



# CAPITOL REVIEW

## A WEEKLY LEGISLATIVE REPORT

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### FINANCIAL CONDITION OF AGRICULTURE

This Thursday, Dr. Garth Taylor presented the 2018 financial condition of agriculture to both the Senate and House Agricultural Affairs committees. Dr. Taylor, an economist with the University of Idaho College of Agriculture and Life Sciences, highlighted that 2018 was a great year in terms of yields for commodities. However, due to the prices of commodities across the board, cash receipts fell slightly. Dr. Taylor noted that a rise in input costs and expenses have contributed to a continual decline in net farm income.

Idaho ranks third in the U.S. for milk production and the biggest commodity within the state saw a decrease in cash receipts near 6%. With \$2.4 billion in cash receipts, milk is the top source of cash receipts from Idaho's agricultural production. Second to milk, are cash receipts from cattle and calves, which are projected to be valued at \$1.6 billion. The dairy and beef industries make up around 56% of Idaho's 2018 cash receipts.

The Magic Valley is a very large production agriculture and agribusiness hub. Agricultural products account for nearly \$4 billion of the Magic Valley's gross regional product. Additionally, nearly half of the jobs in the Magic Valley are tied to production agriculture or agribusiness.

Idaho is highly dependent on exports and 2018 was the fourth consecutive year of growth in the export market, even with international trade concerns. 46% of exported products go to Mexico and Canada, which is the highest category. Overall, agriculture is still a driving force in Idaho's economy and the numbers back up that fact.

### HEMP IN IDAHO

There has been a large amount of discussion concerning hemp since the December 20 passage of the 2018 Federal Farm Bill and the legalization of hemp for regulated production. Though it is now federally recognized, Idaho has not allowed cultivation of hemp for commercial, research or pilot programs. Rep. Troy and Sen. Lee met with the membership of Food Producers this week to discuss ideas and the

principles laid out in their proposal entitled the "Idaho Hemp Research and Development Act." The act would define hemp as separate and distinct from cannabis used to produce marijuana and allow it to be grown, processed and transported in the state. It would also allow research to be conducted by institutions of higher education. The commodity would be regulated through the Idaho Department of Agriculture.

Cannabis has two species, and hemp is distinguished by its less than .3% THC content. In contrast, marijuana usually contains more than 20% THC. Hemp is used to make a variety of commercial and industrial products including rope, textiles, clothing, shoes, food, paper, bioplastics, insulation and biofuel. The plant fibers can be used to make textiles that are 100% hemp, but they are commonly blended with other fibers, such as flax, cotton or silk, as well as virgin and recycled polyester, to make woven fabrics for apparel and furnishings. The language of the Idaho Hemp Research and Development Act has not been put into bill form and hearings of the proposal have not been scheduled yet.

### WATER STATESMAN AWARD

Speaker Scott Bedke of Oakley was honored by the Idaho Water Users Association with its "Water Statesman Award" for his role in fighting for the rights of water users throughout Idaho. "Speaker Bedke is continuously leading the charge in efforts to resolve complex water disputes", said Paul Arrington, Director of the Idaho Water Users Association. Arrington continued, "largely because of his tireless efforts, surface water users, groundwater users, cities, the State of Idaho and other stakeholders throughout southern Idaho have been able to reach resolutions on some of the most difficult and complex water issues of this generation."

Speaker Bedke said, "Water is one of the world's most precious resources and it is critical to the people of Idaho as many depend on water rights and laws for their livelihoods. I appreciate this honor. It is a privilege to play a role in these historic settlements and doing what is right for water users."

## U OF I CALS UPDATE

Dean Michael Parrella, Dean of the College of Agricultural and Life Sciences (CALs), updated the Senate and House Agricultural Affairs Committees on regarding all of the developments within the college in the past year. Dean Parrella's first concern concentrated on the ability of CALs to hire and retain young faculty members. There are currently 225 on the faculty for CALs, and nearly a quarter of them will be retiring in the near future. Dean Parrella highlighted three areas where CALs has partnered with the legislature and stakeholders in the past several years to make improvements. Those improvements include: new graduate student housing and equipment at Research and Extension Centers; the new Germplasm Seed Potato Facility; and the purchase of the Sandpoint Organic Agriculture Center.

The new graduate student housing was completed at the Aberdeen Research and Extension Center. There is also a new classroom and outreach facility being constructed at the Nancy M. Cummings Research, Extension and Education Center located near Salmon, Idaho. A new building will be constructed on the Moscow campus to triple seed-potato production and create plantlets free from viruses and other diseases. The Sandpoint Organic Agriculture Center is the first and only United States Department of Agriculture certified organic center for the college. This facility will provide hands-on teaching and internship opportunities for students from the U of I and North Idaho College.

There are two other projects that CALs has in the staging process. The Idaho Center for Agriculture, Food and the Environment (CAFÉ) will be a research, education and outreach center with the country's largest research dairy. The facility will be focused on environmentally, economically and socially sustainable dairy production and there will be three components to the regional model. The research dairy will be near Rupert and CALs is partnering with the Idaho Dairymen's Association to purchase the property. An outreach and education center with classrooms and office facilities will be located at the crossroads of I-84 and Highway 93 in Jerome County. Finally, there will be a food processing and career and technical training component on the College of Southern Idaho's campus. CALs also plans to renovate and invest in the equipment and infrastructure at the Parma Research and Extension Center. The college would like to invest enough to build a new building and create better connectivity to other R&E Centers.

## WHAT ABOUT THE NUMBERS?

You may wonder about the numbers that appear on bills in the legislature and what determines that number. Each legislature is for two years. Currently, we are in the 65<sup>th</sup> Legislature, 1<sup>st</sup> Session. House bills have three numbers and Senate bills have four. The

2019 Legislature started with H001 and the Senate with S1001. Many people refer to them as HB and SB in correlation with congressional references to bills. The Idaho Legislative Services Office drops the B and just refers to them as H and S. Whatever bill number they finish with later this spring, will be the final number for the 1<sup>st</sup> Session. When the 2020 Legislature comes to Boise next January, they will continue on with the same numbering system until they complete their work that spring. That will finish the cycle, and then the new system of numbering will start for the 66<sup>th</sup> Legislature.

## U OF I COMPETES IN WATER CHALLENGE

Dr. Greg Moller presented on a clean water project that he and his graduate students have been working on for a number of years. Dr. Moller is a professor at U of I in environmental chemistry and toxicology. Moller and his team are currently competing with other teams for an opportunity to solve one of the world's most wicked water problems. Ten teams are competing in the Stage 3 Pilot Study Challenge of the four-stage \$10 million dollar Everglades Foundation George Barley Prize shows the world innovative solutions to the challenge of phosphorus pollution in water.

Their overall goal is the removal and recovery of nutrients from agricultural drainage canals, storm-water and point sources such as municipal water treatment plants. Cleaning the water will prevent harmful algae blooms in areas such as the Great Lakes, the Florida Everglades and across the globe. There are thousands of toxic algae-impacted water bodies worldwide. The other competitors in the Pilot Stage are from four countries including teams from Nanjing University, the University of Waterloo, universities in the Netherlands working with the EU Water Center (WETSUS), the USGS and several companies. The pilot study ends in late May.

## CONGRESSMAN RUSS FULCHER

Congressman Russ Fulcher is making great strides in establishing his staff and offices to serve the needs of the 1<sup>st</sup> Congressional District. Offices have been established in Coeur d'Alene, Lewiston and Meridian. Heading the state offices will be Director Mike Cunnington, a familiar face from the Rep. Labrador years. Mike has lived and worked in Washington, D.C., most of his career and is excited to be in Idaho on behalf of the congressman. Rep. Fulcher received his committee assignments this week and he will be serving on the Natural Resource Committee and Education & Labor Committee. Rep. Fulcher's D.C. office is located in RM 1520 of the Longworth House Office Building.

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