

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Tuesday, February 09, 2016

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Bayer, Senators Patrick, Souza, Lee, Den Hartog, Harris, Ward-Engelking and Burgoyne

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 to order at 8:03 a.m.

MINUTES APPROVAL: **Senator Souza** moved to approve the minutes of January 26, 2016. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT: Appointment of **Glen Gier** of Twin Falls, to the Idaho State Soil and Water Conservation Commission (ISCC) to serve a term commencing August 4, 2015, and expiring July 1, 2020. **Mr. Gier** discussed his experience on the family farm from 1965 to 2007. During those years they ranched sheep and cattle and grew alfalfa, malt barley, beans and sugar snap peas. Presently, he is working as a field man for Gentec, Inc., contracting beans. From this experience he believes he can pass on information about conservation. **Mr. Gier** believes that through this appointment to ISCC he will be able to assist farmers with conservation measures that will allow farmers to take care of the ground and leave it in better condition than when they started farming. **Senator Patrick** stated that they were neighbors and have had the same history.

S 1259 **Relating to the Idaho Dairymen' Products Commission. Bob Naerebout**, Executive Director, Idaho Dairymen's Association, stated the bill before the Committee updates the election process for the Idaho Dairy Products Commission (IDPC). The new language reflects the changing dynamics of Idaho dairy farming by adjusting the IDPC's election process to mirror the shrinking number of qualified candidates. The original law was established in 1969 with three districts. There are three commissioners in each district that serve a three-year term. In 1970 there were 8,500 dairies; in 2015 there are 500 dairies. Therefore, the pool of qualified candidates to fill the commissioner positions has shrunk. One of the ways the IDPC has tried to address the shrinking pool of candidates was to create an ambassador program. This program brings in a producer who serves alongside a board member for a full year. Through this mentoring process, the producer becomes familiar with the duties of a commissioner, and a new pool of candidates is developed.

There are six changes in this legislation: 1) eliminate the dean of the College of Agricultural and Life Sciences of the University of Idaho (UI) and a representative of the Idaho Milk Processors Association from being ex officio members; 2) nominating committee shall consist of one current commissioner from each district; 3) reduce the requirement for running three qualified candidates for each position to at least one and not more than three; 4) nominate by petition, reducing the signatures from the district to ten. 5) nominees nominated by the commission shall be presented to the Idaho State Department of Agriculture (ISDA) no later than May 1. 6) The ballots will be mailed by the IDPC instead of the ISDA.

Senator Burgoyne asked for clarification on lines 19 to 22, which relate to participation by university representatives. Was there a time when the UI was much more involved in the IDPC than it is today. Why has that changed? **Mr. Naerebout** replied that from 2002 to present, the involvement of the College of Agricultural and Life Sciences has depended on the interest of the dean. When there is no specific function and role as an ex officio board member, the interest to participate is marginal. The IDPC now works with many universities within and outside of Idaho, so the bill reflects an update to current business practices. **Senator Burgoyne** said that the UI has an extensive extension and research program that is oriented and designed to support innovation in agriculture. Is the dairy industry receiving the level of support from the UI that they need and is it consistent with the history of the UI in relation to the industry. **Mr. Naerebout** answered yes, but it depends on the portion of the industry that has the focus, and that depends on the segment of the industry where the universities expertise can be applied.

Senator Souza stated she had missed the number of dairies and the number of cows. **Mr. Naerebout** responded that in 1970 there were 8,500 dairy operations with 144,000 cows. Today there are 500 dairy operations with 563,000 cows. **Senator Souza** questioned the drastic drop in the number of dairies. Will the changes in this legislation protect the smaller dairy's representation on the IDPC. **Mr. Naerebout** clarified that they are taking care of the smaller dairy representation through the bill. The number of dairy operations in Twin Falls has 54 percent of the State dairy operations and 72 percent of the cows; they have three representatives. Eastern Idaho has 23 percent of the dairies with only 6 percent of the cows; they have three representatives. By doing away with the IDPC's structure geographically, the smaller dairies will have the same input as the larger dairies. What impacts the small milk producers impacts the whole industry. The purpose of the IDPC is to protect and promote the dairy industry.

Paul McKay, lobbyist for Milk Producers of Idaho, spoke in support of this legislation.

Senator Burgoyne asked if there is any concern that the smaller dairy operations could become underrepresented if the Committee passes this legislation? **Mr. McKay** replied that Brent Olmstead was more qualified to answer the question. **Brent Olmstead**, representing Milk Producers of Idaho, indicated that the number of smaller dairies in eastern Idaho will be represented with just as many representatives as the bigger dairies in Twin Falls. There is a cultural aspect within the industry that must be understood. Everyone looks out for their neighbor; the producers are a very traditional agricultural industry. What impacts a 50-head dairy impacts a 5,000-head dairy.

MOTION: **Senator Den Hartog** moved to send **S 1259** to the floor with a **do pass** recommendation. **Senator Harris** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Idaho Potato Commission. Frank Muir**, President/CEO, directed the Committee's attention to their annual report for fiscal year 2015. On page 23 the first two columns are budgeted amounts for revenue and expenditures and the third column is the actual expenditure. The Idaho Potato Commission (IPC) generated \$730,000 more in revenue versus the budget and this surplus was driven by additional acres with a higher yield. IPC had planned on decreasing their reserve of \$500,000 in 2015. The IPC generated \$358,000 additional dollars in revenue versus the budget. On the expenditure line they spent \$92,000 over the budget; because of the \$358,000 incremental revenue, they generated \$265,000 more in total revenue after expenditures that went back into the reserve.

Their budget for 2016 is estimated at 324,000 acres harvested, which would result in \$14 million in farm gate revenue expected from the potato tax. IPC's plan is to take \$636,000 from the reserve to keep the budget at \$15 million, which is equal to last year's spending (both total revenue and expenditures).

Senator Patrick questioned the repairs and maintenance line item, which was \$47,000. What does the IPC have to repair and maintain? **Mr. Muir** responded that this budget item is a catch-all. It is the replacement of a server, computer equipment and office repairs.

PRESENTATION: Idaho Soil and Water Conservation Commission. Teri Murrison, Administrator, commenced her presentation with a brief history stating that Idaho Soil and Water Conservation Commission (ISCC) was formed in 1939. Its initial responsibility was to steward projects with soil loss; their responsibilities have expanded and they are now assisting in water quality matters. ISCC's main focus is to help agriculture comply with regulations and requirements.

Chapter 27, Title 22, Idaho Code, enacted in 1939, provided for the formation of local conservation districts and established the ISCC and districts as Idaho's primary entities to make voluntary conservation improvements. The ISCC's responsibilities have expanded to include programs and projects that benefit soil, water, air, plants and animals. They help private landowners take care of and improve agricultural production and natural resources. They promote cooperative and collaborative efforts by local individuals who know and work the land. General Fund support enables Idaho to address the State's nonpoint source water quality improvement objective to improve natural resources and habitat.

The ISCC focuses on three core functions: 1) provide districts with technical and other support services; 2) offer non-regulatory and science-based programs to promote voluntary conservation; and 3) administration and operations. ISCC supports 50 local conservation districts, providing specialized technical assistance such as planning, engineering, watershed assessments and other projects. ISCC allocates General Fund, trustee and benefit dollars directly to districts; \$1.25 million was allocated in 2015. ISCC is only able to provide half of the technical assistance that is requested by districts. They provide incentive-based and general conservation programs and services as assigned by the Legislature.

There Conservation Reserve Enhancement Program (CREP) assists to conserve water usage on marginal farm ground in the eastern Snake River Plain Aquifer. Participating landowners receive \$130 per acre from USDA Farm Service in exchange for not farming those lands. Last year 155 CREP contracts were signed in this region, enrolling 16,500 acres and saving more than 66,000 acre-feet of water. Another conservation program that they operate is the Nitrate Priority Area ground water program. Last year that program treated 40,000 acres, reducing nitrates by 138,000 pounds, phosphorous by 28,000 pounds and sediment by 144,000 pounds. ISCC assists the Department of Environmental Quality (DEQ) in preparing Total Maximum Daily Load (TMDL) implementation plans that strategically reduce agriculturally generated pollutants in Idaho's impaired surface waters to meet requirements of the Clean Water Act.

Ms. Murrison reminded the Committee that last year when she presented, ISCC had commenced a project to restore Whiskey Creek near Grace, Idaho. She was excited to be able to report that this restoration project had been completed. In the closing of ISCC's presentation, the Committee was shown a video of that collaboration and restoration project.

Senator Harris asked for an update on the ISCC's involvement in preventing the spread of quagga mussels? **Ms. Murrison** explained the conservation districts at the southern border of the state have been actively contracting this project and working with the Idaho State Department of Agriculture (ISDA) to operate boat inspection stations. The ISCC has not involved their technical staff in this effort but has allowed the districts to take the lead. **Chairman Rice** pointed out that the Bear River flows through three states and questioned if there was a collaborative effort with Utah and Wyoming on quagga and zebra mussels detection. **Ms. Murrison** explained that ISDA is taking the lead on this aquatic invasive species by contracting with local districts to do the inspections and coordinating with agencies to make sure all involved keep informed of the latest intelligence on what has been found in Utah. Her understanding from some recent correspondence from ISDA is that microscopic quagga mussels were found in Utah close to the Idaho border. In the Bear River Basin, a tristate coordinating committee has made sure that all efforts on watershed areas of importance are being addressed.

ADJOURNED:

There being no further business, **Chairman Rice** adjourned the meeting at 8:55 a.m.

Senator Rice
Chair

Carol Deis
Secretary