Wafla chief warns of weaknesses in ag labor bill

By DAN WHEAT
Capital Press

OLYMPIA — The farm labor association Wafla remains opposed to the farm labor bill that passed the U.S. House Dec. 11, saying it would make the H-2A-visa agricultural foreign guestworker program more expensive and prone to litigation.

"It does not create a workable future flow worker program," Dan Fazio, Wafla executive director wrote in an email to members, Dec. 13.


Dan Fazio

The Farm Workforce Modernization Act, H.R. 5038, "has little chance of passing, or even being considered, in the Senate," he wrote.

While the bill seeks to freeze the H-2A minimum wage known as the Adverse Effect Wage Rate, or AEWR, at 2019 levels through 2020, if would be too little too late for 2020 by the time of its adoption, he said.

Reasonable minds differ on whether the U.S. Department of Labor would allow the 2020 AEWR, likely to be $15.83 per hour in Washington and Oregon, to be rolled back to the 2019 level of $15.03 if the bill passes the Senate in the new year, he wrote.

"Make sure you have language in your H-2A contracts that permit you to reduce wages in the event H.R. 5038 passes," he wrote.

Labor groups pressured lawmakers to keep high AEWRs because they benefit domestic workers who receive them if their employer hires both H-2A and domestic workers, Fazio said.

Another way to benefit domestic workers without raising wages is to allow employers to charge workers for housing they have to provide H-2A workers and domestic workers who come from outside a 50-mile radius, he said. Those within that radius don't have a right to free housing.

"Lawmakers have not offered any good public policy reason for rejecting this approach," he wrote.

H.R. 5038 removes longstanding legal protections for farmers by giving H-2A workers the right to sue in federal court for any violation of the H-2A program and provides mandatory damage awards to workers for even technical violations, he said.

The bill also holds farmers liable for violations by H-2A recruiters operating in foreign countries, he said.

Some 300 agricultural groups reportedly back the bill, which legalizes the current workforce. Fazio said ag groups that represent employers using H-2A generally oppose the bill or took no position.

The bill phases in mandatory E-Verify, electronic verification of employment eligibility, which is tough, he said, when the bill does so little to improve H-2A for the average farmer.

"We hope the Senate recognizes that the survival of labor-intensive agriculture in America depends on a future flow program that works for farmers," Fazio wrote.

IFB opposes boosting Idaho homeowners' exemption

By BRAD CARLSON
Capital Press

Increasing the Idaho homeowners' exemption to provide property tax relief as house values rise has drawn state Farm Bureau opposition.


Russ Hendricks

Idaho Farm Bureau Governmental Affairs Director Russ Hendricks said the move would shift the overall tax burden to owners of agricultural and other business properties.

The state legislature's interim Property Tax Working Group took comments on how to address many homeowners' rising taxes as population growth fuels rapid appreciation.

Beyond cutting budgets, ideas include boosting the exempt amount and again indexing it to market-driven changes in values.

Half a home's value is exempt up to a cap. As part of a multifaceted relief package, lawmakers in 2006 raised the cap from $50,000 to $75,000 and attached it to a home-price index. They raised the cap to $100,000 in 2016 but removed the indexing. Prices in many areas have continued to increase since, leaving owner-occupants of homes with assessed values above $200,000 paying more.

Gary Houde, a senior research analyst at the State Tax Commission's Property Tax Division, said the state has 469,395 owner-occupied homes. Of that, 178,256 wouldn't get any additional benefit if the homeowners' exemption increased and 291,139 would get a benefit.


Brad Carlson/Capital Press

Idaho State Tax Commission Property Tax Policy Bureau Chief Alan Dornfest.

Local taxing districts can increase property taxes up to 3% per year plus a factor for growth from construction or annexation. Rising budgets are important to agricultural property owners in part because a recent Idaho Farm Bureau-commissioned study finds residential property continues to pay a decreasing share of the cost of services.

Tax commission data show residential property pays the lion's share of total local taxes statewide, mainly because it is a big category that has been growing along with the population.

But that varies locally. Rural counties often get a bigger share from agricultural land, which in Idaho is assessed based on a production value that aims to remove premiums tied to development potential.

Alan Dornfest, the commission's Property Tax Policy Bureau Chief, said that statewide in 2018, homes paid about 41.7% of total property taxes and farms paid about 2.6%.

This year, homes paid 44.2% and farms 2.4%.

Also in 2019, farm taxes as a whole decreased 0.7% as home taxes rose 12.9%. Home taxes would be up 8.9% if new construction were removed.

Statewide totals include cities and reflect rising home values, he said.

Values from 2018 to '19 statewide increased 2.8% for agricultural land and 17.5% for existing homes after the homeowners' exemption.

"When that happens, the homes' slice of the pie becomes bigger and the farming slice gets smaller, though some farms went up in value," Dornfest said.

Commercial property values increased by around 6%, but that category's share of total tax also decreased as the residential segment grew.

Tax-dollar share by property type varies by county.

"In more rural and agricultural counties, agricultural property will pay more" in total property tax dollars, Dornfest said. Agricultural property this year in rural Clark County accounted for 34% of total tax compared to 0.1% in growing Ada County.

Taxable value this year is about $5 billion for agricultural land and $75 billion for homes.

The Farm Bureau's Hendricks said a tax shift "only occurs when you artificially exempt one class of property and force another class of property to pay that tax. It only makes sense as we pave over farm ground and build more houses that the total percentage is going to be higher for residential property and lower for agricultural land."

IFB opposes any increase in the homeowners' exemption because it would shift the tax burden, requiring owners of other types of property "to pay the tax that the home should be paying," he said.

Hendricks said a recent IFB-commissioned study by Brigham Young University-Idaho economics Professor Allan Walburger shows that the higher the homeowners' exemption is raised, the more that property taxes will shift to commercial and agricultural property.

Walburger replicated a 1997 University of Idaho study. He looked at the same counties (Bonneville, Canyon, Cassia, Kootenai) with the same methodology. He then revised the method. Both efforts yielded the same result.

Almond board sets environmental goals

By DAN WHEAT
Capital Press

SACRAMENTO — The Almond Board of California announced the investment of $5.9 million in 85 independent research projects and launched its Almond Orchard 2025 Goals Roadmap at its Dec. 10 annual conference in Sacramento.

The research explores next-generation farming practices and brings the California almond community's total research investment since 1973 to $89 million.

California produces about 80% of the world's almonds. The industry reached 1 billion pounds of production in 2005, now is about 2.5 billion and continues to grow, cashing in on consumer desire for healthful snacks.

Among the research projects next year are $678,000 for water sustainability research and $607,000 for identifying new uses for almond co-products.

"The California almond community takes a long-term view of success based on respect for the land and local communities," said Holly King, board chairwoman.

Since 1982, California almond farmers have committed $8.1 million to 221 research projects on irrigation efficiency, groundwater recharge and water quality. Water to grow almonds was reduced 33% over 20 years and by 2025 the board commits to reducing water another 20%.

The board wants to achieve zero waste by 2025 by full utilization of hulls and shells.

Since 1977, the board spent $3.5 million on 79 research projects involving uses in dairy feed, livestock bedding and electrical generation. The $607,000 this year funds 13 studies looking at uses in recycled plastics and biofuel.

Two more goals are increasing adopting of environmentally friendly pest management tools 25% and reducing harvest dust 50% by 2025.

Looking ahead: Idaho's ag sector will remain strong

By BRAD CARLSON
Capital Press

Slower economic growth likely will impact agricultural producers sometime in 2020 but producers can still look forward to a good year, several speakers said at a University of Idaho outlook forum Dec. 12 in Caldwell.

Strong employment and wages should continue to support consumer spending, but the rate of Gross Domestic Product growth is expected to decline as other countries buy fewer U.S. goods amid their own slowdowns.

On the plus side, Idaho farmers and ranchers are expected to benefit from some recently higher commodity prices and flat input costs.

Because of the outlook, now is an ideal time for producers to get their financial houses in order and fine-tune marketing strategies, said Ben Eborn, an agricultural economist for UI Extension.


University of Idaho Extension economist Ben Eborn.

Ashlee Westerhold, UI Extension area economist based in Twin Falls, said she expects 2020 increases in wages and feed costs and operating capital interest rates as producers borrow more and hold crops longer.

Hard-to-predict fuel costs could increase on trade issues and fuel supply. Costs should remain unchanged for power, custom farming services, fertilizers and chemicals.

The GDP growth rate for this year probably will be slightly below that of 2018, said Riley Griffin, credit vice president with Northwest Farm Credit Services in south-central Idaho. Business investment in fixed assets has softened, mainly on trade concerns.

"There are enough good things going on in the economy that we will make it through 2020 without a recession," he said. Consumer confidence and job growth remain solid and inflation is low.

Challenges for agriculture include trade uncertainty with China, whose economy has been slowing, and a dollar that appreciated in 2018 and made U.S. goods less competitive internationally, Griffin said.

"I'm more optimistic about the state of Idaho," he said. The state's large dairy industry improved in the past year, and some sugar beet and potato prices are stronger.

More than half of Idaho's ag exports go to Mexico and Canada, UI ag economist Garth Taylor said. Agriculture will remain a major contributor to the Idaho economy because of its big livestock segment that provides products domestically and internationally, its growing food-processing sector and research- and technology-driven increases in farm output and worker productivity.

Land prices likely will rise again in 2020 on high demand and low interest rates, "but other than that, we've got some very strong years ahead of us in agriculture," he said. Idaho's diverse product mix is a big factor.

A glut of wheat remains in global and U.S. markets, and prices have been tracking around 10% below year-earlier levels.

"There is a little less wheat out there, but we need a lot less to make some changes" in the market, said Jon Hogge, a UI Extension educator in Rexburg.

The outlook for potatoes is mixed. North American Potato Market News President Bruce Huffaker said that in the U.S. he expects increased movement of chipping potatoes and declines in table potato shipments, frozen processing usage and dehydration.