



CAPITOL REVIEW

A WEEKLY LEGISLATIVE REPORT

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A Weekly Legislative Report

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IMMIGRATION

Immigration is in the spotlight, both nationally and in Idaho. The Idaho Dairymen's Association demands a large workforce and presented before committees this week to discuss the challenges they face. Executive Director Bob Naerebout pointed out several important facts:

- The agriculture industry (including dairy) and other industries that utilize Foreign Born Labor are hiring workers that present proper documentation of their legal status.
- Idaho's dairy industry does not have access to a visa program - same with construction, manufacturing, etc.
- The dairy industry cannot use the H2A program.

Referring to the immigrant community, IDA stated that because rural Idaho is so dependent on agriculture, we need leaders to stand against any legislation that requires state enforcement, but does not address the urgent need for immigration reform to provide legal status for those willing to work and contribute economically. This is a national issue and needs to be addressed at the national level.

An original bill was introduced by Rep. Greg Chaney, Nampa (H76). Food Producers voted to oppose this legislation. This past week, Rep. Chaney joined Food Producers to present a new bill with explanation of why he believes it is good protection for Idaho ag. The new proposal has not received a hearing, a bill number, or a vote at this time but may be before a committee next week.

HIGHWAY PROJECTS

This past winter weather has dealt the roads and bridges in Idaho some difficult circumstances. The result, many legislators are going for their pet projects in trying to make necessary repairs and improvements to the transportation corridors. A concentrated effort has surfaced in recent weeks by Canyon County legislators. Specifically they are

concerned with the stretch from Franklin Road in Nampa to the Franklin Road in Caldwell. The plan at this point from ITD is to widen from Franklin Road in Nampa to the Karcher exit and then put a ten-year surface seal on I-84 from Karcher to Franklin Road in Caldwell. Part of that stretch of road was actually closed during the month of January because of the large potholes that surfaced. Canyon County lawmakers argue that a resurface does not correct what is a dangerous narrowing of a corridor that carries a high volume of daily commuting traffic. Agriculture uses this section of the road to transport a number of commodities, such as sugarbeets, seed crops, and milk to name a few. Therefore, agriculture has been asked to support the efforts. However, as soon as the Canyon County leaders started voicing their concerns around the Capitol, a number of other lawmakers began to talk about dangerous and "need of repair" areas in their home districts - so let the games begin. Road repairs and improvements like those being proposed between Nampa and Caldwell run in the millions of dollars.

AMALGAMATED SUGAR CO.

John McCreedy, CEO of The Amalgamated Sugar Co., gave a report before both Ag Affairs Committees to discuss their industry. The Amalgamated Sugar Co. was founded in 1897 in Ogden, UT, and in 1997 sugar beet producers formed a cooperative and purchased The Amalgamated Sugar Co. Today, the company has three beet processing facilities, Nampa, Twin Falls, and Rupert, employing 750 unionized workers whose product accounts for 1.7% of Idaho's total GDP. Of the total U.S. sugar production, 12% is produced by The Amalgamated Sugar Co.

Amalgamated Sugar has maintained stability thru recent economic turbulence by focusing on two factors, agriculture technology (GMO beets and state of the art processing) and building a national sales organization. Because of the fixed production capacity, Amalgamated Sugar has worked closely

with producers in attaining the company's goal of 18% sugar content beets. Using GMO beets reduces irrigation water usage, requires less chemical spraying, and produces more sugar per acre than conventional beets. Amalgamated Sugar employs a "separation technology" which separates sugar from molasses. They have sold this technology to other companies around the globe.

Amalgamated Sugar created a partnership with two companies to expand their national and international reach, Southern Minnesota Sugar Beet Cooperative and Sucden Americas (a French owned company based in Florida). This partnership allows them to participate in freight swaps, freight arbitrage, and allows for a lower cost of customer acquisition.

McCreedy spoke of the challenges the anti-GMO movement and customer perceptions have caused recently. Now companies are marketing their products as anti-GMO, which only adds to the negative perception of GM products versus non-GM products. Amalgamated Sugar maintains that using biotechnology to produce sugar beets leaves a drastically smaller environmental footprint compared to conventional products and corresponds with the vast majority of the scientific community. They have created a three-year, \$30 million marketing campaign with other industries to combat the negative perception consumers have. Presently the campaign has raised \$16 million of the \$30 million needed.

HELLS CANYON PROJECT

Idaho Power Company is in the process of relicensing with the Federal Energy Regulatory Commission for its Hells Canyon Project. In 1947, Idaho Power applied for a license to develop the three-project Hells Canyon Complex on the Snake River. After a bitter political contest with public power advocates who wanted to build one high dam in the canyon, the Federal Power Commission issued Idaho Power a license in 1955, to build the Brownlee, Oxbow, and Hells Canyon power plants. The Hells Canyon Project was the last of the three projects to be constructed, and with two of its three units, it began generating electricity in 1967. The state of Oregon has attempted to require Idaho Power to implement fish passage and reintroduction of migrating fish above the Hells Canyon Project into Idaho waters. There has been both legislation and a House Joint Memorial to address this issue that could have implications to rate payers and water users in Idaho.

The memorial, **HJM 2**, provides that the **Idaho Legislature opposes the introduction or reintroduction efforts of fish** and directs the

Governor and the Attorney General to take all the necessary measures to oppose and prevent Oregon's unilateral introduction efforts. Governor Otter has already advised the Governor of Oregon that Idaho opposes Oregon's efforts to impose reintroduction into Idaho waters because of the significant biological, regulatory, social, and economic impacts. Oregon has responded and insisted on its passage and reintroduction measures. The most fundamental issue involves the introduction of aquatic species into Idaho waters without the consent of Idaho and violates Idaho law, policy, and the sovereignty of the state. The two companion pieces of legislation to the memorial help to codify by law what the intent of the memorial proposes. **H169 will require that no action be taken by any federal agency, state, state agency** - including the United States Fish and Wildlife Service - or any entity acting on behalf of a federal agency, to introduce or to reintroduce any species into the state of Idaho without first securing the approval of the Idaho Legislature. **H171 is more specific to the Hells Canyon Hydroelectric Project and will make it consistent with Idaho policy that fishways are not required to be constructed on the project.** Food Producers of Idaho has already voiced their support for HJM 2 and will be taking up both H169 and H171 in the coming weeks.

IDAHO BEEF COUNCIL

Traci Bracco, Executive Director of the Idaho Beef Council, presented before the Ag Affairs Committees. This past year was one of the most challenging years on record in the beef market. The Beef Checkoff program collected roughly \$2,380,000 from producers, down 4% from 2015. The Checkoff funds are used to educate consumers, advocate for the industry, and create demand for the product. Half of the funds are used in the state while the other half are allocated for national marketing. Weekly household consumption of beef has declined to a rate of 1.7 meals per week. IBC has developed new marketing outlets in an effort to reach the millennial generation, the largest consumer group. IBC manages 150 programs; one unique program uses social media to host online cooking parties to inform the younger generation about the versatility and nutrition of beef. Beef exports were up 11% from 2015, at 2.6 billion pounds worth \$6.3 billion, the market price saw a decrease.

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