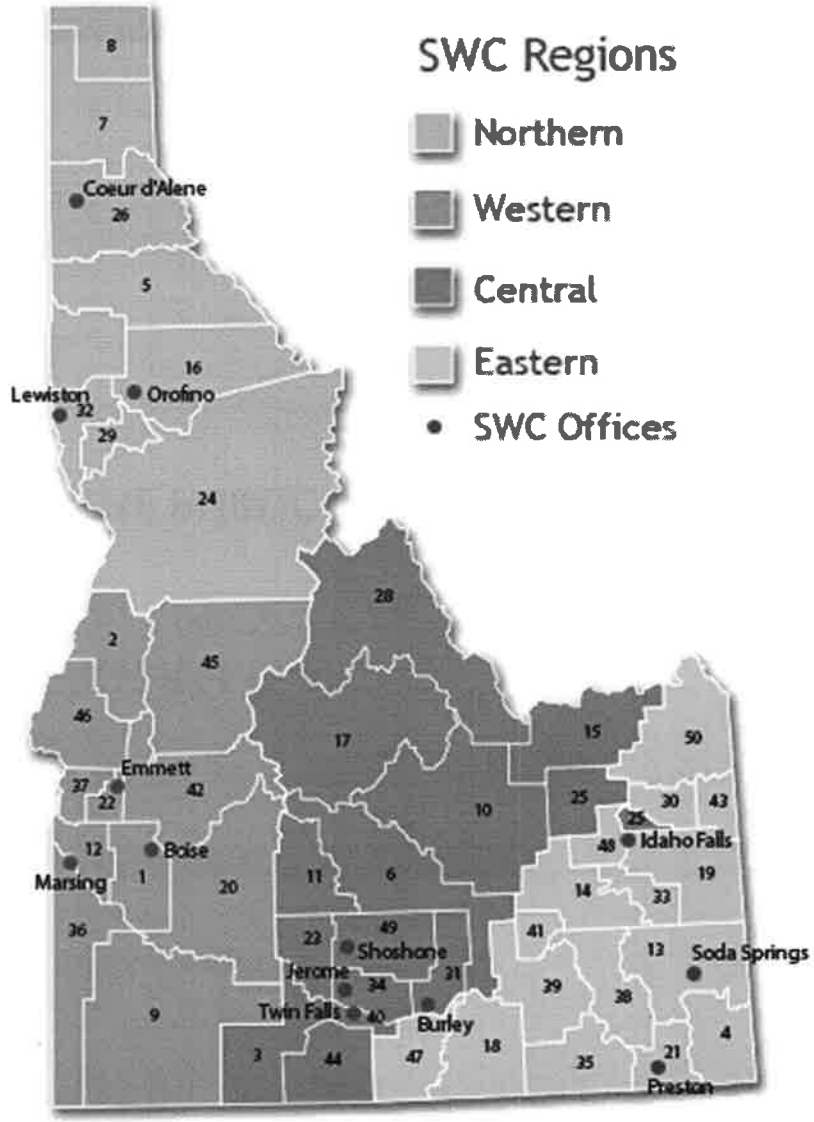
PROVIDING:

- DISTRICT SUPPORT
- NON-REGULATORY, SCIENCE BASED PROGRAMS AND SERVICES
- AND ENGAGING PARTNERS, AG, AND THE PUBLIC IN VOLUNTARY CONSERVATION

established 1939

ISSUE 1: DISTRICT SUPPORT

1. Ada
2. Adams
3. Balanced Rock
4. Bear Lake
5. Benewah
6. Blaine
7. Bonner
8. Boundary
9. Bruneau River
10. Butte
11. Camas
12. Canyon
13. Caribou
14. Central Bingham
15. Clark
16. Clearwater
17. Custer
18. East Cassia
19. East Side
20. Elmore
21. Franklin
22. Gem
23. Gooding
24. Idaho
25. Jefferson
26. Kootenai Shoshone
27. Latah
28. Lemhi
29. Lewis
30. Madison
31. Minidoka
32. Nez Perce
33. North Bingham
34. North Side
35. Oneida
36. Owyhee
37. Payette
38. Portneuf
39. Power
40. Snake River
41. South Bingham
42. Squaw Creek
43. Teton
44. Twin Falls
45. Valley
46. Weiser River
47. West Cassia
48. West Side
49. Wood River
50. Yellowstone



ISSUES, CHALLENGES, AND SOLUTIONS

ISSUE 1: DISTRICT SUPPORT

CHALLENGES

- Districts' inability to access desired amount of technical assistance from Commission
- Districts' limited access to funding for project implementation

SOLUTIONS

- Commission continues to refine technical assistance allocation process
- Districts encouraged to be creative, seek new partners

ISSUE 2: PROGRAMS - CREP

CHALLENGES

- Producer participation sluggish for variety of reasons
- No imminent threat of water curtailment
- Program acreage limitations in 3 counties, and more

SOLUTIONS

- FSA granted increased rental rate request (except in 3 counties) to max rate of $160/acre for 5-year term
- Participating ground water districts to offer additional incentives

ISSUE 3: PROGRAMS - RCRDP

CHALLENGES

- Low program interest after Great Recession
- Reduced interest rates (from 5% to 2.5%) generating lower returns to fund
- Reduction in state treasury interest rates (from 5% to 3/10ths of 1%)
- Personnel and Operating costs exceed interest generated

SOLUTIONS

- Increase loan volume via policy and rule changes, streamlining process, and
- Work collaboratively with partners to identify feasibility and other options

ISSUE 4: ENGAGING PARTNERS

CHALLENGES

- Increasing opportunities for collaboration constrain existing Commission resources

SOLUTIONS

- Requesting agencies encouraged to involve other partners

established 1939

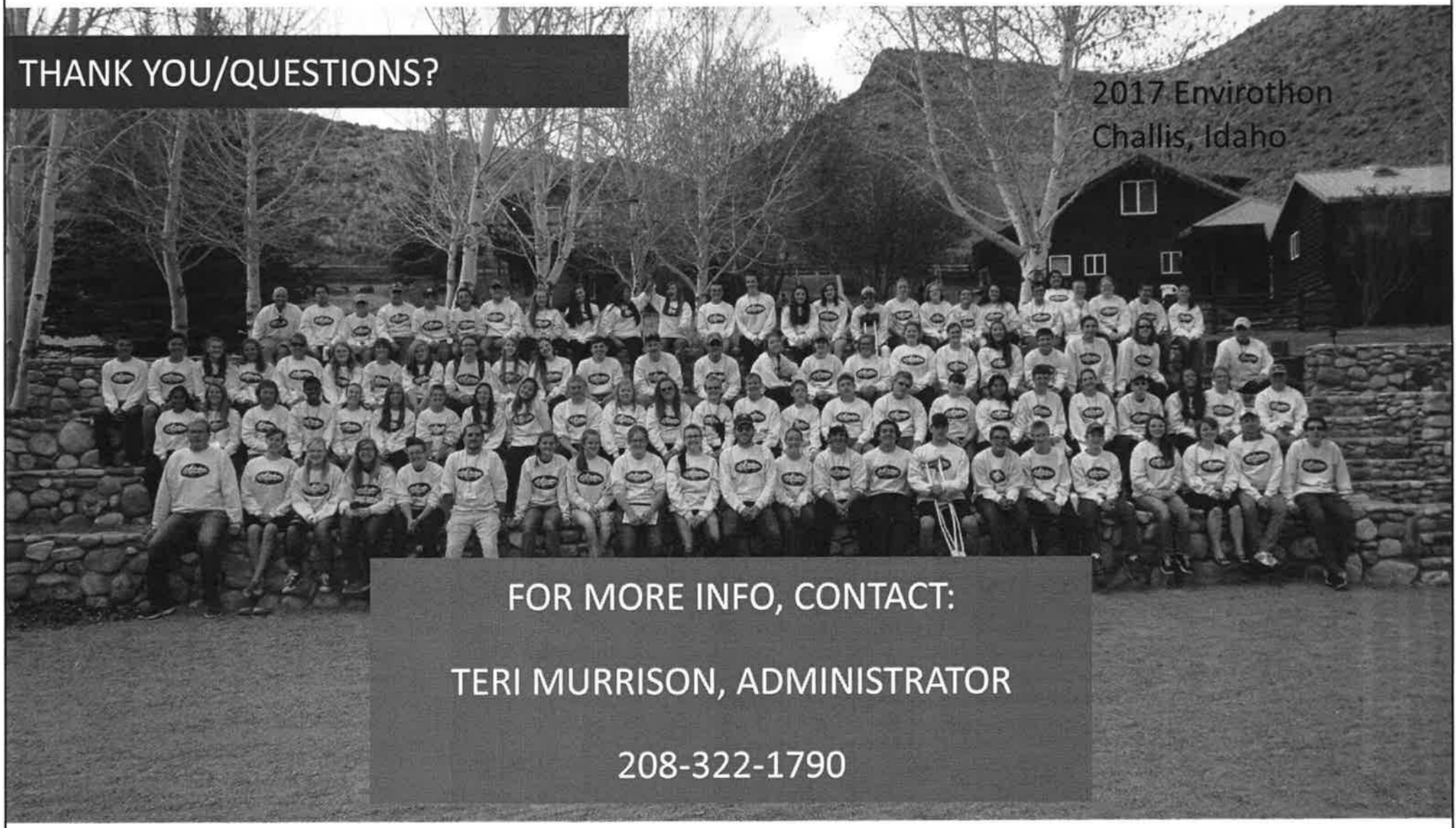
ISSUE 4: ENGAGING OTHERS

Like our page: Idaho Soil and Water Conservation Commission

Sign-up for our newsletter at:
www.swc.idaho.gov

Follow us at:
#iswccnews

THANK YOU/QUESTIONS?



FOR MORE INFO, CONTACT:

TERI MURRISON, ADMINISTRATOR

208-322-1790

Conservation the Idaho Way: Sowing the Seeds of Stewardship

IDAHO
SOIL & WATER
CONSERVATION COMMISSION

FINANCIAL ACCOUNTABILITY

Funds in FY 2017	Appropriation	Actual Expenditures
General Fund	$ 2,686,500	$ 2,700,000*
Dedicated	412,000	348,800**
Federal	0	0
Other	60,000***	11,800
Total		

* Includes encumbrances from FY 2016 sale of vehicles and laptops for capital purchase (vehicle)
** Expenditures are purposefully minimized in the operating fund of loan programs (RCRDP and State Revolving Fund) in light of reduced loans in the last few years, and to preserve the amount in the Other fund for future one-time purchases.
*** Spending authority, not actual receipts

Encumbrances

1. Flood mitigation grant writing: $29,000 to contract with grant writers, engineer. Spent to date: $ 6,300

2. $14,689 in professional services operating funds to fulfill a multi-year contract to sample and test deep soil nitrate levels in nitrate priority areas.

Replacement Items

2 vehicles purchased, purchased 3rd out of proceeds of capital item sales

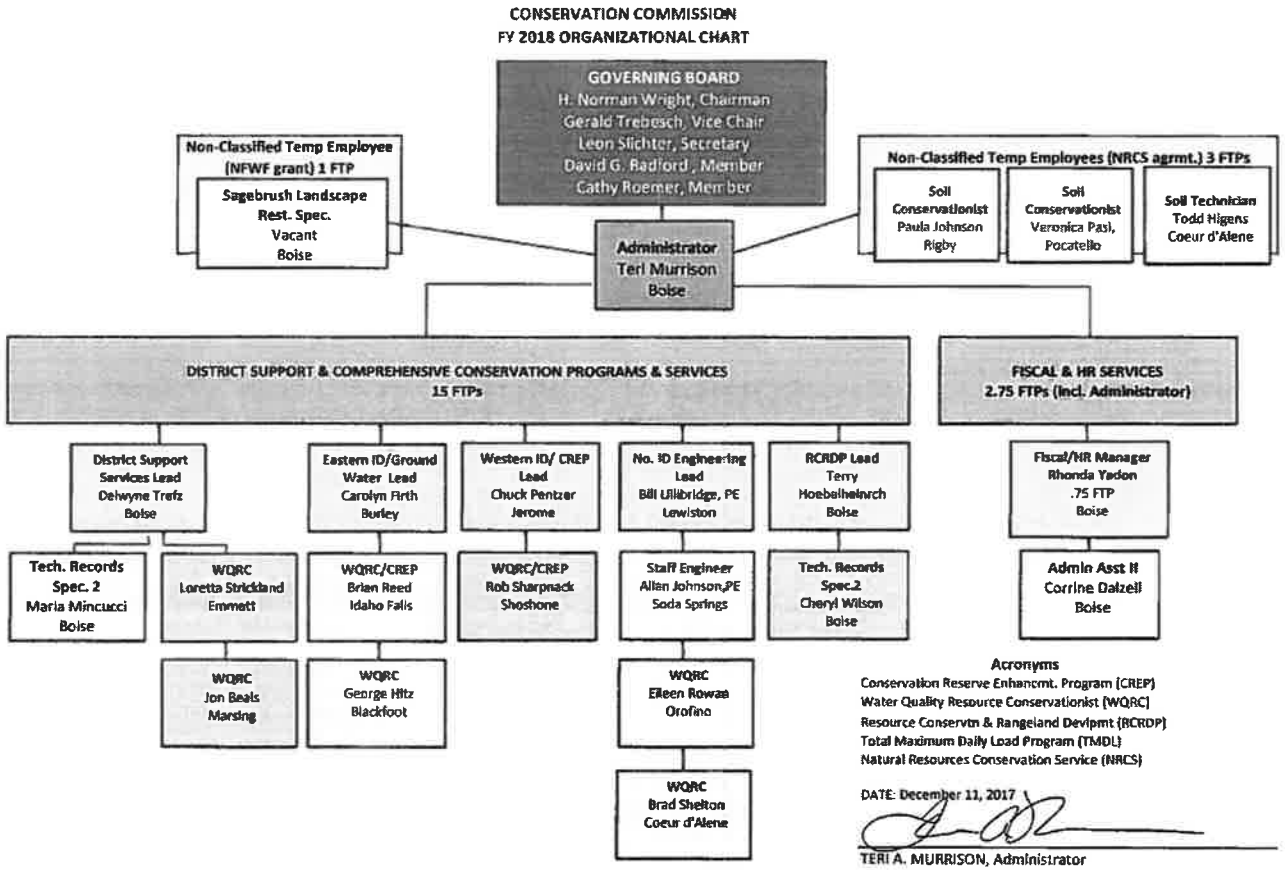
Unspent Funds

0001 (GF)	$ 1,800 Personnel and Operating, reverted
0450 (ProSvcs)	$23,200 spending authority
0522-01 (RCRDP)	$ 7,398 (Personnel), $67,593 (Operating) spending authority
0529-16 (SRF)	$24,977 (Operating) spending authority

Senate Ag Affairs
February 2018

established 1939

FY 2017/18 ORG CHART



Conservation the Idaho Way: Sowing the Seeds of Stewardship

IDAHO SOIL & WATER CONSERVATION COMMISSION

SENATE AGRICULTURAL AFFAIRS COMMITTEE
FY 2017 FINANCIAL ACCOUNTABILITY REPORT NARRATIVE
Tuesday, Feb. 13, 8:00 AM – WW 53

Narrative ~7 mins, video –7 mins

SLIDE 1: INTRODUCTION

Private lands – forest, range, and croplands - care for 71% of the lower 48 states, 82% of wetlands, and 80% of endangered species. They support urban areas, agriculture, provide energy and transportation corridors, habitat for fish and wildlife, and contribute to water quality goals. In Idaho, just under 30% of all lands are privately-owned. They're in large part responsible for the health of the economy and steward much of our natural resources.

Conservation the Idaho Way is locally led agricultural stewardship on private lands. It depends on voluntary actions – projects that improve water quality, restore streams, rivers, forest, range, and croplands, and contribute to healthy soils. It balances our economic health with that of our natural resources, and helps satisfy environmental laws and regulations.

SLIDE 2: WHO WE ARE This is who we are. Governor Otter appoints our five member Board and our total FTPs are capped at 17.75 (plus another 4 temporary FTPs).

SLIDE 3: CORE FUNCTIONS The Conservation Commission focuses on several core functions:

1. Serving conservation districts: providing financial and technical assistance;
2. Providing incentive-based and other conservation programs; and
3. Educating about voluntary conservation.

SLIDE 4: DISTRICT SUPPORT The way the conservation partnership works is: the state supports Commission operations, programs, and districts. We help districts plan and implement local projects. We work closely with our federal partner, the Natural Resources Conservation Service (NRCS). Districts recruit partners to build upon state support.

It's helpful to understand how projects come about. **PLAY VIDEO SHORT HERE**

SLIDE 5: ISSUES Now, to discuss some issues we face.

SLIDE 6: ISSUE 1 DISTRICT SUPPORT

We provide districts with financial assistance and also with technical assistance based on the expertise and availability of our staff. Because we have other program obligations, districts receive about 50% of our field staff hours, less than what they request and say they need. Also, because other project funding sources are scarce, they are slower to address work plans and priorities.

We continue to refine our technical assistance allocation process to deliver as much assistance as we can. Partners are increasingly realistic in their expectations and precise in projections and scheduling. Given our constrained resources, the most feasible solution to this issue is for districts to write technical assistance into grant applications and take on new partners. We continue to look for improvements to our technical assistance allocation process.

SLIDE 7: ISSUE 2 CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)

The Commission is the state lead for the Conservation Reserve Enhancement Program (CREP). Its intent is to retire irrigated cropland, reducing consumptive ground water use in the Eastern Snake Plain Aquifer (ESPA). CREP provides an annual rental payment for every acre enrolled. Our current CREP goal is to enroll up to 50,000 acres of groundwater-sourced irrigated cropland into the program, saving a projected 100,000 acre-ft. (AF) of water annually.

For a number of reasons, producers have been slow to enroll acreage, likely because:

- Annual payment rates didn't keep pace with increasing cropland rental rates spurred on by high commodity prices.
- CREP's 15-year fixed annual rental rate had no allowance for inflation.
- Native grass seed is expensive.

- Extreme drought combined with weed and pest infestations made stand establishment difficult. and
- There was no imminent risk of mandatory water rights curtailment.

To address these, at the petition of the Idaho state coordinating committee, last fall FSA increased rental rates in all but a few counties. Rental rates increased by $30 per acre for the 15-year contract term. Participating ground water districts will offer additional annual incentives - payments or credits against assessments - after a producers' initial water usage reduction requirement under the surface water coalition agreement has been met.

The increase in rental rates and ground water districts' additional annual enhancement is expected to spur renewed interest in the program.

SLIDE 8: ISSUE 3, RESOURCE CONSERVATION AND RANGELAND DEVELOPMENT PROGRAM (RCRDP)

The Resource Conservation and Rangeland Development Program (RCRDP) provides loans to landowners to implement conservation practices on private property. Since 1985, over 535 projects and $28 million in loans have funded about $40M worth of conservation projects.

Its dedicated fund was originally established with Estate and Transfer Taxes, generating $8.1M over time. Accumulated interest on those dollars and from loans is $1.6M (after expenses). The present cash and loan balance is $9.7M. RCRDP no longer receives external funds. Program personnel and operating expenses are funded by annually-generated treasury and loan interest, and accumulated interest.

At issue is the fact that since the Great Recession, loan volume and interest generation has dropped off likely due to lower Ag commodity prices and lack of consumer confidence in the economy. In recent years, to remain competitive in the ag loan market RCRDP interest rates were cut from 5% to 2.5%. Further, state treasury interest rates dropped to 3/10ths of 1% compared to 5%. So, in the past few years the program has been spending some of the $1.6M of accumulated interest - an average of $71,000 a year - to pay personnel and operating expenses. At that rate it would take 21 years to consume the fund's $1.6M in accumulated interest and reduce the portfolio total to the $8.1M initially appropriated.

Last August, we initiated a review of statute and rule to determine what changes need to happen to make the program more attractive to potential borrowers. We met with partners around the state, asking for input. We've identified some

internal policy changes we will implement now. We will also work with our partners, the Governor's office, and interested legislators to propose Rule changes next year.

In the meantime, during the first six months of FY 2018, loan volume and interest in the program has rebounded significantly. More loans were made over the first two quarters of FY 2018 than in the entire FY 2017.

SLIDE 9: ENGAGING PARTNERS TO EXPAND CONSERVATION

We're experiencing strong interest from new potential partners.

- Sister state agencies (*compensate us for some technical services*),
- NRCS (*contracted with us to hire and supervise three FTPs due to the federal government's hiring cap*).
- The National Fish and Wildlife Foundation (*is giving us a 2.5 year grant to hire a sagebrush landscape restoration coordinator. We're working with the Governor's Office of Species Conservation, Idaho Department of Fish and Game, US Fish and Wildlife Service, and others on this*).
- Idaho Ground Water Assoc. on their $5M grant application to make available matching loans to install flow meters on private wells in the Eastern Snake Plain Aquifer.

Although these new partnerships help achieve our mission, our human resource capacity is a constraint. Consequently, we now direct potential partners and projects to seek assistance from other agencies.

SLIDE 10: ENGAGING OTHERS This annual report is a small slice of the available info about the Commission. We invite you to learn more by following us on Facebook and Twitter, and signing up for our newsletter.

SLIDE 11: THANK YOU/QUESTIONS

Voluntary agricultural stewardship would not be possible without willing private landowners – farmers and ranchers – and a strong and effective local, state, and federal partnership. Thank you for your support, time, and attention.

SLIDE 12: MISC FINANCIAL ACCOUNTABILITY SLIDES (p 12 – 14)

SLIDE 12: FINANCIAL ACCOUNTABILITY

- *Appropriations, Expenditures in all funds*

SLIDE 13: FINANCIAL ACCOUNTABILITY

- *Encumbrances, Replacement Items, Unspent funds*

SLIDE 14: FINANCIAL ACCOUNTABILITY

- *Org Chart*

Ada Soil & Water Conservation District
2017 Fact Sheet

General Information

The Ada Soil & Water Conservation District has achieved over 60 years of successful conservation implementation, and is fully engaged in meeting present day conservation needs. Over ¼ of the State's farmland is in the Treasure Valley; the District is actively seeking to create mechanisms to assist in the preservation of our remaining farmlands.

Vision

The vision for the Ada Soil & Water Conservation District is to develop partnerships throughout Ada County to promote the wise use of natural resource conservation and planning.

Location

Ada County and a small southwest portion of Boise County. The District includes the City of Boise, the State's Capitol.

Legislative District 8, 14, 15, 16, 17, 18, 19, 20, 21, 22

FY 2017 Accomplishments

- Partnered with several organizations to apply for a Conservation Innovation Grant (CIG) to study the use of biocontrol agents to control invasive weeds in the Boise Foothills.
- The District's two no-till drills were rented by 18 producers this year for use on over 600 acres in the Treasure Valley, reducing soil erosion and increasing soil health.
- Held three 5th Grade Conservation Field Days for 600 students from Boise, Kuna and Meridian schools. At each event, environmental and industry leaders educate students about soil health, agriculture, watersheds, animal habitat, healthy food and pollinators.
- Provided education to 180 students on soil health and its importance to the community.
- Sponsored four students to UI's Natural Resources Camp.

FY 2017 Accomplishments (Cont'd)

- Awarded Ada Community Conservation Grants to the Treasure Valley Food Coalition (TVFC) and the Boise Urban Garden School (BUGS.)

Future Plans and Projects

- Agriculture contributes $1.7 billion to the Treasure Valley's economy, but acreage dedicated to farms is declining rapidly. Over ¼ of Idaho farm acres are located in the Treasure Valley; the District continues to advocate to make preservation and enhancement options available to landowners.
- Continue the CIG-funded experimentation of the biocontrol agent D7 to address the threat of invasive annuals (cheat grass.) Three sites with 10 plots each are located throughout Southern Idaho to study 2 strains, combined with 2 commonly-applied herbicides. Impact on cheat grass and non-targeted species are being recorded and analyzed.

FY 2017 Funds

State	**$ 61,300**
County	$ 45,000
Avimor Easement Management	$ 5,000
No-Till Drill Rental	$ 11,505
SWID RC&D Admin Assistance	$ 950
5th Grade Field Day Partners	$ 3,500
Total	**$127,255**

9173 W Barnes Drive, Suite C
Boise ID 83709
Board meets the 1st Friday of each month At 9:00 a.m.

Chair: Glen Edwards
208.685.6981
Admin Assistant: Jessica Harrold
Jessica.Harrold@id.nacdnet.net

Prepared by the Idaho Soil and Water Conservation Commission

Conservation the Idaho Way

ISSUE FIFTY-SIX IDAHO SOIL & WATER CONSERVATION COMMISSION FEBRUARY 2018

Calvin Hickey and Bill Lillibridge, reviewing options.

IDAHO CONSERVATION PARTNERS WORK TO FIX WEISER RIVER LEVEES

Flooding persisted for months after the initial event.

By Steve Stuebner

In early February 2017, it warmed up after 2 months of severe winter weather in Weiser, Idaho.

Deep snow covered the ground everywhere. The river was frozen with thick ice. When the weather warmed up rapidly, things began to melt, fast!

The Weiser River rapidly rose to flood stage, and the ice-covered river spread out, flooded farm fields and low-lying areas around the city of Weiser.

Rain falling on deep snow caused roofs to collapse. It was a difficult time.

Farmer Calvin Hickey, chairman of Flood District #3, worried about the damage and erosion that the ice flows would cause to the river banks and levees.

"When it's moving, it scours the banks," he said. "Where it gets plugged up, that's where it causes the damage, but when it's moving, it's an awesome thing to see. It's rumbling, crunching, moving, there's trees flowing by, and ice ... it's just a solid flush of ice."

Vicki Lukehart, district administrator for the Weiser River Soil Conservation District, worried about the damage as well.

"It was heart-breaking when we first saw this," she said. "This whole area was covered with ice, it looked like a foreign planet, it was indescribable. But it was heartbreaking because it was a beautiful structure ... we just look forward to repairing it and getting it going again."

Several years ago, the Weiser River Soil Conservation District created a large wetlands area to filter out sediment from an irrigation canal as part of a $456,000 Section 319 water quality project funded by the Idaho Department of Environmental Quality and the Environmental Protection Agency.

"The whole dike in here has been damaged in several areas," she said. "The trees have been shaved off, as if they never existed, you've never been able to see through here."

LEVEES, cont. on Page 2

LEVEES cont. from Page 1

The Weiser River spiked two more times in the spring of 2017, causing more damage, and then the river flow finally started to recede. At this point, It was time for Calvin Hickey to take stock of the damage to the river banks and the levees that protect lands from flooding. Starting at the Galloway Diversion, Hickey surveyed the damage.

Snake River Horizons, a drone video company with digital marketing services, documented the damage with aerial drone video footage to help Hickey get a fix on how much damage had occurred.

Through the survey, Hickey found numerous levees that had been damaged or breached in a 10-mile reach of the river. At a site upstream of the Unity Bridge, the river had cut away the levee like a knife.

"Well this used to be complete roadway, and the river has cut in during the ice and flood," Hickey says. "It's eroded this levee away, and it's kind of typical of what's happened in several places where it's done that."

Closer to Weiser, aerial footage showed the damage to the sediment-retention ponds and the levees by Twin Bridges.

"We are very proud of this project," Lukehart said. "It was a beautiful project before the flood hit and it will be again. The Payette Ditch Co. will get it back to the original beauty that it was. Everything is fixable."

In May, Hickey and Lukehart reached out to multiple state and federal agencies for help with funding and technical assistance to repair the damage. "It takes money.

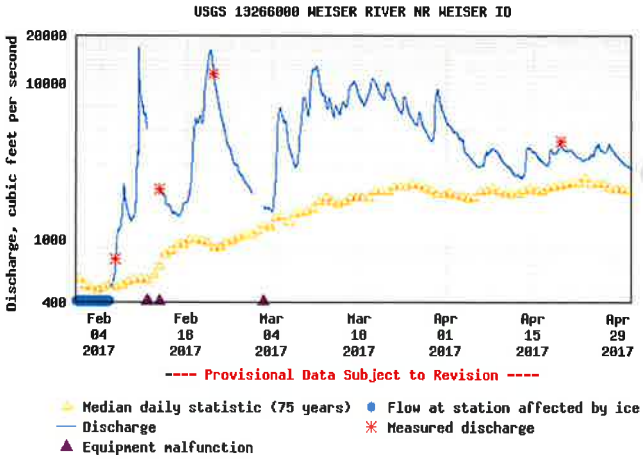
Flood waters washed away a levee road on the Weiser River. Photo credit Snake River Horizons, 2017.

Several years earlier the Weiser River SCD created a sediment-capturing wetlands project that was inundated by flooding in 2017.

That's why we're all here, and I've been out here with NRCS, and just about any agency I can think of to come out and take a look, get involved, and help us get the money. The flood district is on a pretty short, limited budget," Hickey said.

Washington County had been designated a disaster area by Gov. Otter during the winter to assist with getting federal funding to repair damaged infrastructure from the ice flows and floods.

They hoped to get funding from the Federal Emergency Management Agency (FEMA), and possibly the U.S. Army Corps of Engineers, which had built the Weiser River levees in the 1960s.



On a sunny day in May, Lukehart invited the Idaho Soil and Water Conservation Commission and the Natural Resources Conservation Service to tour the levee damage to see what resources they could provide.

The Conservation Commission frequently assists local soil and water conservation districts with projects statewide. They were eager to help. Commission administrator Teri Murrison and Delwyne Trefz, district support services specialist, attended the tour and were concerned about the damage.

"I think with the amount of damage we've seen here today, it speaks to the scope of the work that needs to be done," Trefz said. "It's a very broad scope. It's going to take a partnership, going to need some financial assistance, need some pots of money.

"They recognize that we can't just in slapstick fashion go out and throw band-aids on these problem areas out here. We need good, sound engineer science-based solutions. We can offer that."

Understanding the urgent need, the Conservation Commission immediately offered 200 hours of technical assistance via staff engineer Bill Lillibridge. He could draw up engineering plans for repairs and handle the permitting with multiple agencies.

The two men met on the river bank to plan the next steps. "So where do we start? What do I need to do?" Hickey asked.

LEVEES, cont. on Page 3

LEVEES, cont. from Page 2

"Well, the first thing is to figure out where we want to do work, and what needs to be done," Lillibridge said. "We need to prioritize where our money goes and where we want to do the work. We can't do it all in a year. And we might not have the funding to do it all like we'd like to do it, so it's back to prioritizing."

"I think I'm looking at repairing the levees that either breached or had severe damage, I think that's what the landowners are looking for, and getting it done before the next season comes and the flooding comes again," Hickey said.

And that's what they set out to do. In the summer, Lillibridge did the engineering drawings and permitting to repair about 10 damaged levees and the sediment ponds area. They worked on getting funds from FEMA, but as time went on, the Hurricanes in Texas and Florida diverted the agency's attention. They would have to wait.

Aerial footage captured by Snake River Horizons shows the flooding, damaged sediment-retention ponds, and levees by Twin Bridges.

In the meantime, in October, Hickey was ready to get to work on the repairs. The permits only allowed a short window of time to work in the river to rebuild the levees and river banks.

He started on shoring up a tall river bank that's been eroded by high water and ice flows. The Sunnyside Canal runs on top of the bank. "We're trying to repair that bank. Our canal system is located right on top of there. If we lose any more of that bank, we'll lose the canal," he pointed out.

Hickey has been working with a contractor to install rock barbs along this section of the river. The rock barbs protect the bank, and slow the river down as it passes through the rocks and willows. "It makes a dead pool, when the water comes down and hits it, and then it slows down until it hits another one, and the sediment drops out," he said.

The flood district has installed a whole series of rock barbs in this area to protects the vital river bank next to the Sunnyside Canal.

Above the Unity Bridge, Hickey worked with a contractor to restore the levee along the Weiser River and integrate a series of rock barbs in the riverbank to slow down the water and protect the bank from the strong river current and future ice flows. Willows will quickly grow back on the river bank and help anchor the levee.

An aerial view shows how the contractor followed the engineering design provided by Bill Lillibridge. The river current hits the toe of the rock barbs, slows down, and forms an eddy behind it the rocks, thereby reducing streambank erosion overall.

By the Twin Bridges area, Hickey worked with a contractor to restore the levee on both sides of the river, following the Commission's engineering designs.

"He took all the material in the ponds, came in with a cat and cleaned it back up, filled the hole, had 19 loads of this big rock and put some gravel on top to keep a nice road bed and bring it back up to grade," he said.

Lillibridge designed the river bank repairs so that the new levees would meet Army Corps of Engineers standards, an important consideration for any future damage that might occur. An official with the

LEVEES, cont. on Page 4

LOW INTEREST CONSERVATION LOANS

Sprinkler Irrigation
No-Till Drills
Livestock Feeding Operations
Fences
Solar Stock Water
Pump Systems

INTEREST RATES AS LOW AS 2.5%

TERMS 7 TO 15 YEARS

IDAHO CONSERVATION LOAN PROGRAM

www.swc.idaho.gov • 208-332-1790

LEVEES, cont. from Page 3

Corps liked the project, Hickey said.

"Well, the lady from the Corps came and inspected it, and she thought it looked really good," he said. "In fact, she said it exceeded Army Corps standards. She was tickled to death to see this big armored type rock here. I felt good about it, real good."

The Payette Ditch Company also helped clean up the sediment ponds adjacent to the levee, so the water quality project will function correctly.

"This wetland was put in to reduce the sediment and the phosphorous and the nitrogen before it dumped into the Weiser River. And clean up the Weiser River for the TMDL established by EPA," Lukehart explains. "The integrity of the pond is fine. It's fixable ... definitely fixable."

Both Lukehart and Hickey appreciated the engineering assistance provided Bill Lillibridge and the Conservation Commission.

"It was a huge help for him to do all the engineering," Hickey said. "He came down and looked at all the sites. He did all the paperwork and technical work, got the permits, that was huge. He's been here and given me personal advice a couple of times, that was big, too, you know, it's nice to have that professional opinion. I've done a lot of this and I've learned a lot ... but it's nice to have that professional opinion."

Hickey directs a contractor installing rock barbs to protect against future floods.

Hickey managed to pay for the highest priority projects with Flood District funds and landowner cost-share funds. He got more than five areas repaired.

"Thank God that the flood district actually had some money," Lukehart said. "Because if we had waited for money from FEMA it wouldn't have come because the, had quite a few things to address because of the hurricanes and stuff in Florida, and that put us on hold. Then, here we are in December, and we've gotten a lot of things repaired we couldn't wait. The flood district got a lot of work done when they had to get it done."

Adds Hickey, "Oh yeah, I feel real good about what we got done for the money we've spent. These two sites here, any flooding that happens here goes into the town of Weiser, both sides, so I'm tickled to death to have these repaired." ❐

Steve Stuebner is a regular contributor to Conservation the Idaho Way.

COMMISSION

H. Norman Wright, Chairman
Jerry Trebesch, Vice Chairman
Leon Slichter, Secretary
Dave Radford, Commissioner
Cathy Roemer, Commissioner
Teri Murrison, Administrator

IDAHO SOIL & WATER CONSERVATION COMMISSION

322 East Front Street, Suite 560 • Boise Idaho 83702 • P: 208-332-1790
F: 208-332-1799 • info@swc.idaho.gov www.swc.idaho.gov

Conservation the Idaho Way: Sowing Seeds of Stewardship

Attachment #2:

IDAHO SOIL & WATER CONSERVATION COMMISSION

COMMISSION

H. Norman Wright
Chairman

Gerald Trebesch
Vice Chairman

Leon Slichter
Secretary

Dave Radford
Commissioner

Cathy Roemer
Commissioner

Teri A. Murrison
Administrator

February 7, 2018

The Honorable Jim Rice, Chairman
Senate Agriculture Affairs Committee
Idaho State Capitol
Boise, Idaho 83702

Re: Agency Germane Committee Presentation and Supporting Materials

Dear Chairman Rice,

We appreciate the assistance of the Committee Secretary in scheduling our Annual Report to the Committee on February 13th at 8:00 am. Attached is a copy of the requested FY 2017 Commission Financial Accountability Report for the review of the Committee.

Prior to next week's presentation, we will bring Carol the following for distribution to the Committee on the morning of our presentation:

1. A hard copy of the Commission's PowerPoint presentation and presentation narrative;
2. The appropriate District Fact Sheets for each Legislator. Questions may be posed to chairs listed on individual fact sheets; and
3. A copy of our February 2018 newsletter, Conservation the Idaho Way.

While we will have slides for the Financial Accountability Report should the Committee have questions, our presentation will focus on Issues, Challenges, and Solutions, as requested. We look forward to testifying before your Committee.

Sincerely,

TERI A. MURRISON, Administrator

cc: Senator Lori Den Hartog, Vice Chair
Senator Jim L. Patrick
Senator Clifford R. Bayer
Senator Jim Guthrie
Senator Steven P. Thayn
Senator Mark Harris
Senator Dan Foreman
Senator Maryanne Jordan
Ms. Carol Deis, Comm. Secretary

CONSERVATION THE IDAHO WAY: FY 2017 ANNUAL REPORT

IDAHO SOIL & WATER
CONSERVATION COMMISSION

CONTACT:

Teri Murrison, Administrator
Idaho Soil and Water Conservation Commission
322 E. Front St., #560
Boise, Idaho 83720
208-332-1790 Phone
870-0121 Cell Phone
208-332-1799 Fax
info@swc.idaho.gov
www.swc.idaho.gov

Idaho Code, Title 22, Chapter 27:18

(5)(d) On or before March 1 of each year, the commission shall report to the senate agricultural affairs committee and the house agricultural affairs committee;

Contents

Introduction 4
Financial Accountability in FY 2017 5
Appropriations and Expenditures 5
Encumbrances to FY 2018 5
Replacement Items 5
Unspent FY 2017 Funds 5
Audits 6
Issues 6
District Financial and Technical Assistance 6
Conservation Reserve Enhancement Program (CREP) 6
Total Maximum Daily Load (TMDL) Implementation Plans 7
Resource Conservation and Rangeland Development Program (RCRDP) 7
Expanding Conservation Opportunities and Partnerships 9
APPENDICES 10
APPENDIX A: FY 2017 Performance Measurements Report 11
Part I – Agency Profile 11
Agency Overview 11
Core Functions/Idaho Code 11
Revenue and Expenditures 11
Profile of Cases Managed and/or Key Services Provided 12
FY 2017 Performance Highlights 12
Part II – Performance Measures 12
APPENDIX B: Options Presented to Commissioners on Possible Changes to RCRDP Loan Program, Aug. 28, 2017 18
OPTION 1: Streamline Loan Process 19
OPTION 2: Expand Program 20

Introduction

The Idaho Soil and Water Conservation Commission's mission is to facilitate coordinated non-regulatory, voluntary, and locally-led conservation by federal, state, and local governments including Idaho's conservation districts and other partners to conserve, sustain, improve, and enhance soil, water, air, plant, and animal resources. (IC 27:22). In short, we sow seeds of good stewardship.

Private lands – forestland, rangeland, and cropland - are incredibly important to Idaho and to the United States in general. Private landowners care for 71% of the lower 48 states, 82% of our wetlands, and 80% of endangered species. In Idaho, about 30% of all lands are privately owned. Private lands support urban areas, agriculture, provide energy and transportation corridors, provide habitat for fish and wildlife, and contribute to water quality in waterways. Here, they are in large part responsible for the health of Idaho's economy and much of its natural resources.

Conservation the Idaho Way is locally led and voluntary agricultural stewardship on private lands - it balances the economic health of communities and natural resources. It contributes to meeting state and federal environmental goals, objectives, and mandates. The Idaho Soil and Water Conservation Commission (Conservation Commission) helps agriculture, healthy soils and water, fish, and wildlife thrive together.

Properly stewarding Idaho's abundant natural and human resources is not possible without willing private landowners – farmers and ranchers – and a strong and effective local, state, and federal partnership. Access to technical assistance professionals to assist landowners is an essential component of successful modern-day, environmentally sound agriculture and conservation.

Voluntary stewardship projects across the state undertaken by our local, state, and federal partnership - the Conservation Commission, Idaho's 50 soil and water conservation districts, and the Natural Resources Conservation Service (NRCS) - improve water quality, restore streams, rivers, forest, range, and croplands, and contribute to healthy soils. Our Conservation Partnership enables Idaho to save water, reduce erosion, manage fire fuels, improve habitat for livestock, fish and wildlife, and more. From considering on-the-farm pollution control tools to navigating the requirements of governmental funding programs, our efforts help connect the dots between policy, financial assistance, program compliance, practice verification and much more.

The Conservation Commission has three core functions: providing financial and technical support to Idaho's 50 locally led conservation districts; providing incentive-based and other voluntary conservation programs and services; and educating and informing the public, decision makers, partners, and other stakeholders about the value and benefits of good agricultural stewardship.

As required in Idaho Code, this annual report is submitted for review by the Senate and House Agricultural Committees.

February 5, 2018
Teri A. Murrison, Administrator

Financial Accountability in FY 2017

The way the state funds Conservation the Idaho Way works is simple: legislative support funds Conservation Commission operations, programs, and assists local conservation districts. We find partners to build upon that support and enhance what we do. The following appropriations and expenditures were made in FY 2017.

Appropriations and Expenditures

FUND	APPROPRIATION	ACTUAL EXPENDITURES
GENERAL	2,686,500	2,700,000*
DEDICATED	412,000	348,800**
FEDERAL	0	0
OTHER	60,000***	11,800

* Includes encumbrances from FY 2016 sale of vehicles and laptops for capital purchase (vehicle)
** Expenditures are purposefully minimized in the operating fund of loan programs (RCRDP and State Revolving Fund) in light of reduced loans in the last few years, and to preserve the amount in the Other fund for future one-time purchases.
*** Spending authority, not actual receipts

Encumbrances to FY 2018

1. Flood mitigation grant writing: $29,000 encumbered to FY 2018 to contract with professional grant writers and an engineer, to assess and put together grant applications to fund repairs in prioritized watersheds. Spent to date: $ 6,300

2. $14,689 in professional services operating funds were encumbered to FY 2018 to service a $40,000 contract with DEQ to conduct a deep soil nitrate sampling and testing project. Of the original $20,000 paid by DEQ in FY 2017, only $13,700 was expended in FY 2017 since a number of the fields to be tested that year were planted early and unavailable for testing, and DEQ requested we delay testing to fall. Since that time, testing has proceeded. By the end of the project (all testing has been conducted and analyzed), all but approximately $500 will have been expended.

Replacement Items

As budgeted, two vehicles were replaced (and we were able to replace a third truck from the proceeds of multiple sales of capital items).

Unspent FY 2017 Funds

0001 (GF)	$ 100 Personnel was reverted $ 800 Operating was reverted
0450 (ProSvcs)	$23,200 Operating funds were unspent and carried over to FY 2018 (multi-year deep soil testing contract, etc.)
0522-01 (RCRDP)	$ 7,398 Personnel was unspent and carried over to FY 2018 (dedicated fund – spending minimized until volume picks up) $67,593 Operating Expense was unspent and carried over to FY 2018 (dedicated fund – spending minimized until loan volume increases
0529-16 (SRF)	$24,977 Operating Expense was unspent and carried over to FY 2018 (to maintain buffer for cash flow payments due from the Conservation Commission to DEQ)

Audits

The Legislative Services Office has conducted a comprehensive management audit for FYs 2013-16, but the report will not be issued until late spring 2018.

Issues

District Financial and Technical Assistance

Accomplishments In FY 2017, over $1.25 million in General Fund Trustee and Benefit dollars were allocated for districts' financial support. The mean average of district allocations was $25,000, while the smallest allocation was about $14,000. Four of 50 districts reached the state matching funds cap of $50,000. State dollars allow districts to employ a part time administrative assistant and conduct information and education events. Districts either seek grants or find partners with funding to do projects.

Last year district satisfaction with the Conservation Commission's Technical Assistance was 91%. We awarded over 6,000 hours of staff time toward 7,300 Technical Assistance hours requested by districts, and helped 39 of 50 districts with projects. Overall responses to the district satisfaction survey were up, there was general improvement in responses from respondents who previously reported dissatisfaction with Commission services; and a new measure was established to track requests and awards for technical assistance: # of technical assistance hours requested by districts vs. the actual hours awarded. Since FY 2014, there has been a downward trend on the number of hours requested and an upward trend in the hours awarded. This is due to improved district forecasting of needs, a greater understanding of Commission capacity, and agency efficiencies.

Challenges Due to the existing workload (approximately 50% of field staff time is dedicated to district support, and the remainder goes to other legislatively defined programs) districts report that they are unable to receive the desired amount of technical assistance hours from the Conservation Commission. Further, districts report limited access to funding sources for the implementation of best management practices to address natural resource issues.

Solutions Subsequent to the floods of FY 2017, funds were encumbered to provide related grant writing assistance to districts that wished to find funding for projects. Short of adding several additional FTPs, (and since the Commission has multiple responsibilities in addition to providing district support), efforts to encourage districts to take on additional partners and to refine technical assistance allocation requests are ongoing.

Conservation Reserve Enhancement Program (CREP)

Accomplishments The main objective for CREP is to retire irrigated cropland reducing the ground water consumptive use. The intent is to complement other water saving efforts to stabilize and replenish ground water levels in the Eastern Snake Plain Aquifer (ESPA). Each acre enrolled into CREP equals four decreed diverted Acre Feet (AF) or actual water savings of approximately two AF. With 17,781 acres enrolled from the FY 2017 report, ***decreed*** water rights are reduced by approximately 71,128 AF: or an estimated actual savings of 35,564 AF. The CREP is currently at 18% of the original goal to save 200,000 AF annually or 36% of the refined target of 100,000 AF. The equivalent water savings is close to the annual consumptive use of approximately 340,000 people.

The program provides an annual rental payment over the contract term for every acre enrolled, helping to remove production risks, to provide protection from complete loss of income, and safeguard water rights, even when a mandatory curtailment is issued. In addition to the agency's contract certification, the Farm Service Agency (FSA) has certified a total of 40 contracts covering 3,183 acres (these data are not included in Appendix A, the Performance Measures Report).

Challenges The original contractual goal for this federally-sponsored program - CREP - was to enroll up to 100,000 acres of groundwater-sourced irrigated cropland into the program, saving a projected 200,000 acre-ft. (AF) of water annually. A few years

later, the program acreage goal was modified to 50,000 to accommodate actual response to the program. Prior to the increase in rental rates, the identified challenges to meeting that goal included:

- Annual payment rates had not kept pace with current cropland rental rates. Many producers were reluctant to enroll additional land, especially given that commodity prices significantly increased in the last ten years.
- Some producers were hesitant to make a 15-year commitment to a fixed annual rent that didn't (and doesn't) provide income adjustments with inflation.
- The high cost of native grass seed and only limited success from several years of drought have discouraged many from continuing to try to get stands established like they would want. In addition, weeds such as mustards, kochia, Russian thistle and cheat grass continue to impede success. Even some previously established stands have failed from the more aggressive nature of the non-native weeds.
- Federal Farm Bill program payment limitations for producers kept some from participating fully in the program.
- No risk of mandatory curtailment of water rights.
- Three of the counties within the program area originally did not qualify FY because of program acreage limitations.
- Non-highly erodible land (NHEL) was not eligible for CREP at the beginning of the program.

Solutions In September, 2017, the FSA granted the increased rental rates request (with the exception of Jefferson, Bonneville, Blaine Counties). The increase was effective on new offers after October 1, 2017 (the beginning of federal FY 18). Rental rates in the approved counties were increased by $30 per acre to a maximum payment rate of $160 per acre for the five-year term. The Idaho Ground Water Association (IGWA) approved a resolution that ground located within the participating groundwater districts will offer additional annual incentives in the form of either payments or credits against their assessments after the producers "initial" 12.5% water usage reduction has been met.

The increase in rental rates and IGWA's additional annual enhancement is expected to spur additional participation in the program for the remaining 31,700 available acres. This will further advance CREP's role as an important option for producers by providing an equitable, measurable water savings over a longer period. Since October 1st, 2017, three new contracts on 550 additional acres have been approved and ten additional offers are currently in process. The Conservation Commission and the Idaho Department of Water Resources will monitor workload demands closely to ensure that program delivery occurs in a timely manner. In the meantime, we continue to apply technology to increase staff efficiency in mapping, field checks, and documentation. Further, new interagency information sharing technologies are being investigated for shared database management and communication.

Total Maximum Daily Load (TMDL) Implementation Plans

Accomplishments The Conservation Commission is keeping pace with the TMDL implementation plan workload assigned by DEQ.

Challenges None identified.

Resource Conservation and Rangeland Development Program (RCRDP)

Background The Resource Conservation and Rangeland Development Program (RCRDP) dedicated fund was created by the Legislature in 1985 (§22-2730).

> *§22-2730. RESOURCE CONSERVATION AND RANGELAND DEVELOPMENT FUND CREATED. (1) There is hereby created in the state treasury a fund to be known as the Idaho resource conservation and range land development fund, which shall consist of all moneys which may be appropriated to it by the legislature or made available to it from federal, private or other sources. The state treasurer is directed to invest all unobligated moneys in the fund. All interest and other income accruing from such investments shall accrue to the fund. The state soil and water conservation commission may expend from the fund such sums as it shall deem necessary for any of the conservation improvements, projects and programs provided for under this chapter under such terms and conditions provided for in the commission's rules and the water quality program for agriculture.*

22-2731. ALLOCATION OF FUND. The Idaho resource conservation and rangeland development fund shall be allocated for use by the state soil and water conservation commission:

(1) To eligible applicants for conservation improvements which it deems to be "in the public interest" in such amounts as are necessary for the implementation of conservation measures identified in a conservation plan;

(2) To eligible applicants for the purpose of conservation improvements on rangelands, agricultural lands and riparian lands, which will provide environmental enhancement to soil, water, wildlife and related resources;

(3) For the purpose of implementing conservation improvements, projects and the water quality program for agriculture.

Sources of funding include state treasury interest and loan interest. Originally funds were deposited into the RCRDP dedicated account from the Estate and Transfer Tax (§14-413). Between 1987 and 2000, $8.1M was generated to the RCRDP. Accumulated interest on that amount and from loans made to-date after expenses is $1.6M. Currently the cash and loan balance is $9,7M. In 2000, the distribution of the Estate Tax to RCRDP was reassigned to the General Fund in anticipation of the federal repeal of the estate tax.

Accomplishments To date, 534 projects and $28 million in loans have been funded. These loans have assisted with the implementation of an estimated $40,000,000 of conservation projects. The Conservation Commission's RCRDP has zero delinquencies or defaults. Separation of duties and chain of command requirements dictate that there is consistent oversight and monitoring shared by multiple people in the Boise office to maintain strong internal controls and avoid risk. Pursuant to Idaho Code 67-1021, we solicited and the State Controller's Office conducted a 2016 review of our fiscal processes to determine the adequacy of our internal controls over financial transaction, the RCRDP loan program among them. The only observations with regard to the RCRDP was the need to have two persons open mail that might contain checks and/or cash (immediately implemented), and the encouragement to finalize an in-process accounting policy and procedure manual (completed). Loan documentation, disbursements, payments, etc. are all conducted under the review of at least three people in addition to the program manager.

Challenges As noted on page 16 in the attached Appendix A, Performance Measures Report, borrowers in the RCRDP fund dropped off in FY 2017. This followed several years when loan numbers increased after the recession. In recent years, the volume had been rising gradually from year to year for reasons that we suspect include lower commodity prices and consumer confidence in the economy and producers' perception about their ability to repay loans. Last year, inquiries were down as were new applications and total loan funds actually disbursed (despite an aggressive multi-year marketing and outreach program).

The program was initially established with a deposit of $8.1M from the estate tax. Over time there was no further dedicated funding, but the loan portfolio grew to over $10M. . To remain competitive, RCRDP loan interest rates over the past several years dropped to 2.5%, fully one-half the typical 5% interest rate received in 2009. Additionally, since 2009 the state treasury interest rates dropped to three tenths of 1% as compared to 5% received before the Great Recession. By FY 2018 however, expenses outgrew generated interest income despite the Conservation Commission's intentional practice of minimizing expenditures (and reverting appropriations). Over the last several years, the program has brought in an average of $71,000 per year less than the program's spending authority. Although it would take 21 years to consume the fund's $1.5M in accumulated interest (at that rate) and reduce the portfolio total to the $8.1M initially appropriated, the Commission is working proactively with districts and the Idaho Association of Soil Conservation districts to develop, streamline, and enhance the program to fully cover program costs.

In the meantime, during first six months of FY 2018 loan volume and interest in the program has rebounded. More loans were made over the first two quarters of FY 2018 than in the entire FY 2017. Regardless, the Commission remains committed to achieving our goals: increasing interest and participation in the program, and streamlining requirements, processes, and policies to allow that interest to accelerate.

Solution In August 2017, the Commission initiated a comprehensive review of statute and rule to determine potential legislative, rule, and program-based changes that could be made in FY 2020 to promote increased utilization of the fund for agricultural stewardship/voluntary conservation. In October, staff made a series of presentations to partners around the state requesting input on ways to make the program more attractive to borrowers. Some of the proposed changes would be simple policy changes enacted by the Board. Others may require rule or statute changes, but we anticipate working with our partners, the Governor's office, and the Legislature on that in the next session. A copy of the program manager's memo to the Board outlining options is attached as Appendix B. The RCRDP has been, and we expect will continue to be, a valuable, cost-effective means of encouraging farmers and ranchers to invest in conservation.

Expanding Conservation Opportunities and Partnerships

Accomplishments The Conservation Commission strongly supports agriculture and we work hard to wring every drop of good that we can from the dollars appropriated. We're experiencing strong interest in coming alongside the partnership for the good work we do. Sister state agencies have been compensating us for some engineering and deep soil testing,

- NRCS contracted with us to hire and supervise three FTPs to help manage Farm Bill program workload in the face of the federal government's hiring cap.
- The Conservation Commission was awarded a 2.5-year grant from the National Fish and Wildlife Foundation to hire a sagebrush landscapes restoration coordinator (1 FTP) in partnership with NRCS, the Governor's Office of Species Conservation, Idaho Department of Fish and Game, US Fish and Wildlife Service, and others.
- The Conservation Commission collaborated with IGWA on a $5M grant application to provide matching loans to qualified applicants to install flow meters on private wells in order to reduce ground water withdrawals in the Eastern Snake Plain Aquifer.

Challenges Partners have requested additional collaborative agreements, however Conservation Commission capacity is a constraint.

Solution Requesting partners are encouraged to seek additional assistance from other agencies (local, state, and federal).

APPENDICES

APPENDIX A: FY 2017 Performance Measurements Report

Part I – Agency Profile

Agency Overview

The Idaho Soil and Water Conservation Commission (ISWCC) was created in 1939 under Idaho Code § 22-2716, et. seq.) to form local conservation districts to work on reducing soil erosion generated by agricultural land management practices. ISWCC is now also the lead agency for a number of voluntary conservation programs that address water quality and other natural resource issues. ISWCC has no regulatory authority. The ISWCC was led in FY 2017 by five Commissioners appointed by the Governor: Chairman H. Norman Wright, Vice Chairman Gerald Trebesch, Secretary Leon Slichter, and members Dave Radford and Glen Gier. The administrator was Teri Murrison. In FY 2017, the agency had 17.75 administrative and technical staff located in Boise and in offices around the state.

Core Functions/Idaho Code

1. **District Support and Services**: provides technical, financial, and other assistance to Idaho's 50 conservation districts.
2. **Comprehensive Conservation Services**: provides/promotes non-regulatory incentive and science-based programs to support voluntary conservation activities enhancing environmental quality and economic productivity.
3. **Administration**: ensures fiscally responsible operations to support Commissioners, programs, and staff.
4. **Outreach**: engages local, state, and federal partners, non-governmental organizations, and resource and agricultural production groups to promote agricultural stewardship (voluntary conservation).

Revenue and Expenditures

Revenue	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	$2,364,100*	$2,531,000	$2,590,700	$2,730,900
Receipts	5,600	6,800	29,600	300
RCRDP Loan Program	1,447,600	1,033,700	960,800	910,800
SRF Loan Program	31,900	84,300	99,300	86,300
Federal Grant Funds	0	0	0	0
Total	**$3,849,200***	**$3,655,800**	**$3,680,400**	$3,728,300
Expenditures	**FY 2014**	**FY 2015**	**FY 2016**	
Personnel Costs	$1,151,400	$1,149,700	$1,239,400	$1,331,000
Operating Expenditures	286,200	346,400	272,100*	290,500
Capital Outlay	0	71,400	80,100	74,100
Trustee/Benefit Payments	1,169,200	1,203,200	1,253,200	1,353,200
RCRDP Loan Disbursements	794,100	352,400	415,200	604,200
DEQ Loan	44,300	71,700	86,700	$73,700

Total	**$3,445,200**	**$3,194,800**	**$3,346,700***	**$3,726,700**

** indicates where numbers have been updated to correct prior year errors.*

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2014	FY 2015	FY 2016	FY 2017
Conservation systems implemented on all cropland (acres)	186,076	97,432	133,586	97,776
Conservation implemented on other land uses (acres)	78,925	83,255	6,348	6,549
Grazing/pasture management systems implemented (acres)	531,613	486,449	506,625	339,356
Riparian acres implemented with protection, restoration, enhancement or creation (acres)	289	1,201	3,399	3,981
Conservation Reserve Program (CRP) – Private agricultural land removed from tillage-induced erosion through financial incentive for a contractual time period.	589,484	583,135	568,839	568,729

Numbers above include conservation statistics from federal and local partners: NRCS and districts. The reason "other land uses" declined so significantly is unknown, although it is suspected that it may have dropped beginning in FY 2016 due to policy, funding, or programmatic changes by a partner federal agency.

FY 2017 Performance Highlights

- **District Support**: Overall responses to the satisfaction survey were up, there was general improvement in responses from respondents who previously reported dissatisfaction with Commission services; and a new measure was established to track requests and awards for technical assistance: # of technical assistance hours requested by districts vs. the actual hours awarded. Since FY 2014, there has been a downward trend on the number of hours requested and an upward trend in the hours awarded. This is due to improved forecasting of needs, understanding Commission capacity, and agency efficiencies.
- **Conservation Reserve Enhancement Program**: A new measure was established to track the amount of water conserved. In addition to the agency's contract certification, the Farm Service Agency has certified an additional 24 contracts covering 2,335 acres (these data are not included below). The CREP Steering Committee officially requested an increase in rental rates from Washington DC to increase producer participation. A decision is pending.
- **Resource Conservation and Rangeland Development Program**: Interest in the program continues to falter. Inquiries are down, as are new applications and loan funds actually disbursed (this despite an aggressive multi-year marketing and outreach program). In FY 2018, the Commission Board will review statute and rule to determine potential legislative, rule, and program-based changes in FY 2020 that encourage continued utilization of the fund for agricultural stewardship/voluntary conservation in a sustainable way (one that increases interest income generation for program support). The Commission is working with partners to conduct planning and stakeholder outreach (to determine support and strategies), reporting back at the end of FY 2018. In FY 2017, a new measure was added to track borrower satisfaction with the program.
- **Total Maximum Daily Load (TMDL) Implementation Plans**: The agency is keeping pace with the TMDL plan workload released by DEQ. A new measure was added to track the number released by DEQ.

Part II – Performance Measures

Note: There is a disconnect between some of the actual FY 2017 numbers and FY 2018 targets caused by establishing performance

measure targets in the updated Strategic Plan (June 30th deadline) prior to collecting the previous year's performance data (July 30th deadline).

Performance Measure		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
District Support & Services						
1. # of District Surveys on Commission Satisfaction	actual	36 of 50	35 of 50	34 of 50	42 of 50	
- Strongly agree	actual	17%	28.6%	29%	43%	
- Somewhat agree	actual	25%	45.7%	62%	48%	
- Neutral	actual	33%	8.6%	3%	2%	----------
- Somewhat Disagree	actual	17%	14.3%	3%	7%	
- Disagree	actual	3%	2.9%	3%	0%	
N/A	actual	0%	0%	0%	0%	
	target	*50 of 50*	*50 of 50*	*50 of 50*	*50 of 50*	*50 of 50*
	target	*25%*	*25%*	*34%*	*36%*	*34%*
	target	*47%*	*47%*	*47%*	*46%*	*47%*
	target	*23%*	*23%*	*7%*	*8%*	*7%*
	target	*5%*	*5%*	*10%*	*8%*	*10%*
	target	*0%*	*0%*	*2%*	*2%*	*2%*
	target	*0%*	*0%*	*0%*	*0%*	*0%*
2. District five-year plans updated	actual	50	50	50	50	----------
	target	*50*	*50*	*50*	*50*	*50*
3. Technical Assistance Provided to districts						
# of technical assistance hours requested/awarded (new)	actual	13,280/7,204	10,855/5,351	10,751/5,733	7,360/6,071	----------
	target	----------	----------	----------	----------	*7,400/6,100*
# of districts w/projects	actual	38	40	38	39	----------

Performance Measure		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	target	*39*	*39*	*39*	*40*	*40*
# of new projects	actual	57	81	34	19	----------
	target	*58*	*58*	*50*	*50*	*50*
# of ongoing projects	actual	103	106	101	70	----------
	target	*65*	*115*	*100*	*75*	*100*
# of landowners served	actual	386	229	241	316	----------
	target	*300*	*400*	*300*	*245*	*300*
Comprehensive Conservation Programs						
4. CREP Program Deliverables						
Total Contracts	actual	156	155	155	168	----------
	target	*160*	*160*	*175*	*160*	*160*
Total Acres	actual	16,792	16,729	16,526	17,257	----------
	target	*17,500*	*17,500*	*21,000*	*22,000*	*17,500*
Certified Contracts	actual	28	7 (82 total contracts)	6 (88 total contracts)	2 (90 total contracts)	----------
	target	*7*	*15*	*15*	*10*	*10 (10,460 total contracts)*
Certified Acres	actual	2,537	300 (8,880 total acres)	647 (9,527 total acres)	131 (9,658 total acres)	----------
	target	*1,500*	*1,500*	*1,500*	*1,500*	*800*
Water Conserved *(new)*	actual	----------	----------	----------	34,514 acre ft.	----------
	target	----------	----------	----------	----------	*36,000 acre ft.*
5. Ground Water Quality/Nitrate Priority Areas						
Acres Treated	actual	27,918	39,863	42,594	42,194	----------
	target	*37,700*	*37,700*	*37,700*	*42,000*	*37,700*

Performance Measure		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Nitrates Reduced (lbs.)	actual	141,779	138,247	145,370	142,000	----------
	target	*132,100*	*132,100*	*132,100*	*140,000*	*132,100*
Phosphorus Reduced (lbs.)	actual	32,084	27,745	29,575	28,500	----------
	target	*26,500*	*26,500*	*26,500*	*28,000*	*26,500*
Sediment Reduced (tons)	actual	54,618	143,670	150,170	148,500	----------
	target	*142,600*	*142,600*	*142,600*	*150,000*	*142,600*
6. RCRDP Loan Program						
# of new loans	actual	12	7	12	5	----------
	target	*12*	*15*	*12*	*15*	*12*
Total $ conservation projects	actual	$841,624	$392,517	$875,049	$335,784	----------
	target	*$350,000*	*$950,000*	*$850,000*	*$900,000*	*$850,000*
Inquiries received	actual	----------	48	63	36	----------
	target	----------	----------	*50*	*65*	*50*
Applications submitted	actual		20	15	5	----------
	target	----------	----------	*25*	*28*	*25*
Pending @ end of FY	actual	----------	5	0	0	----------
	target	----------	----------	*2*	*2*	*2*
Applications denied or withdrawn	actual	----------	6	3	1	----------
	target	----------	----------	*5*	*5*	*5*
Satisfied customers *(new)*	actual	----------	----------	----------	5	----------
	target	----------	----------	----------	----------	*5*
7. TMDL Ag Implementation Plans (subject to DEQ priorities)						
# of new plans assigned by DEQ *(new)*	actual	----------	----------	----------	7	----------

Performance Measure		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	target	----------	----------	----------	----------	7
Completed	actual	6	8	7	10	----------
	target	7	6	6	7	6
In Progress	actual	15	16	17	22	----------
	target	*12*	*12*	*12*	*15*	*12*
Pending	actual	19	18	18	10	----------
	target	*24*	*19*	*19*	*18*	*19*
Outreach						
8. Communications Note: *new social media analytic tools were deployed in FY 2017, accounting for the significant change in numbers*						
Website (Total Visitors)	actual	----------	71,822	----------	19,607	----------
	target	----------	----------	----------	----------	*74,000*
(Ave. Page Views) per visitor	actual	----------	----------	26	204.73	----------
	target	----------	----------	----------	*26*	*26*
(Ave. Hits/Day)	actual	----------	----------	31,936	22,000	----------
	target	----------	----------	----------	*33,000*	*33,000*
(Total Hits)	actual	----------	----------	1,018,241	669,967	----------
	target	----------	----------	----------	*1,100,000*	*1,020,000*
Facebook (impressions/# of posts)*	actual	220	153	230	163	----------
	target	----------	*275*	*275*	*275*	----------*
(Post Reach)	actual	----------	----------	48,046	38,851	----------
	target	----------	----------	----------	*50,000*	*50,000*
(New Page Likes)	actual	----------	----------	170	72	----------
	target	----------	----------	----------	*200*	*200*

Performance Measure		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Twitter (# of tweets)	actual	89	36	40	115	----------
	target	----------	150	150	*75*	*55*
(Twitter Impressions)	actual	----------	----------	11,144	19,059	----------
	target	----------	----------	----------	*12,000*	*11,200*
(Profile Views)	actual	----------	----------	762	434	----------
	target	----------	----------	----------	*800*	*700*
(New Followers)	actual	----------	----------	111	70	----------
	target	----------	----------	----------	*200*	*200*
Newsletter subscriptions**	actual	505	725	591	620	------
	target	----------	*750*	*750*	*675*	*700*

Performance Measure Explanatory Notes

** In FY 2017, some performance measures were determined not to be meaningful and will no longer be included in annual reporting.*
***FY 2016 reduction in newsletter distribution list due to the cleanup and consolidation of subscription lists.*

APPENDIX B: Options Presented to Commissioners on Possible Changes to RCRDP Loan Program, Aug. 28, 2017

RCRDP loan applications and awards dropped significantly in FY 2017 (see below). In order to maintain long-term viability of the program (dependent on accumulated interest for personnel and operating costs), staff recommends possible changes to the program. Over the past several months, staff has worked with partners and legal counsel to identify potential internal policy changes or changes to existing Rule and Statute as methods to encourage additional volume and improve on last year's loan program performance.

The following are identified options (along with necessary actions to implement some of them). They are presented for discussion, and in a few cases, for immediate consideration. It is recommended that some of the more complicated options be fleshed out further prior to Board action.

Loan Program Statistics

	Loan Inquiries	Applications Received	Loans Approved	Loan Amounts
FY 2017	36	5	5	$335,784
FY 2018 (1st 5 months)	25	10	5	$468,326

While the FY2018 increases in activity are encouraging, staff recommends continuing to move forward with program adjustments that satisfy the intent of the enabling legislation and increase conservation loan activity.

Examined for feasibility have been the following options:

1. Increase existing conservation loans and streamline processes
2. Expand the program to allow projects not currently eligible for financing.

To accomplish the above, one or more of the following would be necessary:

- Change policy
- Change Administrative rules
- Change Statutes

In addition to research conducted with our deputy attorney general, partners' feedback was solicited at six 2017 Fall Division Meetings. Suggested district changes included:

- Finance forest management plans with implementation of at least one part of plan (thinning, brush/weed control, planting), Finance equipment to accomplish thinning, brush control, defendable space from wildfire, etc.
- Finance conservation equipment, (no-till drills) which can be leased to other land owners, Districts finance conservation equipment from RCRDP to be leased out. (Not feasible – districts don't have statutory authority to borrow).
- Hay storage equipment (Utah example)
- Conservation easements (Sagebrush Steppe Land Trust)
- Can Resource Conservation & Development Area, Inc., (RC & D) borrow RCRDP funds), Loans for potato storage.

OPTION 1: Streamline Loan Process
Employ strategies to increase existing conservation projects/streamline processes.

1. Develop template for conservation plans (i.e., RCPP grant for flow meters, furrow to sprinkler irrigation). The template for conservation plans could reference the specific practice in the NRCS field office technical guide.
2. Ask districts to preapprove/rank repetitive conservation measures. This could be completed on a district-by-district basis to speed up the loan process. Examples include flow meters, or flood/furrow irrigation to sprinkler.
3. Fund conservation easements that include a long-term conservation plan or forest management plan including implementing at least one of the plans components. The intent is not to fund the value of the development rights. The intent is to fund the cost of creating the conservation easement. Current RCRDP policy anticipates the use of conservation easements.

Other Considerations
In certain instances where the environmental benefits are compelling, the Commission may approve Projects in subdivisions or urban settings. All such approval will be based upon permanent conservation easements, effectively ending further urban encroachment on open space, riparian areas, or sensitive water quality areas. (Commission policy)

Actions required: Direct staff to develop and/or implement any of the below listed options.

4. Solicit estimates of land value from Conservation Districts to be used in calculating loan to value ratios for mortgages. The value estimates may be opinions with or without supporting sales information. The valuations could be obtained from districts at the same time the conservation plan is evaluated and ranked. An inventory of land and the estimated values could be maintained by Commission staff for current and future use in valuing land as collateral. This method is supported in Administrative Rule 05 b ii.

   05b. Real estate appraisal, if necessary, should consist of one (1) of the following: (9-9-86)
   ii. Evaluation made by Commission or the local District Board according to their knowledge of the estimated average value of the property in the area in which the project is to be implemented. (3-29-10)

5. Change the loan program to fund 95% of project costs to applicants with high credit scores. Currently private lenders loan 100% of center pivot projects for 7-year terms at 5.1%. RCRDP loans that are limited to 80% of retrievable collateral (pivot and pump) usually results in 50% of the project (pivot, pump, mainline, power, etc.) being financed. This is a common hindrance to the RCRDP financing irrigation projects. The borrower is unable or unwilling to provide the remaining 50% in cash or additional collateral.

   Currently the RCRDP loan portfolio has few or no delinquencies. It is possible that RCRDP credit standards are overly restrictive. Higher credit scores (i.e. 720 and higher) correlate to a borrowers increased ability and willingness to pay resulting in a much lower risk of default.

   Of the loans that have been approved over the past 7 years, 87% of borrowers have credit scores that exceed 720 (with 817 being the highest average score). It is unknown how many potential applicants did not pursue an RCRDP loan because of the estimated 50% loan level. The RCRDP program is likely turning away potential borrowers with good credit scores and a low risk of default because of the collateral policy.

   Actions required: Change RCRDP policy to allow loans up to 95% of the cost of new projects, increase the

related interest rate by 0.25% to applicants with a credit score average of 720. All other credit criteria remain unchanged.

6. Offer 'construction loans' with 6% interest to applicants that want to borrow their portion of cost share funds. The loan would be repaid with the cost share funds (EQIP, BPA, WQPA, 319). RCRDP cannot charge loan fees. Given the significant staff time and expense taken to underwrite and service a loan, a short term, construction loan will general little interest income with the current low 2.5% rate. This type of loan would interest borrowers that expect a very large portion of the project (up to 90%) to be paid with cost share funds and where the construction period is lengthy and the contractor requires payment before the cost share funds are paid.

   Actions required: Change RCRDP policy to increase the interest rate to 6% for 'construction loans' whereby loan funds will be repaid with cost share money from other sources.

OPTION 2: Expand Program
Allow projects, applicants not currently eligible for financing

1. Change or eliminate an Administrative Rule to allow new applicants or projects to be eligible for RCRDP funding. I.e., eliminate the 3-credit report requirement, change the definition of applicant, change the objectives, photo identification.) Some of these rules may affect the ability of RCRDP to loan to ground water districts, irrigation districts, irrigation companies, etc.

2. Change RCRDP statute to allow other projects and applicants to be eligible for RCRDP funding. It would be advisable to determine if there is sufficient demand for RCRDP loans from the prospective applicants for the prospective projects.

   Consider proposing a change in statute to allow other projects that shelter/protect the production of the land (hay storage, silage storage, lambing sheds, calf sheds).

3. Propose a zero interest loan program (with annual funding) from the state. Loans would be written with the standard interest rates (currently 2.5% to 3.25%). If the borrower pays the full annual payment on time then the state pays the interest. Zero interest loans would increase the desirability of conservation loans for producers. It would also provide an added incentive to pay on time.

   If the borrower doesn't pay on time, the interest expense is borne by the borrower. The state doesn't pay in this situation. The interest portion of the annual payment would be paid by the state with general funds and deposited in the RCRDP account to pay operating expenses.

   From the state's perspective, the interest expense would accrue only after the project was installed and the timely payment is received. For example, a $1,000,000 loan portfolio loaned at 3% would cost the state $30,000/year. All loans would adhere to the Commission's credit standards.

The above options are for information and discussion. Should your Board wish staff to pursue any of the above or others, staff proposes bringing back further information at a future meeting for action.

RECOMMENDED ACTION: For information and possible action

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, February 15, 2018

SUBJECT	DESCRIPTION	PRESENTER
Page Graduation:	Farewell to Committee Page Porter McPherson	Chairman Rice
Presentation:	Idaho Potato Commission	Frank Muir, President/CEO
Presentation:	Wheat Commission	Blaine Jacobsen, Executive Director

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, February 15, 2018

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Senators Patrick, Bayer, Guthrie, Thayn, Harris, and Foreman

ABSENT/ EXCUSED: Vice Chairman Den Hartog and Senator 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: **Chairman Rice** called the meeting of the Agricultural Affairs Committee (Committee) to order at 8:02 a.m.

PAGE GRADUATION: **Farewell to Committee Page Porter McPherson. Chairman Rice** asked Porter McPherson to tell the Committee about his experience as a page for the Committee and plans for the future.

PRESENTATION: **Idaho Potato Commission (IPC), Frank Muir**, President/CEO, IPC, stated the potato tax revenue came in $1.4 million ahead of last year's budgeted amount. IPC budgets on a five-year rolling average yield, which gives them protection in case the yield is lower. Expenditures came in lower than budget by $500,000. The net change in fund balance reflects a $2 million increase in funds. The $2 million will go into the reserve account and IPC has budgeted to spend the funds in 2018. The potato tax for 2018 is estimated at $13.7 million, which is lower than last year. The lower revenue is due to the potato growers harvesting 20,000 acres less this year; this will be good for potato prices. The growers harvest 13 billion pounds of potatoes each budget year (Attachment 1).

Mr. Muir pointed out some challenges facing the IPC:

- The University of Idaho (UI) has proposed to build a new nuclear seed facility. IPC has committed $1 million over a ten year period to fund this facility.
- The negative and costly impact of Electronic Logging Devices (ELD) has recently affected the IPC. Since November, the industry has repeatedly notified IPC that ELDs and Hours of Service (HOS) rules have caused a substantial increase in transportation costs. This had a negative impact on the supply of transportation.
- IPC funded a project by Dr. Joe Gunther, Professor of Economic of UI, to determine where in North America is the best state to build the next potato processing plant. Based on his study, Idaho is slightly behind one Canadian province as the best economic opportunity for this plant. Processing potatoes has grown and the biggest market for frozen potatoes is Asia. IPC plans to present this study to the Idaho Department of Commerce and assemble economic packages in order to build the plant in Idaho.

Senator Patrick stated he has visited the processing plant in Manitoba. He believes there are more risks involved in building a processing plant in Canada than in Idaho. One of the concerns is the exchange rate of the Canadian dollar versus the United States dollar. This economic factor can make a difference in competitiveness. **Mr. Muir** replied there is greater economic risk in the uncertainty

of investing capital in another country because of the exchange rate fluctuation. IPC believes there is more stability in the United States, along with acreage, quality, water resources, and labor.

Senator Harris referred to the assessment rate of 12.5 cents per hundredweight and suggested IPC could charge up to 15 cents. He asked if IPC plans to raise this assessment rate in the future. **Mr. Muir** answered IPC had a discussion with the industry five years ago to raise the assessment rate to the 15 cents. Most of the industry supported the idea, but one organization opposed the increase, so IPC chose not to pursue the increase at that time. IPC recognizes with inflation the cost of media dollars will continue to increase. The budget must be adjusted yearly in other areas to cover the rising media cost. Fiscal year 2019 will be a lower income and budget year because there will be no reserve dollars available.

Senator Harris asked how the 12.5 cents equates to an acre of potatoes. **Mr. Muir** answered the dollar amount is approximately $50 per acre which is one-and-one-half percent of the farmer's sales price. This is an incredible return on their investment for marketing efforts. **Senator Harris** asked how much a producer makes per acre. **Mr. Muir** explained the producer profit per acre is a mystery for a number of reasons. IPC does not receive that information. IPC produces a cost to production report every year and the industry is skeptical of the data. There are reports generated that reflect the dollar return to the Idaho growers. He believed that the most important report is the farm gate revenue which reflects the average price times production. For the last six years, this revenue averaged nearly $1 billion a year. What portion of this translates into additional profit is also unknown.

Mr. Muir stated prices for potatoes need to be higher than at present. IPC does not set grower prices, but with the Idaho Brand, if there is a price increase it does not result in a volume decline. Idaho potatoes are a premium brand and sometimes Idaho's own entities do not price the product from that angle. If producers were at the meeting today, they would say they need to make more money on their crops. The last couple of years have been difficult for the producers to have a good return on their crops.

Senator Thayn asked if the 12.5 cents are paid for by the grower. **Mr. Muir** responded 60 percent of the 12.5 cents are paid by the grower and the remaining 40 percent is paid by the first handler, either the processor or shipper.

Senator Harris asked for an update on the Potato Cyst Nematode (PCN) Program. **Mr. Muir** explained, at present there are 3,000 acres in Idaho that are considered infested with PCN. There are an additional 5,400 acres connected to this acreage; which calculates to 8,400 acres, less than 2 percent of all Idaho potato producing acreage. The eradication methods have been very successful. Of the 25 fields treated since 2007, 80 percent passed the first test to be deregulated. The farmer of one of the fields put in a potato crop and the first test result after the harvest tested negative for PCN. The objective of the program ten years ago was to eradicate PCN in Idaho and allow growers, if they chose, to go back to growing potatoes in the treated fields.

There are other tools to use for PCN eradication, such as the litchi tomato that generates a suicide hatch for PCN. This allows less use of chemical to eradicate the cyst. IPC has been involved with researchers globally who come to Idaho to study the methods applied through the PCN Program. The federal government has committed over $100 million towards PCN eradication program. If the federal government had not offered their assistance, the PCN problem would have fallen onto the producers. Ten years ago, several countries shut their borders to Idaho potatoes when PCN was announced. This was just after IPC opened up shipping contracts with these countries.

Senator Harris asked for a brief explanation of the process of making a field clean from PCN. **Mr. Muir** replied that the eradication process is under the supervision of the United States Department of Agriculture (USDA) and Idaho State Department of Agriculture (ISDA) protocol. Once a field has tested positive for PCN a major testing of the entire field is completed to locate the hot spots in the field. In the beginning the protocol was to treat a field with methyl bromide. The producers are no longer using this chemical, but other chemicals. A series of cycles of the chemical application are applied and the acreage is tested after every harvest for PCN. If cysts are found in the ground, they are sent to UI and placed in a controlled environment with potato plants to see if they hatch. The PCN has to go through three cycles of the UI controlled environment; if the tests all come back negative the field is determined to be PCN free.

Senator Guthrie asked if an infected field could grow a different crop, such as hay, for three years and kill the cyst. **Mr. Muir** explained that a potato producer with an infected field can plant other crops, but it does not resolve the infestation. Test results indicate PCN can stay dormant for 30 years, waiting for the host crop to be planted. That crop will send out the chemical release to the cyst to release the nematodes. The concept of using a suicide hatch crop like litchi tomato can assist in eradicating PCN in infected fields. The tomato roots send out similar chemical signals to the PCN as the potato, but the cyst cannot attach to acquire nutrients from the litchi tomato.

Senator Harris asked what might be future potato prices. **Mr. Muir** answered that IPC's goal is for prices increase. This year has been a positive trend with lower acreage. As IPC audits retail prices across the country for price comparison, Idaho potato prices are always higher than local potatoes. Idaho potatoes are a premium priced product. When Idaho shippers reduce the price, they simply increase the margin for retailers. IPC's marketing campaign has raised awareness and consumer demand has gone up, so prices should rise.

PRESENTATION: **Idaho Wheat Commission (IWC), Blaine Jacobsen**, Executive Director, said the IWC is funded by a 3.5 cent per bushel tax; which translates into a budget of $3.2 million. Half of IWC's revenue is spent on research, $1 million goes to UI for various research programs; market development and grower education for the remainder of the revenue. The wheat industry is a $415 million business and is the second largest crop in the State.

In recent years world production has outpaced consumption, but there are opportunities opening up for Idaho produced hard red and white wheat varieties because of drought conditions on the Great Plains. Another benefit to Idaho wheat production is that almost two-thirds of the wheat is grown under irrigation, so the crop is very consistent. Idaho still attracts a large number of trade teams. Idaho shipped wheat to 26 states in the past year because Idaho has a reputation for quality and consistency. Many customers will pass by other wheat growing areas to get wheat from Idaho.

IWC has worked for several years to establish hard white wheat in the Taiwan market and made substantial progress. Two wheat mills in Taiwan have agreed to contract for hard white Idaho wheat; several containers have shipped. Another growing market is Latin America, with 45 percent of the wheat exports out of United States (Attachment 2). Idaho, in collaboration with Oregon and Washington, are funding a wheat technician to grow the soft white sales in the countries of Chile, Colombia and Peru.

IWC had success in renegotiating a royalty split with the UI. IWC expects to direct about $360,000 back into wheat breeding. The wheat industry is changing along

with the breeding programs; the programs that survive will have multiple sources of funding.

The check-off dollars are one source and royalty stream that comes from license varieties of wheat. Those monies will be reinvested into the wheat breeding program. IWC has partnered with Limagrain to develop a soft white winter wheat variety which will be on the market in 2018.

IWC uses the Snake and Columbia River system to get Idaho wheat to market. The river system activists want to remove the dams along this river system. IWC has placed advertising in the Lewiston Tribune during the days of the Lewiston Flotilla which is sponsored by the activists. This advertising is geared to raise the visibility of the trade teams in Lewiston and educate the public as to why the dam and river system are important. The message IWC is trying to convey is that the port and river system is vital to the economy of Lewiston and the Pacific Northwest. The activists are trying to influence millennials, as they advance into decision making roles, to adopt a similar attitude towards the dams. IWC created a video, targeted at millennials, to educate this generation on the wheat industry's use of the river system to deliver wheat to market.

The current challenges to Idaho wheat are:

1. Oversupply; prices should strengthen with the drought in the Great Plains;
2. Renewal of trade agreements is very important for Idaho's market share;
3. Educating wheat producers to allocate 10 to 15 percent of acres to higher-value, niche wheats;
4. Educating millennials on the value of the river system
5. Wheat is all non-GMO, across the country wheat is losing acreage to the crops that have GMO traits to make it more profitable for growers.

Chairman Rice stated he reviewed the Trans Pacific Partnership (TPP) agreement extensively. The TPP's major problem is it contains embedded end-runs around United States Congress and the states on environmental regulations. To move the agreement forward on the trade portion, the environmental regulations that were written in by the previous administration need to be removed.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:00 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Attachment 1:

IDAHO POTATO COMMISSION

February 9, 2018

To Whom It May Concern:

I write this letter on behalf of the Idaho Potato Commission ("IPC"), a statutorily created agency of the State of Idaho. IPC is governed by nine Commissioners appointed by the Governor of the State of Idaho. There are five grower commissioners, two shipper commissioners and two processor Commissioners, thus making IPC the primary representative of the entire Idaho potato industry.

Potatoes are one of the most important crops to Idaho's economy. Every spring Idaho growers plant approximately 320,000 acres of potatoes, which result in farm gate revenue of nearly $1 billion dollars. The total economic impact of the Idaho potato industry is over $4 billion dollars. Idaho potato producers are keenly aware of input costs, of which shipping and trucking are playing an increasing role in cost of production.

The Idaho potato industry faces many challenges every year. This year, one of our biggest challenges is transportation. The IPC is extremely concerned about the negative and costly impact Electronic Logging Devices (ELDs) have recently had on the Idaho potato industry. Since November, our industry has repeatedly notified us that ELDs and Hours of Service (HOS) rules have caused a substantial increase in transportation costs. In some cases, rates have increased an additional 40-60% for both trucks and rail service over the last few months. In a trucking industry that is already struggling with a shortage of drivers, we believe that ELDs have directly contributed to this increased cost.

This has especially had a negative impact on the supply of transportation. We believe this is not only an issue in the Idaho potato industry, but one that is affecting all commodities and products around the country. We regularly hear accounts of product being discarded because trucking could not be found in time and of drivers who were required to shut down and rest for the mandatory 13 hours despite being within 100 miles of returning home.

IDAHO POTATO COMMISSION

661 S Rivershore Lane, Suite 230 | Eagle, Idaho 83616 | tel 208.334.2350 | fax 208.334.2274 | www.idahopotato.com

In the interest of minimizing these negative consequences to our industry, we request that the comment period for filing comments with the Federal Motor Carrier Safety Administration be extended for an additional ninety (90) days. We also request that the "Limited 90-Day Waiver for the Transportation of Agricultural Commodities" that was published on December 18, 2017 be extended for an additional nine (9) months to December 18, 2018.

Best Regards,

Frank Muir
President & CEO
Idaho Potato Commission
661 S. Rivershore Lane, Suite 230
Eagle, ID 83616

Attachment 2:

Idaho Wheat Commission

FY 2017 and FY 2018 Approved Budgets

FY 2019 Projected Budget

	FY 2017	FY 2018	FY 2019 Projected
Market Development	$ 813,597	$ 805,501	$ 810,000
Research	1,659,958	1,425,805	1,410,000
Information & Education	798,384	833,104	805,000
Office Operations	82,905	95,519	95,000
Capital Outlay	27,000	22,000	25,000
TOTAL BUDGET	$3,376,443	$3,181,929	$ 3,145,000

FY 2018 projected receipts based on 90 million bushels @ $0.035/bushel @ 94% collected = $2,950,000

Seven Largest Expense Items - Idaho Wheat Commission

	$000
Research through University of Idaho (wheat breeding and variety development, quality assurance lab, disease resistance, weed control systems, variety trials, fertility, etc.)	$ 1089
Other Research Projects (ARS Genotyping Lab, snow mold research with WSU, plot combine for BYU-I, wireworm genome research at IBest, wheat quality council, etc.)	167
Idaho Grain Producer's Association (represent grower interests at state & federal level, Idaho Grain magazine, annual grains conference, membership dues in ag organizations, etc.)	406
U.S. Wheat Associates (export market development on behalf of U.S. wheat producers, half of Idaho's wheat is exported)	320
Wheat Marketing Center (develops new products using wheat for overseas customers, trains customers on how to mill and bake wheat products, etc.)	199
National Association of Wheat Growers (monitors Farm Bill developments and conducts lobbying work at federal level)	78
PNW Export Tour (educates Idaho wheat producers on how their crop goes to market and how it is used by various domestic and overseas customers)	25
Total	$2284

Above items represents nearly 75% of IWC annual budget

MEMORANDUM

Date: February 1, 2018

To: Senate Agricultural Affairs Committee
House Agricultural Affairs Committee
Legislative Services Office
State Controller
Division of Financial Management
State Department of Agriculture

From: Blaine Jacobson

Re: Idaho Wheat Commission's FY2017 Audit Report

We are pleased to provide a copy of the FY 2017 Audit Report and a copy of the FY2018 budget. This is pursuant to Section 22-3319(4), Idaho Code.

2018 Idaho Wheat Commission Report to Legislature

Approved 2017 Budget

Activities carried out by the Idaho Wheat Commission on behalf of Idaho wheat growers are funded by a $.035 per bushel wheat tax. This tax is remitted quarterly. Revenue from the wheat tax during FY'18 is budgeted at $2,950,000. Spending in FY'18 is budgeted at $3,181,929, causing a slight draw on reserves. As of Jan 31, 2018, the IWC reserves are $3,905,300.

Dollars remitted by Idaho wheat growers are invested on their behalf in foreign and domestic market development, variety development and other research, and information and education. The amount of the budget committed to administrative payroll and office operations is running at 2.5%, and Idaho continues to be among the most efficient of the wheat commission office operations among states. The wheat assessment in neighboring states range from $.03/bushel to $.06/bushel.

Projected FY '18 Revenue and Spending

Production in 2017 came in several hundred thousand dollars higher than budget due to abundance summer moisture and higher yields. Acreage in the current production year is expected to remain similar to 2017 but yields will drop. Spring plantings decisions are being made now, based on wheat prices compared to other competing spring crops. For planning purposes it is assumed that revenue from wheat tax will be around 2,950,000.

The Idaho Wheat Commission is providing substantial support to the University of Idaho wheat and other agricultural programs in order to keep the wheat industry in Idaho robust. Agriculture is a basic industry benefiting all Idaho residents and reinvestment in agriculture by industry and by the Idaho taxpayer will help rebuild Idaho's economy and employment faster than almost any other sector of the economy.

The Idaho Wheat Commission established two $1 million endowments in 2012 to provide support to two Aberdeen positions. The two endowments benefit and help stabilize the Aberdeen wheat breeder and Aberdeen cereal agronomist. These two endowments are fully funded.

In FY'18 the Idaho Wheat Commission will consider adding an endowed chair focused on risk management and grain marketing.

Update on Wheat Production in Idaho

In the 2017 crop year approximately 1.1 million acres of wheat were harvested. The yield was approximately 82 bushels per acre and total harvest was over 90 million bushels. Sales were over $4155 million, and wheat continues to rank as Idaho's second largest crop, behind potatoes and ahead of hay.

Approximately sixty percent of Idaho's production is grown on irrigated farmland and forty percent is grown on dry land. Approximately two-thirds of the crop is winter wheat and the remaining one-third is spring wheat.

Soft White wheat makes up the largest amount of Idaho wheat grown. It is roughly 55% of the annual crop. Hard Red is the second most popular class, at 39%. Idaho's production of hard white wheat has slipped, but its six million bushels of hard white in 2016 still makes it the largest hard white growing state. Idaho has released new varieties of hard white wheat which will help recover lost hard white wheat acreage.

Half of Idaho's crop goes to domestic mills and customers. This includes the GrainCraft (Pendleton) mill in Blackfoot, mills in Ogden, and customers in California. California is the largest wheat-milling state in the country and they dramatically increased purchases of wheat from Idaho. Roughly half of the crop is exported. Top foreign destinations include Japan, Mexico, Korea, the Philippines, China, and Taiwan.

Organic wheat has been strong and will continue to strong and is not expected to be a fad.

Further detail on Idaho wheat production is found in the Winter 2017 issue of Idaho Grain magazine.

Key Success Factors from Idaho Wheat Commission Strategic Plan

- Invest Idaho's grower assessment dollars for maximum return.
- Uphold the consistent, dependable quality of Idaho wheat and preserve and protect the robust, healthy status of Idaho's wheat industry. Maintain what has already been built.
- Maintain and expand sales of Idaho wheat to domestic and export customers.
- Identify the best new wheat technologies and implement for the benefit of Idaho wheat growers and industry.
- Boost public research through the University of Idaho, and forge strong ties between public programs and new exciting breeding efforts.
- Maintain balance between profitability, sustainable production practices and stewardship of Idaho's natural resources.

IWC Website

Updated information on the Idaho Wheat Commission can be found on an ongoing basis at www.idahowheat.org .

Idaho Wheat Commission

Senate Agricultural Affairs Committee

February 15, 2018

Today's Briefing

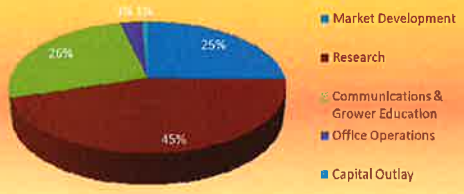
- Commission financials
- Several key activities
- Excellent harvest in 2017
- Barging wheat on the Columbia/Snake
- Four-minute video

About the Idaho Wheat Commission

- Self-governing state agency created in 1959
- Funded by a .035-cent assessment
- Board of five wheat producers

IWC FY 2018 Budget Allocation

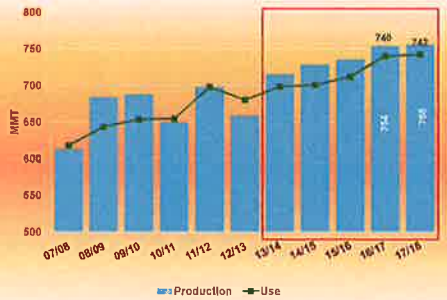
Idaho Wheat Commission 2017/2018 Budget
$3,183,429



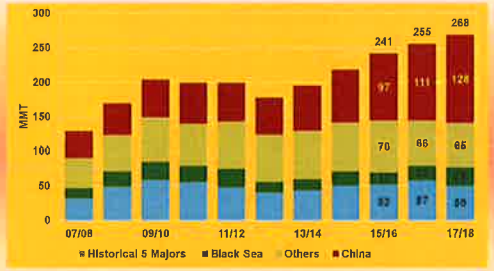
IWC FY 2018 Budget
Ten Largest Budget Items

University of Idaho	$1,088,911
• Wheat Variety Research	$344,178
• Pest & Disease Research	$163,707
• Production Practices Research	$301,548
• Wheat Quality Lab	$122,706
Idaho Grain Producers Association	$406,000
U.S. Wheat Associates	$319,800
IWC Salaries & Benefits	$277,000
Wheat Marketing Center	$199,035
Other Research	$106,940
National Association of Wheat Growers	$ 78,000
Equipment and Infrastructure	$ 50,000

World Production and Use

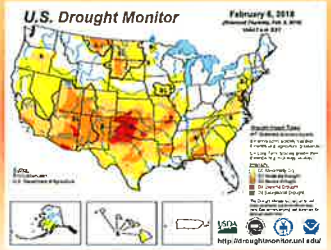


World Ending Stocks



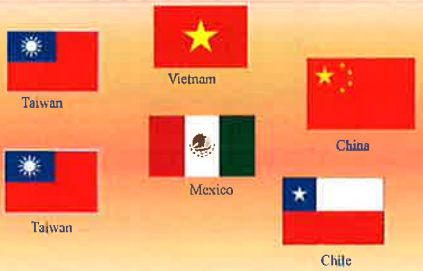
Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU-27. Black Sea includes Russia, Ukraine and Kazakhstan.

Great Plains Very Dry – Feb 2018 Create Market Opportunities



Idaho Water Storage – Feb 2018 Very Good – Reservoirs Full

Wheat-Buying Teams Visits to Idaho in 2017



Wheat-Buying Teams Visits to Idaho in 2017

Vietnam & Indonesia

Taiwan

Chile

Taiwan

China

Mexico

What is New in Idaho Wheat?

- Testing of hard white wheat in Taiwan (ID, WA)
- New soft white flour technician for Latin America (ID, OR, WA)
- Royalty funds to be directed toward strategic needs (greenhouses, etc.)
- New website to launch by end of month.

UI Stone

UI Magic CLP

What is New in Idaho Wheat?

- New soft white winter joint release from UI/LCS
- New gene-edition and transformation lab in IRIC
- NIFA grants by leveraging grower check-off funds
- Considering new UI chair
- High-fiber wheat soon

Current Challenges to Idaho Wheat

- Market oversupplied – low prices
- Renewal of trade agreements, e.g. NAFTA, TPP
- Finding a good hard white winter variety
- Allocating 10-15% of acres to higher-value niche wheats
- Educating Millennials on value of river system
- Holding wheat acres vs. crops with GMO advantage

The Snake is more than a river. It's a lifeline.

Dams and locks make the Lower Snake River navigable for barges that move Northwest products to port – averaging four million tons each year for the past decade.

For more information visit snakeriverdams.com and nwriverpartners.org.

In the last three years, Idaho growers and the Port of Lewiston have hosted 48 loyal wheat customers from eleven countries *(including the Chinese Trade Team, pictured)*. These countries represent 35% of the world's population. Snake River dams allow Idaho farmers to compete globally and feed the world.

Brought to you by: Idaho Wheat Commission, Lewis Clark Terminal, Inc., Port of Lewiston

AMENDED AGENDA #1

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, February 20, 2018

SUBJECT	DESCRIPTION	PRESENTER
Page Welcome:	Welcome Page Amber Zechmann	Chairman Rice
Minutes:	Approve Minutes of February 6, 2018	Senator Harris & Foreman
Gubernatorial Appointment:	Reappointment of **H. Norman Wright** of American Falls, Idaho to the State Soil and Water Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2022.	
Gubernatorial Appointment:	Appointment of **Catherine Roemer** of Jerome, Idaho to the State Soil and Water Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2022.	
Presentation:	Idaho Future Farmers of America	Lindsey Stowell, President
Presentation:	Idaho Oil Seed Commission	Steve Riggers, Chairman
Presentation:	Update on Water Quality Funding for Agriculture Best Management Practices	Dan Steenson, representing Treasure Valley Water Users Association

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE:	Tuesday, February 20, 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 8:00 a.m.
PAGE WELCOME:	**Welcome Page Amber Zechmann. Chairman Rice** introduced and welcomed Committee Page Amber Zechmann.
MINUTES APPROVAL:	**Senator Harris** moved to approve the Minutes of February 6, 2018. Seconded by **Senator Foreman**. The motion carried by **voice vote**.
GUBERNATORIAL APPOINTMENT:	**Reappointment of H. Norman Wright of American Falls, Idaho, to the Idaho State Soil and Water Conservation Commission (ISCC) to serve a term commencing July 1, 2017 and expiring July 1, 2022. H. Norman Wright** stated he has been a member of the ISCC for the past six years. He believes in the importance of the assistance in district plans and implementation of local projects that ISCC provides in the protection of soil, water, and air quality for the State. **Vice Chairman Den Hartog** stated she has had conversations with some of the Soil Conservation Districts in the Treasure Valley concerning how to best preserve some of the extremely valuable agricultural land that is rapidly disappearing to development. She asked Mr. Wright if his district is also concerned with this issue. **Mr. Wright** replied that ISCC is a partner with the Soil Conservation Districts and they understand the importance of prime agriculture ground. ISCC had conversations on how best to protect this land. The Soil Conservation Districts must have funds to buy the agriculture property in order to preserve this land. The public needs to consider these acres as open air and their value to the communities.
GUBERNATORIAL APPOINTMENT:	**Appointment of Catherine Roemer of Jerome, Idaho, to the Idaho State Soil and Water Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2022. Catherine Roemer** stated she is currently serving her tenth year as a Jerome County Commissioner and is a lifetime resident of the Magic Valley. She spent her career as an agricultural journalist, which familiarized her with the agriculture business in the Magic Valley. **Ms. Roemer** said it is a privilege to serve on the ISCC and to learn about the State through conservation projects from north to south. **Senator Patrick** stated that he has known Cathy Roemer for many years and has been impressed by her involvement in the community. Her knowledge of agriculture and communication skills will be a great asset to the ISCC.

PRESENTATION: **Idaho Future Farmers of America (FFA). Lindsey Stowell**, President, stated Idaho FFA has been growing, leading, and serving through agriculture education, and workforce skills in over 92 chapters Statewide. FFA has expanded from nine districts to ten and reached membership of 4,700. Students have a $20.7 million economic impact in Idaho through their supervised agricultural experiences.

Leadership is another key component of the FFA mission. Idaho FFA State officers spend a year traveling across the State delivering leadership workshops to high school members. They cover topics of team building and advocating for agriculture.

The state officer team participated at the National FFA convention where they met the United States Secretary of Agriculture, Sonny Perdue and United States Secretary of the Interior, Ryan Zinke. In early February, two officers traveled to South Africa to study leadership and agriculture on an international level. They spent two weeks touring farms and agricultural facilities in Johannesburg, Cape Town, and Pretoria with state officers from across the nation. The Idaho Chapter of FFA will continued to honor the FFA Motto: Learning to Do, Doing to Learn, Earning to Live and Living to Serve.

Senator Patrick asked Ms. Stowell to share her first impressions of meeting U.S. Secretary of Agriculture, Sonny Perdue and U.S. Secretary of the Interior, Ryan Zinke. **Ms. Stowell** replied she was impressed and excited that their state officer team was afforded the opportunity to be introduced to Mr. Perdue and Mr. Zinke. She was surprised that the U.S. Secretary of Agriculture possessed a background in agriculture. Mr. Perdue and Zinke were down-to-earth and ready to answer the teams questions.

Senator Jordon asked if, with the increased interest in urban agriculture such as community gardens, is FFA considering expanding their involvement and membership. Ms. Stowell responded FFA has become more progressive in encompassing other opportunities in agriculture, aside from farming. FFA has opportunities to speak to urban areas and is establishing new chapters.

PRESENTATION: **Idaho Oil Seed Commission (IOSC). Steve Riggers**, Chairman, said the Idaho Oil Seed Commission was formed in 1996 with three grower members. The IOSC collects an assessment of 10 cents per hundredweight for a revenue of $70,000 per year. The oil seed raised in Idaho is safflower, canola, and other minor oil seeds. A benefit of growing canola oil seed as a rotation crop is that the plants have large taproots that break up the compaction of the soil. Biological attributes improve soil quality and health. Canola is also an excellent heart healthy oil.

IOSC's major role is supporting the UI Canola Oil Seed Program breeding and agronomic program which funds a graduate student every year under this program. Other projects that IOSC is pursuing include: In collaboration with the State of Washington, IOSC is funding a canola pH study through the University of Idaho (UI) to analyze soil pH issues. On the eastern side of the State, growers are working with Utah State University in studies of different growth characteristics of safflower and weed management strategies. Establishing a presence at some of the grower meetings in southeast Idaho to educate farmers of opportunities in oil seed crops (Attachment 1).

One of the challenges for Idaho growers and IOSC is new weed species herbicide resistance. These weed species cover all geography and cropping systems. Growers are seeing red flags in different weed biotypes appearing in crops and the inability, in some cases to control those weeds.

Some of the chemistry growers have used in the past has run its course. IOSC is collaborating with the State of Washington Oil Seed Commission to pursue a long-term study on alternative weed management strategies to assist growers in finding a solution to control these new types of weed species in their crops.

Senator Bayer asked how markets have changed along with consumer demand for this oil. **Mr. Riggers** answered, from the consumer standpoint, there is more emphasis on heart healthy cooking oils. The consumer is pursuing healthier eating habits. The IOSC will continue to emphasize the healthy aspects of canola and safflower oils.

PRESENTATION: **Update on Water Quality Funding for Agriculture Best Management Practices. Dan Steenson**, representing Treasure Valley Water Users Association, stated the lower Boise watershed below Lucky Peak Dam faces water quality challenges from Total Maximum Daily Loads (TMDLs), along with other watersheds in the State.

Last year, in his presentation to the Committee, he described that challenge and advocated for Legislative funding on a grant basis and implementation of agricultural Best Management Practices (BMPs). The following was a needs list of water quality challenges from last years presentation that led the Legislature to implement the Boise River listed water bodies funding:

- Boise River total phosphorus (TP) TMDL
- Boise River and tributaries sediment and bacteria TMDLs
- Lake Lowell TMDL
- TP listed tributaries
- Temperature

These TMDLs require significant reductions in the discharge of sediment and phosphorus to the Boise River and its tributaries. Phosphorus in the Boise River causes periphytic algae that attaches to the rocks and impairs the aesthetic quality and recreational use of the river from the City of Middleton down to the Snake River. There are TMDLs for the Snake River Hells Canyon reach of the Snake River and Boise River that call for dramatic reductions of the accumulation of these aquatic plants (Attachment 2). Significant reduction of the discharge of phosphorus are sought from various sectors: cities, municipal treatment plants, and agriculture. The TMDLs have been developed for various watersheds and implementation of changes to the water use and discharge practices to achieve the TMDLs reductions.

Barry Brunell, Administrator, Department of Environmental Quality (DEQ), said DEQ was appropriated $500,000 to implement Agricultural Best Management Practices (ABMP). These dollars were to be spent on high priority watersheds in a Statewide effort to reduce the phosphorus loads. DEQ has an existing program for federal dollars that is implemented for agricultural projects. That program was a good fit for DEQ to include State general funds into their existing program and identify the targeted areas to implement BMPs on the projects using existing personnel. There are six basins of water DEQ uses to manage their programs through basin advisory groups. Watersheds in one of these basins, were eligible to make application for the General Fund Agriculture BMP grant.

The Basin Advisory Groups helped to determine which projects to fund and provided advice to DEQ for the issuance of sub-grants. Four projects were funded: 1) Panhandle Basin; 2) Clear Water Basin; 3) Southwest Basin; and 4) Upper Snake Basin.

DEQ is now planning for fiscal year 2019 funds so sub-grant agreements can be completed earlier. DEQ is starting the application period on March 1 and it will run for a 30 day period. This will allow DEQ to accept grant agreements by June 30 so projects can begin implementation after that date. Last year, DEQ had applications for $3.6 million that were unfunded. This shows the interest of landowners to steward their land and minimize the number of pollutants entering into the waters of the State of Idaho.

Senator Patrick stated he was familiar with the Stargazer Project; he asked if the landowner or the canal company matched the funds. **Mr. Brunell** explained the Stargazer Project is a match program where the canal company's portion is water and the landowner's portion is ground. The cost share is a combination of the canal company and the landowner.

Senator Guthrie noted that the percentages do not seem the same for this project. What percentages drive the cost share. **Mr. Brunell** answered that projects can be overmatched. The numbers reflected on the slide are those overmatched in the Treasure Valley. The minimum is 40 percent for cost share and often there will be overmatch.

Mayor Darin Taylor, Middleton, Idaho, spoke at length about the watershed project that the City of Middleton entered into. The project is in the final stages of completion. The Mill Slough Phase 1 Project is a project with collaborative partners consisting of municipalities, farmers, agricultural drainage districts, and canal companies. All have worked together to implement this innovative water quality project for the Boise River. **Mayor Taylor** concluded his presentation by speaking to future phases that the City of Middleton will pursue on the Mill Slough.

Senator Patrick stated in his experience the project will work for the removal of phosphorus, but there will be a level built up in the soil that must be taken up by planting a crop, such as corn. **Mayor Taylor** answered that the City of Middleton has planned crop uptakes in rotation which will maximize that phosphorus uptake.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:08 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Attachment 1:

Idaho Oilseed Commission
2017-2018

Name/Position	Address/email	Phone	Term (7/1-6/30) 3 Years
Steve Riggers **Chairman**	102 S 5th Ave. PO Box 369 Craigmont, ID 83523 stevrigg@gmail.com	ph 208-924-7224 cell 208-791-7656	2019 ++
Wesley Hubbard **Vice-Chairman**	4175 District 5 Rd Bonners Ferry, ID 83805 hubfarm1000@gmail.com	ph 208-267-8282 cell 208-610-3299	2018 ++
Cory Kress **Secretary**	5377 Rockland Hwy. Rockland, ID 83271 ckress@dcdi.net	cell 208-221-3333	2020 ++
Jason Godfrey Industry Representative	Mountain States Oilseeds PO Box 428 American Falls, ID 83211 jgodfrey@msoilseeds.com	wk 208-226-2041 cell 435-757-7829	
Celia Gould Idaho State Dept of Ag (ex-officio)	PO Box 790 Boise, ID 83701-0790 cgould@agri.idaho.gov	wk 208-332-8500 fax 208-334-2170	
Mark McGuire (Director) Univ. of Idaho CALS (ex-officio)	Idaho Ag Experiment Station 875 Perimeter Drive, MS 2337 Moscow, ID 83844-2337 mmcguire@uidaho.edu	ph 208-885-6214	
Benjamin Kelly **Administrator**	55 SW 5th Avenue, Ste 100 Meridian, ID 83642 benjamin@amgidaho.com	wk 208-888-0988 cell 208-870-3470	

Office Staff

Cindy Pusey, Admin. Associate
Patty Nottingham, Financial Assistant
Mindy Crow, Admin. Associate
Lisa Byce, Admin. Associate

Dorita Waitley, Special Projects
Kyra Gibson, Marketing/Event Coordination
Nic Gibson, Graphic Design

ph 208-888-0988
fx 208-888-4586

Oilseed\Masters/Board Roster 2/19/18

AMENDED AGENDA #2

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, February 22, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of February 8, 2018	Vice Chairman Den Hartog & Senator Jordon
Introduction:	Leadership Idaho Agriculture Class 38	Rick Waitley, State Director, Leadership Idaho Agriculture
Confirmation Vote:	Vote on the reappointment of **H. Norman Wright** of American Falls, Idaho to the State Soil and Water Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2022	
Confirmation Vote:	Vote on the appointment of **Catherine Roemer** of Jerome, Idaho to the State Soil and Water Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2022	
H 407	Relating to Goat Assessments	Brandy Kay, Executive Director, Idaho Sheep & Goat Health Board
S 1207	Relating to the Seed Indemnity Fund Law	Chairman Rice
RS25750A1	A Unanimous Request from the Senate Agricultural Affairs Committee amending S 1207	Chairman Rice
Presentation:	Idaho Beef Council	T.K. Kuwahara, Executive Director

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE:	Thursday, February 22, 2018
TIME:	8:00 A.M.
PLACE:	Room WW53
MEMBERS PRESENT:	Chairman Rice, Vice Chairman Den Hartog, Senators Patrick, Bayer, Guthrie, Harris, Foreman, and Jordan
ABSENT/ EXCUSED:	Senator Thayn
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 Agricultural Affairs Committee (Committee) to order at 8:00 a.m.
MINUTES APPROVAL:	**Senator Jordan** moved to approve the Minutes of February 8, 2018. Seconded by **Senator Harris**. The motion carried by **voice vote**.
INTRODUCTION:	**Rick Waitley**, State Director, Leadership Idaho Agriculture, had the Class of 38 introduce themselves to the Committee.
CONFIRMATION VOTE:	**Vote on the reappointment of H. Norman Wright of American Falls, Idaho, to the State Soil and Water Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2022.**
MOTION:	**Senator Harris** moved to send the Gubernatorial reappointment of H. Norman Wright to the State Soil and Water Conservation Commission to the floor with recommendation that he be confirmed by the Senate. Seconded by **Senator Guthrie**. The motion carried by **voice vote**.
CONFIRMATION VOTE:	**Vote on the appointment of Catherine Roemer of Jerome, Idaho, to the State Soil and Water Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2022.**
MOTION:	**Senator Patrick** moved to send the Gubernatorial appointment of Catherine Roemer to the State Soil and Water Conservation Commission to the floor with recommendation that she be confirmed by the Senate. Seconded by **Senator Jordan**. The motion carried by **voice vote**.
H 407	**Relating to Goat Assessments**. **Chairman Rice** stated **H 407** is a clarification in the Sheep and Goat Assessment. The bill clarifies that goats be assessed on a per head basis and removes the language, and at a rate that is comparable to the assessment on wool. This has created confusion for the Idaho Sheep and Goat Health Board.
MOTION:	**Senator Harris** moved to send **H 407** to the floor with a **do pass** recommendation. Seconded by **Senator Bayer**. The motion carried by **voice vote.**
S 1207	**Relating to the Seed Indemnity Fund Law**. **Chairman Rice**, said there has been a great deal of discussion since the printing of **S 1207**. The consensus is that the first section of the bill pertaining to Idaho Code § 22-5103 should be deleted. **RS 25750A1** is the amendment to **S 1207** deleting, page 1, lines 11 through 41 and page 2, lines 1 through 37; this will delete section 1 in the bill. There is also an amendment on page 3, line 7, section D, to change the wording. **S 1207** sets standards for the rejection of a license application or renewal of a license.

The standard criteria for rejection would be:

1. The seed buyer is not paying the seed growers.
2. Failed to make prior claimants whole.
3. Misrepresented material facts in the application.
4. There are relevant objections from the industry, including a material fact provided by a seed producer.

The Seed Indemnity Fund is paid for by the seed producers to indemnify them for a failure of a seed buyer.

Senator Patrick stated he served on the advisory committee for the Seed Indemnity Fund for a few years and strongly supports this legislation. The advisory committee made sure they kept apprised throughout the State of seed buyers who were not following the correct procedures in the seed industry. This legislation stipulates the standards for seed buyers and he is in support of the bill.

Senator Jordan asked for some historical information for the elimination of the sections on page 1 and 2. In Idaho Code § 22-5103, , it appears to establish the requirement to obtain a license. She asked if this requirement exists somewhere else in Idaho Code, so that removing this section will not have unforeseen consequences. **Chairman Rice** explained the removal of Idaho Code § 22-5103, . In Idaho Code § 22-5103, everything but the underlying portions and the strike-outs is existing code and will still be existing code after these changes.

Richard Durant spoke in support of **S 1207**. He stated he is currently a producer who pays into the Seed Indemnity Fund and also runs a warehouse that collects those indemnity funds. **Mr. Durant** currently serves as the Chairman of the Seed Indemnity Fund Committee (SIFC). The SIFC had negotiations with the industry in forming this legislation and the industry believes this legislation, with the amendments, is the correct avenue for standard criteria for seed buyers.

MOTION: **Senator Patrick** moved that **S 1207** be referred to the 14th Order for amendment. Seconded **Senator Jordan**. The motion carried by **voice vote**.

PRESENTATION: **Idaho Beef Council (IBC). T.K. Kuwahara**, Executive Director, said the mission statement of the IBC is to build global consumer demand for beef. Enhancing opportunities for Idaho producers to market their product. IBC is funded by assessment $1.50 per head of cattle. One dollar of this collection is for the National Beef Promotion Act and Research Order and fifty cents are Idaho funds. Fiscal year 2017 total collections were $2.3 million, which was down from 2016; 2018, at this time ,is ahead of projected budget (Attachment 1).

The national promotional program, "beef it's What's For Dinner," to promote the presence of beef protein against the other proteins sources available to the consumer. The resources that the national board affords includes a consolidated website where the consumer can get information on producers; recipes; cuts of meat; and educational data. Some consumers have the conception that the cattle industry is out in the West with cowboys and sagebrush. To educate the consumers on where their food is coming from, the National Beef Council produced a video "Rethink the Ranch" depicting the modernization of ranching/farming, humane animal husbandry, and food safety.

A database of more than 800 beef recipes promote the incorporation of using beef in answering the question, "What can the consumer make for dinner?" and What is quick and easy? IBC educates and promotes food service and retailers to reach the consumers in Idaho through different channels. One of the channels of a promotional event is IBC's sponsorship of the "Race for the Steak." Runners race in this event each year and at the end of the race they are treated to a steak dinner.

Challenges of the beef industry:

- Through the industry dietitian, IBC is reeducating the medical field on the benefits offered by beef in patients diets.
- Idaho is partnering with Oregon, Washington, and the United States Meat Export Federation to increase beef consumption in the Japanese market.
- Providing information to producers of IBC's efforts in representing their industry on their behalf. The challenges IBC has overcome, and future opportunities for the Idaho beef industry. This information is transmitted to the producers through a quarterly newsletter and annual report.

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

Senator Rice
Chair

Carol Deis
Secretary

Attachment 1:

Idaho Beef Council Fast Facts

Updated 11-2017

Mission Statement:

"To build global consumer demand for beef thereby enhancing profitability for Idaho producers."

2017-2018 IBC Board of Directors:

- **Lou Murgoitio,** Chair
  Boise, *Dairy*
- **Jeff Johnson,** Vice-Chair
  Parma, *Feeder*
- **Trish Dowton**
  Ellis, *Cow/Calf & Cattlewomen, Sec/Treas.*
- **Bruce Mulkey**
  Salmon, *Cow/Calf*
- **Bruce Billington**
  Twin Falls, *Auction Market*
- **Don Taber**
  Shoshone, *Dairy*
- **Lee Bradshaw**
  Caldwell, *Feeder*
- **Bill Lickley**
  Jerome, *Cow/Calf*

NATIONAL REPRESENTATION:

Cattlemen's Beef Board Executive Committee:

- **Jared Brackett,** Rogerson

Cattlemen's Beef Board Operating Committee:

- **Lynn Keetch,** Rogerson

Federation of State Beef Councils:

- **Lou Murgoitio**
- **Jeff Johnson**
- **Trish Dowton**

US Meat Export Federation Representative:

- **Morgan Evans,** *ex-officio*

Staff:

- **TK Kuwahara**, Executive Director
- **Pohley Richey, RD LD,** Health & Wellness Specialist (P/T)
- **Sandy Sherman,** Administrative Assistant (P/T)

IDAHO BEEF COUNCIL

Budget:

- Funded by $1.50-per-head Beef Checkoff
- Total collections approximately $2,200,000 per year
- $0.50 mandatory allocation to Cattlemen's Beef Board
- 5% paid to Idaho Brand Inspector for collection service
- Average annual net in-state income is approx. $1,360,000

2017-2018 Program Budget:

Promotion Programs: $545,000
Radio, billboard advertising, digital and social media, retail and foodservice programs, promotion events and Beef Month

Consumer Information Programs: $230,000
Youth programs, classroom materials, youth and adult events, health professional outreach and issues management

Research: $65,000

- **RP– Histidine supplementation of beef cattle in the feedlot; increasing whole carcass commercial value**
  Dr. Gordon Murdoch, University of Idaho
- **Controlling salmonella spp. invasion in deep lymphoid tissue in beef carcasses**
  Dr. Anne Laarman, University of Idaho

Industry Information: $36,000
Includes Beef Quality Assurance and issues information

Producer Communications: $58,000
Annual report, publications and media, industry meetings and events

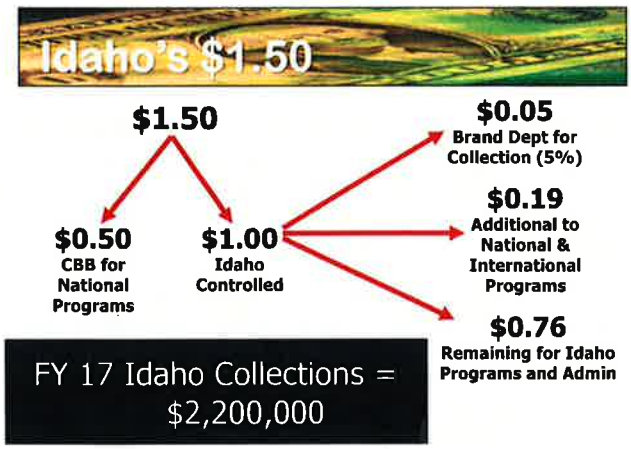
International Marketing: $146,000
Contributions to the US Meat Export Federation including two board seats. Also includes collaborative Pacific Northwest promotion (ID, OR, and WA Beef Councils) in Japan

National Programs: $117,000
Contributions through the Federation of State Beef Councils for national Checkoff programs which includes three board

Idaho Beef Council
1951 W. Frederic Lane
Boise, Idaho 83705
Phone: (208) 376-6004
Fax: (208) 376-6002
Email: beefcouncil@idbeef.org
Website: www.idbeef.org
Facebook: http://www.facebook.com/IdahoBeefCouncil

Checkoff History and Structure

- Today's $1.50-per-head Beef Checkoff was established as part of the 1985 Farm Bill and Idaho state law as a **producer controlled, producer funded self-help program returning value to cattle producers**. The first $1.00 became mandatory after it was supported by producers in a national referendum vote in 1988.
- The Idaho Beef Council (IBC) was created in 1967 by the Idaho legislature to promote the Idaho cattle industry, and to support a national beef marketing effort. Idaho's initial checkoff was 10 cents per head. It increased to 25 cents per head in 1981, and again in 1984 to 50 cents. The collection rate was raised to $1.00-per-head with the passage of the national program in 1986. In 2009, Idaho's checkoff increased to $1.50 through Idaho state law.
- Under the national program, Idaho is required to forward 50 cents to the Cattlemen's Beef Board (CBB). The CBB administers the national Beef Checkoff Program, subject to USDA approval. The remaining dollar is Idaho controlled.
- In Idaho, the $1.50-per-head assessment is collected by the State Brand Inspector and remitted to IBC. Of each $1.00 retained by the state, about 5 cents is paid to the Brand Inspector for collection.
- The Idaho State Checkoff program differs from the National Checkoff Program in two ways:
  - Idaho State Checkoff program has a refund provision
  - Idaho State checkoff monies may be spent in broader program areas at the discretion of the IBC Board of Directors.



Key Checkoff Program Components:

- **All Idaho producers pay** the $1.50 per head.
- **Importers pay** a comparable assessment on beef and beef products.
- There is **producer control**.
  - The work of IBC is directed by an eight-member board of directors who are industry nominated and Governor appointed. The board make-up as outlined in Idaho law is 3 cow/calf producers, 2 cattle feeders, 2 dairymen and 1 auction market representative. IBC directors budget and evaluate Idaho programs.
  - The CBB, which is comprised of 100 producers and importers, budgets and evaluates all national checkoff funded programs. Beef Board members are nominated by fellow state producers and appointed by the U.S. Secretary of Agriculture. Idaho holds two seats on the Beef Board. The CBB is required to contract with national beef-industry organizations to implement its checkoff programs. Contractors are paid only in a cost-recovery basis.
- Checkoff programs have been instrumental in helping to increase demand for beef and providing improved profit opportunities for cattlemen.

Where Checkoff Dollars May Be Invested:

Promotion—Encompasses advertising, merchandising, new product development and promotional partnerships with restaurants and supermarkets designed to advance the image of and stimulate sales of beef.

Consumer Information—Endeavors to enhance beef's image through nutritional data and other positive messages targeted to news media, food editors, teachers, dietitians, physicians and other influential groups.

Producer Communications—Aims to inform beef producers about how checkoff dollars are being invested and communicates program results.

Research—Provides the foundation for checkoff-funded activity. Information and promotion projects are developed based on consumer, nutrition, beef safety and product enhancement research.

Industry Information—Strives to promote an understanding of the beef industry and maintain a positive marketing climate by helping to provide factual information and correct misleading publicity concerning food safety, environmental and animal welfare issues.

Foreign Marketing—Identification and development of international markets for U.S. beef and beef variety meats.

Checkoff funds cannot be used to influence government policy or action, including lobbying.

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, February 27, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of February 13, 2018	Senators Patrick and Bayer
Presentation:	Idaho Dairy Products Commission	Karianne Fallow, CEO Dairy West and Idaho Dairy Products Commission
Presentation:	Farm to School Programs in Idaho	Leah Clark, Agriculture Trade Specialist, Idaho State Department of Agriculture (ISDA); Rick Waitley, Executive Director for Ag In the Classroom; and Ariel Agenbroad, U of I, Area Extension Educator, Food Systems & Small Farms

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 27, 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 8:00 a.m.

MINUTES APPROVAL: **Senator Bayer** moved to approve the Minutes of February 13, 2018. Seconded by **Senator Jordan**. The motion carried by **voice vote**.

PRESENTATION: **Idaho Dairy Products Commission (IDPC). Karianne Fallow**, Chief Executive Officer Dairy West and Idaho Dairy Products Commission, stated IDPC vision is to create a world where farmers and the dairy industry prosper and together build healthy communities around the world. Their mission is to inspire trust in dairy farming and dairy products and to build demand for dairy products around the world.

The dairy industry is changing rapidly; Idaho has 580,000 milk cows and 490 individual dairy operations. When Ms. Fallow started her position five years ago there were 642 individual dairy operations. Even though the number of dairies has declined, the number of cows and milk production have not decreased. In Idaho, the dairy industry produces 15 billion pounds of milk a year. Idaho is number four in the nation in milk production.

Ms. Fallow indicated she will address the programming Dairy West provides and focus on some of the health and wellness initiatives the company supports, particularly as it relates to youth wellness and the in-school effort. Dairy West believes this is vital from an economic development and a community wellness standpoint.

Dairy West has hired talented individuals in the function of communication and their role is to tell the dairy story. Their farmer relations team can only effectively tell the story of dairy by telling the farmer story. They use communications efforts to build trust in dairy farming and its products. Dairy West's health and wellness team is focused on positioning the dairy community to be influential in health and nutrition related initiatives across the State. They work with many influencers such as the Department of Health and Welfare, school nutrition programs, and school districts. A new functional area in their business called innovation partnerships works throughout the entire supply chain to ensure that companies are being the best sellers and stewards of dairy.

Dairy West's strategic goals are: to create influential advocates for the dairy community through the development of their staff, board, and youth. This flows from a portfolio of services Dairy West provides following the United States Department of Agriculture (USDA) dietary guidelines for the classroom curriculum. Dairy West

provides this curriculum to educators throughout the State at no charge. Dairy West provides consulting services to schools and health professions.

Providing physical fitness and nutrition grants for schools and grants to increase consumption on the school meal menu. At this point in the presentation the Committee was shown a video entitled "Fuel Up to Play 60 Program" a cornerstone partnership that the dairy farmers struck with the National Football League several years ago. This program encourages nutrition and physical activity work so that Dairy West can bolster the success of students within the schools. Research correlates good nutrition with academic success in which physical fitness plays an important role.

Ms. Fallow explained why dairy consumption in schools is so important. As dairy consumption increases, dairy farmers stand to gain in terms of their milk checks and the ability to stay in business. Classroom studies show that performance increases when children are well-fed and eat nutritious meals. Dairy West will pursue an increase in school consumption through the school breakfast program. A video of the Burley, Idaho, school breakfast program was shown.

Chairman Rice asked if Dairy West incorporates opportunities to show children where their dairy products are produced. **Ms. Fallow** answered Dairy West is trying to bridge this disconnect as the population becomes more urban. The opportunities for field trips have disappeared from the school calendar. Dairy West is evaluating virtual farm tours and a few other opportunities. Nationally, the dairy check-off program has struck a partnership with the Discovery Channel, an in-classroom network, to push more farm education into the classroom.

Chairman Rice asked if Dairy West had sought input from the Idaho State Department of Agriculture (ISDA) and other segments of the agricultural industry to develop curriculum that could be inserted into one of the school classes to teach students how and where their food is produced. **Ms. Fallow** answered Dairy West works with their peers across the agricultural community. Ag in the Classroom will speak more specifically about their initiatives and how they deploy those resources. **Chairman Rice** stated he is seeing an increasing likelihood that children in larger cities have no exposure to agriculture. He believes these children have disconnected from where their food is produced.

Ms. Fallow concluded that Dairy West has been studying ways to grow demand, consumption, and be more assertive throughout the region, so they can have an impact on farmer's milk checks and their long-term prosperity. Dairy West is a new qualified program, USDA compliant, non profit, functions as a 501(c)(6), Dairy West will still continue to represent the interest of dairy farmers. They maintain partnership agreements with dairy commissions in states throughout the West. They continue to conduct a high-quality, high-impact dairy check-off programming that the farmers have come to expect. Dairy West was created because Idaho's milk is flowing across borders and the industry shares domestic and global markets. The promotion organization cannot stay stagnant and expect to be relevant in the future. Their goals is to include other states in the West so Dairy West has a bigger geographic impact.

PRESENTATION: Farm to School Programs in Idaho. Leah Clark, Agriculture Trade Specialist, ISDA, commenced her presentation by explaining the Farm to School program. The program procures local foods for schools and helps schools learn what is grown locally, who grows it, and how they can procure the food for their cafeterias. The program increases the relevance and the understanding of the relationship between food and farms. Finally, it provides a unique opportunity for curriculum content that is creative and engaging for students.

Farm to School is important for increasing fruit and vegetable consumption in school cafeterias increasing participation in the school meal program. When students are involved in Farm to School program where they grow the product or learn where the product is grown they are more willing to try new foods. The program increases their awareness of food in agriculture, as well as nutrition. Farm to School has always been a great collaboration between farmers and teachers. The University of Idaho (UI) brings the gardening knowledge and the Department of Education manages the USDA child nutrition program.

In conjunction with the Department of Education, Farm to School created a series of posters, "Incredible Edible Idaho." These posters represent many of the food crops in Idaho showing how the crop looks when it is growing, what it looks like in the store, where it is grown in Idaho, and how it fits on the USDA My Plate.

About 45 percent of schools in Idaho have a Farm to School program in place; this translates to 55 of Idaho's school districts; 247 schools; and 100,000 students. The schools spend over $4 million on Idaho products. This only represents 10 percent of their total investment in food. The Farm to School program objective is to increase this dollar amount for Idaho's farmers.

Rick Waitley, State Director for Ag in the Classroom Program, said the main purpose of Ag in the Classroom is to train teachers. The program assists teachers as to how to teach students where their food and fiber is produced. Over 186 different commodities are raised in Idaho. Only the states of California, Florida, and Oregon outnumber the commodities grown in Idaho. Ag in the Classroom has 31 years of experience in opening doors of classrooms and has developed many partnerships. One of the primary goals of Ag in the Classroom is to develop and distribute quality curriculum materials to individuals and classrooms.

Mr. Waitley explained they conduct workshops for teachers to earn credits. The teachers tour an area of Idaho agriculture firsthand and up close. One of the favorite tours is "Snake River Smiles" which starts in Boise and proceeds to Idaho Falls. This traveling workshop affords teachers the experience of being with people affiliated with agriculture. Ag in the Classroom accomplishments include:

- Expose the teachers to experience of Idaho ag in the classroom;
- Respect for history of agriculture;
- Meet the people in agriculture to learn the lifestyle of agriculture;
- See the challenges that farmers and ranchers face;
- Understand the investment;
- Appreciate Idaho agriculture

Chairman Rice asked what age level the materials are designed for. He wondered if Ag in the Classroom has audio/visual materials available. **Mr. Waitley** answered that they are a part of the national Ag in the Classroom program. There is an ag literacy center at the University of Utah. When teachers in a school ask for materials for this program, Ag in the Classroom provides any materials needed.

Ariel Agenbroad, UI, Area Extension Educator, Food Systems and Small Farms, said there are three areas that UI Extensions support in the Farm to School programs in Idaho: 1) school gardens; 2) teacher education; and 3) engaging UI students involvement in this work. Research indicates that garden based education increases academic achievement in the natural sciences, results in higher test scores, increases social skills among students, and reduces classroom discipline problems.

Students are afforded the opportunity to go out and work in a real life laboratory, solve problems, use of cooperation in order to grow a garden, and there are significant nutritional benefits. When children are involved in growing, observing, and selecting/harvesting fresh fruits and vegetables they are much more likely to try "the fruits of their labors."

Ms. Agenbroad believed UI is well suited to be in this role because of their expertise along with a volunteer network through 4H and Idaho extension master gardener volunteers. UI has a proven track record of making a difference in some of the sustainability and success of school gardens. One group of master gardeners took their expertise and built the Pat Anderson School Garden at the Southwest Idaho Detention Center in Caldwell, Idaho. The youth in this center have to earn the right to work in the garden and overtime this program has become a beautiful flourishing garden behind razor wire.

UI has seen such an impact in the various projects where these master gardeners have made a difference. UI has now formalized the program, through examples from other states, to create a school garden mentor program. UI collaborated with the State Department of Education on funding for these projects in their schools. Then proceeded to pair the master gardeners with the schools all over the State which are receiving garden grants. UI tracks the progress of these grant projects to see if this program is having an impact in helping the gardens be successfully established.

UI recruits undergraduate student interns from the Moscow, Idaho, campus where their expertise is used in such areas as summer school, after school, gardening and agricultural literacy programs, fairs, and other public events. **Ms. Agenbroad** closed her presentation with their pilot program which was envisioned and brought into actuality last summer by Ms. Clark. Ag in the Classroom funded two interns and recruited four schools in four different counties in the Treasure Valley. Each school received help and assistance in procuring an all Idaho lunch for one day during their summer feeding program, which was paired with an educational program delivered by the interns. The educational portion of this Idaho lunch spoke to all these food products educating the students on where the food on their plate came from and who grows the products. This program reached 1,000 children.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 8:56 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Attachment 1: 2/26/2018

Farm to School in Idaho

IDAHO PREFERRED

University of Idaho Extension

Idaho Agriculture in the Classroom

What is Farm to School?

A term to describe a broad spectrum of efforts to connect local foods and agriculture with schools, teachers and students including:

Procurement
Local foods purchased, promoted and served in schools

Education
Education related to agriculture, food, health & nutrition

School gardens
Hands-on learning through gardening

Why Farm to School?

- Increases healthy food options for students
- Provides relevant market for local farmers
- Increases awareness and understanding of the relationship of food and farms
- Provides a unique opportunity to teach required curriculum content in a creative, applied and engaging manner

Why Farm to School?

- Increase in fruit and vegetable consumption among students
- Increase in school meal participation
- Demonstrated willingness by students to try new foods and healthier options in school meals
- Increase in student knowledge and awareness about food, agriculture and nutrition

Who Implements Farm to School in Idaho?

FARM to SCHOOL

- Idaho State Department of Agriculture Idaho Preferred Program
- Idaho Agriculture in the Classroom
- University of Idaho Cooperative Extension
- Idaho State Department of Education

ISDA/Idaho Preferred Role

- Produced the first Idaho Farm to School Manual
- Awarded a USDA Farm to School Grant in 2015 to host regional Farm to School Workshops across Idaho
- Served as State Lead for National Farm to School Network until 2017.

Educational Materials

- In conjunction with Idaho State Department of Education created series of educational posters
- "Incredible Edible Idaho" posters sets now available to all teachers upon request and through AITC

Educational Materials

- My Idaho Plate tearpad coincides with USDA's "My State My Plate" nutrition education curriculum.
- Provides nutrition and production information in easy visual format.

Educating Foodservice Professionals

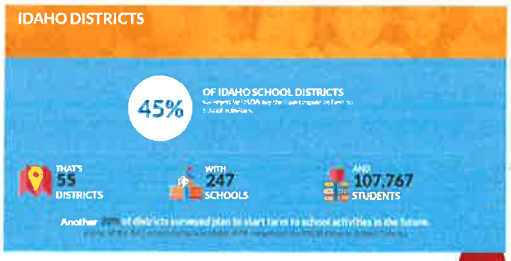
- Workshops at Idaho School Nutrition Association Annual Conference
- E-newsletters to 1150 School Foodservice Directors and Staff

Special Events

- National Farm to School Month
- Farm Tours
- Workshops (archived on website)

NATIONAL FARM to SCHOOL MONTH

USDA Farm to School Census



USDA Farm to School Census

- 55 School districts in Idaho who report implementing Farm to School programs are located across the state!

USDA Farm to School Census

SCHOOL DISTRICTS IN IDAHO ARE CURRENTLY BUYING THE FOLLOWING TYPES OF LOCAL FOODS:

- 88% FRUITS
- 82% VEGETABLES
- 78% MILK
- 24% MEAT OR POULTRY
- 48% OF IDAHO DISTRICTS SURVEYED PLAN TO INCREASE LOCAL FOOD PURCHASES IN THE FUTURE

IDAHO SCHOOL DISTRICTS ARE SERVING LOCAL ITEMS THROUGHOUT THE SCHOOL DAY. IN IDAHO LOCAL FOODS ARE BEING SERVED AT THE FOLLOWING TIMES:

- 62% BREAKFAST
- 96% LUNCH
- 4% SUPPER
- 26% SNACKS
- 46% FRESH FRUIT & VEGETABLE PROGRAM

USDA Farm to School Census

$4,336,710
INVESTED IN LOCAL FOOD IN IDAHO

WITH THE AVERAGE SCHOOL DISTRICT SPENDING **10%** OF THEIR BUDGET ON LOCAL PRODUCTS.

Idaho Agriculture in the Classroom

TRAINING TEACHERS / REACHING STUDENTS
ADVANCING AG AWARENESS

HISTORY

1986
- Program established in Idaho at ISDA

1994 (JANUARY 1)
- Program moved to outside contractor (Waitley Associates)

2008 (JULY 1)
- Idaho AITC Association established

Idaho Agriculture in the Classroom

LICENSE PLATE

- Established in 2000 by the Idaho Legislature
- Proceeds help advance ag literacy in Idaho
- Available at county motor vehicle offices
- $35 first year (plus regular fees); $25/year after

Idaho Agriculture in the Classroom

CURRICULUM PARTNERS

Idaho Agriculture in the Classroom

RESOURCES

AG LITERACY

Idaho Agriculture in the Classroom MORE AVAILABLE AT **WWW.IDAHOAITC.ORG**

RESOURCES

AG LITERACY

Idaho Agriculture in the Classroom MORE AVAILABLE AT **WWW.IDAHOAITC.ORG**

SUMMER ACTIVITIES

On-the-Road Workshops

- One Credit (U of I / NNU)
- Two Days Experiencing Idaho Agriculture
- Teaching Resources and Classroom Activities

Idaho Agriculture in the Classroom VISIT US ONLINE AT **WWW.IDAHOAITC.ORG**

SUMMER ACTIVITIES

Tour (4 days)

- Two Credits (U of I / NNU)
  - Snake River "Smile"
  - Base Tours
  - Lewiston to CDA
  - Pocatello to Caldwell
  - Twin Falls to Caldwell

Idaho Agriculture in the Classroom VISIT US ONLINE AT **WWW.IDAHOAITC.ORG**

IDAHO AITC

- **Experience Idaho Ag in the Classroom**
- **Respect the History**
- **Meet the People**
- **Learn the Lifestyle**
- **See the Challenges**
- **Understand the Investment**
- **Appreciate Idaho Agriculture**

Idaho Agriculture in the Classroom VISIT US ONLINE AT **WWW.IDAHOAITC.ORG**

Why School Gardens?

Garden-based education:

- Increases academic achievement
- Results in higher test scores
- Reduces classroom management & discipline problems

Nutrition Benefits

Garden-based nutrition education:

- Significantly increases children's consumption of fresh fruits and vegetables

University of Idaho Extension

Contributing our:

- expertise
- curriculum
- experience
- volunteers

A proven track record of making a difference in the sustainability and success of School Gardens in Idaho

Master Gardener School Garden Mentor Program

- A collaboration with the Idaho Dept. of Education Team Nutrition Garden Grant Program
- Pairs trained and screened UI Master Gardener Volunteers with schools receiving grants

IMPACT University of Idaho Extension

Master Gardener School Garden Mentors support healthy youth initiatives statewide

Just Add Water

- School garden training for teachers (with B.U.G.S.)
- Participants receive professional development academic credits
- Provided with curriculum, support and resources

Engaging Future Leaders

UI Student Interns delivering hands-on instruction through:

- Summer Reading Programs
- In school enrichment
- Public festivals, events, fairs
- Farm to Summer Pilot Program

New Roles, Next Steps

NATIONAL FARM to SCHOOL NETWORK

IDAHO

Thank you

Farm to School in Idaho

IDAHO PREFERRED®

University of Idaho Extension

Idaho Agriculture in the Classroom

What is Farm to School?

A term to describe a broad spectrum of efforts to connect local foods and agriculture with schools, teachers and students including:

Procurement

Local foods purchased, promoted and served in schools

Education

Education related to agriculture, food, health & nutrition

School gardens

Hands-on learning through gardening

Why Farm to School?

- Increases healthy food options for students
- Provides relevant market for local farmers
- Increases awareness and understanding of the relationship of food and farms
- Provides a unique opportunity to teach required curriculum content in a creative, applied and engaging manner

Why Farm to School?

- Increase in fruit and vegetable consumption among students
- Increase in school meal participation
- Demonstrated willingness by students to try new foods and healthier options in school meals
- Increase in student knowledge and awareness about food, agriculture and nutrition

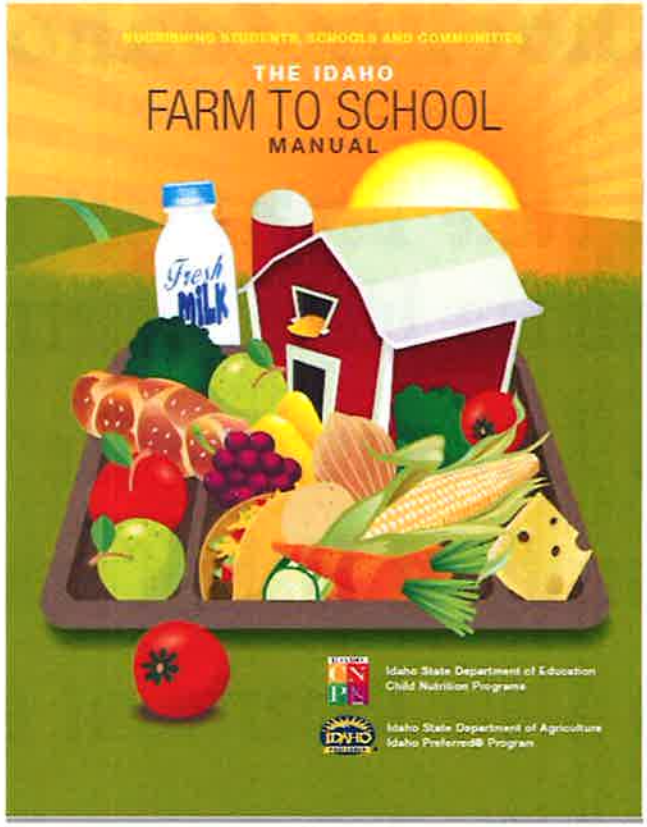
Who Implements Farm to School in Idaho?

FARM to SCHOOL
THE PICK OF THE CROP FROM IDAHO

- Idaho State Department of Agriculture Idaho Preferred Program
- Idaho Agriculture in the Classroom
- University of Idaho Cooperative Extension
- Idaho State Department of Education

ISDA/Idaho Preferred Role

- Produced the first Idaho Farm to School Manual
- Awarded a USDA Farm to School Grant in 2015 to host regional Farm to School Workshops across Idaho
- Served as State Lead for National Farm to School Network until 2017.

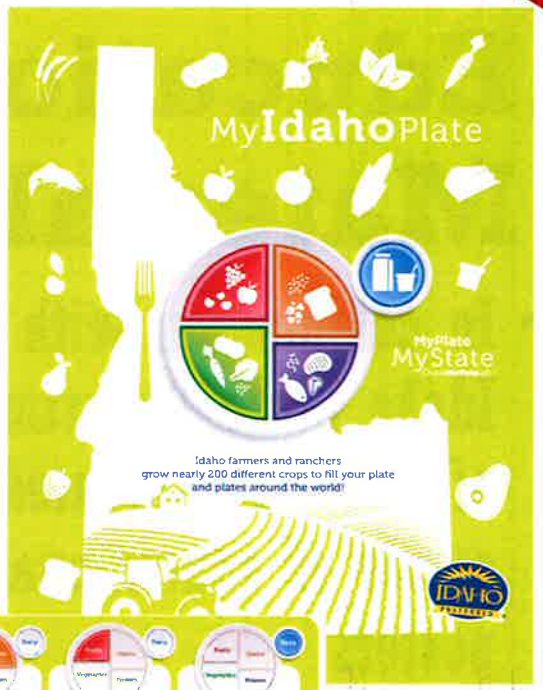


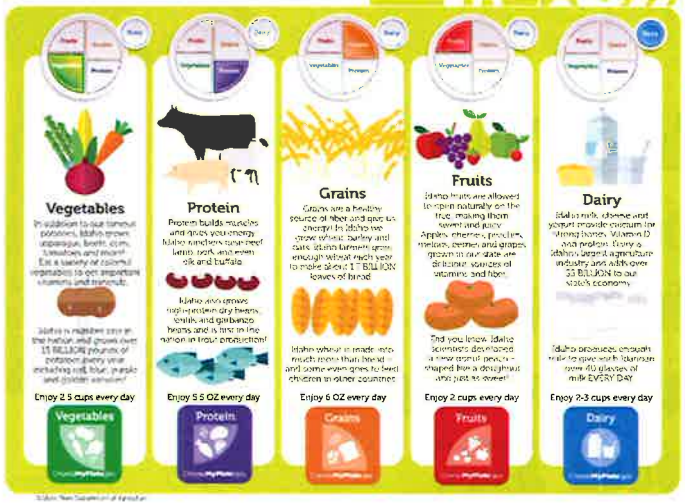
Educational Materials

- In conjunction with Idaho State Department of Education created series of educational posters
- "Incredible Edible Idaho" posters sets now available to all teachers upon request and through AITC

Educational Materials

- My Idaho Plate tearpad coincides with USDA's "My State My Plate" nutrition education curriculum.
- Provides nutrition and production information in easy visual format.





Educating Foodservice Professionals

- Workshops at Idaho School Nutrition Association Annual Conference
- E-newsletters to 1150 School Foodservice Directors and Staff

FARM to SCHOOL
THE PICK OF THE CROP FROM IDAHO
Learning Lunchroom
Helping schools add LOCAL to the menu.
Brought to you by: IDAHO Preferred
© Idaho State Department of Agriculture

NATIONAL FARM to SCHOOL NETWORK IDAHO

October is National Farm to School Month, a time to celebrate the connections happening all over the country between children and local food. From taste tests in the cafeteria and nutrition education activities in the classroom, to farm visits and school garden harvest parties, school, early care and education sites, farms, communities and organizations in all 50 state and D.C. join in the celebrations.

National Farm to School Month was designated by Congress in 2010 to demonstrate the growing importance of farm to school programs as a means to improve child nutrition, support local economies and educate children about the origins of food. In 2016, we partners with more than 220 organizations to promote farm to school throughout October, reaching an audience of more than 10 million.

Your Farm to School partners at Idaho Preferred, University of Idaho Extension and the Department of Education want to help you celebrate and bring awareness to the excellent work you are doing in promoting Idaho-grown agricultural products in school lunches statewide.

We know many of you are incorporating locally produced fruits and vegetables, grains, fish, beans, milk and other products into your menus. It takes extra time, effort and planning to do so, and we applaud your efforts. We also think that students, parents and the general public don't always know what you are doing. We want to help you with that in October.

Do you incorporate Idaho products regularly into your menus? Does your school have a garden? Do you share the local sources of your products with students, parents and the community?

We will be selecting 4 schools (one in each region) in Idaho that are shining examples of farm to school and helping bring media attention to your school for a one day event that you schedule. We can help you find media contacts, invite local VIPs, help you find Idaho agricultural products and more. You pick the date and the menu. Will this be your school? Let us know why!.

For all schools across the state, we want to support your efforts as well. We have press kits ready to mail to you if you can use them. Below you will also find links to resources about promoting Farm to School Month from the National Farm to School Network. Resources include a poster and a factsheet highlighting ways parents, schools and kids can get involved. We encourage you to share the work you are doing with parents. Let's give Idaho Farm to School lunches the attention they deserve!

Please let us know if you would like to be considered for an October media event, supported by Idaho Preferred and University of Idaho Extension by Monday, September 25.

And if you would like a press kit mailed to you, please respond by that date as well.

-Anel

Anel Agenbroad, MS
Area Extension Educator, Food Systems & Small Farms
Email: anel@uidaho.edu

Special Events

- National Farm to School Month
- Farm Tours
- Workshops (archived on website)

NATIONAL FARM to SCHOOL MONTH

Menu Planning and Purchasing

School Tours

Procurement and Bidding Process

USDA Farm to School Census

IDAHO DISTRICTS

45% OF IDAHO SCHOOL DISTRICTS surveyed by USDA say they participate in farm to school activities.

THAT'S **55** DISTRICTS

WITH **247** SCHOOLS

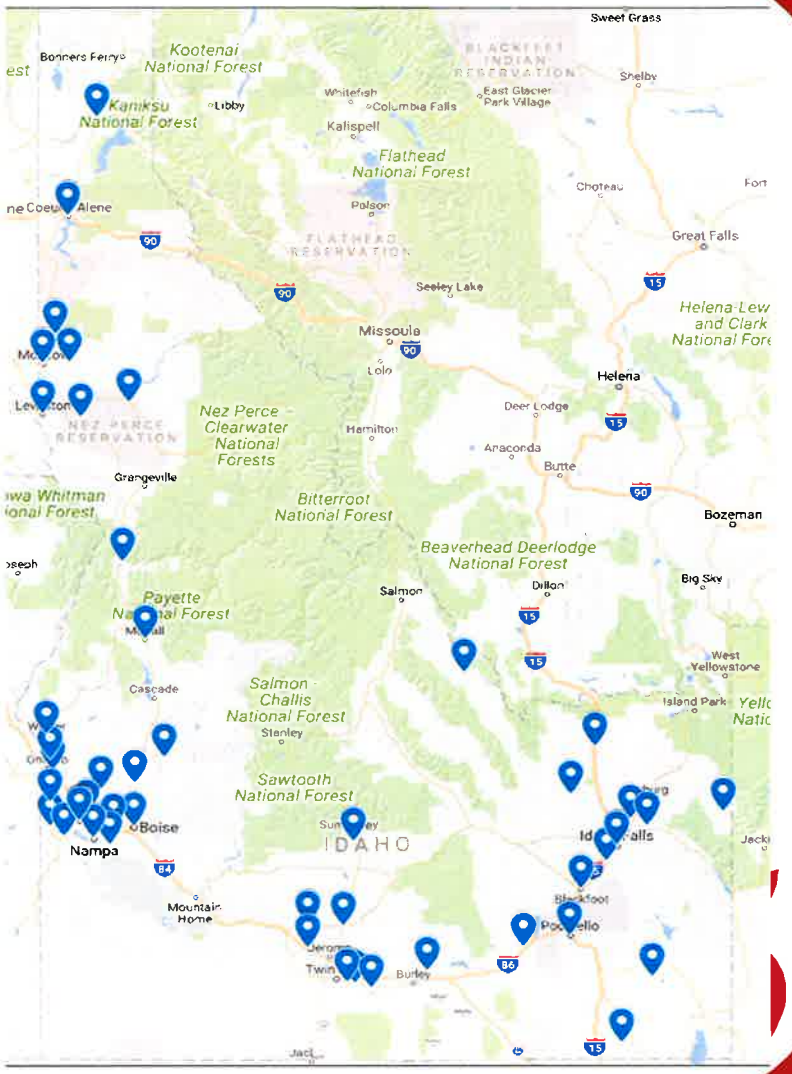
AND **107,767** STUDENTS

Another 20% of districts surveyed plan to start farm to school activities in the future.

(Note: of the 142 school districts in Idaho, 87% completed the USDA Farm to School Census.)

USDA Farm to School Census

- 55 School districts in Idaho who report implementing Farm to School programs are located across the state!



USDA Farm to School Census

SCHOOL DISTRICTS IN IDAHO ARE CURRENTLY BUYING THE FOLLOWING TYPES OF LOCAL FOODS:

88% FRUITS

82% VEGETABLES

78% MILK

24% MEAT OR POULTRY

48% OF IDAHO DISTRICTS SURVEYED PLAN TO INCREASE LOCAL FOOD PURCHASES IN THE FUTURE.

IDAHO SCHOOL DISTRICTS ARE SERVING LOCAL ITEMS THROUGHOUT THE SCHOOL DAY. IN IDAHO LOCAL FOODS ARE BEING SERVED AT THE FOLLOWING TIMES:

62% BREAKFAST

96% LUNCH

4% SUPPER

26% SNACKS

48% FRESH FRUIT & VEGETABLE PROGRAM

USDA Farm to School Census

$4,336,710

INVESTED IN LOCAL FOOD

IN IDAHO

WITH THE AVERAGE SCHOOL DISTRICT SPENDING

10% OF THEIR BUDGET ON LOCAL PRODUCTS.

Idaho Agriculture in the Classroom

TRAINING TEACHERS / REACHING STUDENTS

ADVANCING AG AWARENESS

HISTORY

1986

- Program established in Idaho at ISDA

1994 (JANUARY 1)

- Program moved to outside contractor (Waitley Associates)

2008 (JULY 1)

- Idaho AITC Association established

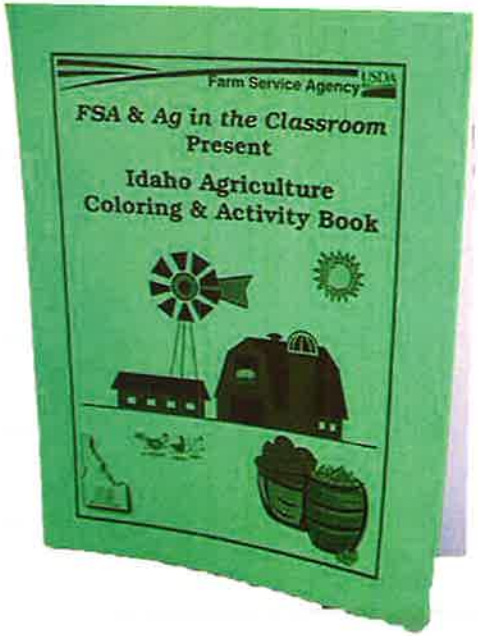
Idaho
Agriculture in the Classroom

LICENSE PLATE

- Established in 2000 by the Idaho Legislature
- Proceeds help advance ag literacy in Idaho
- Available at county motor vehicle offices
- $35 first year (plus regular fees); $25/year after

Idaho Agriculture in the Classroom

CURRICULUM PARTNERS



Idaho
Agriculture in the Classroom

RESOURCES

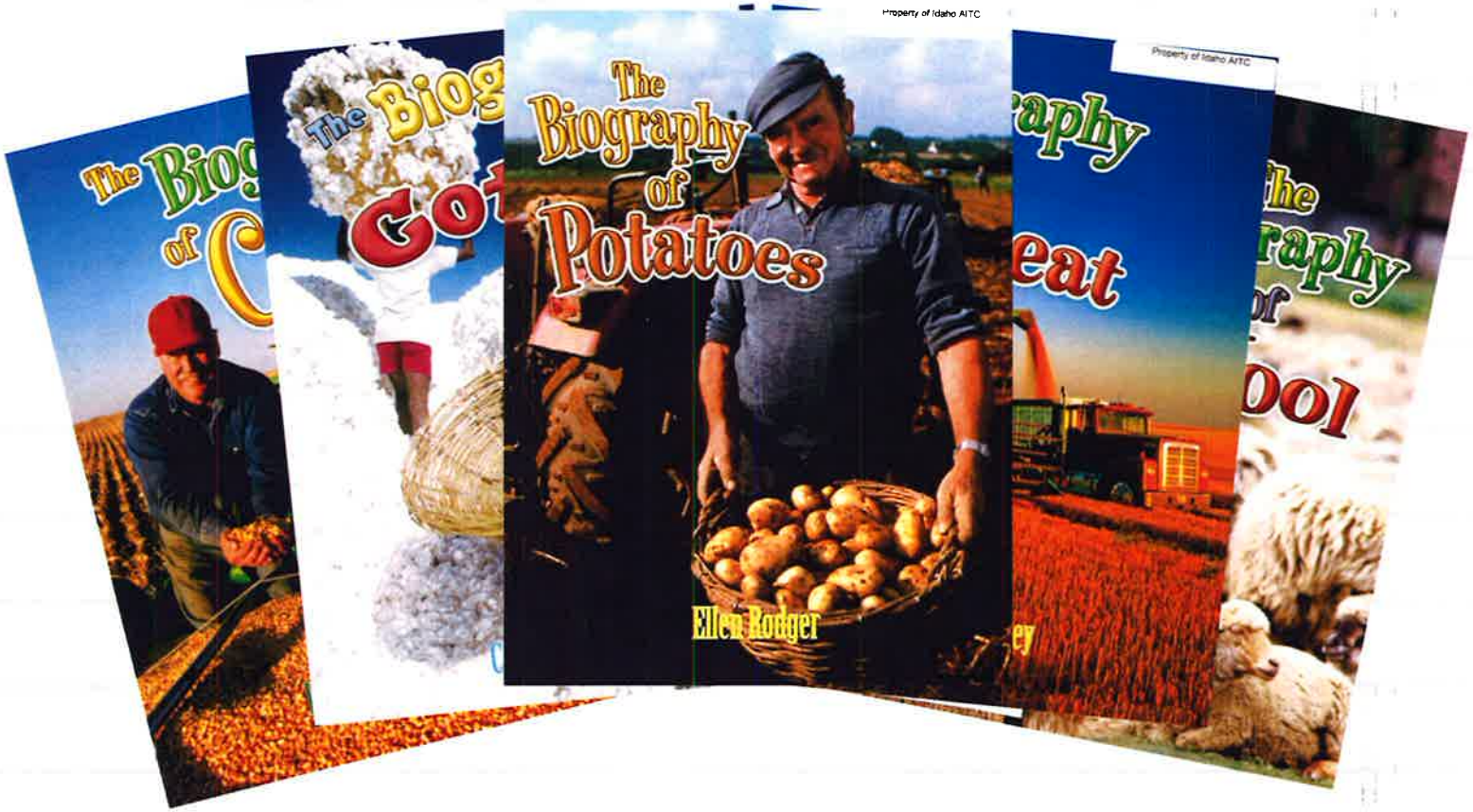
AG LITERACY

Idaho Agriculture in the Classroom

MORE AVAILABLE AT: **WWW.IDAHOAITC.ORG**

RESOURCES

AG LITERACY



Idaho Agriculture in the Classroom

MORE AVAILABLE AT: **WWW.IDAHOAITC.ORG**

SUMMER ACTIVITIES

On-the-Road Workshops

- One Credit (U of I / NNU)
- Two Days Experiencing Idaho Agriculture
- Teaching Resources and Classroom Activities

Idaho Agriculture in the Classroom

VISIT US ONLINE AT: **WWW.IDAHOAITC.ORG**

SUMMER ACTIVITIES

Tour (4 days)

- Two Credits (U of I / NNU)
  - Snake River "Smile"
  - Base Tours
  - Lewiston to CDA
  - Pocatello to Caldwell
  - Twin Falls to Caldwell

Idaho Agriculture in the Classroom

VISIT US ONLINE AT: **WWW.IDAHOAITC.ORG**

IDAHO AITC

- Experience Idaho Ag in the Classroom
- Respect the History
- Meet the People
- Learn the Lifestyle
- See the Challenges
- Understand the Investment
- Appreciate Idaho Agriculture

Idaho Agriculture in the Classroom

VISIT US ONLINE AT: **WWW.IDAHOAITC.ORG**

University of Idaho
Extension

Why School Gardens?

Garden-based education:

- Increases academic achievement
- Results in higher test scores
- Reduces classroom management & discipline problems

IDAHO CNP CHILD NUTRITION PROGRAMS

Nutrition Benefits

Garden-based nutrition education:

- Significantly increases children's consumption of fresh fruits and vegetables

PROTECT
THE
FREE

University of Idaho Extension

Contributing our:

- expertise
- curriculum
- experience
- volunteers

A proven track record of making a difference in the sustainability and success of School Gardens in Idaho

Partnerships, like the University of Idaho Extension Office, were vital to the Marsing Garden Program.

PAT ANDERSEN

Master Gardener School Garden Mentor Program

- A collaboration with the Idaho Dept. of Education Team Nutrition Garden Grant Program
- Pairs trained and screened UI Master Gardener Volunteers with schools receiving grants

IMPACT

University of Idaho Extension

Canyon County, 208.459.6003, Fax: 208.454.6349
501 Main St., Caldwell, ID 83605

Master Gardener School Garden Mentors support healthy youth initiatives statewide

The Situation

The Farm to School movement has increased dramatically over the last 15 years in the United States as a way to address problems of childhood obesity and foster agricultural literacy. Commonly, programs involve school gardens, classroom education about food and farming, and the inclusion of more fresh, local foods in school lunch programs. Farm to School efforts effectively improve children's health, food preferences, and eating behaviors (Smith et al., 2012).

In 2013, the Idaho State Department of Education awarded grants to 12 Idaho schools and childcare centers to establish or sustain on-site school gardens. University of Idaho Extension was recruited to provide training and support for these garden projects.

Our Response

Extension Horticulture Educator Ariel Agenbroad worked with partners to develop a new program to train, certify, and supervise active Idaho Master Gardener Volunteers as School Garden Mentors. Similar Extension programs in California and Rhode Island that have fostered long-term school garden success provided inspiration and best practices.

Master Gardener Volunteers in good standing were recruited from the counties where each school or childcare center was located in early May. Ten of the 12 schools were paired with a mentor. Mentors received training via webinar on school garden basics, 4-H garden curricula and child protection. Each passed background screening. Mentors were provided with 4-H Junior Master Gardener Curriculum handbooks, including *Health and Nutrition from the Garden*, which had been approved for classroom instruction by the Idaho State Education Department's Child Nutrition Services.

Master Gardener Mentor Myrna Keyes was paired with Tater Tots child care center in American Falls. Photo by Ariel Agenbroad.

Funding provided by the Idaho State Department of Education and a University of Idaho Extension Critical Issues grant were used to develop the program, purchase curricula and supplies, conduct statewide trainings and provide mentor and educator travel stipends.

Mentors served in schools and child care centers across the state: in Kellogg, Coeur d'Alene, Troy, Boise, Caldwell, Meridian, Parma, Mountain Home, Fruitland, American Falls and Idaho Falls.

Program Outcomes

Master Gardener Mentors conducted an average of three phone conversations, five email consultations and three on-site visitations with their school throughout the growing season. They assisted garden teams with garden planning, variety selection, season extension, pest management, soil health, irrigation

University of Idaho, U.S. Department of Agriculture, and Idaho counties cooperating
To enrich education through diversity, the University of Idaho is an equal opportunity/affirmative action employer and educational institution.

Just Add Water

- School garden training for teachers (with B.U.G.S.)
- Participants receive professional development academic credits
- Provided with curriculum, support and resources

WE USE food
tO Change lives
and build
ealthy communities

Engaging Future Leaders

UI Student Interns delivering hands-on instruction through:

- Summer Reading Programs
- In school enrichment
- Public festivals, events, fairs
- Farm to Summer Pilot Program

YOURSELF.
MyIdahoPlate
MyState
IDAHO
Dairy

IDAHO
Today your child ate an ALL IDAHO lunch featuring a special menu of fresh foods grown and produced here in the Gem State!
They also learned more about Idaho food and farms and received this bag as our gift.
Idaho Farm to Summer 2017 Partners:
IDAHO
University of Idaho Extension
Idaho Farm Bureau
Northwest
Idaho Agriculture in the Classroom
PETERSON STAMPEDE
DODGE CHRYSLER JEEP RAM

TruMoo
Chocolate

We're #1
EXIT
Success starts with Believing in YOURSELF.

New Roles, Next Steps

NATIONAL
FARM to SCHOOL
NETWORK

IDAHO

Thank you

Attachment 2:

Idaho Agriculture in the Classroom

2017 ANNUAL REPORT

AITC Partners,

It is a pleasure to report to you on the 2017 activities and events sponsored by Idaho Ag in the Classroom. Let me a highlight a few of the accomplishments this past year:

ON THE ROAD WORKSHOPS: Two On the Road Workshops were held this year for teachers. One was held in the Treasure Valley (28 participants) and one in the Magic Valley (39 participants). Each of these workshops included some excellent visits to farms, ranches and agribusiness operations to learn more about Idaho's number one economic and industry driver - agriculture.

GOVERNOR'S AWARD FOR EXCELLENCE IN AGRICULTURE: AITC nominated Kevin Moss, owner and manager of Moss Greenhouses in Jerome for this prestigious award. Kevin was one of the five selected, and will be presented with the Marketing Innovation award. Kevin will be recognized at the Idaho Ag Summit in February by Governor C.L. "Butch" Otter. Moss Greenhouse has been a frequent stop for workshops and tours of AITC over the years. Congratulations, Kevin! AITC was proud to nominate you for this award.

WEBSITE/SOCIAL MEDIA: The Idaho AITC website is maintained by Utah State University and Facebook is maintained by AMG. Both have been excellent avenues for advocating for agriculture and helping people learn more about the industry. We have seen increased traffic to both and have shared a number of videos by Leadership Idaho Agriculture graduates to help people understand farming practices. Views of these videos have hit record numbers and are very popular resources for those exploring agriculture.

LICENSE PLATES: The Ag Plate revenue continues to increase as more people learn about the program and how the proceeds are used to promote agriculture education through AITC. Currently, we distribute brochures to all of the County Assessors and through other venues to promote the plates. Thanks to each of you that might have an ag plate on vehicles you drive.

AG EXPOS: AITC has been pleased to be a cooperating partner with FFA Chapters and other groups throughout Idaho to provide materials for teachers and students attending Ag Expos. Each is unique in nature of the community where it is held, and at most Expos, students are given a packet and teachers are provided resources to be used in their classrooms. The following are Expos and other activities where AITC distributed materials:

Peterson Stampede Children's Event at Karcher Mall
Agri-Service Growers Meeting – 170 students / 6 teachers
Shelly High School Ag Expo – 415 students / 18 teachers
Leadership Idaho Agriculture Class 37
Melba High School Ag Expo – 170 students / 7 teachers
Raft River High Ag Expo – 200 students / 8 teachers
Cassia County FFA Expo – 500 students / 19 teachers
Kootenai County Farm to Table Activity Days – 780 students / 28 classrooms
Treasure Valley AITC Workshop – 28 teachers
Magic Valley AITC Workshop – 39 teachers
Canyon County Fair (in cooperation with Peterson Stampede)
Twin Falls County Fair
West Ada FFA Ag Expo – 3,100 students / 150 teachers
Idaho Preferred Road Show
Rigby High STEM Presentation – 380 students / 20 teachers

OBENDORF HOP FARMS | PARMA

MOO-RIAH DAIRY | MELBA

MOSS GREENHOUSES | JEROME

ADMINISTRATIVE SERVICES: Association Management Group in Meridian has provided the support services for Idaho ATIC since 1994. Many thanks to the members of the AMG team who contribute to the success of the program. We enjoy our association with Idaho AITC.

Rick Waitley, *State Director*

2017 IDAHO FARM TO SUMMER PILOT PROGRAM

WHAT IS FARM TO SUMMER?
- Encourage summer feeding sites to serve more Idaho food products
- Increase agricultural literacy among students taking part
- Increase staff awareness of local seasonal foods

COMPONENTS:
- Local foods in meal
- Presentation connecting food on menu to agriculture and nutrition
- Take home bag with food/educational materials

RESULTS:
- 12 sites participated
- Approximately 970 students consumed a local meal
- All reporting sites said no problems sourcing local foods
- All reporting sites said that they would serve the local meal again
- Many foods were used that were not previously part of regular menu – some due to seasonality, some to preparation required, some due to cost
- Local items included blueberries, cherries, strawberries, cucumbers, cantaloupe, summer squash, apricots, carrots, honey, bread, hot dogs, trout patties, cheese, tortillas, and more

PARTICIPATING SITES:
- Endeavor Elementary (Nampa)
- West Ada Schools – Tully Park
- Idaho Food Bank (Boise)
- Sacajawea Elementary (Caldwell)
- Van Buren Elementary (Caldwell)
- Ada County Boys & Girls Club
- Payette Primary School
- Payette Public Library
- Lowell Elementary (Boise)
- Homedale Farmers Market
- Whitney Elementary (Boise)
- Marsing Elementary

SPONSORS:
- ISDA's Idaho Preferred Program
- University of Idaho
- Idaho AITC
- Northwest Farm Credit Services
- Food Producers of Idaho
- Ada County Farm Bureau
- United Dairymen of Idaho (Dairy West)
- Peterson Stampede
- Idaho Bean Commission

2017 BOARD OFFICERS

Kristie Dorsey, *President*
Production Agriculture/Teacher

Linda Ventura, *Vice President*
Lowell Scott Middle School

Gretchen Hyde, *Secretary/Treasurer*
Idaho Rangeland Resource Commission

Darrell Bolz
Retired State Representative

Leah Clark
Idaho State Dept. of Agriculture

Stephanie Etter
Homemaker

Clara-Leigh Evans
State FFA Coordinator

Frances Field
Production Agriculture

Candi Fitch
ID-OR Fruit and Vegetable Association

Carol Guthrie
Production Agriculture

Robin Lindquist
Farm Manager

Jim Lowe
The Farmstead Corn Maze

Dan Sample
Columbia Bank

Mike Thornton
U of I Parma R & E Center

Judy Woody
Production Agriculture

Ag Advocate Award

PAST RECIPIENTS

2003
Mike Everett

2005
Rep. Kent Kunz

2006
Sen. Don Burtenshaw
Rep. Frances Field
Sen. Stan Williams

2007
Rep. Darrell Bolz
Sen. Tim Corder
Marilyn Crumley
*Pat Takasugi

2008
Drew Eggers
Celia Gould
Dan Hammond
Bob, Jane, & James Hoff
Anne McKellip
Jay Miller
Kevin Moss
*Lou Riesenberg
Dan Sample
Mandi Thompson
Heather Tiel-Nelson

2009
Kathy Alder
Jeanie Blattner
Leah Clark
Jim & Carol Guthrie
Bill Lickley
Heidi Martin
Jim & Afton Patrick
Rebecca's Cakes & Catering
Blair Wilson

2011
Dave & Dan Dixon
John & Bill Hartman
Tim Sommer

2012
Tony VanderHulst

2013
Kuna FFA Chapter
Meridian FFA Chapter

2014
Gretchen Hyde

2015
Linda Ventura
Joe Stewart
M-M Feedlot

2016
The Farmstead Corn Maze
Mike Thornton
Judy Woody

*deceased

IDAHO SUGARBEET GROWERS ASSOCIATION

Idaho ranks #2 in sugarbeet production, with the heart of production following the route of the Snake River through Idaho. Mark Duffin, Executive Director of the Association, has been a great partner in providing materials and information from their industry about sugarbeet production as well as information about sugar processing and nutrition related to sugar consumption. Idaho provides over 19% of the sugarbeets for the U.S. with nearly 175,000 acres grown in Idaho. The sugarbeet industry is responsible for over 50% of U.S. sugar production. The Idaho Sugarbeet Growers are players in the arena of trade shows and Ag Expos in local schools and fairs.

IDAHO APPLE COMMISSION

For over 100 years, farmers in Idaho have grown apples. The annual harvest, from August through October, provides crisp and fresh apples to Idaho, national, and world markets. Idaho grows several varieties of apples. Candi Fitch, Administrator for the Commission, has been an advocate for the apple industry; one way has been by providing educational materials for classrooms and teachers through the Idaho AITC programs. The Apple Commission is also a regular exhibitor at trade shows and Ag Expos in cooperation with FFA Chapters.

IDAHO FOREST PRODUCTS COMMISSION

Idaho Forest Products Commission's Project Learning Tree has been a close cousin to Idaho AITC activities for many years. The annual experience for educators is held in various parts of Idaho. The IFPC is also responsible for the Sustainable Forestry Tours which engage students with proven, classroom-tested Project Learning Tree activities. IFPC has provided resources for students and teachers through AITC to high school FFA Ag Expos, as well as provided materials for requests that AITC receives from teachers throughout the year. The natural resource industry is important to Idaho with approximately 70% of Idaho's lands owned by the government for the benefit of citizens; many of those acres are forested lands.

AGRI-SERVICE

Agri-Service was founded in 1990 by Cleve Buttars when he moved from Logan, Utah to Twin Falls, Idaho. Agri-Service was revolutionary in introducing the large square baler in the Magic Valley, making a name for themselves as the valley's hay experts. Soon the company grew from one store to five, and then from five to ten. The company is in collaboration with the parent company, AGCO Corporation. Agri-Service are strong advocates for agriculture in the Magic Valley; they host a field day for elementary children and promote the AITC ag license plate by sporting it on more than 100 company vehicles.

ORGANIZATIONAL MEMBERSHIP - $150

Ada SWCD
Adams SWCD
Agri Beef Co.
Balanced Rock/Snake River/Twin Falls SCD
Bannock County Farm Bureau
Bayer CropScience Vegetable Seeds (Nunhems, USA) +
Boundary Soil Conservation District
Camas Conservation District
Canyon County Farm Bureau
Canyon SCD
Capital Press
CHS Primeland
Clearwater Supply, Inc. *
CoBank
Cowboy Tom's (Tom & Charlotte Armstrong)
Crookham Company
East Cassia SWCD
Food Producers of Idaho
Glanbia Nutritionals
Grant 4-D Farms
Greenleaf Farms, Inc.
H.M. Clause, Inc.
Hartman Farms, Inc.
Idaho-E. Oregon Onion Committee
Idaho-Oregon Fruit & Vegetable Association
Idaho AgCredit
Idaho Alfalfa & Clover Seed Commission
Idaho Alfalfa & Clover Seed Growers Association
Idaho Apple Commission
Idaho Aquaculture Association, Inc.
Idaho Association of Soil Conservation Districts
Idaho Barley Commission
Idaho Beef Council +
Idaho Cattle Association
Idaho Cherry Commission
Idaho Co-op Council, Inc.
Idaho Crop Improvement Association
Idaho Eastern Oregon Seed Association
Idaho Farm Bureau Federation
Idaho FFA Foundation
Idaho Grain Producers Association
Idaho Hay & Forage Association
Idaho Honey Industry Association
Idaho Irrigation Equipment Association
Idaho Mint Commission
Idaho Mint Growers Association
Idaho Oilseed Commission
Idaho Onion Growers' Association
Idaho Pea & Lentil Commission +
Idaho Pork Producers Association
Idaho Potato Commission
Idaho Preferred
Idaho Rangeland Resource Commission
Idaho State Grange
Idaho Sugarbeet Growers Association
Idaho SWCD
Idaho Water Users Association
Idaho Weed Control Association
Idaho Wheat Commission
Idaho Wool Growers Association
Jefferson SWCD
JR Simplot Company +
Latah SWCD
Leadership Idaho Agriculture
Lewis Clark Terminal Inc.
M/M Feedlot (Darin Mann)
Marsing Agriculture Labor Sponsoring Committee, Inc.
McCain Foods USA *
McGregor Company
Minidoka SWCD
Monsanto Vegetable Seeds +
Moss Greenhouse, Inc.
Nampa Valley Grange # 131
Nezperce Prairie Grass Growers Assn.
Northwest Farm Credit Services +
Nyssa-Nampa Beet Growers Association
Pacific Northwest Farmers Cooperative
Picabo Livestock Co.
Port of Lewiston
Potato Growers of Idaho
Ririe Grain & Feed Co-op
S & W Seed Company (formerly Pioneer Hi-Bred)
Simplot - Jacklin Seed *
South West Idaho Weed Control Association +
The Amalgamated Sugar Company *
The Bank of Commerce *
The Farmstead Corn Maze & Pumpkin Festival
The Honey Store
Trinidad Benham Corp.
Twin Falls Canal Co
Twin Falls County Farm Bureau Federation
West Cassia SWCD
Wilbur-Ellis Company +
Wilder Housing Authority *

INDIVIDUAL MEMBERSHIP - $50

Andrus, Ken & Colleen
Beene, Britt & Andrea *
Blattner, Bill & Jeanie
Bolz, Darrell & Carol
Boyd, Stan *
Brown, Nathan & Kristi
Butler, Fred & Carol +
Chaney, Dallas & Florence
Dixon, Don
Dorsey, Matt & Kristie
Eggers, Drew & Debbie
Erwin, Judy
Esplin, Keith & Caryn
Etter, Stephanie
Field, Frances
Field, Howard
Flick, Todd & Tonya +
Foltz, John *
Gellings, Matt & Kathy
Gould, Celia
Gray, Robert & Carol (Sevoya Farms)
Groat, Jeff
Gross, Ray
Guthrie, James & Carol
Inouye, Kris & Carol
Kauffman, Clark & Debbie
Keys, Steve & Karen
Larrocea, Susi
Lickley, Bill & Laurie
Lincoln, David & Susan
Lindquist, Robin
Matthews, Vince
McKellip, Susan
Munis, Betty & David New +
Olson, Kelly
Pals, Doug & Diana
Patrick, Jim & Afton
Pearson, Jim & Doris
Pearson, Rick & Susan
Pettingill, Jeffrey (Bonneville County Weed Control)
Pratt, Mark & Wendy
Purdum, Rick & Robyn +
Ramseyer, Dave & Susan
Rasgorshek, Joe & Jessie
Rasgorshek, Paul & Marilyn
Roth, Mike (Si-Ellen Farms)
Rush, Dick & Nancy +
Sample, Dan
Sherrill, Kali (Twin Falls Co. Weed Control)
Takasugi, Suzanne
Thiel, Shelly
Thornton, Brad *
Thornton, Mike & Kristie +
Tiegs, Leland
Ventura, Cameron & Linda
Waitley Associates (Rick & Dorita Waitley)
Weitz, Joe (Western Farms, Inc.)
Woody, Judy L.
Wooten, Kip & Tawni

CONTRIBUTION

Blaine SCD
Butler, Fred & Carol
Elmore SWCD
Flick, Todd & Tonya
Idaho Beef Council
Pacific Northwest Vegetable Association
Portneuf Soil & Water Conservation District
Purdum, Rick & Robyn
Sample, Dan
South Bingham SCD
Weiser River SCD

** Welcome new members in 2017!*
+ Additional contributions

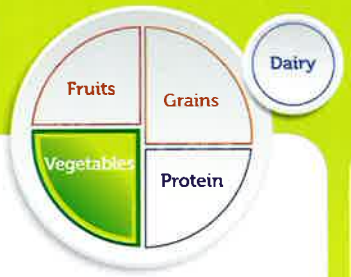
My**Idaho**Plate

MyPlate
MyState
ChooseMyPlate.gov

Idaho farmers and ranchers grow nearly 200 different crops to fill your plate and plates around the world!

IDAHO PREFERRED®

idahopreferred.com

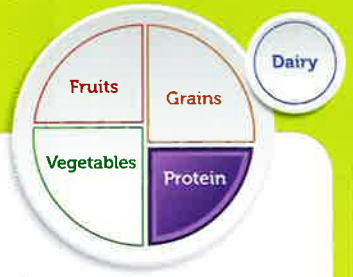


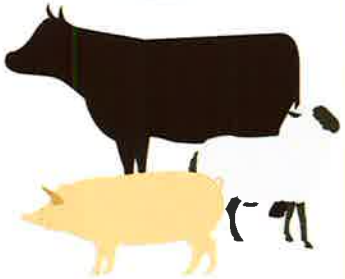
Vegetables

In addition to our famous potatoes, Idaho grows asparagus, beets, corn, tomatoes and more! Eat a variety of colorful vegetables to get important vitamins and minerals.

Idaho is number one in the nation and grows over 13 BILLION pounds of potatoes every year including red, blue, purple and golden varieties!

Enjoy 2.5 cups every day



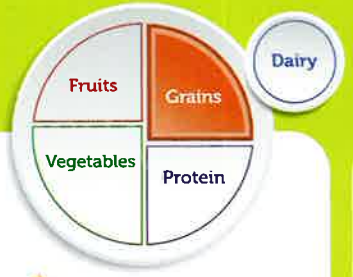


Protein

Protein builds muscles and gives you energy. Idaho ranchers raise beef, lamb, pork and even elk and buffalo.

Idaho also grows high-protein dry beans, lentils and garbanzo beans and is first in the nation in trout production!

Enjoy 5.5 OZ every day

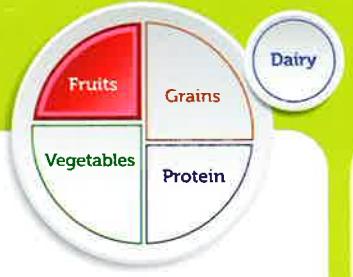


Grains

Grains are a healthy source of fiber and give us energy! In Idaho we grow wheat, barley and oats. Idaho farmers grow enough wheat each year to make about 1.7 BILLION loaves of bread.

Idaho wheat is made into much more than bread – and some even goes to feed children in other countries

Enjoy 6 OZ every day

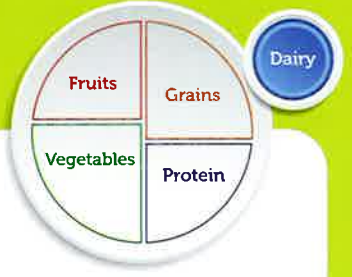


Fruits

Idaho fruits are allowed to ripen naturally on the tree, making them sweet and juicy. Apples, cherries, peaches, melons, berries and grapes grown in our state are delicious sources of vitamins and fiber.

Did you know Idaho scientists developed a new donut peach – shaped like a doughnut and just as sweet!

Enjoy 2 cups every day



Dairy

Idaho milk, cheese and yogurt provide calcium for strong bones, Vitamin D and protein. Dairy is Idaho's largest agriculture industry and adds over $5 BILLION to our state's economy.

Idaho produces enough milk to give each Idahoan over 40 glasses of milk EVERY DAY.

Enjoy 2-3 cups every day

© Idaho State Department of Agriculture

Exploring IDAHO Agriculture

Adams
Valley
McCall
Lemhi
Washington
Custer
Gem
Boise
Clark
Butte
Payette
Jefferson
Fremont
SPEARMINT GUM
Madison
Teton
Sun Valley
Boise
Bonneville
Idaho Falls
Canyon
Blaine
Ada
Camas
Gooding
Lincoln
Sugar
Elmore
Bingham
Caribou
Pocatello
Owyhee
Minidoka
Bannock
Jerome
Power
Twin Falls
Twin Falls
Bear Lake
Cassia
Oneida
Sugar
Franklin

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, March 01, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of February 15, 2018	Senators Harris & Guthrie
Minutes:	Approve Minutes of February 20, 2018	Vice Chairman Den Hartog & Senator Jordon
Docket No. 11-0201-1701	Rules of the Idaho State Brand Board	Larry Hayhurst, Idaho State Brand Inspector

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE:	Thursday, March 01, 2018
TIME:	8:00 A.M.
PLACE:	Room WW53
MEMBERS PRESENT:	Chairman Rice, Vice Chairman Den Hartog, Senators Patrick, Bayer, Guthrie, Harris, Foreman, and Jordan
ABSENT/ EXCUSED:	Senator Thayn
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 Agricultural Affairs Committee (Committee) to order at 8:03 a.m.
MINUTES APPROVAL:	**Senator Harris** moved to approve the Minutes of February 15, 2018. Seconded by **Senator Guthrie**. The motion carried by **voice vote**.
MINUTES APPROVAL:	**Senator Jordan** moved to approve the Minutes of February 20, 2018. Seconded by **Senator Bayer**. The motion carried by **voice vote**.
DOCKET NO. 11-0201-1701	**Rules of the Idaho State Brand Board (ISBB). Larry Hayhurst**, Idaho State Brand Inspector, began by addressing a spreadsheet titled "Changes in Personnel Cost and Head Count." **Mr. Hayhurst** pointed out the rising costs in insurance and payroll since 2014. The ISBB has not raised the brand fee since 2006 and brand inspections have decreased by 274,000. The ISBB brand fee is capped at $1.25 which is set in Idaho Code § 25-1160. This proposed temporary rule seeks to raise cattle inspection fees from 94 cents to $1.19. **Senator Jordan** clarified the ISBB is currently capped at $1.25 in statute. **Mr. Hayhurst** answered that the cap in statute has been set at $1.25. ISBB chose to increase the fee only 25 cents to $1.19. **Senator Patrick** asked if ISBB participated in the negotiated rulemaking process; if so was there any opposition to this fee increase at the rulemaking. **Mr. Hayhurst** answered initially ISBB did not process this fee rule change through negotiated rulemaking. ISBB sought approval through the Idaho Cattle Association and Idaho Dairymen's Association. When the rule took effect in July, ISBB was short a document in the rulemaking procedure. Because of this failed procedure, the rule was not valid and ISBB had to offer refunds of the increased fee. The Office of Administrative Rules recommended that ISBB conduct negotiated rulemaking to complete the correct procedures for the temporary fee rule change. At the negotiated rulemaking there were 11 individuals who testified in opposition to the temporary fee rule change. **Senator Guthrie** asked for clarification on the fee increase. **Mr. Hayhurst** responded that ISBB increased the fees from 94 cents to $1.19. **Senator Guthrie** asked if Thursday, February 15, 2018 was the only public comment opportunity. **Mr. Hayhurst** answered in the affirmative. **Mr. Hayhurst** explained, before this temporary fee took effect in July 2017, ISBB met with the Idaho Cattle and Idaho Dairymen's Associations to seek their approval of the increase.

Senator Guthrie asked if that was the reason the Committee is reviewing this temporary fee rule change so late in the session. **Mr. Hayhurst** answered the missing document in the rulemaking procedure resulted in ISBB correcting the rulemaking procedure and offering a refund of the collected fees from July 2017.

Vice Chairman Den Hartog requested that Dennis Stevenson, State Administrative Rules Coordinator, clarify procedure on this docket for the Committee. **Mr. Stevenson** stated the rulemaking of the ISBB became convoluted. When an agency adopts a temporary rule, the statute requires that the rule be published in the next available bulletin. The ISBB temporary rule did not get published in the bulletin. Because of this error in procedure, it invalidates the temporary rule.

The ISBB readopted the temporary rule and then published it in the bulletin. In this process, ISBB did get a request for a public hearing because they did not initially proceed with negotiated rulemaking. During the public hearing comment period, there is also a request period for public hearings. ISBB held the public hearing. These proceedings delayed the adoption of the pending rule and that is why this rule is before the Committee as a temporary rule for extension. The rule did not have time to finish the rulemaking to present it as a pending rule. This rule is before the Committee for extension so that the rule remains in effect after the Legislative Session concludes. This will allow ISBB to finish the rulemaking and the rule will be adopted as pending some time this year after the Legislative Session is complete. The rule will be brought before the Committee next session as a pending rule for final approval.

Tucker Shaw, President of the Idaho Cattle Association, spoke in support of **Docket No. 11-0201-1701**. He stated the service ISBB provides is essential to the cattle industry. The increase in collection fees is a necessary cost to production to keep ISBB essential services functioning. ISBB has been operating in a fiscally responsible way and utilizing its resources prudently. Over the past years, ISBB has operated on a tightened budget while the cost of doing business and requirements have increased. The funds needed to perform the regulatory duties to meet the Governor's recommendations for the 2018 budget are inadequate. It is important to the cattle industry and Mr. Shaw's family's ranching operation for ISBB to be fully functional to safeguard the cattle and assist in the commerce of the cattle industry. **Mr. Shaw** stated that a rules rejection could jeopardize Idaho's cattle industry.

Joel Van Lith spoke in opposition of **Docket No. 11-0201-1701**. **Mr. Van Lith** stated he had no issue with the dollar amount increase, but what is received for the $227,000 his business collects for ISBB. **Mr. Van Lith's** opposition stemmed from lack of representation for his type of business on the ISBB. **Mr. Van Lith** reported he has not been reimbursed the fees from July 2017 that were collected incorrectly under the rulemaking.

Senator Harris asked if Mr. Van Lith requested or received a refund from the invalidated temporary rulemaking. **Mr. Van Lith** answered he has requested the refund and has not received the funds.

Marty Gill spoke in support of **Docket No. 11-0201-1701**. **Mr. Gill** stated the ISBB is an important element in the commerce of the industry. Brand inspectors must be on site when cattle are shipped. There are animal health issues, such as cattle being on the truck too long and truck drivers who are limited in the amount of hours they can drive.

Wyatt Prescott, representing the Idaho Cattle Association, spoke in support of **Docket No. 11-0201-1701**. **Mr. Prescott** stated his primary occupation is in commercial cattle production by ranching cow/calf, commercial stocker cattle, and finish feeding cattle.

The ISBB is an essential service for the majority of the industry that wants to safeguard their commerce. He does not have the land assets to graze the cattle so the land must be leased and the cattle sent on a truck to a feedlot. It is critical for his operation to know that there is security in his ownership through the ISBB to secure his investment.

Mr. Prescott said he also feeds some of his cattle in Kansas, then the cattle must travel over several state lines. The cattle must have a proof of ownership and a brand record. The most important portion of his business is the security through liens on the cattle he has purchased. This is only possible because of ISBB being able to perfect these liens on the cattle through the brand inspection. This is key in the financing and resulting success of his business.

Mr. Prescott continued to explain why the increased fee request is necessary and providing ISBB with the requested resources is important. ISBB has become fiscally stretched thin with rising overhead fees and decreasing brand inspections. One of the necessary elements for shipping cattle by truck is ISBB personnel being available to be at the trucking site on time for the cattle health. A personal story that **Mr. Prescott** told was ISBB being delayed to his cattle shipment by four hours and the cattle losing weight per hour because of the delay. **Mr. Prescott** believes that if the industry can keep ISBB fully funded through this fee increase it will be beneficial for their industry.

Senator Bayer asked for details and status on the July refunds. **Mr. Hayhurst** replied that ISBB has not reimbursed any of the brand refunds. Those refunds will be sent out on or before April 1, 2018; the total refund amount will be $36,000. **Senator Bayer** asked if these increased fees are currently being collected. **Mr. Hayhurst** explained that ISBB is collecting brand fees at the $1.19 currently. During the refund phase, ISBB inspected approximately 400,000 head of cattle. The reason ISBB is only refunding $36,000 is that some producers did not request a refund. **Senator Bayer** clarified the premise of the fee refund is based on a technical authorization in rulemaking. **Mr. Hayhurst** stated ISBB failed to file one document in the rulemaking procedures and that nullified the fee increase from July to October 2017. **Senator Bayer** asked since October 2017 to present if the ISBB is collecting brand fees at the increased fee of $1.19. **Mr. Hayhurst** replied in the affirmative.

Senator Patrick asked if ISBB falls under the Idaho State Department of Agricultural. He then inquired as to how the board members are selected. **Mr. Prescott** stated that the members of the ISBB are selected by the Governor. Names are proposed by the industry and the Governor selects individuals from that list. There is a dairy representative, livestock auction market representative, cattle feeder representative, and a cow/calf representative.

David Claiborne, representing the Idaho Dairymen's Associate (IDA), spoke in support of **Docket No. 11-0201-1701**. IDA believes it is important for the brand fees to increase in order for ISBB to continue to perform its essential functions. The IDA represents 490 dairy facilities throughout the State. There are existing statutes that require IDA to have brands and this fee increase is needed so that ISBB regulatory function has the funds to function. IDA has seen a need in increased brand presence at the new slaughter facility in Kuna, Idaho, where a large number of culled cows from dairy operations are processed.

Elizabeth Criner, representing the J.R. Simplot Company, spoke in support of **Docket No. 11-0201-1701**. She stated that a functioning and effective brand board is important to the J.R. Simplot Company business, which owns the processing plant in Kuna, Idaho. This industry is very important to the Land and Livestock Division and ISBB is an important component of the success of this industry.

It is important to note that the fee supports ISBB, the Idaho Beef Council, and disease control. Having a successful branding system helps the consumer from a food safety perspective because there is traceability of the animal.

Vice Chairman Den Hartog invited Mr. Hayhurst to provide closing remarks. **Mr. Hayhurst** stated he wanted to clarify that ISBB is a division of the Idaho State Police (ISP). The full-time brand inspectors are all commissioned officers and have the same powers as an ISP trooper. ISBB works with ISDA and United States Department of Agriculture on animal health and traceability.

Senator Harris asked if **Docket No. 11-0201-1701** is procedurally correct. **Mr. Hayhurst** answered in the affirmative.

Senator Bayer asked Mr. Hayhurst for the total dollar amount of brand inspections performed during the refund period. **Mr. Hayhurst** answered that ISBB inspected approximately 400,000 head of cattle from July 1, 2017 to October 1, 2017 at 25 cents a piece which calculated to $100,000. Of this $100,000, only $36,000 has been requested for refund. **Senator Bayer** asked if since October 1, 2017 to March 1, 2018, the fee set forth in **Docket No. 11-0201-1701** is being collected. He asked If this rule were to be rejected by the Committee, would there be more refund implications. **Mr. Hayhurst** answered in the affirmative.

Senator Guthrie asked from July 1, 2017 to October 1, 2017 the fees that were collected for the increase should not have been collected because of lack of notification. He asked why notification was not sent out in August when the error was discovered. **Mr. Hayhurst** stated ISBB was not notified of the error until September.

Senators Guthrie and **Harris** stated they had a conflict of interest pursuant to rules of the Senate 39(H), but intended to vote on **Docket No. 11-0201-1701**.

MOTION: **Senator Harris** moved to approve **Docket No. 11-0201-1701**. Seconded by **Chairman Rice**. The motion carried by **voice vote**.

ADJOURNED: There being no further business, **Vice Chairman Den Hartog** adjourned the meeting at 9:12 a.m.

Senator Rice
Chair

Carol Deis
Secretary

Idaho Brand Board - Changes in Personnel Cost and Head Count

Health Insurance Changes FY2013 thru FY2018

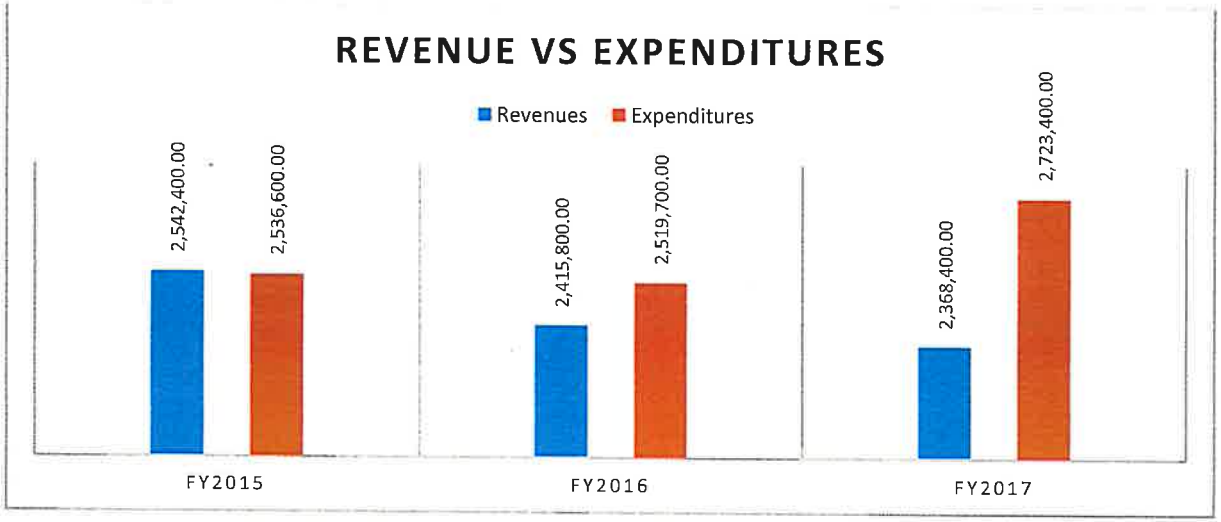
	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013
Health Insurance Changes Per FTP	$ 13,100.00	$ 12,240.00	$ 11,200.00	$ 10,550.00	$ 9,100.00	$ 8,550.00
% increase per year	6.56%	8.50%	5.80%	13.74%	6.04%	
Increase per FTP	$ 860.00	$ 1,040.00	$ 650.00	$ 1,450.00	$ 550.00	
Total Annual Increase for all FTPs	**$ 32,542.40**	**$ 38,313.60**	**$ 23,946.00**	**$ 53,418.00**	**$ 20,262.00**	

Payroll Changes FY2013 thru FY2018

	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013
Total Payroll	*$2,552,300*	$ 2,317,757.36	$ 2,160,049.97	$ 2,129,305.36	$ 2,042,861.63	$ 2,046,214.41
% increase Per FY	*9%*	6.80%	1.42%	4.06%	-0.16%	
Actual Dollars Increase	***$ 234,542.64***	**$ 157,707.39**	**$ 30,744.61**	**$ 86,443.73**	$ (3,352.78)	
	(Projected)					

Head Count Changes FY 2013 thru FY 2017

		FY2017	FY2016	FY2015	FY2014	FY2013
Total Head Count Per FY		1,894,874	1,960,779	2,031,053	2,169,021	2,130,637
Change in Head Count Per FY		**(65,905)**	**(70,274)**	**(137,968)**	38,384	
Total Decrease in Head Count FY2014 thru FY2017	**(274,147)**					



Difference	**$5,800**	**$(103,900)**	**$(355,000)**

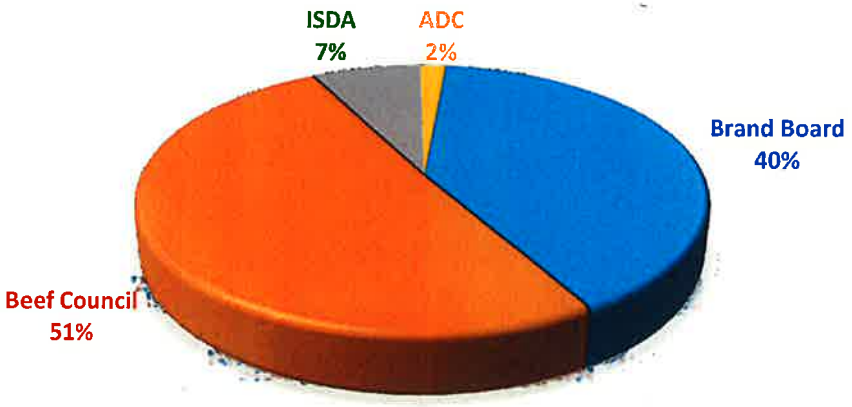
Attachment 1:

Attachment 1 :

Where do your Idaho Brand Inspection dollars go?

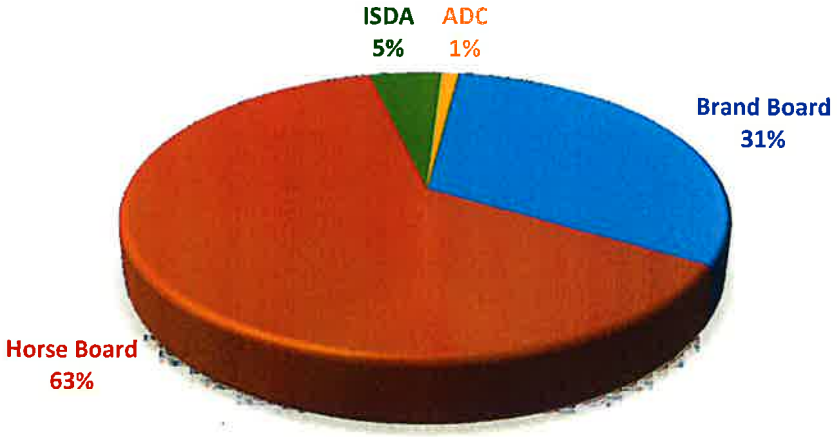
The current charge for a **cattle** change of ownership brand inspection is **$2.96 per head**. Where does that money go? The following is a breakdown of Idaho cattle brand inspection dollars.

Brand Inspection Fee	$1.19	(Idaho Brand Board)
Beef Council Assessment	$1.50	(Idaho Beef Council)
Disease Control Assessment	$0.22	(Idaho State Department of Agriculture - ISDA)
Animal Damage Control	$0.05	(Animal Damage Control Board via the Idaho Sheep Commission)
Total per head fee	**$2.96**	**per head**



The current charge for an **equine** change of ownership brand inspection is **$4.77 per head**. Where does that money go? The following is a breakdown of Idaho equine brand inspection dollars.

Brand Inspection Fee	$1.50	(Idaho Brand Board)
Horse Board Assessment	$3.00	(Idaho Horse Board)
Disease Control Assessment	$0.22	(Idaho State Department of Agriculture - ISDA)
Animal Damage Control	$0.05	(Animal Damage Control Board via the Idaho Sheep Commission)
Total per head fee	**$4.77**	**per head**



Carol Deis

From: Burlile, Cody <Cody.Burlile@isp.idaho.gov>
Sent: Tuesday, February 20, 2018 10:14 AM
To: Joan Majors; Representative Judy Boyle; Representative Thomas "Tom" E. Dayley; Carol Deis; Senator Jim Rice; Senator Lori Den Hartog; Dennis Stevenson; Adam Jarvis
Cc: Hayhurst, Larry; Stephanie Altig
Subject: Brand Board Public Hearing Summary
Attachments: SA re Brand Board Hearing on 021518.pdf

Attached is the Hearing Officer's summary regarding Docket No. 11-0201-1701 Brand Board Public Comment Hearing held on Thursday February 15, 2018. The court report tasked with transcribing the hearing is currently working on the comprehensive hearing record which will not be available for an estimated two week period following the hearing date. Please let us know if you have any questions.

Thank you,

Cody D. Burlile
Assistant State Brand Inspector
Idaho Brand Board – Idaho State Police
PO Box 1177, Meridian, ID 83680-1177
700 S Stratford Dr., Meridian, ID 83642
Office: (208) 884-7070
Fax: (208) 884-7097
Cody.Burlile@isp.idaho.gov

CONFIDENTIALITY NOTICE: This e-mail is intended only for the personal and confidential use of the individual(s) named as recipients (or the employee or agent responsible to deliver it to the intended recipient) and is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-2521. It may contain information that is privileged, confidential and/or protected from disclosure under applicable law including, but not limited to, the attorney client privilege and/or work product doctrine. If you are not the intended recipient of this transmission, please notify the sender immediately by telephone. Do not deliver, distribute or copy this transmission, disclose its contents or take any action in reliance on the information it contains.

Office of the Attorney General for the
Idaho State Police

Lawrence G. Wasden, Attorney General

TO: TOM BASABE, CHAIRMAN
IDAHO BRAND BOARD
RON DAVISON, MEMBER
MERLE OLSEN, MEMBER
KEN WOOD, MEMBER
JACK DAVIS

LARRY HAYHURST, IDAHO STATE BRAND INSPECTOR
CODY BURLILE, DEPUTY BRAND INSPECTOR

FROM: STEPHANIE A. ALTIG
LEAD DEPUTY ATTORNEY GENERAL
IDAHO STATE POLICE

SUBJECT: IDAHO BRAND BOARD PUBLIC COMMENT HEARING SUMMARY
DOCKET NO. 11-0201-1701 – TEMPORARY PROPOSED RULE

DATE: FEBRUARY 16, 2018

On Thursday, February 15, 2018, at 1:00 p.m., the Idaho Brand Board convened a hearing to take public comment on Docket No. 11-020201-1701, a proposed temporary rule to increase the cost of brand inspections for cattle from $0.91 to $ 1.19 per head. At the Brand Board's request, through State Brand Inspector Larry Hayhurst, I presided over that hearing. My paralegal Robyn Sabins was there to assist me.

The hearing attendees were: (a) Idaho State Senator Bert Brackett and Representative Rick Youngblood; (b) Tom Basabe, Chairman of the Idaho Brand Board, and Brand Board members Ron Davison, Merle Olsen and Ken Wood with member Jack Davis absent due to a conflict in schedule; (c) State Brand Inspector's Office personnel; (d) nine members of the cattle industry in person; and (e) two members of the cattle industry by telephone conference call, Marty Gill and Nichole Van Lith. A court reporter was also present and recorded the hearing verbatim. There were several written comments received by the Brands Board Office prior to the hearing and

several more written comments submitted during the hearing. These written comments were marked as Exhibits A through P were given to the court reporter to become part of the official record of the hearing. Six of the written comments supported the proposed temporary rule and nine of them opposed it.

Sen. Brackett and Rep. Youngblood provided comment, both of whom supported the proposed temporary rule. Cattle producers Steven B. Sutton, Justin Mink and Ron Ford also provided comment, as did Marty Gill by telephone, and all of them supported the proposed temporary rule. Tucker Shaw, representing himself and the Idaho Cattle Association, also provided comment supporting the rule as did Bob Naerebout, representing himself and the Idaho Dairymen's Association. Kate Haas provided comment on behalf of the Wendell Buying Station stating that its owner, Joel Van Lith, vehemently opposed the proposed temporary rule. Ms. Haas did not explain the reasons for Mr. Van Lith's opposition but pointed out that he had provided two written comments opposing the rule which were marked as exhibits and are part of the official hearing record.

Most of the people who provided comment at the hearing and in some of the written comments also expressed appreciation for the Idaho State Brand Inspector's Office for its transparency, fiscal responsibility and valuable service to the cattle industry in the state of Idaho.

HOME ADDRESS
48331 THREE CREEK HIGHWAY
ROGERSON, IDAHO 83302
HOME: (208) 857-2217
OFFICE: (208) 308-4961

BOISE, IDAHO 83720-0081
(208) 332-1300
FAX: (208) 334-2320
bbrackett@senate.idaho.gov

Idaho State Senate

SENATOR BERT BRACKETT

February 15, 2018

Mr. Larry Hayhurst, Director
Idaho Brand Department
700 S. Stratford Dr.
Meridian, Idaho 83642

Dear Director Hayhurst,

My name is Bert Brackett. I am a rancher from Owyhee County, and I also serve in the Idaho State Senate from Legislative District 23.

This is a follow-up to my presentation today in support of the Brand Board adopting a temporary rule to increase inspection fees as specified in Administrative Rules Docket No. 17-0201-1701.

The Brand Board provides a necessary service for the industry to support and facilitate commerce. It is very important that the department has the necessary resources to provide the services they are tasked with doing.

As ranchers, we need to know that our brand inspectors will show up in a timely manner when we are shipping cattle to help complete sales transactions. Failure to do so will cost the industry and individuals, such as myself, in inconvenience, but more importantly, in lost dollars.

The department operates in a very fiscally responsible way, utilizing the resources available to them in a frugal responsible way. Over the years, expenses have increased such as salaries, insurance, and many other basic operating expenses. At the same time, the number of brand inspections have dropped, which has decreased revenue. The Brand Board has continued to operate on a tightened budget as it provides the services required to conduct commerce in the cattle industry. It is paramount to the cattle industry and my operation that the department remain intact and fully functioning to safeguard our cattle from theft and corruption.

Any rejection of this Administrative Rule or delay in the resources that this rule provides would only jeopardize our individual operations and the State's cattle industry.

Sincerely,

Bert Brackett

Bert Brackett
Rancher and State Senator, District 23

IDAHO CATTLE ASSOCIATION

since 1915

February 28, 2018

Dear Senator:

The Idaho Cattle Association (ICA) requests your support of the temporary and proposed rule of the Idaho State Brand Board to increase inspection fees as specified in Docket No. 11-0201-1701. ICA is Idaho's only professional organization solely dedicated to representing the interests of ranching and cattle feeding families. The increase in collection is a necessary cost of production to keep the department function and providing essential services for cattle producers across the state.

Brand inspections are critical to Idaho's cattle operations that are inclusive of public lands and rangeland grazing in addition to multiple transactions in the large geographical area of Idaho. An adequately funded department insures records of cattle transactions and ownership, safeguarding our cattle assets from theft and corruption, helps perfect financial liens which enables producers to secure operating financing, and provides proof of ownership for interstate commerce. The temporary and proposed rule provides the funding needed for and already fiscally responsible, dedicated brand department to provide these essential services for Idaho's cattle industry.

Any rejection of the rule specified in Docket No. 11-0201-1701 or delay in the resources that this rule provides would only jeopardize the state's cattle industry. The ICA categorically supports this rule and encourages your support.

Thank you for your time and consideration.

Regards,

Tucker Shaw
President
Idaho Cattle Association

• 2120 Airport Way • P.O. Box 15397 • Boise • Idaho • 83715 • 208.343.1615 • www.idahocattle.org •

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Thursday, March 08, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of February 22, 2018	Senators Thayn & Foreman
Minutes:	Approve Minutes of February 27, 2018	Senators Patrick & Bayer
H 537	Relating to Food Safety	Senator Lee
Presentation:	Idaho Cherry and Apple Commission	Candi Fitch, Executive Director

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

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

Attachment 1:

Table of Contents

Page Number

Idaho Apple Commission Report 3

Idaho Apple Commission Budget 8

Idaho Apple Commission Financial Statement 9

Idaho Cherry Commission Report 11

Idaho Cherry Commission Budget 13

Idaho Cherry Commission Financial Statement 14

Idaho-Eastern Oregon Onion Committee 16

Idaho-Oregon Fruit and Vegetable Association 17

Contact Information 18

Idaho Apple Commission

Market Update
In speaking with industry representatives it was reported that the winter of 2017 impacted most produce. Fuji production was down because of the cold temperatures in January. The late spring for the growing season caused smaller size apples and there was downward pressure on the price with the smaller fruit. Some of the larger sizes were worth more, if they were available. For Idaho it was an average size crop, and the market was okay.

There continues to be a large amount of planting in Washington adding to the supply equation; with fresh and processing apples in Washington there crop on the average is about 150-160 mission bushels of apples. In Idaho there are apple blocks that continue to be taken out and new ones put in; maintaining the current volume of about 1.5 million bushels.

Currently with the latest round of cold weather the crop seems be on track with where is was 2 years ago, and it is about 2 days ahead of schedule. Which is a more normal time frame. This year looks to be a larger volume crop, not due to more plantings just due to the fact there was lower volume last year.

Commissioners:
The 2017-2018 Commission consisted of Commissioners, Daniel Rowley, Chairman; Jim Carver, Vice Chairman; Ryan Henggeler, Secretary-Treasurer; Charles Robinson; and Bill Ford.

Memberships:
The Commission still maintains memberships with several organizations.

Northwest Horticultural Council (NHC) nwhort.org
The NHC is located in Yakima, Washington, and was incorporated in 1947 and assists in handling problems common to the Northwest tree fruit industry. It focuses on national and international policy issues affecting growers and shippers in Idaho, Oregon, and Washington. The representatives from the Idaho Apple Commission who serve on the various Committees in the NHC are Dar Symms, Trustee, Sally Symms, Export Committee, and Chad Henggeler serves on the Science Advisory Committee.

Northwest Fruit Exporters (NFE)
The NFE manages cherry and apple export programs required by the foreign countries of Japan, Mexico, India, Vietnam, Egypt, Israel, South Africa, and Australia. It provides a legal framework for tree fruit growers, packers, and exporters to manage and facilitate export marketing programs. Dar Symms is Idaho's representative on the Apple Commodity Committee.

US Apple Association (USApple) usapple.org
USApple is a non profit, member-based association comprised of and supported by

individuals, companies, and state and regional associations within the apple industry. They are the national voice and resource center serving the interests of American apple growers, shippers, processors, marketers, and other interested parties within the industry. Kelly Henggeler is still the representative for the Idaho Apple Commission.

Produce Marketing Association (PMA) www.pma.com
PMA is a trade organization representing companies from every segment of the global fresh produce and floral supply chain. PMA helps members grow by providing connections that expand business opportunities and increase sales and consumption. Candi Fitch continues to serve as a member on the PMA Membership Committee.

United Fresh Produce Association (United Fresh) www.unitedfresh.org
United Fresh was founded in 1904 and brings together companies across every segment of the fresh supply chain, and unites the produce industry with a common purpose - to build long-term value for its members and to grow produce consumption.

The Idaho Apple Commission is fortunate to have the involvement that it does with these organizations; this helps to give the Idaho Apple industry a national and regional voice.

Production Research
Over the years the Idaho Apple Commission has received several grants for Essie Fallahi at the University of Idaho for his continuing research to improve Idaho Apples. In this global environment it is important to have continuing research to stay vital in the market place. Below is a list of the grants and the research that has been and is being conducted by Dr. Fallahi.

In Search of Sustainable Rootstocks to Improve Yield Efficiency, Precocity, Mineral Nutrient Uptake, and Fruit Quality of Apples in Idaho
$106,491, Allocated, $84,207 Matching - Completed

The Impact of Tree Architecture and Girdling at Full Maturity in a Modern Super High Density Orchard on Yield Efficiency, Fruit Quality, Mineral Partitioning and Postharvest Physiology of Apples in Idaho
$131,124.00, Allocated; 38,462.00 Matching – Completed

Rootstock and Thinning Effects on Yield and Quality to Enhance Profitability in "Honey Crisp" Apple
$163,409.00, Allocated – 2017 Award

Local Memberships
The Idaho Apple Commission maintains local memberships as well.

2018 Buy Idaho Capitol Show

Buy Idaho has supported the Idaho business community and championed for Idaho companies to grow and prosper in our state for over 29 years. The goal of Buy Idaho is to keep tax dollars in Idaho and build businesses that will increase job opportu-

nities and quality of life for all Idahoans. (Source Buy Idaho Web Site) www.buyidaho.com

The Buy Idaho Capitol Show is held each year, and the Idaho Apple Commission, and the Idaho Cherry Commission participate in the event. It is a great way to share the message of the apples, cherries, and onions grown in Idaho

Idaho Preferred® is a program of the Idaho State Department of Agriculture dedicated to identifying and promoting Idaho food and agriculture products. Fresh fruits, vegetables and meats; fine wines, beers and spirits; specialty foods, forest products and nursery plants and trees – are all products marketed through the Idaho Preferred® program. (Source: Idaho Preferred Web Site) www.idahopreferred.com

Idaho Ag in the Classroom is a cooperative effort between the USDA, Idaho State Department of Agriculture, University of Idaho, agri-business, commodity groups, farm organizations, farmers, ranchers, and educators across the state. (Source: IAIC Web Site) http:// www.agclassroom.org/id/

Candi Fitch is an Advisory Committee Member for Idaho Preferred and is Vice President of the Idaho Agriculture in the Classroom Committee.

<u>Promotions</u>
Specialty Crop Grants:

2015 Grant - Creating Awareness of Idaho Apples through In-Store Promotion, Web Site Development, and Social Media www.idahoapples.com

The 2015 Grant Funding was used this year in cooperation with the Idaho Preferred Road Show that took place in September during Idaho Preferred Month. The Idaho Apple Commission funded apple demos at the same time other Idaho Preferred products were being demoed. This helped stretch the budgets for Idaho Apple and Idaho Preferred

The Idaho Apple Commission continues to build its presence on Social Media.

Apple Budget	Allocated	Spent to Date	Remaining
Grant Funds	$18,855	$16,860.50	$1,994.50
Cash Matching/ In-Kind	$1,095	$909.36	$185.64
Total	$19,950	$17,769.86	$2,180.14

2016 Grant - Increasing Sales, Creating, Demand, and Building Relationships for Idaho Apples with Idaho Retailers.

Within this grant there is funding for In-store demos, radio advertising, billboards, promotional banners and social media advertising.

Apple Budget	Allocated	Spent to Date	Remaining
Grant Funds	$86,112	$28,369.07	$57,742.93
Cash Matching/ In-Kind	$1,650	$0	$1650
Total	$87,762	$28,369.07	$59,392.93

Radio Advertising:
Objective: Reach listeners and encourage them to shop for Idaho Apples using classic and new country formats with KQFC and KIZN and news talk KBOI (whose 50,000 watt signal covers most of Idaho). Weekly schedules include pre-recorded thirty second commercials, paired with live-read fifteen second traffic sponsorships, run during prime time drive times. The radio schedule reached 138,100 people, 6.3 times each.
Run Dates: October 2, 2017 – November 26, 2017 (8 weeks)

Billboards and In-store Sampling
Billboards were displayed in six different locations during the months of September and October during the same time period as in-store promotions were offered in local Albertsons and Wal Mart locations.

Other Promotional Activities

Again this year the Commission provided apples for the St Luke's Fit One Finish Line Party in September. The Commission donates about 10,000 apples to the event for most of the participants to enjoy an Idaho Apple at the end of the walk.

The Idaho Apple Commission also provided apples for the Meridian FFA Farm Expo that is held every other year at Meridian High School.

KBOI– Channel 2:
Celebrate Idaho Ag - In 2017 Idaho Preferred partnered with Channel 2 and offered agriculture organizations the opportunity to promote their products for one month. This was done through radio advertising, a featured new story, month long advertising on the Channel 2 Web site, and a segment on Idaho Living. Idaho Apples were featured in September 2017.

Idaho Apple Commission
2017-2018 Six-Month Financial Statement and 2018-2019 Proposed Budget

	2016-2017 Financial Statement	2017-2018 6-Month Financial Statement	Budgeted 2017-2018	Estimated Budget 2018-2019
Income:				
Balance:	$ 162,721.41	$ 94,278.50		
Crop Assessments	20,902.53	69.16	30,000.00	30,000.00
Interest Income	465.87	22.57	50.00	50.00
Assessments from Prior Years	1,131.72	21,483.00	20,000.00	20,000.00
Specialty Crop Grant Money	24,324.33	37,566.30	83,635.00	50,000.00
Other Income		-		
Reserve Money				
Total Income	46,824.45	59,141.03	133,685.00	100,050.00
Administrative Office:				
Insurance/Workman's Comp	150.00	-	175.00	175.00
Office Supplies/Equipment	14.29	291.45	-	-
Postage	167.91	66.33	250.00	250.00
Rent & % of Salaries	11,153.00	6,290.02	12,580.00	11,153.00
Telephone	-	-	-	-
Office Travel	1,389.22	617.90	400.00	400.00
Total Administrative	12,874.42	7,265.70	13,405.00	11,978.00
Promotion:				
Production/Printing	-	-	1,500.00	1,500.00
Media	-	-	-	-
Local Promotions	2,034.45	5,089.33	3,000.00	3,000.00
Trade Association	15,874.00	13,974.00	18,000.00	18,000.00
Trade Meetings	999.60	-	1,700.00	1,700.00
Promotion Programs	-	-	-	-
Promotion Misc.(Postage, Special, Fee	-	-	150.00	150.00
Total Promotions and Export Deve.	18,908.05	19,063.33	24,350.00	24,350.00
Grant Money Expended				
2013 Grant	-	-	-	-
2014 Grant	68,262.63	13,477.25	15,000.00	-
2015 Grant	4,893.14	4,977.36	6,971.86	1,995.00
2015 Grant - Match	908.36	-	200.00	190.00
2016 Grant		28,369.07	65,000.00	40,000.00
2016 Grant-Match		-	1,000.00	1,000.00
2017 Grant				-
Total Grant Money Expended	74,064.13	46,823.68	**88,171.86**	**43,185.00**
Research Projects:				
University of Idaho				
Current Season's Projects-Fallahi	8,442.82	-	10,000.00	10,000.00
E. Fallahi -09 Grant (11-12 Season)	-	-		
Previous Season's Projects				
Research Reserve				
Total Research Projects	8,442.82	-	10,000.00	10,000.00
Miscellaneous Expense:				
Miscellaneous	985.59	652.87	750.00	750.00
Commission Travel	-	-	-	-
Miscellaneous-Other	-	-		
Total Miscellaneous	985.59	652.87	750.00	750.00
Grand Total	$ 115,275.01	$ 73,805.58	136,676.86	90,263.00

01/25/18

Idaho Apple Commission
Balance Sheet
As of December 31, 2017

	Dec 31, 17	Dec 31, 16
ASSETS		
Current Assets		
Checking/Savings		
1050 · U S Bank - Checking	31,499.47	41,704.77
1060 · U S Bank - Savings	10,151.26	10,150.79
1065 · U.S. Bank CD @ 0.50%, 4/23/17	0.00	55,411.58
1070 · US Bank Money Market Account	37,963.22	17,075.89
Total Checking/Savings	79,613.95	124,343.03
Total Current Assets	79,613.95	124,343.03
TOTAL ASSETS	**79,613.95**	**124,343.03**
LIABILITIES & EQUITY		
Equity		
3900 · Operating Reserve	94,278.50	162,721.41
Net Income	-14,664.55	-38,378.38
Total Equity	79,613.95	124,343.03
TOTAL LIABILITIES & EQUITY	**79,613.95**	**124,343.03**

Idaho Apple Commission

Profit & Loss Budget vs. Actual

July through December 2017

	Jul - Dec 17	Budget	$ Over Budget
Income			
4050 · Current Year Crop Assessments	69.16	30,000.00	-29,930.84
4060 · Interest Income	22.57	50.00	-27.43
4065 · Specialty Crop Grants	37,566.30	83,635.00	-46,068.70
4075 · Previous Year's Assessments	21,483.00	20,000.00	1,483.00
Total Income	59,141.03	133,685.00	-74,543.97
Expense			
7100 · Administrative			
7120 · Property Ins/Workman Comp	0.00	175.00	-175.00
7130 · Office Supplies/Equipment	291.45		
7140 · Postage	66.33	250.00	-183.67
7150 · Rent & % of Salaries	6,290.02	12,580.00	-6,289.98
7170 · Office Travel	617.90	400.00	217.90
Total 7100 · Administrative	7,265.70	13,405.00	-6,139.30
7200 · Trade Involvements			
7220 · Trade Association Dues	13,974.00	18,000.00	-4,026.00
7549 · Trade Meetings	0.00	1,700.00	-1,700.00
Total 7200 · Trade Involvements	13,974.00	19,700.00	-5,726.00
7300 · Promotion			
7320 · Production and Printing	0.00	1,500.00	-1,500.00
7340 · Local Promotions	5,089.33	3,000.00	2,089.33
7495 · Promotion Miscellaneous	0.00	150.00	-150.00
Total 7300 · Promotion	5,089.33	4,650.00	439.33
7662 · Miscellaneous	652.87	750.00	-97.13
7665 · Grant Money Expended			
7668 · 2013 Grant	0.00	0.00	0.00
7670 · 2014 Grant	13,477.25	15,000.00	-1,522.75
7671 · 2015 Grant	4,977.36	6,971.86	-1,994.50
7672 · 2015 Grant - Match	0.00	200.00	-200.00
7673 · 2016 Grant	28,369.07	65,000.00	-36,630.93
7674 · 2016 Grant - Match	0.00	1,000.00	-1,000.00
Total 7665 · Grant Money Expended	46,823.68	88,171.86	-41,348.18
7669 · Research Projects			
7682 · Current Season Proj - Fallahi	0.00	10,000.00	-10,000.00
Total 7669 · Research Projects	0.00	10,000.00	-10,000.00
Total Expense	73,805.58	136,676.86	-62,871.28
Net Income	-14,664.55	-2,991.86	-11,672.69

Idaho Cherry Commission

Market Update
The Idaho Cherry season went well in 2017, and the shipper that I spoke with commented they were able to market their crop at a reasonable price. It was a short crop in 2017 due to the extreme weather and the cold temperatures we received in January. Some areas that usually are higher in production were short this year.

Commissioners:
The 2017-2018 Commission consisted of Commissioners, Sally Symms, Chairman; Richard Kincheloe, Vice Chairman, Kelly Henggeler, Secretary-Treasurer, Keith Green, and Lalo Gonzales, Jr.

Memberships:
The Commission maintains regional and local memberships.

Northwest Cherry Growers (NWCG)
The Northwest Cherry Growers is housed in Yakima, Washington, and its membership includes 2,500 growers across WA, OR, ID, UT and MT. The Idaho Cherry Commission feels it is of benefit to be a member of this organization, as then they are promoting and marketing with the four other states and not competing against them. The Cherry Commission has been a members for over 20 years.

Local Memberships include:
Idaho Preferred
Idaho Agriculture in the Classroom

Promotions
2015 Grant - Creating Awareness of Idaho Cherries through In-Store Promotion, Web Site Development, and Social Media, www.idahocherries.com

The Idaho Cherry Commission held in-store promotions at various Albertson's and Wal Mart stores the last week of June and the first week in July. The Commission continues to build its Social Media presence and with the remaining grant funds will be able to provide promotional opportunities in 2017. The Commission also had a promotional video created for the Idaho Cherry Commission.

Cherry Budget	Allocated	Spent to Date	Remaining
Grant Funds	$21,159	$20,294.76	864.24
Cash Matching/ In-Kind	$1,094	$1,030.75	63.25
Total	$22,253	$21,325.51	$927.49

Advertising

In May 2017, the Idaho Cherry Commission placed an ad in the Northwest Cherry Growers' insert in The Packer newspaper. The placement was timely as it was just before the start of the cherry season. The Packer has a paid and non paid circulation of about 13,000 subscribers.

KBOI– Channel 2:

Celebrate Idaho Ag - In 2017 Idaho Preferred partnered with Channel 2 and offered agriculture organizations the opportunity to promote their products for one month. This was done through radio advertising, a featured new story, month long advertising on the Channel 2 Web site, and a segment on Idaho Living. Idaho Cherries were featured the last two week of June and the first two weeks of July.

Idaho Cherry Commission
2017-2018 Six-Month Financial Statement and 2018-2019 Proposed Budget

	2016-2017 Financial Statement	2017-2018 Financial Statement	Budgeted 2017-2018	Estimated Budget 2018-2019
Income:				
Balance:	$ 18,197.53	$ 20,232.22		
Crop Assessments	$ 24,954.24	$ 19,837.53	$ 20,000.00	$ 20,000.00
Interest Income	0.23	0.12	10.00	10.00
Specialty Crop Grant	4,417.56	-	9,751.44	900.00
Other Income	7.65	-	-	-
Total Income	29,379.68	19,837.65	29,761.44	20,910.00
Administrative, Office, Miscellaneous Expenses:				
Insurance/workman's Comp	-	-	200.00	200.00
Rent & % of Salaries	3,847.00	4,420.00	4,420.00	4,420.00
Office Supplies and Equipment	14.30	-	-	-
Postage	121.06	30.20	100.00	100.00
Phone	-	-	-	-
Miscellaneous	1,953.46	430.17	400.00	400.00
Total Administrative	5,935.82	4,880.37	5,120.00	5,120.00
Commission Expenses:				
Specialty Crop Grant	935.96	8,944.15	9,751.44	900.00
Specialty Crop Grant - Cash Match	414.80	-	500.00	-
Travel	353.77	-	500.00	500.00
Annual California Inspection	-	-	500.00	500.00
Mexico Cherry Inspection	-	-	1,000.00	1,000.00
Promotional Programs	3,500.00	-	5,000.00	5,000.00
NWCG Promotional Assessment	15,000.00	-	15,000.00	15,000.00
Soft Fruit Research	1,204.64	-	1,000.00	1,000.00
Promotional Items	-	-	1,500.00	1,500.00
Total Commission Expense	21,409.17	8,944.15	34,751.44	25,400.00
Grand Total	27,344.99	13,824.52	39,871.44	30,520.00

01/25/18

Idaho Cherry Commission
Balance Sheet
As of December 31, 2017

	Dec 31, 17	Dec 31, 16
ASSETS		
Current Assets		
Checking/Savings		
1050 · US Bank - Checking	21,034.99	35,981.56
1060 · US Bank - Savings	5,210.36	5,210.13
Total Checking/Savings	26,245.35	41,191.69
Total Current Assets	26,245.35	41,191.69
TOTAL ASSETS	**26,245.35**	**41,191.69**
LIABILITIES & EQUITY		
Equity		
3900 · Operating Reserve	20,232.22	18,197.53
Net Income	6,013.13	22,994.16
Total Equity	26,245.35	41,191.69
TOTAL LIABILITIES & EQUITY	**26,245.35**	**41,191.69**

01/25/18

Idaho Cherry Commission
Profit & Loss Budget vs. Actual
July through December 2017

	Jul - Dec 17	Budget	$ Over Budget
Income			
4050 · 2017 Crop Assessments	19,837.53	20,000.00	-162.47
4060 · Interest Income	0.12	10.00	-9.88
Total Income	19,837.65	20,010.00	-172.35
Expense			
7100 · Workman's Comp and Insurance	0.00	200.00	-200.00
7200 · Rent &% 0f Salaries	4,420.00	4,420.00	0.00
7240 · Annual California Inspection	0.00	500.00	-500.00
7250 · NWCG Promotion Assessments	0.00	15,000.00	-15,000.00
7260 · Mexico Cherry Inspectors	0.00	1,000.00	-1,000.00
7270 · Soft Fruit Research	0.00	1,000.00	-1,000.00
7280 · Promotional Items	0.00	1,500.00	-1,500.00
7290 · Promotional Programs	0.00	5,000.00	-5,000.00
7291 · Specialty Crop Grant	8,944.15		
7300 · Travel	0.00	500.00	-500.00
7301 · Office Travel	72.23		
7415 · Postage	30.20	100.00	-69.80
7425 · Miscellaneous	357.94	400.00	-42.06
Total Expense	13,824.52	29,620.00	-15,795.48
Net Income	**6,013.13**	**-9,610.00**	**15,623.13**

Idaho-Eastern Oregon Onion Committee

The Idaho-E. Oregon Onion Committee (M.O.) is also housed in the Parma Office. This is a Federal Program. The Onions grown in Idaho and Eastern Oregon are grown under Federal Marketing Order #958 which maintains a minimum size and grade standard that exceeds USDA standards. The Marketing Order was formed in 1957 under the Code of Federal Regulations.

The annual budget is approved by the USDA. There is an extensive research budget each year. The Research Committee meets on an annual basis to decide on the projects for the upcoming fiscal year. Research is conducted through Oregon State University and the University of Idaho, and this research benefits all growers in the M.O. area.

Along with the Research Committee, within the M.O. there is a Promotion Committee, and an Export Committee. The Promotion Committee handles the Domestic Promotions for the M.O. and the Export Committee handles International promotions. Included in these promotions are exhibiting at several trade shows domestically and internationally, a broad generic advertising program, and trade missions. Several time the Export Committee has had the opportunity to participate in the Governor's Trade Missions. Candi recently returned from a USDA/WUSATA (Western United States Agricultural Trade Association) Trade Mission to Antiqua, Guatemala, and Santo Domingo, Dominican Republic.

Idaho-Oregon Fruit and Vegetable Association

Mission Statement: The Idaho-Oregon Fruit and Vegetable Association provides an effective avenue for its members to collaborate and work collectively on instrumental issues pertinent to the agricultural industry of its area.

The Idaho-Oregon Fruit and Vegetable Association, Inc. was formed in September 1962, as a non-profit corporation under the laws of the State of Idaho. It was formed primarily to give service to the produce shippers on matters pertaining to transportation and other relative industry problems, particularly matters arising out of the preparation, inspection, and the shipment of fresh fruit and vegetables.

The members of the Idaho-Oregon Fruit and Vegetable Association consists of fruit and vegetable (onions and shallots) shippers in Southwestern Idaho and Eastern Oregon. The Association has a dues based membership. There are about 27 active members. The Associate Members round out the Association Membership and they consist of industry support companies such as banks, bag manufacturers, seed companies, and building companies just to name a few. With the Associate Members the membership rounds out to a total membership of 126.

The Idaho-Oregon Fruit and Vegetable Association (IOFVASN) is an active member of Food Producers of Idaho and this year Candi Fitch is serving as President of the organization. This season the IOFVASN has been involved with the legislation to move the Non-retail oversight of food safety (FSMA, Produce Rule) from the Idaho Department of Health and Welfare to the Idaho State Department of Agriculture. Nationally the IOFVASN has written letters this season in regard to the poor Union Pacific Rail Service, the determent the Electronic Logging Devices are having to the Transportation Industry, and for support of continued funding for the IR-4 Program.

Contact information for the Parma Office:

Candi Fitch, Executive Director
candif@cableone.net

Ann Jacops, Assistant Director
annjacops@cableone.net

Debbie Edgar, Operations Clerk
dedgar@cableone.net

Susy Santos, Administrative Assistant
usaonions@cableone.net

Idaho Apple Commission
Idaho Cherry Commission
Idaho-E. Oregon Onion Committee
Idaho-Oregon Fruit and Vegetable Association

Physical Address: 118 N. Second St
Mailing Address: P.O. Box 909
Parma, ID 83660

Phone: (208) 722-5111
Fax: (208) 722-6582

www.idahoapples.com
www.idahocherries.com
www.usaonions.com
www.id-orfv.org

AGENDA

SENATE AGRICULTURAL AFFAIRS COMMITTEE

8:00 A.M.
Room WW53
Tuesday, March 13, 2018

SUBJECT	DESCRIPTION	PRESENTER
Minutes:	Approve Minutes of March 1, 2018	Senators Harris & Foreman
Page Graduation:	Farewell to Committee Page Amber Zechmann	Chairman Rice
Presentation	State of the Company, Amalgamated Sugar	John McCreedy, President/CEO

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Rice
Vice Chairman Den Hartog
Sen Patrick
Sen Bayer
Sen Guthrie
Sen Thayn
Sen Harris
Sen Foreman
Sen Jordan

COMMITTEE SECRETARY

Carol Deis
Room: WW31
Phone: 332-1330
email: sagri@senate.idaho.gov

MINUTES

SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, March 13, 2018

TIME: 8:00 A.M.

PLACE: Room WW53

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

ABSENT/ EXCUSED: Senators Bayer, Thayn, and Harris

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 8:03 a.m.

MINUTES APPROVAL: **Senator Foreman** moved to approve the Minutes of March 1, 2018. Seconded by **Vice Chairman Den Hartog**. The motion carried by **voice vote**.

PAGE GRADUATION: **Farewell to Committee Page Amber Zechmann. Chairman Rice** asked Amber Zechmann to tell the Committee about her experience as a page for the Committee and plans for the future.

PRESENTATION: **State of the Company, Amalgamated Sugar Company. John McCreedy**, President/CEO. Roy Eiguren, representing Amalgamated Sugar Company (ASC) introduced Mr. McCreedy. He stated Mr McCreedy is a new generation of agribusiness leader. He explained in Mr. McCreedy's presentation the Committee would hear information that in the past would not be in the course of a business plan for other agribusiness leaders.

Mr. McCreedy stated his presentation will encompass a brief review of the items discussed last year and focus specifically on one key project where ASC has taken the lead on the national front. He said the presentation will conclude with a few of ASC's legislative priorities.

ASC is 130 years old operating three factories Nampa, Twin Falls, and Mini-Cassia. The ASC Board of Directors spends $25 to 30 million each year keeping the factories maintained on a regular basis. ASC is a grower-owned cooperative with a 25 member board of directors. The directors are beet farmers elected from different geographic regions of the State and must act in the performance of their duties in the best interest of the entire cooperative.

ASC is the second largest sugar processor in the United States with 750 grower members, growing sugar beets on 182,000 acres, producing 2.2 billion pounds of sugar annually. The production currently constitutes about 12 percent of the domestically produced sugar, marketing 16 percent of domestic consumption. ASC has 1600 employees, and contributes over $1 billion to the Idaho economy. Their mission is to be the best sugar company in the world.

Mr. McCreedy highlighted the most important piece of agricultural production for ASC is the use of genetic engineering. On the farm, in combination with other technological advances, genetic engineering has enabled growers to produce more food using safer, more cost-effective technology. In the last 20 years, farmers are 63 percent more productive per acre. The farmers are producing 76 more pounds of sugar per acre and using fewer, safer pesticides. The farmers use 60 percent

less diesel fuel to raise a crop while engaging in less tillage of the soil, which reduces CO2 emissions, and helps with top soil erosion and soil integrity.

The problem is many consumers do not understand the value and benefit of genetic engineering. Over the last five years, a study conducted by Packaged Facts estimates 26 percent of the domestic food and beverage supply is labeled non-GMO. This estimate is predicted to grow to approximately 40 percent. Out of a $700 to $800 billion domestic food supply, 38 percent is labeled non-GMO. Consumers have gone from 30 percent to 45 percent seeking out non-GMO foods. The disconnect is if genetic engineering is such a valuable piece of technology, both on the farm and for the planet, why does the industry see these numbers growing so significantly. The answer is the agriculture industry has done a poor job of communicating to consumers what is important in terms of feeding the planet and preserving environmental integrity of the world we live in.

ASC with Betaseed Incorporated, International Beet Sugar Seed Company, Western Sugar Cooperative, Southern Minnesota Beet Sugar Cooperative, Wyoming Sugar Company , American Farm Bureau Federation, National Council of Farmer Cooperatives, U.S. Farmers and Ranchers Alliance and two national beet sugar organizations formed a group entitled "Fresh Look". Fresh Look developed a vision statement: "Know that scientific evidence overwhelmingly supports the safety of food produced from GMO farming." Farming of GMO crops offers environmental benefits, including less water and fewer chemicals. If the agricultural industry does a better job of communicating the benefits to consumers, there would be opportunity to shift the non-GMO to a downturn through education of the consumer.

ASC, in conjunction with Fresh Look, pursued a $4 million pilot study. The pilot study was designed to demonstrate with the right content consumers can draw a healthier, more balanced conclusions about the food supply in the United States (U.S.). Fresh Look hired a company to engineer a social media-social science study to define an audience through electronic data usage attributes. Through the engineered data, they identified 160 million consumers who might be interested in the non-GMO conversation. The engineered data focused on survey responses, purchase history, affiliations, and interests. Researching of the data identified 40 million moms.

The moms have certain attributes. They are between the ages of 24 and 49 and have one child at home who is younger then 17 years old. Fresh Look then drilled down to the 5 million most moveable moms. These moms would be interested in having a conversation online about GMOs. Fresh Look excluded from the group consumers that exclusively buy organic or non-organic, registered Democrats or Republicans, environmental donors, and passive social media users.

Fresh Look created robust content calls and videos for this pilot group. All this content was directed at 4 million of the 5 million moveable moms. Fresh Look introduced their content to this audience while the moms are out doing their normal electronic activity. **Mr. McCreedy** then introduced to the Committee Liz Bingham. Mrs. Bingham is the wife of an Idaho sugar beet grower. Fresh Look's advertisement depicted Mrs. Bingham holding her young son. She stated, "I use "GMO Farming" (Coined phrase developed for use in pilot group content.) techniques because I want to leave behind a healthy planet for my son." Fresh Look has reframed GMO into a positive by adding the term GMO farming. Mr. McCreedy asserted directing the consumer's perception from GMO being something in your food, or a chemical, or bug, or something peculiar, instead informing the consumer this is actually a technique a way to produce food. This reframing of the discussion has become effective. Genetic engineering is not the introduction of something into the food supply, it is a way to grow food.

The numbers reflected Fresh Look reached this group of moveable moms 32 million times. The pilot study exposed 4 million to the content and held out 1 million from the study. Fresh Look had 6 million complete video views, 15,000 hours spent reading and watching the content, and 5 million social media engagements. Fresh Look had a lot of content in the social media forum and people spent time looking through the data. Of the 4 million moveable moms, Fresh Look exposed them to the campaign content online and tested their comfort levels without them knowing they would be a part of a survey. Fresh Look did not expose 10 percent of the audience to the content and then asked them the same set of questions as the exposed audience. The main question was: "How comfortable are you with the use of GMOs in farming and food production?" Their content audience response was a 95 percent increase in comfort level with moveable moms from those who were not exposed to those who were.

Fresh Look identified their top performing messages which informed the moms GMO farming provides the same nutrition, fewer pesticides, is healthy for humans and animals, is good for the environment, less pollution, and uses less water, and energy. Fresh Look is redefining the top performing messages and expanding the audience. Fresh Look plans on expanding from 5 million moveable moms to 9 million to grow this positive message. Fresh Look believes it is critical to redefine how the consumer views GMO.

Fresh Look has presented the results of the survey to Idaho Farm Bureau Federation and has a meeting in May with the 50 Farm Bureau delegates. In March, Fresh Look will meet with U.S. Farmer and Ranchers Alliance. This reformatting will take ten years to shift the conversation; during this time there will be distinct changes in the way genetic engineering will be used in the U.S. The seed and big agribusiness companies have been interested in this pilot study; however, Fresh Look does not receive funding from these companies. The Fresh Look pilot study is farmer-led and they believe this is an important distinction. Many consumers want to talk to the farmers and, primarily, to women who have experience on the farm.

ASC's legislative priorities for Idaho are education and transportation. ASC has 73 receiving stations and their vehicles travel 10 to 12 million miles on Idaho roads each year transporting sugar beets, another 1.3 million miles transporting sugar outbound. They travel another 2 million miles transporting raw materials into Idaho. Over the last 20 years, ASC has identified the use of larger trucks is safe, more efficient, and increases transportation efficiency along with the right way to protect the roads.

In terms of education, the four-year college and two-year trade school type education is an important part of supplying their workforce. They have welders, mechanics, carpenters, maintenance specialists, electricians, instrument specialists, engineers, agricultural, IT, and operations degrees. ASC's success as a company is dependent on the top three groups of welders, mechanics and carpenters. Tradesmen is where the company struggles to fill positions. ASC's challenge is finding the group of young people who do not want to go to college, but want to learn a trade.

Senator Patrick said the Legislature has approved a workforce development committee headed by industry. He wondered if ASC or Snake River Sugar were involved in this group. **Mr. McCreedy** answered that the ASC human resource department is aware of the group and will be joining the committee.

Vice Chairman Den Hartog stated she applauded the pilot study ASC pursued because it is important for the consumer to understand that genetically modified is not a distressing endeavor. Changing perceptions and directing them to the value that genetic engineering adds to the lands and resources of the U.S. She asked if there has been a drop in consumption of ASC's product.

Mr. McCreedy indicated there are two sources of sugar in the U.S: beet and cane. Beet is 55 percent of domestically produced sugar and cane is 45 percent. Because of the 12 million tons of consumption each year in the U.S., the two domestic sources produce 85 percent; 15 percent is imported raw cane sugar. Over the last five years, ASC has seen major food producers use the two sugar sources for different purposes. Some producers have shifted from beet sugar to cane sugar in order to label their product non-GMO, with that shift their companies have realized a 20 percent price increase on their products. When cane sugar became expensive and beet was affordable that shift in labeling began to disappear as the price of the raw material escalated. Some of the non-GMO companies shifted back to beet sugar. At this point, ASC has not lost the ability to sell all of their sugar.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 8:35 a.m.

Senator Rice
Chair

Carol Deis
Secretary