

MINUTES  
**HOUSE AGRICULTURAL AFFAIRS COMMITTEE**

DATE: Tuesday, February 02, 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: Joni Burtenshaw; Tyson Burtenshaw; Kate Burtenshaw; Rick Waitley, Food Producers; Rich Garber, Idaho Grain Producers Association; Blaine Jacobson, Idaho Wheat Commission; Nic Gibson, Food Producers of Idaho, Brad Hunt, Administrative Rules Specialist.

**Chairman Andrus** called the meeting to order at 1:30 p.m.

**Chairman Andrus** welcomed members of the University of Idaho Ag Economic Public Policy/Legislative Tour to the Committee meeting.

**MOTION:** **Rep. Pence** made a motion to approve the minutes of Tuesday, January 26, 2016 and Thursday, January 28, 2016. **Motion carried by voice vote.**

**DOCKET NO. 42-0101-1501:** **Rich Garber**, Idaho Grain Producers, explained **Blaine Jacobson** would address the committee's concerns of the proposed rule changes.

**Blaine Jacobson**, Idaho Wheat Commission, reviewed the duties of the Wheat Commission and stated the proposed changes to the rules were to help the commission better fulfill those responsibilities. He clarified the tax increase from 2 to 3 1/2 cents paid to the commission, explaining it falls within the capped limit approved by the legislature.

**Mr. Jacobson** said a primary purpose of the Wheat Commission is to educate the growers thereby improving production of healthier wheat. In order to do this, the commission needs to know who their growers are and how to contact them. He noted several other agencies who have put into place a similar practice without encountering any problems that he is aware of. He further explained all of the information is already available publicly but it would require commission dollars to obtain.

The committee expressed concern the negotiated rule making process was not made available to those who would be most affected by the new policy.

**MOTION:** **Rep. Miller** made a motion to approve **Docket No. 42-0101-1501** with the exception of proposed **Section 400, including sub-section 01. 02. and 03.**

**Rep. Batt** spoke in support of the motion stating, of the five local elevator operators she spoke to, four of them clearly opposed the changes. The committee also sited the differences between the Wheat Commission and the Barley Commission.

**VOTE ON MOTION:** **Chairman Andrus** called for a vote on the motion to approve **Docket No. 42-0101-1501** with the exception of proposed **Section 400, including sub-section 01. 02. and 03. Motion carried by voice vote.**

**Dr. Garth Taylor**, University of Idaho presented the Financial Conditions of Idaho Agriculture to the committee. He stated 2015 cash receipts dropped 9% back to 2012 levels breaking a 5 year streak of record increases. The largest drop was in milk which was down 27%. Three areas that showed increase were, barley, cattle and calves and sugar beets. Livestock is Idaho agriculture. When you take into account hay, corn silage, field barley and all products related to livestock production, it accounts for 70-75% of all Idaho cash receipts.

**Dr. Taylor** explained agriculture growth comes from innovation, and dairy is a good example of that. Since 1980, growth in dairy value production in Idaho has risen 148%.

In the United States, **Dr. Taylor** stated, food is cheaper now than it has ever been. It accounts for about 7-8 % of the average family's budget.

**Dr. Taylor** stated direct government payments from the Farm Service Agency (FSA) last year was \$415 million. Most of that is for marketing assistance for beginning farmers loans which are paid back within 3-4 months.

In response to committee question, **Dr. Taylor** said the volatility in the market comes from supply and demand and the rippling effect it causes. In the past 2 years, Idaho has fallen by 31% in net farm income but in comparison, Idaho agriculture fared better than the 55% drop in the United States as a whole during the same time period.

**Dr. Taylor** said the forecast for 2016 will be affected by several factors including the weak export markets, weakened foreign economies and the Russian embargo. It appears the ethanol boom is over and along with the record grain production the prices are down 10-15%. Beef prices are sliding after the highs and milk prices are back to 2010 revenues. Idaho farm real estate value increased by 4.7% in 2015 and agricultural continues to be Idaho's fastest growing industry.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:14 p.m.

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Representative Andrus  
Chair

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Joan Majors  
Secretary