New rules relax import restrictions on livestock

By SEAN ELLIS
Capital Press

BOISE — Two pending rules that relax some import restrictions on livestock entering the state have been approved by the Idaho Legislature.

One of the rules involves dairy cattle headed for slaughter and the other affects all cattle and horses. Both are designed to make it easier for the state's livestock industry to operate.

The new rules both have safeguards to ensure herd health is protected, said Scott Leibsle, deputy administrator of the Idaho State Department of Agriculture's animal industries division.

One of the rule changes will allow dairy cattle imported into Idaho to be granted a tuberculosis testing exemption if they are consigned directly to feedlots approved for finish feeding.

This means they could be brought in under the testing exemption only if they are kept in the slaughter channel and used for no other purpose, said Leibsle, the deputy state veterinarian.

"You can't milk them, you can't breed them, you can't send them out to graze; you can only send them to slaughter," he said.

The Idaho Cattle Association petitioned for the rule change because of the benefit it could bring to the state' feedlots, said ICA Executive Vice President Wyatt Prescott.

Because of the state's previous rule requiring a tuberculosis test for dairy cattle, a lot of Holstein cows destined for slaughter have gone to other states, he said.

"This is an opportunity for our feeders in Idaho," Prescott said.

A lot of Holsteins that were going to the National Beef Packing Co.'s Brawley, Calif., beef processing facility, which was shuttered last year, are bypassing Idaho and going to Washington and other states, said Cevin Jones, president and owner of Intermountain Beef, a commercial feedlot near Twin Falls.

Idaho's previous brucellosis rule for dairy cows "has been hampering the ability of Idaho feedlots to get them here and put them on feed here," Jones said. "If we can capture some of them here, it would be something that's good for the feedlot industry in Idaho."

Another rule approved by lawmakers this year would lift a prohibition on importing livestock that originate within a 10-mile radius of an outbreak of vesicular stomatitis, a viral disease that primarily affects horses and cattle but can also impact sheep and goats.

During a conference call with other state veterinarians last year, it became clear that Idaho's vesicular stomatitis restriction wasn't necessary because it differs from the nationwide standard, which is only to limit importation of animals from the affected premises, Leibsle said.

He said the virus is primarily linked to seasonal hatches of black flies and insect control is the main way to limit its spread.

Livestock entering Idaho from a state where the virus has been diagnosed within the last month are still required to have a veterinary certificate certifying they are free of vesicular stomatitis.

Bill grants livestock producers capital gains tax deduction

By SEAN ELLIS
Capital Press

BOISE — Idaho lawmakers have passed a bill that ensures livestock operations will be treated the same as other industries when it comes to a state tax deduction for capital gains.

Idaho allows ranching operations to claim a 60 percent tax deduction on capital gains derived from the sale of tangible personal property and held for at least 12 months, as long as at least half of the entity's gross personal income comes from farming or ranching in Idaho.

This could include cattle or horses held for breeding, draft, dairy or sporting purposes.

However, the deduction is not available for minority interests in these operation who do not get at least 50 percent of their income from farming or ranching. That could include individual owners in an S corporation or limited liability company who share in profits from these so-called "pass-through" entities.

This is not consistent with how other industries are treated when it comes to this tax deduction, said Sen. Brent Hill, R- Rexburg, the bill's author and a retired certified public accountant.

Hill's legislation, which was signed into law March 19 by Gov. Butch Otter and is effective July 1, would ensure that those partners would be eligible for the tax deduction regardless of whether they derive half of their income from farming or ranching, as long as the pass-through entity meets that requirement.

"This results in consistent treatment of all qualifying capital gains, rather than holding livestock to a different standard," the bill's statement of purpose says.

The bill was supported by Idaho's dairy and cattle industries.

"This would allow those individual members of the entity to deduct the capital gains as long as the co-owned entity derives more than half of its gross income off of farming or ranching," said Idaho Cattle Association Executive Vice President Wyatt Prescott.

He said the change could be particularly helpful to family owned livestock operations where not every member of the family gets more than half of their income from ranching.

Milk Producers of Idaho Executive Director Brent Olmstead said he sent a copy of the legislation to an accounting firm that specializes in agricultural accounting.

"Their reply was, 'It's about time,'" he said. "We think it's a great idea. It puts livestock and agriculture on the same ground as mining and forestry and other industries."

Hop acres expected to increase by almost 1,100

By SEAN ELLIS
Capital Press

Sean Ellis/Capital Press

Farm workers set up strings that will train emerging hop plants in a field near Wilder, Idaho, on March 30. Industry leaders expect hop acres in Idaho to increase by almost 1,100 acres this year.

WILDER, Idaho — Idaho hop acres are expected to increase significantly again this year, as farmers in the nation's No. 3 hop producing state respond to continued demand from the craft brewing industry.

Hop producer Brock Obendorf and industry consultant Roger Keske both anticipate Idaho growers will add close to 1,100 acres this year, which would be a 29 percent increase over the 2014 total of 3,812 acres.

"It's all because of the growth in the craft brewing industry and the new aroma varieties they're wanting," Obendorf said.

All the new hop acres in Idaho this year are being planted to the aroma varieties preferred by craft brewers, said Keske, a soil and crop agronomist out of Richland, Wash., who consults on about 2,000 hop acres in Idaho.

He said craft brewers are offering Idaho farmers a good price for the new acres. "They love the aromas and they're willing to pay for them."

According to USDA's National Agricultural Statistics Service, hop acreage in Idaho has increased from 2,423 in 2012 to 3,376 in 2013 and 3,812 in 2014.

"We've got a couple of new growers in Idaho bringing new acres on as well as existing growers who are adding acres. It's exciting," said Hop Growers of America Administrator Ann George.

Based on USDA data for hop acres, average yields and total production, Idaho this year could come close to Oregon, which ranked No. 2 last year in hop production at 8.2 million pounds. Idaho was third with 6.9 million pounds.

Oregon growers expect to add 500 to 600 acres this year, but Idaho's average yields are much higher.

Washington, by far the nation's No. 1 hop state, and Oregon have also added significant acreage in the past few years but Idaho's percentage increases have been much higher.

Bart Watson, chief economist for the Brewers Association, which represents independent craft brewers in this country, said Idaho is a prime spot for growth in the industry because of its comparatively cheaper cost structure.

"One of the reasons Idaho's hop acres are growing so fast is that it's cheaper to expand in Idaho," he said.

Production by the U.S. craft brewing industry grew by 18 percent last year and it's grown by double-digit margins during seven of the last nine years, Watson said.

ISDA to expand Boise beetle eradication

By JOHN O'CONNELL
Capital Press

Japanese beetle

Courtesy of en.wikipedia.org

Binomial name: Popillia japonica

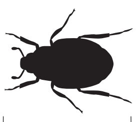
Appearance: Iridescent copper-colored elytra, green thorax and head

Diet: Roots of grasses during larval stage; foliage and fruits of many common trees, vines and crops during adult stage

Life cycle: Typically one year; extended in cooler climates

Origin: Japan

First observed in U.S.: 1916 near Riverton, New Jersey



14-16 mm (Actual size)

Control methods: Chemical and biological; mechanical traps

Source: USDA Animal and Plant Health Inspection Service

Capital Press graphic

BOISE — The Idaho State Department of Agriculture plans to significantly expand the area of the city it will treat this summer to eradicate an infestation of invasive Japanese beetles.

ISDA officials fear the pest could move from residential neighborhoods into surrounding agricultural production areas, potentially hurting farm yields and leading to trade restrictions.

Beetles are rampant in the Eastern U.S., feeding on more than 300 plant species and forcing inspections of commodities bound for export to states where the insect isn't established.

ISDA discovered the local infestation in 2012, when 56 insects were caught in a statewide trapping network. The agency started its eradication program in 2013, when 3,058 beetles were trapped in Boise.

ISDA pest survey detection manager Paul Castrovillo said the population caught in traps dropped to 1,238 beetles in 2014, due to the prior summer's turf treatments with granular pesticide to kill grubs.

Castrovillo said rather than focusing treatments on just the areas with the greatest insect densities, ISDA will spread its treatments over a broader area this season.

In the initial year of the program, the city hired pest control professionals to treat 100 properties in downtown Boise. Treatments led to a 95 percent reduction in beetles caught downtown in 2014, Castrovillo said. However, beetle numbers doubled in untreated areas.

"To get 95 percent less beetles the year after you treated I think was a good piece of data to show the treatments are working," Castrovillo said.

Last summer, the city sought to treat 500 properties, and all but one property owner consented, once ISDA explained the pesticides won't hurt children or pets and are applied only to turf, rather than trees, shrubs or gardens. ISDA is approaching 1,800 property owners for permission this summer. Treatment consent forms are available online at www.agri.idaho.gov, and the agency hopes owners will grant permission by April 8. Granular applications are made in mid-May and mid-July.

Castrovillo emphasized that the traps are nontoxic, drawing in male beetles with female beetle scent and attracting female beetles with a floral scent.

Lloyd Knight, administrator of ISDA's Division of Plant Industries, said ISDA plans to approach the state's Board of Examiners during the next week or two to request $400,000 toward this summer's program — the same amount that was approved last summer. Knight said the funding would be allocated through a deficiency warrant, a tool enabling the agency to allocate unappropriated funding for special purposes.

The Boise program was modeled after a Japanese beetle eradication program in Orem, Utah, home to a thriving fruit industry.

Kris Watson, Utah survey entomologist, said his program has declared eradication this season, after making the initial declaration in 2006. Last summer, he explained, no areas were treated in Orem, and a grid of traps caught no insects.

Watson said two male beetles were discovered in Salt Lake County late last summer, and a delimiting network of traps has been set up in the area to make certain there's no additional outbreak.