

MINUTES  
**SENATE AGRICULTURAL AFFAIRS COMMITTEE**

- DATE:** Tuesday, March 15, 2022
- TIME:** 8:00 A.M.
- PLACE:** Room WW53
- MEMBERS PRESENT:** Chairman Burtenshaw, Vice Chairman Bayer, Senators Patrick, Den Hartog, Blair (Johnson), Zito, Ricks, and Semmelroth
- ABSENT/ EXCUSED:** Senator Nelson
- 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 Burtenshaw** called the meeting of the Senate Agricultural Affairs Committee (Committee) to order at 8:01 a.m.
- PRESENTATION: Page Recognition. Katelyn Berry**, Senate Page, Boise, Idaho, introduced herself to the Committee. **Ms. Berry** described her experience as a page and her future education and career plans. She stated the most surprising thing was learning the difference between what actually occurred in the Senate and what she read on social media or mainstream news reports. She said she was happy to discover how nice everyone was.
- MINUTES APPROVAL:** **Senator Patrick** moved to approve the Minutes of March 3, 2022. **Senator Den Hartog** seconded the motion. The motion carried by **voice vote**.
- Senator Den Hartog** moved to approve the Minutes of March 8, 2022. **Vice Chairman Bayer** seconded the motion. The motion carried by **voice vote**.
- Chairman Burtenshaw** announced the agenda would be reordered.
- PRESENTATION: Idaho Dairy Products Commission (Commission). Karianne Fallow**, Chief Executive Officer, Dairy West, introduced herself to the committee. **Ms. Fallow** reviewed the Commission's two brand strategies (see Attachment 1). She stated the Dairy West brand would continue as the industry facing brand. The Unbottled brand was developed for the consumer marketplace. **Ms. Fallow** highlighted the industry's work in sports nutrition research and dairy science. She described how the Commission demonstrated milk's nutritional benefits to athletes and professional sports teams. **Ms. Fallow** explained the Commission launched its own high-temperature processed milk for school distribution. She presented a short video example of the Commission's consumer marketing campaign. She stated most marketing was done through social media.
- DISCUSSION:** **Chairman Burtenshaw** asked if the Commission sold its branded milk. **Ms. Fallow** replied that the United States Department of Agriculture prohibited the Commission from selling its branded milk. She explained the Commission distributed it as a donation to further community relations.
- Senator Semmelroth** inquired about the Commission's primary social media audience. **Ms. Fallow** responded that the Commission targeted certain segments of the market to educate about fluid milk and other dairy products. She provided examples of groups such as the lactose intolerant or the carbohydrate conscious.

**PRESENTATION:** **Rick Naerebout**, Chief Executive Officer, Idaho Dairywomen's Association (IDA), introduced himself to the Committee. **Mr. Naerebout** provided an overview of the IDA's mission and governance. He discussed statistics pertaining to dairy size, production, processors, workforce, and contribution to Idaho's economy. He mentioned issues facing the dairy industry, including an aging workforce, the need for immigration reform, and consumer demand for sustainability initiatives (see Attachment 2). **Mr. Naerebout** reported on the dairy industry's goal to achieve greenhouse gas neutrality. He stated that carbon sequestration would create an additional revenue stream for dairy producers. He noted that construction was scheduled to begin in May 2022 on the Idaho Center for Agriculture, Food, and the Environment for dairy research. **Mr. Naerebout** thanked the Committee for supporting **H 559**.

**DISCUSSION:** **Senator Blair** asked how many cows were milked per day at a 2,000 cow dairy. **Mr. Naerebout** answered that a 2,000 cow dairy referred to the number of cows milked per day. He said the number did not include replacement heifers and dry cows.

**Senator Blair** asked if European Union (EU) dairies were subsidized to give them an advantage in achieving environmental goals. **Mr. Naerebout** clarified that the EU dairies were not significantly ahead in achieving their goals. He explained EU dairies were pasture based while Idaho dairies housed cows differently. He advised EU dairies received heavy government subsidies while United States dairies did not.

**Senator Ricks** asked how one could determine the source of the milk in grocery store dairy products. **Mr. Naerebout** responded that it was difficult to determine because much of Idaho milk was used as ingredients for other dairy products. **Senator Ricks** recalled that the source of some products could be identified by the first two digits of the number imprinted on a product. He mentioned Idaho's two-digit number was 16. **Mr. Naerebout** pointed out that similar products at different price points could all come from the same processor.

**Senator Blair** inquired about the form of dairy exports and the top three export markets. **Mr. Naerebout** responded that most exports were dried products such as milk protein concentrate or nonfat dry milk due to ease of transport. He reported on the progress to rebuild and expand the Darigold plant in Caldwell. He said Mexico was Idaho's biggest trading partner, followed by several Southeast Asia countries.

**Senator Patrick** asked how the IDA addressed competition from other drinks such as almond milk and oat milk. **Mr. Naerebout** answered that the IDA focused on the nutritional value of real milk. He noted that other milk drinks claimed to be more sustainable but there was no comparison when compared to dairy's nutritional value. **Mr. Naerebout** said other drinks had made a dent in dairy sales but total dairy consumption per capita had increased.

**Senator Den Hartog** asked where producers were sending milk for processing since the Caldwell Darigold plant fire. **Mr. Naerebout** replied that milk production was seasonal. In winter, other plants were able to accommodate additional milk processing. He added that at the peak of production, Idaho milk would go to other plants within the Darigold system if necessary.

**ADJOURNED:** There being no further business at this time, **Chairman Burtenshaw** adjourned the meeting at 8:58 a.m.

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Senator Burtenshaw  
Chair

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Jeanne Jackson-Heim  
Secretary