

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Monday, February 08, 2016

TIME: 1:30 P.M.

PLACE: Room EW42

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

**ABSENT/
EXCUSED:** None

GUESTS: Linda Lemon, IAC; Candi Fitch, Idaho Apple Commission; Roger Batt, Idaho Grape and Wine Commission; Douglas Jones; Bryan Searle, Idaho Farm Bureau; Sean Ellis, Capitol Press; Rick Waitley, Food Producers.

Chairman Andrus called the meeting to order at 1:31 p.m.

RS 24092: **Candi Fitch**, Idaho Apple Commission, stated the proposed legislation is to restructure the districts to ensure commission members are chosen to give the best representation to their districts. There are also some technical changes to this section allowing for clarification of present and future implementations.

MOTION: **Rep. Batt** made a motion to introduce **RS 24092. Motion carried by voice vote.**

RS 24372: **Roger Batt**, Idaho Grape and Wine Commission, stated the proposed legislation removes tax language that is inconsistent and duplicative to the Idaho Grape Growers and Wine Producers Commission Administrative Rules with respect to grapes and grape juice purchased from out-of-state producers for the production of wine in the State of Idaho. Statutory changes should have been made following the 2010 Legislative Session to provide consistency with adoption of the Rules but have been unintentionally overlooked by industry until now. This proposed legislation would also allow grape juice purchased in the state of Idaho for the production of wine in Idaho to be taxed just like out of state grape juice purchased for the production of wine in Idaho is already allowed to be taxed. There are also some small language changes made to allow for easier readability and clarity of the statute.

Rep. Batt invoked rule 38 stating a possible conflict of interest, but she would be voting on the proposed legislation.

MOTION: **Rep. VanOrden** made a motion to introduce **RS 24372. Motion carried by voice vote.**

H 383: **Rep. Pence** introduced **Linda Lemon**, Secretary/Treasurer for the Aquaculture Commission Board, and turned the podium over to her.

Linda Lemon explained the Commission was created in 2004. During its creation, it was envisioned the Commission would be producer-based, check off style promotional programs, deriving all of its operation funds by assessments on fishery products produced by private (not public) producers. If the maximum rate allowed in the state was levied on all private producers, it was anticipated upwards of \$45,000 could have been generated annually for generic promotional activities, but that was not to be. The Commission only collected about half that amount over its entire 12 year existence. Thus, the participating producers could not support funding both the program and someone with marketing expertise to run the program.

Ms. Lemon said the opt-out clause diminished the producer base from which to assess. Another reason for lack of success is the way fish are marketed in Idaho. Most of the fish produced for consumption are sold to processors, not directly to the general public. A general marketing program must include processor participation. If the processors are not involved, a coordinated program can not be successful.

Ms. Lemon stated the remaining balance of funds will continue to be used to participate in it's usual promotional activities during FY2016. The commission members voted unanimously the remaining funds be spent on aquaculture industry promotional activities rather than returned to the individual members.

MOTION: **Rep. Miller** made a motion to send **H 383** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Pence** will sponsor the bill on the floor.

S 1215: **Darrell Bolz**, self, stated this legislation will repeal Chapter 18, Title 22, Idaho Code relating to the Commission on Pesticide Management. This Commission was formed in 2002 to model a similar commission established in the State of Washington. Private funding has solely supported this Commission. The private funding has proved to be inadequate for the Commission to perform its envisioned duties. The remaining funds of the Commission will be transferred to the University of Idaho's Unrestricted Revenue Fund for use in pesticide management related activities.

MOTION: **Rep. Batt** made a motion to send **S 1215** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Erpelding** will sponsor the bill on the floor.

Candi Fitch, Idaho Apple Commission, explained during the 2014-2015 growing season there was quite a bit of hail that decreased apple production. The warmer fall also was a challenge for the fruit season. She said labor continues to be an issue; there are blocks of apples being removed because growers don't have the labor to get them picked.

Ms. Fitch said the market was better this year, but there was not an overabundance of apples. Prices were better but not as strong as in 2012 and 2013. Growing costs continue to outpace increases in revenue.

Ms. Fitch said research is vital to stay relevant in this global economy. At this time there are two grants the Idaho Apple Commission has received at the Parma Research Station.

Candi Fitch also representing the Idaho Cherry Commission, reported because of unseasonably warm weather in the spring of 2015, the cherry trees bloomed about two weeks earlier than usual which led to an early harvest. Cherry harvest in southern Idaho started the first week of June. In a normal year it starts around the 18th or 20th of June. In a normal growing season, Idaho's mild climate is perfect for growing cherries. She said the high 90's and 100 plus degree temperatures were experienced during a large part of the harvest season. This softens cherries making them less marketable.

Ms. Fitch said in spite of the issues, southern Idaho still managed a respectable harvest with approximately 1,500-1,800 tons fresh packed. They were marketed in Idaho, as well as many of the other 49 states and a dozen or so other countries. The price started strong but declined as they progressed through the season due to heat damage. **Ms. Fitch** said the outlook for the cherry industry in Idaho remains bright. Buyers have come to know Idaho cherries are some of the very best for flavor, marketability and their bottom line.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 2:26 p.m.

Representative Andrus
Chair

Joan Majors
Secretary