

# Capitol Reflections



“Resolved, That the several States, composing the United States of America, are not united on the principle of unlimited submission to their general government; but that, by a compact under the style and title of a Constitution for the United States, and of amendments thereto, they constituted a general government for special purposes — delegated to that government certain definite powers, reserving, each State to itself, the residuary mass of right to their own self-government; and that whensoever the general government assumes undelegated powers, its acts are unauthoritative, void, and of no force; that to this compact each State acceded as a State, and is an integral part, its co-States forming, as to itself, the other party: that the government created by this compact was not made the exclusive, or final judge of the extent of the powers delegated to itself; since that would have made its discretion, and not the Constitution, the measure of its powers; but that, as in all other cases of compact among powers having no common judge, each party has an equal right to judge for itself, as well of infractions as of the mode and measure of redress.”

- Thomas Jefferson, Kentucky Resolution of 1798

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## PRESIDENT TRUMP ADDRESSES FARM BUREAU

This week President Donald Trump spoke to Farm Bureau members at the 99<sup>th</sup> annual convention of the American Farm Bureau Federation (AFBF).

Calling farm country "God's country," he noted he was the first president in a quarter-century to address the

federation's convention. "Where have the others been?" he asked, then promised he would be back next year for the organization's 100<sup>th</sup> anniversary.

President Trump praised American farmers for their grit and self-reliance during his January 8 speech at the AFBF convention in Nashville, Tennessee.

Trump also commended growers on their foresight in supporting his presidential campaign, which many political analysts regarded as a long shot before his upset victory more than a year ago.

After appealing to their patriotism, Trump reminded farmers of the "regulatory assault" they and other rural working-class Americans experienced before he came into office.

Since then, he's more than honored his promise to revoke two regulations for every new one enacted. The



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rate has actually been 22 regulations repealed for each new one imposed, Trump said.

“Remember, you are forgotten no more,” Trump said. “We are fighting for our farmers and we are fighting for our country.”

After the U.S. Environmental Protection Agency and Army Corps of Engineers began rolling back the “waters of the U.S. rule,” which threatened to restrict farming practices, “tough” men and women cried with gratitude, Trump said.

“I gave them back their property. I gave them back their farms. They couldn’t use them” under the burdensome regulations, he said.

The recent tax reform bill, which lowered the business tax rate from 35 to 21 percent, also contains provisions that will especially benefit farmers, stated Trump.

For example, growers will be able to deduct the entire cost of a new piece of machinery from their income within one year, Trump said. He said, “That is something I think is going to be the sleeper of the bill.”

Farmers gave Trump a standing ovation when he mentioned doubling the exemption from the estate tax, from \$5.5 million worth of assets to \$11 million, was also included in the bill despite being “a tough one to get.”

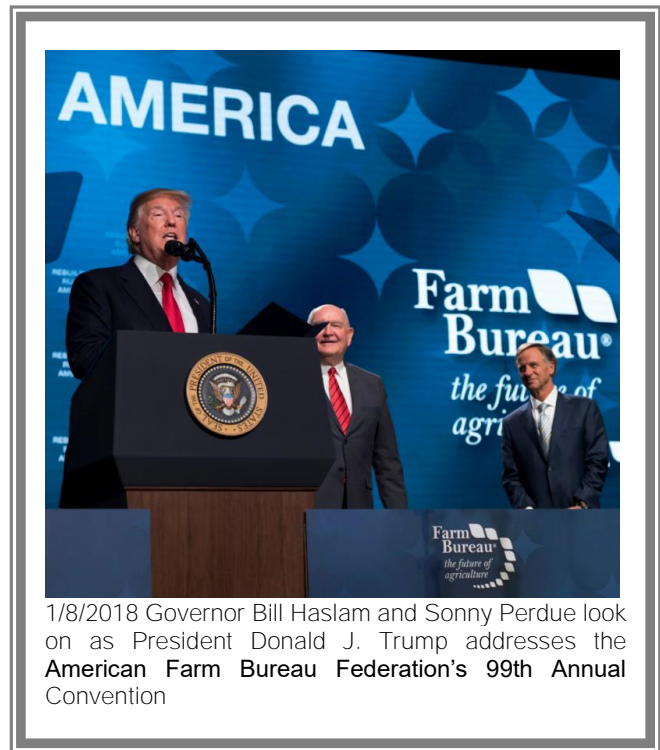
Looking forward to the upcoming farm bill negotiations, Trump said he would push Congress to enact a new farm bill, including crop insurance, before the current version expires in 2018.

At the conclusion of his speech, Trump told more than 7,000 attendees they could anticipate a new era of patriotism and pride under his tenure.

“I am proud to stand with you, and I will be standing with you for many years to come,” he said.

The event was capped by President Trump signing two presidential orders aimed at improving rural broadband service. USDA Secretary Sonny Perdue also presented the president with the findings from his Interagency Task Force on Agriculture and Rural Prosperity.

For agriculture, the atmosphere in the nation’s capital has much improved in the year that Trump has been in office, said Zippy Duvall, President of the American Farm Bureau, prior to the President’s speech. “There’s no question we have a seat at the table in this Trump administration.”



1/8/2018 Governor Bill Haslam and Sonny Perdue look on as President Donald J. Trump addresses the American Farm Bureau Federation's 99th Annual Convention

Duvall went on to recount the blessings that Trump has bestowed on agriculture.

Foremost is the pending rescission of the Obama administration’s “waters of the U.S.” rule, or WOTUS, which the Farm Bureau demonstrated would vastly expand federal Clean Water Act jurisdiction.

“Our land is our heritage, and nothing gets us more riled up than when someone comes onto our land and tells us how to do a job we’ve been doing for generations” Duvall said.

Many of the other regulations which have been repealed or withdrawn by the Trump Administration over the past year have also been applauded by agriculture.

The installation of Scott Pruitt to head the Environmental Protection Agency has restored a sense of common sense stewardship to that agency, he said.

Likewise, the reduction in size of certain national monuments by Interior Secretary Ryan Zinke has reassured ranchers who depend on those public lands for grazing, Duvall said.

Under the direction of USDA Secretary Sonny Perdue, the Interagency Task Force on Agriculture and Rural Prosperity will scale back federal bureaucracy that stands in the way of a thriving farming industry, he said.

## THERE'LL BE LOTS OF NEW FACES A YEAR FROM NOW

Were we to fire up our time machine today and travel a year into the future, the opening day of the 2019 Idaho Legislature would see at least 14 new faces in the House and the Senate. At this writing, 5 Senators and 9 Representatives who served in the 2017 legislature have retired, resigned or declared to run for a different office and will not appear on the 2018 primary election ballot as candidates for their respective legislative seats. Here's the situation as we know it:

Senate:

- District 1 Senator Shawn Keough (R-Sandpoint) retiring at the end of her 11<sup>th</sup> term. She is Idaho's longest serving female Senator and Chairman of the Senate Finance Committee.
- District 3 Senator Bob Nonini (R-Cd'A) has served two terms in the Senate and served in the House from 2005-2012. He is running for Lt. Governor in 2018.
- District 14 Senator Marv Hagedorn (R-Meridian) is also a Lt. Governor candidate. He has served 2 Senate terms and served 3 terms in the House (2007-2012).
- District 33 Senator Bart Davis (R-Idaho Falls) was appointed U.S. Attorney for Idaho in the fall of 2017. Senator Davis was in his 10<sup>th</sup> term and was Majority Leader at the time of his departure from the Senate. Governor Otter appointed Tony Potts, a Republican from Idaho Falls as Senator Davis' replacement.
- District 35 Senator Jeff Siddoway (R-Terreton) has said he will retire in 2018 at the end of his 6<sup>th</sup> term. Sen. Siddoway was formerly Chairman of the Local Government and Taxation Committee and is current Chairman of the State Affairs Committee.

House:

- District 1- House B Representative Eric Redman (R-Athol) has said he will retire in 2018 at the end of his second term.
- District 3- House B Representative Don Cheatham (R-Post Falls) has served two terms in the House and will run for the Senate seated vacated by Senator Bob Nonini.
- District 4- House A Representative Luke Malek (R-Cd'A) is leaving the House after 3 terms to run for Congress in the 1<sup>st</sup> Congressional District.

- District 5- House A Representative Paulette Jordan (D-Plummer) is running for Governor in 2018 and will retire from the House after 2 terms.
- District 10- House A Representative Brandon Hixon (R-Caldwell) resigned from the House in October, 2017; Jarom Wagoner (R-Caldwell) was appointed by Governor Otter as his replacement. Representative Hixon was in his 3<sup>rd</sup> term at the time of his resignation.
- District 11- House B Representative Christy Perry (R-Nampa) is retiring from the House after 4 terms to run for the 1<sup>st</sup> Congressional District seat. She is the former Ways and Means Committee Chairman and currently chairs the Local Government Committee.
- District 18- House B Representative Phyllis King (D-Boise) will retire after 6 terms in the House of Representatives.
- District 28- House B Representative Kelley Packer (R-McCammon) is retiring from the House after 3 terms to run for Lt. Governor.
- District 33- House A Representative Janet Trujillo (R-Idaho Falls) was appointed to the Idaho Tax Commission in November 2017 by Governor Otter. Barbara Ehardt (R-Idaho Falls) was appointed as her replacement.

So what does this mean? There'll be 5 new individuals running for Senate seats in the 2018 primary election. At least 14.29% of Senators will be in their first elected term in 2019.

Nine new names will appear on House ballots during the 2018 primary. If nothing changes, 12.86% of the House will be in their first elected terms. At this point, total changes in the House and Senate would result in 13.33% of the Legislature being in their first elected terms in 2019.

All of this considers only those individuals who have announced their retirement or have left the Legislature. Other retirements are rumored, so numbers could be even higher. Current and unconfirmed retirements will create a lot of open seats. Legislators have said the next election cycle will be one of high turnover. Depending on election results, new 2019 Legislators could actually number more than the current 14. Idaho Farm Bureau thanks all of these individuals for their service.

## REPORT ON FINANCIAL CONDITION OF IDAHO AG

The Joint Economic Outlook and Revenue Assessment Committee met on January 5 for a full day of hearings and presentations regarding the state's economy prior to the beginning of the legislative session. This information is used to project how much tax revenue will be available for the next year's state budget, while also helping legislators understand the different economic conditions in the state.

Dr. Garth Taylor and Professor Ben Eborn from the College of Agriculture at the University of Idaho gave the committee an overview of Idaho's agriculture industry. Agriculture production and processing (agribusiness) remains Idaho's leading industry, contributing 21% to the state's total economic output, and making up 16% of state GDP. Agribusiness also makes up about 14% of state employment, and is Idaho's largest base industry as ranked by base sales.

After two years of declines, cash receipts from sales of crops and livestock in 2017 are projected to have increased by 5% over 2016 levels. The state's net farm income for 2017 is projected to be near \$2 billion, an approximate jump of 15% above 2016. In Idaho, one of every five dollars in sales is directly or indirectly created by the state's agribusiness industry.

Other highlights of Idaho's agribusiness industry in 2017 include:

- Idaho ranked first in U.S. potato production (Potatoes continue to be the state's largest crop sales with projections reaching \$955 million in cash receipts.)
- Idaho ranked third in the nation for milk production (Milk is the top source of cash

receipts from agricultural production in Idaho with over \$2.5 billion in cash receipts.)

- 61% of Idaho cash receipts are livestock products
- Dry bean cash receipts were \$83 million; an increase of up 33%
- Hay sales were \$357 million, up 1%
- 2017 net farm income projected to be 15% higher than previous year (This is the first increase after three years of decline.)

Although many of these statistics are impressive and show the strength of the agribusiness industry, there are many individuals with operations that are still struggling to break even. Professor Eborn explained the increase in net receipts statewide doesn't mean all farmers are feeling good. Record yields, tight markets, and marginal commodity prices still prove to be a challenge for producers in any sector.

Despite struggles, Idaho's agriculture continues to out-perform the U.S. in cash receipts of commodities by 40%. The industry looks forward to 2018 with hopes of an export market rebound, aided by strengthening foreign economies and a weaker U.S. dollar.

Since producers will continue to purchase their inputs for next year's crop, livestock will still need to be fed, and seeds will still be sown, the farming sector will continue to be a stabilizing factor on Idaho's economy. Dr. Taylor explained that for these reasons, Idaho's agriculture will continue on as Idaho's strong economic base.

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