

IDAHO BARLEY NEWS BRIEF

Inside this Edition:

IGPA perspective on
state legislative agenda
Grain Marketing Webi-
nars

2013 Cereal Schools
Highlights of 2012 Idaho
Farm Economy

UI Interim Agriculture
Dean appointed

**Idaho barley
check-off dollars
at work... you can
view GRAIN MAR-
KETING WEBINARS
recently conducted
by the IBC ...**

**Jan. 17, 2013 - How to
Hedge Grain Prices Using
Recurring Trends & Mar-
ket Cycles** - presented by
Mr. Lan H. Turner, Gecko
Software, Inc at [http://
connect.cals.uidaho.edu/
p71004116](http://connect.cals.uidaho.edu/p71004116)

**Nov. 20, 2012 - Executing
a 2012/13 Grain Marketing
Plan** – presented by Craig
Corbett and Carley Garner,
commodity broker, Las Ve-
gas, NV at [http://
connect.cals/uidaho.edu/
p20437593/](http://connect.cals/uidaho.edu/p20437593/)

**Oct. 30, 2012 - 2012/13
Grain Market Outlook &
Understanding Technical
Trends** – presented by
Kelly Olson and Craig Cor-
bett, Grace, ID at
[http://connect.cals/uidaho.
edu/p47995616/](http://connect.cals/uidaho.edu/p47995616/)

2013 state legislative agenda taking shape

In this issue we continue our discussion with Dar Olberding, Idaho Grain Producers Association lobbyist in Boise, on key issues that are rising to the forefront in the 2013 state legislative session.

Personal property taxes - Front and center is the long-anticipated debate about eliminating personal property tax on businesses, which generates more than \$141 million annually for county budgets. Most legislators agree that it is a difficult tax to implement and is widely unpopular, but the reality is that these tax receipts represent a significant portion of income for many counties across the state, including as much as 40% of Caribou County's budget. Leading the campaign to end these taxes is the Idaho Association of Commerce and Industry (IACI), the largest business lobby, who has proposed a six year phase-out of this tax. The opposition is led by the Association of Counties which represents local government entities who will likely face serious holes in future budgets without these tax receipts. IGPA is watching this debate closely to guard against the possibility of a significant shift in the county tax burden to real property taxes.



Health care insurance exchange and Medicaid expansion – Governor Butch Otter announced in December that he thinks the best course of action for Idaho is to establish a state run health insurance exchange to meet new mandates imposed by the Affordable Care Act. IGPA has joined the Idaho Health Exchange Alliance, a coalition of more than 400 organizations and businesses, who favor a state-run rather than federal health insurance exchange. Besides the obvious states rights argument, one of the major sticking points for many legislators in this debate is how to pay for a related expansion in the state's Medicaid or low-income medical assistance program and a potential loss of federal cost-share dollars if the state does not expand Medicaid coverage.

Liens – There is potential for legislation this year to address a controversy arising from an Idaho court ruling that has been appealed to the Idaho Supreme Court. The lower court ruled in a dairy bankruptcy case that feed liens take precedence over liens held by commercial lenders.

Don't Miss the 2013 University of Idaho Extension Cereal Schools...

NORTH

January 29 - Greencreek Community Hall (8:00 a.m.)

January 30 - Lewiston Community Center, 1424 Main Street (8:00 a.m.)

January 31 - Bonners Ferry, Memorial Hall at Boundary County fairgrounds (8:00 a.m.)

SOUTHERN / EASTERN

Feb. 5 - Burley Inn, Burley (8:30 a.m.)

Feb. 6 - Pocatello Ramada Inn (9:00 a.m.)

Feb. 7 - Idaho Falls Red Lion (9:00 a.m.)

Feb. 7 - St. Anthony Relay Station Restaurant (9:00 a.m.)

2012 Projections Show Idaho Farmers, Ranchers Post Strong Year Financially

UI CALS news release, MOSCOW, Idaho – The year 2012 was a year to celebrate for Idaho agriculture, according to the “Financial Condition of Idaho Agriculture: 2012” report by University of Idaho College of Agricultural and Life Sciences economists.

Projected cash receipts from Idaho crops and livestock for farmers and ranchers set a record of \$7.7 billion. That is a gain of 5 percent, nearly \$400 million, from 2011 projections. Idaho ranks as the West's fourth largest agricultural state.

Net farm income also rose 5 percent, reflecting that strong crop and livestock prices outstripped the rising expenses agricultural producers faced in 2012.

“The report shows the strength of Idaho agriculture and its importance to the state,” said John Foltz, who recently was named interim dean of the College of Agricultural and Life Sciences.

An agricultural economist, Foltz discussed the report in Boise Thursday, Jan. 3, in a presentation to the Idaho Legislature's Economic Outlook and Revenue Assessment Committee.

Report co-author Paul Patterson said he expects Idaho agriculture to face a number of challenges during 2013. Crop producers will experience a cost-price squeeze because of persistently high prices for inputs such as fertilizer and fuel they must buy but declining prices for commodities that they sell.

Of particular concern is the dairy sector that will continue to struggle with high feed costs, Patterson said. Higher milk prices during the first half of 2013 will improve margins, but higher milk prices are not expected to last.

Potato growers will also struggle in 2013, Patterson predicted. Fresh market potato prices will remain substantially below the cost of production well into 2013.

Milk again rose to the top of Idaho agriculture’s money leaders, generating \$2.4 billion. Idaho ranks third nationally in milk production, producing more than 1 billion pounds of milk monthly. The 2 percent increase in production in 2012 offset a 2 percent drop in prices to keep milk receipts essentially level.

Cattle and calf sales were strong, generating \$1.7 billion. That total was some \$350 million or 25 percent higher than in 2011.

Livestock receipts overall rose 8 percent to \$4.3 billion and represented slightly more than half, 56 percent, of the state’s cash receipts. Crops generated \$3.4 billion, a 2 percent increase.

Idaho’s top five crops included:

- Potatoes, Idaho’s signature crop, generated \$957 million, a 4 percent increase.
- Wheat generated \$796 million, a 4 percent increase.
- Hay generated \$526 million, a 12 percent decline due mostly to a 4 percent drop in production caused by a cold, wet spring.
- Sugarbeets generated \$355 million, a 10 percent decline, reflecting a price drop despite higher production.
- **Barley generated \$306 million, a 32 percent increase based on a bigger harvest and strong prices.**

Idaho’s agricultural producers generated strong returns despite across-the-board increases in expenses for fuel, fertilizer, taxes, land rental and others.

While farm revenues from all sources rose to \$8.7 billion, a 7 percent or \$565 million increase from 2011 projections, expenses rose to \$6.1 billion, up 8 percent or \$436 million. Net farm income, the difference between revenues and expenses, totaled nearly \$2.6 billion, a 5 percent increase from 2011.

The report is prepared annually by Ben Eborn, University of Idaho Extension Teton County agricultural extension educator at Driggs; Garth Taylor, economist in the college’s department of agricultural economics and rural sociology at Moscow, and Patterson, University of Idaho Extension agricultural economist at the Idaho Falls Research and Extension Center.



UI Interim Agricultural Dean named - University of Idaho President Duane Nellis has appointed Dr. John Foltz, Associate Dean and Director for Academic Programs, as CALS Interim Dean while the College launches a nation-wide search for a new permanent dean. Former Dean John Hammel, who served as CALS dean for the past nine years, submitted his resignation in mid December.

Dean John Foltz presented the CALS’ FY 2014 budget request to the Idaho Legislature’s Joint Finance and Appropriations Committee on January 23. CALS request included a \$1.14 million increase:

- \$650,000 - increase in Operating Expenses
- \$350,000 - increase in Capital Outlay
- \$130,000 - increase in Employee Benefits
- \$ 13,600 - Occupancy Cost Adjustments

IGPA Legislative Perspective, continued from page 1

If this ruling stands, bankers warn that they will be forced to seriously curtail operating loans to the dairy industry. IGPA recognizes the importance of asserting the rights of feed liens, but also is concerned about the potential contraction of our state's largest industry and a large customer of feed products grown by Idaho grain producers.

Trespass – Debate continues on who should be responsible for minimizing trespass by sportsmen on private lands. Under current law, the landowner is responsible for marking uncultivated private lands with large red signs or posts every 600 feet along public access roads. IGPA is considering possible legislation to streamline signage requirements (single sign marking the beginning and end of private property) and require that the licensing process be used to proactively educate hunters and fishermen on trespass laws.

Fish and Game rules – This week the Senate Resources & Environment Committee rejected rule changes proposed by the Idaho Fish and Game Department to tighten existing provisions governing the Landowner Appreciation Program (LAP) which provides landowner hunting tags in controlled hunting units. IGPA was generally not in favor of these proposed limitations on LAP implementation, specifically the proposed restrictions on landowners' ability to designate their tags to other parties.

129,00 truck weights – After the successful conclusion of a 10-year pilot project permitting higher truck weights of 129,000 pounds on certain transportation routes in southern Idaho, legislation is expected this year to make the higher weights permanent on designated southern Idaho routes. It appears there is still opposition to expanding these higher weights to northern Idaho roads. Because of the transportation cost savings in moving products to market, IGPA favors these higher truck weights and will be watching for opportunities to expand the eligible routes.