



# Capitol Review

## A Weekly Legislative Report

Association Management Group

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### 2012 AG OUTLOOK

This week, Dr. Garth Taylor presented before both Senate and House Agriculture Affairs Committees on the impact of agriculture on the state. The 2011 Financial Condition of Idaho Agriculture report that we shared with you two weeks ago was presented by Dr. Taylor and sparked many questions concerning the record numbers set for Idaho.

In addition, Dr. Taylor added and presented projections for the 2012 outlook that had not been shared before the Legislature. Some of the highlights included the **expectation** that there will continue to be **strong domestic and export demands for Idaho commodities**. With a weak dollar and low interest rates, new markets may be opening and willing to accept imports that they haven't before. In Idaho, high land values should improve producers' balance sheets and last year's water levels will supplement irrigation levels for 2012. This **past year's drought in Texas and Mexico may increase prices** on the same commodities grown and produced in Idaho.

Dr. Taylor stressed that high costs **of inputs in 2012 will continue to offset** some of the increases that are expected. High fuel, fertilizer, and machinery costs are expected this next year and will keep Idaho from surpassing the 2011 record-breaking season. The outlook for projected Hay prices would be strong for the first half of the year then weakens as production increases. This would mean an overall decrease in cash receipts for hay growers as both acreage and production is expected to increase. Overall, Dr. Taylor expected to see the **net farm income for 2012 decrease from \$2.7 billion in 2011 to around \$2 billion**. The **good news is that \$2 billion is still better than the previous record-breaking income produced in 2008**.

### WATER ISSUES

We have begun to see the annual onslaught of significant water issues start to make their way to

committees. Those that provide water and waterways for producers are being supported by agriculture to ensure the lifeblood for many growers continues. **H398** will ensure that, when irrigation ditches have broken or overflowed because of third parties or natural "acts of God," **irrigation districts will not be held liable** for reimbursing the costs of damages. Examples would include overflow because of heavy rains, when ditch drains have been blocked by debris or children constructing dams. **H400** will place a two-year moratorium on civil or administrative proceedings for violation of rules or laws that have to do with channels of streams. This would **protect landowners** with streams or rivers on their property as well as irrigation agents from being penalized for fixing breaches in emergencies. Other water legislation of note includes **H396, H397, H399, and H401** – there are sure to be more that follow.

### TAX ISSUES

There will be a possible joint meeting of the Senate and House Tax Committees take place in the near future and will address the proposal of Governor Otter's for the Legislature to **find approximately \$45 million that can be provided in tax reductions**. Whether the House and Senate hold a joint meeting or not, both the chairmen have requested a presentation as to **how tax cuts might be handled related to agriculture**. In essence they will be asking what agriculture would like to give up . . . we assume the answer will be **"nothing."**

Other tax issues include **H387** which would provide that a homestead having previously qualified for exemption in the preceding year **shall not lose** the exempted qualification due to the owner's absence for reasons such as military, humanitarian or religious service. This legislation would clarify that the exemption continues during the absence for such service and would allow the home to be leased as long as the owner intends to return upon the conclusion of the Service. The

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absence for reasons other than military service would be limited to 36 months. Other tax legislation being watched and that could affect agriculture include **H354, H356, H361, S1248** and **S1249**.

### **INCUMBENTS & REDISTRICTING**

The list to the right includes all the incumbents who may be running for re-election this year and their new corresponding districts. All candidates for the Legislature can officially file with the Secretary of State beginning February 27 and the deadline is March 9. With the new district lines being drawn, we are sure to see some battles between good Legislators in both the House and Senate. This chart was produced by **President Pro-Tem Brent Hill**. We appreciate him sharing this simplified version of a very difficult matter.

### **PUBLIC POLICY TOUR**

Food Producers of Idaho just completed their 12<sup>th</sup> annual U of I Public Policy Tour for U of I Moscow campus students. The students and faculty participating in this Tour included the following:

Caitlin Buermann	Burns, OR
Drew Cruickshank	Payette, ID
Donald Curry	Meridian, ID
Adam Daggs	Kerman, CA
Jake DeRuyter	Marsing, ID
Benjamin Garnett	Joseph, OR
Ryan Hasenoehrl	Lewiston, ID
Erica louder	New Plymouth, ID
Katelyn Mosman	Craigmont, ID
Valerie Pantone	Shoshone, ID
Devin Patton	Joseph, OR
Benjamin Schumacher	Cottonwood, ID
Ryan Vander Stelt	Nampa, ID
Dr. Chris McIntosh	Moscow, ID
Dr. R. Garth Taylor	Moscow, ID
Dr. Cathy Rhoheim	Moscow, ID

The tour included a visit with the ISDA Director, Attorney General, State Treasurer, Agriculture lobbyists, Senator Crapo staff, Legislators, Senate Ag Affairs Committee and Industry Leaders.

***Thanks to all the presenters and sponsors who helped make this tour possible.***

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Dist	Senators	Representatives
1	Shawn Keough	Eric Anderson George Eskridge
2	Steve Vick	Vito Barbieri Phil Hart
3	Jim Hammond	Frank Henderson Bob Nonini
4	John Goedde	Marge Chadderdon Kathleen Sims
5	Dan Schmidt	Dick Harwood Shirley Ringo Tom Trail
6	Dan Johnson	Jeff Nessel John Rusche
7	Joyce Broadsword Sheryl Nuxoll	Shannon McMillian Paul Shepherd
8		Lenore Barrett Carlos Bilbao Ken Roberts Steve Thayn
9	Monty Pearce	Judy Boyle Lawrence Denney
10	John McGee	Darrell Bolz
11	Patti Anne Lodge Melinda Smyser	Christy Perry Gayle Batt
12		Bob Schaefer
13	Curt McKenzie	Gary Collins Brent Crane
14		Reed DeMordaunt Mike Moyle Marv Hagedorn
15		Lynn Luker
16	John Andreason Les Bock	Max Black Grant Burgoyne Elfreda Higgins
17	Elliot Werk	Sue Chew Bill Killen
18	Mitch Toryanski	Julie Ellsworth Phylis King
19	Nicole LeFavour	Cherie Buckner-Webb Brian Cronin
20	Shirley McKague Chuck Winder	Joe Palmer
21		Cliff Bayer
22	Russ Fulcher	John Vander Woude
23	Bert Brackett Tim Corder	Pete Nielsen Rich Wills
24	Lee Heider	Stephen Hartgen Leon Smith
25		Maxine Bell Sharon Block Jim Patrick
26	Michelle Stennett	Wendy Jaquet Donna Pence
27	Dean Cameron Denton Darrington	Scott Bedke Bert Stevenson Fred Wood
28	Diane Bilyeu	Ken Andrus Jim Guthrie
29	Edgar Malepeai	Roy Lacey Elaine Smith
30	Dean Mortimer	Janice McGeachin Erik Simpson Jeff Thompson
31	Steve Blair	Dennis Lake Jim Marriott
32	John Tippetts	Marc Gibbs Tom Loertscher
33	Bart Davis	Linden Bateman
34	Brent Hill	Dell Raybould Mack Shirley
35	Jeff Siddoway	JoAn Wood