

'We're entering this year with a lot of questions'

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Here is a state-by-state look at the upcoming legislative sessions:

Oregon: Budget gap will dominate

By MATEUSZ PERKOWSKI
Capital Press

SALEM — With Oregon legislators facing a major gap between the state government's expected revenue and expenses, debates over spending reductions and tax increases are expected to dominate this year's legislative session.

Rising costs for state employee pension and healthcare costs are expected to leave the state with a \$1.8 billion deficit during the upcoming fiscal biennium, which spans two years beginning July 1. The current biennium's budget is \$70.9 billion.

For organizations representing Oregon agriculture, that means the legislative session will be spent defending government services that are valuable to farmers, experts say.

"People really feel those impacts on the ground," said Katie Fast, executive director of Oregonians for Food and Shelter, an agribusiness group.

For example, the governor's recommended budget would create a "hole" of \$9.4 million for Oregon State University's agricultural research and extension services, likely leading to reduced service levels, she said.

Such a dramatic reduction would undermine long-term studies that boost farmers' productivity and efficiency, said Fast. "You don't do research for only two years."

Similarly, the Oregon Department of Agriculture would terminate its financial contribution to USDA's predator control program and its biocontrol program for weeds.

The Oregon Agricultural Heritage Program, which is aimed at creating easements to protect working farms and ranches from development while easing tax burdens, isn't funded under the governor's budget proposal, said Mary Anne Nash, the Oregon Farm Bureau's public policy counsel.

It's going to be tough to win funding for a new program when existing core agricultural programs are in jeopardy, she said.

On the policy front, Oregon farmers are still dealing with the consequences of past labor legislation that requires paid sick leave for workers and increased the minimum wage at varying rates based on region, said Jenny Dresler, state public policy director at the Oregon Farm Bureau.

The Bureau of Labor and Industries has interpreted those bills during the rule-making process in ways that are unclear and burdensome for farmers, so the Farm Bureau will be seeking legislative clarifications and fixes, she said.

"We're entering this year with a lot of questions," said Dresler.

Environmental groups are also expected to raise perennial legislative questions about



Washington House Agriculture and Natural Resources Committee Chairman Brian Blake, D-Aberdeen, says of the Hirst decision, "Roll it back or make it work."

regulating genetically modified crops, pesticide usage, livestock antibiotics as well as air and water quality, experts say. Exactly what bills related to these topics will be put forth remains to be seen.

With the USDA proposing to deregulate genetically engineered creeping bentgrass, which escaped field trials and has spread in Eastern Oregon, it's possible lawmakers will have a greater appetite to regulate such crops, said Ivan Maluski, policy director for Friends of Family Farmers, a nonprofit critical of biotechnology rules.

"It's a pretty clear example of failure of federal oversight," he said.

Friends of Family Farmers plans to advocate a tax credit that would benefit landowners who lease property to beginning growers, Maluski said.

With the tough budget outlook, the group hopes to pay for the tax credit by eliminating a subsidy for anaerobic digesters it believes benefits only large dairies, he said.

"Access to land for beginning farmers has been a huge issue in Oregon for quite some time," said Maluski.

Idaho: Water issues dominate

By SEAN ELLIS
Capital Press

BOISE — Ensuring the state continues a major aquifer recharge effort is expected to be one of the main agriculture-related issues during the 2017 Idaho Legislature, which convenes Jan. 9.

In fact, several of the big issues expected to arise during the 2017 legislative session have to do with water.

Sen. Jim Patrick, a Republican farmer from Twin Falls, said ensuring the state continues its efforts to recharge 250,000 acre-feet of water into the Eastern Snake Plain Aquifer annually will be a priority in 2017.

That recharge effort, which began in 2016, is a major part of a landmark 2015 settlement agreement between ground water pumpers and surface water users along the ESPA that averted the possible curtailment of water to hundreds of thousands of acres of irrigated farmland.

"That's the No. 1 issue for

agriculture and for the state because if we don't get our water, we don't pay taxes," Patrick said.

"We will have to continue to fund that," said Sen. Bert Brackett, a Republican rancher from Rogerson. "The state is committed to doing recharge."

Lawmakers will also keep an eye on the formation of a groundwater management area for the Eastern Snake Plain established in November by Idaho Department of Water Resources Director Gary Spackman.

An advisory committee created by IDWR will draft a plan that governs the management area.

"We're waiting to see how that shakes out," said Republican Sen. Steven Bair, a retired farmer from Blackfoot.

Idaho Farm Bureau Federation governmental affairs officials said they will back a bill that requires the legislature to take affirmative action on any minimum stream flows set by the Idaho Water Resource Board.

The water board holds 291 minimum stream flow water rights covering 994 miles of streams, according to its website. If a stream falls below that minimum flow level, other water rights could be curtailed.

Minimum stream flows set by the board go before the Legislature but they go into effect even if the body doesn't take affirmative action on them.

The Farm Bureau-backed bill would require the legislature to vote "yes or "no" on them.

Discussions about the possibility of the state helping to fund University of Idaho's proposed \$45 million livestock research center will also likely take place during the session, according to several legislators.

Lawmakers are also expected to discuss ways to beef up the state's efforts to prevent aquatic invasive species from invading the state's waterways and continue to fund the state's wolf control efforts.

Idaho's main farm groups will also seek to help push through a proposed Idaho Department of Environmental Quality rule that would amend the state's field burning program.

Several of the state's environmental groups say they will

oppose the rule change, which the department says is necessary to avoid a large reduction in the number of allowable burn days for farmers.

A bill that creates a dyed diesel enforcement program in Idaho will be introduced this year, Brackett said.

Washington: Well questions, taxes

By DON JENKINS
Capital Press

OLYMPIA — The big water issue facing the Washington Legislature originated from west of the Cascades for a change.

Whatcom County annually receives more than triple the rainfall of Yakima County. Yet the state Supreme Court ruled 6-3 in October that new domestic wells there could suck away water needed for fish.

The Whatcom County vs. Hirst decision doesn't affect existing water rights, but it casts doubt on whether new wells for homes can be drilled anywhere in the state.

Agricultural groups, including the Washington Farm Bureau, are alarmed. The decision could stop farm families from building and cripple rural communities.

The state Department of Ecology reports being deluged with phone calls from rural landowners worried about whether they can build. The agency can't say "yes" or "no."

At the very least, the decision — if left alone — promises to make wells more expensive. Homebuilders would have to prove a new well won't draw down rivers and streams. Estimates to do that range from thousands to tens of thousands of dollars.

"Every place we go, somebody asks us how we're going to fix this," said Moses Lake Republican Judy Warnick, chairwoman of the Senate Agriculture, Water and Economic Development Committee.

Not everyone agrees the Hirst decision needs to be fixed.

The environmental group Futurewise, a plaintiff in the suit, said the decision means counties must balance growth with protecting fish.

House Agriculture and Natural Resources Committee Chairman Brian Blake, D-Aberdeen, said he wants to "roll

(the decision) back or make it work."

"I'm hoping any legislation will clarify that people have access to their property to build a home," he said.

The 105-day session begins Jan. 9. Republicans retained their slight majority in the Senate, while Democrats did the same in the House. The main job will be to adopt a two-year budget to take effect July 1. Lawmakers are under a court order from the state Supreme Court to increase education spending.

Gov. Jay Inslee, a Democrat, has proposed a \$46.8 billion operating budget — 21 percent more than the spending plan lawmakers passed in 2015. Inslee says the state can't constitutionally or morally meet its obligations without raising taxes. He has proposed \$4.39 billion in new revenues. He has reintroduced a tax on carbon emissions, a policy that lawmakers and voters have rejected in the past.

Senate and House agricultural committees may consider raising the beef checkoff to \$2.50 from \$1.50. Increasing the per head tax on cattle transactions would double funding for the Washington Beef Commission to \$2 million a year.

The Washington Cattlemen's Association and Washington Cattle Feeders Association support the increase. The Cattle Producers of Washington lobbied hard against it last year and remain opposed.

Blake said he hopes the Legislature will fund a program to use dogs to sniff for wolf scat in the South Cascades.

Under current state policy, wolves won't be considered recovered until at least four breeding pairs are established in the region. So far, the Washington Department of Fish and Wildlife has not found a breeding pair, let alone a pack.

Blake said he believes wolves are there, but that they are hard to find in the wilderness. He said if dogs can point the way, WDFW may be able to find breeding pairs. "I'm pretty confident that this may move us forward in the South Cascades," he said.

California: Regulatory relief sought

By TIM HEARDEN
Capital Press

SACRAMENTO — Farm groups in California expect to spend the next legislative session fending off more regulations while carving out benefits for their industries.

Advocates for agriculture expect "an active year" in the Legislature as Gov. Jerry Brown works to cement his legacy in his final two years in office, said Kelly Covello, president of the Almond Alliance of California.

The main goal for the organization is to try to minimize the effort to increase the regulatory burden on producers, who are already struggling to keep up with paperwork and other requirements, said Joel Nelsen, president of California Citrus Mutual.

"We're going to see an ef-

fort by certain segments of society to push a very left-oriented agenda, and they see the last two years of the Brown administration as their opportunity to do that," Nelsen said. "It's going to be up to the governor to take a moderate stand on this stuff. It's really easy to spend somebody else's money, and that's what I see them doing."

While new members were sworn in Dec. 5, the Legislature's business started in earnest this week. Only a handful of bills have so far been filed; groups will have a better idea of what the priority legislation will be as the mid-February deadline for filing bills draws near, said Dave Kranz, a California Farm Bureau Federation spokesman.

One task for farm groups will be to make previously enacted legislation a little more palatable to growers. For instance, the ag overtime law passed last year eliminated an exemption on overtime after 8 hours in a day for managers and family members, which exists in every other industry, Covello said in an email.

Additionally, industry leaders will need to address a section of the statute that eliminated exemptions for ag irrigators and truck drivers, she said.

Under the legislation by Assemblywoman Lorena Gonzalez, D-San Diego, farmworkers will be paid for overtime after eight hours in a day and 40 hours in a week rather than the 10-hour day and 60-hour week for agriculture that Brown originally approved during his first stint as governor in 1976. The new rules will take effect in 2022 for most farms and 2025 for operations with 25 or fewer employees.

For its part, Citrus Mutual will try anew to gain state funding to combat the Asian citrus psyllid and Huanglongbing, the deadly tree disease it can potentially carry. The industry has devoted \$15 million toward research and education and received \$11 million from the federal government, but two previous attempts to get funding for the psyllid and HLB included in the state budget failed, Nelsen said.

"We're still in a position that we do not have HLB in our commercial areas," he said.

Among other initiatives that could affect agriculture:

- Delegates to the state Farm Bureau's meeting in December agreed to oppose any move by a newly created "groundwater sustainability agency" to regulate land use. Those decisions should be left up to cities and counties, the delegates decided.

- The delegates also propose that the statewide minimum wage be based on living cost in the lowest-cost areas in the state, while allowing localities to set higher minimum wages as they see fit. Legislation passed in 2016 will gradually raise the state's minimum wage to \$15 an hour by 2022.

- The Almond Alliance will fight for funding in budget bills, trailer bills and grant applications for the planned Sites and Temperance Flat reservoirs, Covello said.

Public lands grazing a major issue in Owyhee County

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economic output is tied to the farming industry.

UI surveyed 450 people in Ada, Canyon, Elmore and Owyhee counties. Ada and Canyon county are the state's two most populous urban areas and, along with Elmore County, border Owyhee.

Support for livestock grazing was high across the region. Residents of all four counties were also in line on many other natural resource issues, such as logging and outdoor recreation opportunities.

For example, while 90 percent of Owyhee County residents surveyed support livestock grazing, nearly 80 percent from the urban areas also support it.

"There are some very positive feelings toward agriculture and grazing," said UI agricultural economist Neil Rimbey, one of the report's four authors. "That's something you don't usually get by reading the newspapers or listening to the news."

Owyhee County, at almost



Courtesy of Idaho Rangeland Resource Commission
Cattle graze in Owyhee County, Idaho. A University of Idaho survey found that residents in the state's main urban areas see eye-to-eye on many natural resource issues with people in sparsely populated and heavily rural Owyhee County.

5 million acres, is one of the nation's largest counties, and 83 percent of it is public land, most managed by the U.S. Bureau of Land Management.

Public lands grazing is a major issue in Owyhee County. In response to a lawsuit, a federal judge ordered the BLM's Owyhee field office to rewrite 68 grazing permits that it renewed in 1997. The case includes 120 grazing allotments and impacts hundreds of thousands of acres in Owyhee County.

The new permits, issued in 2013, reduced grazing by 30-50 percent in most cases.

The survey results show urban residents support livestock grazing on public lands.

Fewer than 2 percent of urban residents surveyed considered livestock grazing to be a serious problem facing southwestern Idaho.

Sixty-six percent of urban residents felt livestock grazing was a very healthy or somewhat healthy aspect of working landscapes while 13 percent felt it was somewhat or very unhealthy.

Owyhee County Commissioner Kelly Aberasturi said the survey results were surprising but welcomed.

Wheat is grown on fewer total acres in U.S.

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some of our key competitors — Australia, Europe and Canada" — before wheat prices will rebound, said Darin Newsom, senior analyst for DTN in Omaha, Neb. "There's a lot of things that have to happen. None of them seem like they're realistic at this point."

Earlier in 2016, Newsom wrote a column saying that if the U.S. stopped planting wheat and took itself out of the global marketplace, there would still be enough left to meet world demand. The U.S. produced roughly 62.9 million metric tons of the 752 million metric tons produced worldwide this year, up from 735 million metric tons last year.

Such a scenario isn't realistic, Newsom said.

"The fear would be from the global community that the U.S. is trying to start a supply scare," he said. "Maybe that's what it takes."

Dan Steiner, grain merchandiser for Morrow County Grain Growers in Boardman,

Ore., estimated that the world needs a reduction of roughly 40 million to 50 million metric tons — roughly the equivalent of the total U.S. hard red winter crop — for prices to return to profitable levels.

Because of the large global supply, average weather and an average crop this year could send prices 40 cents per bushel lower, he said.

Farmers are raising wheat on fewer total acres in the U.S., said Byron Behne, marketing manager for Northwest Grain Growers in Walla Walla, Wash.

But "the carryover supplies are so big, that creates quite a buffer," Behne said.

The strong dollar is working against U.S. wheat growers.

Currently, one U.S. dollar is worth roughly 117 Japanese yen. In the past year, the value of the dollar has been as low as 99 Japanese yen. Japan is a major buyer of U.S. wheat.

A strong dollar will mean the U.S. industry will struggle to move grain onto the global

market, Newsom said. Federal Reserve interest rate hikes are likely to continue to strengthen the dollar, further putting U.S. wheat at a disadvantage, he said.

Newsom doesn't see much evidence yet that President-elect Donald Trump will be positive for agriculture, citing Trump's plans to slap tariffs on Chinese imports, which would result in retaliation; breaking the North American Free Trade Agreement with Mexico and Canada; and scuttling the Trans-Pacific Partnership trade deal, which would work against Japan and increase China's role in Asia's export and import markets.

"So far what we've heard could possibly disrupt trade with our first, second, third and maybe four out of the top five trading partners we have globally when it comes to U.S. grain," Newsom said. "Maybe it was all just bluster, none of it's true and maybe none of it's going to happen, but certainly his statements and his position seems to be anti-ag industry."