



Ranking Republican, Senate Agriculture and Rural Economic Development
Committee

Jan. 16, 2009

Dear Neighbors,

The 2009 legislative session began Monday. It promises to be one of the most challenging sessions in my 16 years as a legislator, due largely to state government's financial troubles. At the same time, I'm looking forward to the many opportunities the session will provide to see and work with friends and opinion leaders in the agricultural and legislative communities.

Agriculture loses two voices in Olympia with passing of Steve Hailey, Bill Grant: Two of our state's leaders on agricultural issues – and respected southeast Washington members of the state House of Representatives – passed away from cancer within a week of one another just before the legislative session began.

Rep. Steve Hailey, one of my seatmates from the [9th Legislative District](#), lost his year-long battle with colon cancer on Dec. 28. Steve was re-elected in November to a second term but announced his resignation – which would have taken effect Monday – about two weeks before he passed.

Steve was a third-generation farmer, with a 2,500-acre ranch in Mesa, in north Franklin County, where he grew up. Although he served just short of two years in the Legislature, Steve's abilities were well known in the agricultural community through his service as a board member and former president of the [Washington Cattlemen's Association](#) and memberships in the state [Farm Bureau](#) and the [Washington Association of Wheat Growers](#). If you met Steve, you'd never guess he was also a highly decorated veteran – a "chopper jock" who flew assault helicopters in Vietnam with tremendous bravery.

It saddens me that his great promise as a lawmaker was taken away by such an insidious disease. However, Steve didn't need more years in the Legislature to make his mark on the world. It was a privilege to have had this great American and fine man as both my friend and colleague.

Rep. Bill Grant was in his 22nd year as a state representative from the [16th Legislative District](#) – and was the senior member of the House – when he was

taken Jan. 4 by a rare form of lung cancer which had been diagnosed only one month earlier. Bill was a fourth-generation wheat farmer in the Walla Walla Valley, where his great-grandfather had settled in 1858.

I served with Bill on the ag committee during my six terms in the House of Representatives. He was one of the handful of Democrats representing rural areas in our state and the only Democrat left serving in the House from southeast Washington. However, the fact that we sat on opposite sides of the aisle was never an issue. Bill was a strong voice for agriculture, including Walla Walla's growing wine industry. I suspect he put his experience as a teacher to use more than once in explaining to his urban Democrat colleagues how their ideas would affect farm country.

The process to name successors to these two gentlemen is well under way. If the new representatives aren't personally involved in farming, let's hope they have at least a solid grasp of farm issues, so agriculture continues to have a solid presence in Olympia.

First day of 2009 session brings 11 ag-related measures: Legislators are allowed to "prefile" bills in the weeks leading up to a legislative session. On Monday, the 11 bills that had been filed in advance were automatically introduced: six in the Senate, five in the House of Representatives.

One of those stands out for all the wrong reasons: [House Bill 1091](#), which for the first time puts a limit on how much water can be used for stockwatering. The limit, which would be 5,000 gallons per day, would go into effect July 31 if we're unfortunate enough to have this legislation become law.

There's a long story behind the bill, but it boils down to how ranchers use the water they draw daily for their livestock – for instance, whether it's used for watering cattle or for other cattle-related purposes, like dust control. The issue surfaced recently because of a proposal to locate a 30,000-head feedlot in the Eltopia area of Franklin County.

I expect to see more legislation introduced on each side of this issue, which will not only pit farmer against farmer but will include input from the environmental-activist community and the [Department of Ecology](#).

The one bill I prefiled would combine the state wheat and barley commissions into a new Washington Grain Commission. [Senate Bill 5076](#) represents an idea that was brought to me by the two commissions and is a great example of how consolidation can stretch limited resources (now if we could just do that with some of the non-commodity commissions in state government).

[Sen. Ken Jacobsen](#) is a Seattle Democrat whose rural Nebraska roots show through on a fairly regular basis. Jacobsen prefiled the other five ag-related Senate bills that were introduced on opening day. They include legislation to allow loans to mobile custom farm slaughtering units and create a program to

encourage the continued rearing of what would be recognized as heritage livestock and poultry breeds.

What the state's overspending problem could mean for agriculture: The amount of revenue state government expects to collect in the next two years falls well short of paying for all the entitlements (like subsidized health care) and other spending commitments approved in the past four years by the governor and the Democrats who have controlled the Legislature.

The gap, or shortfall, is in the neighborhood of \$6 billion already. It could top \$7 billion in a couple of months judging from the slump in retail activity in our state.

The governor upheld her pledge to propose a new budget which addressed the gap without raising taxes and fees. However, the Democrats in the Legislature have yet to rule out the idea of pursuing a tax increase, which has made for lots of talk.

For instance, one of the big labor unions suggested the elimination of tax exemptions for "wealthy businesses." Apparently they think that group includes farmers, because one of the things they want to eliminate is the tax exemption on non-organic pesticides. Losing that incentive would represent a tax increase of more than \$91 million.

There's a joint legislative committee which has recommended a "re-examination" of the Business & Occupation tax exemption for agricultural producers. Because Washington is the only state which puts its B&O tax on the gross, not the net, reimposing a B&O tax would be especially hard on farmers whose grosses are disproportionately large, like wheat farmers.

You may have noticed the tax exemption in our state for "open space" has been in the headlines. It's because the state Department of Revenue and the county assessors were debating the definition of "commercial agricultural purposes." The question was raised after King County began going after horse boarders for years' worth of back taxes. The issue is whether boarding horses qualifies as agriculture, and for the open space exemption, or whether you have to *breed* animals also.

So far the talk of tax increases is only talk, but it's enough to make you wonder just how many bureaucrats (and some elected officials) understand that weakening the number-one employer in our state is the last thing our state economy needs.

Hatfield assumes chairmanship of Senate agriculture committee

The legislative committee assembly days in early December included a final meeting of the [Senate Agriculture and Rural Economic Development Committee](#) for Sen. Marilyn Rasmussen, D-Eatonville.

Rasmussen, whose family operates a dairy farm in rural Pierce County, had served as committee chair three times, for a total of 12 years, since 1993. She lost her Senate seat from the [2nd Legislative District](#) to a Republican, [Randi Becker](#), in November.

Following a warm sendoff and an all-too-true final observation – “when there are economic downturns and hard times agriculture is the foundation of our economy” – she handed the committee gavel to [Sen. Brian Hatfield](#), a Democrat from Raymond.

Hatfield hasn't farmed, but he's a Washington State University graduate and his hometown is at the Pacific Ocean end of the Willapa Valley in northern Pacific County, which is timber and dairy country. I am confident he will do a good job.

That same meeting included an appearance from [WSU President Elson Floyd](#), who told the committee that agriculture remains the school's highest priority and WSU's [veterinary medicine school](#) is a “crown jewel” that will be polished more. The vet school and the University of Washington are collaborating on an initiative concerning global animal health, said Floyd, who noted 75 percent of human diseases originate with animals.

President Floyd's remarks preceded testimony from Jack Field, of the [Washington Cattlemen's Association](#), and Jay Gordon, from the [Washington State Dairy Federation](#), about the shortage of large animal practitioners in Washington.

The committee also heard a report from the Washington State Patrol about emphasis patrols it had conducted on trucks hauling cattle in from Canada. Former Sen. Rasmussen and I had brought to the WSP's attention how animals could be brought into Washington without passing through a port of entry and therefore avoid a veterinary inspection.

Finally, there was discussion about the issue of horse abandonment, which is growing given the expense of putting an animal down, and the status of the state's estray account, which receives deposits from the sale of impounded (in this case, abandoned) livestock.

On the calendar:

Monday, Jan. 19 – Washington Friends of Farms & Forests Legislative Dinner, Olympia (contact Heather Hansen at 360-705-2040 or heatherhh@qwestoffice.net)

Wednesday, Jan. 21 -- Potato Day, Olympia
(potato bar in the Capitol Rotunda from 11:30 a.m. to 1:30 p.m.; state Potato Commission members and staff will meet with lawmakers during the day and the previous afternoon; contact Jim Jesernig at 360-951-0529)

Wednesday, Jan. 21 – 2009 Pfizer Cowboy College, Sprague
(10 a.m. to 4 p.m., Sprague Community Hall, 213 S. C Street, Sprague; lunch

provided courtesy of Pfizer; contact/RSVP Nancy Belsby at 509-235-8581 or Dick Coon at 509-646-3313)

Wednesday, Jan. 21 – Cattle Producers of Washington Legislative Day, Olympia
(contact Patrick Boss at 509-771-1844)

February

Feb. 3-5 – Spokane Ag Expo/Pacific Northwest Farm Forum, Spokane, at the Convention Center (www.agshow.org or 509-459-4114 for details)

Feb. 4-5 – Washington State Farm Bureau Legislative Days, Olympia
(dinner the night of the 4th; contact Shannon Garland at 360-357-9975 or sgarland@wsfb.com)

Feb. 12 – Idaho Oilseed Conference; Moscow, at the University Best Western.
(Contact Julie Haddox [208-885-7173, julihad@uidaho.edu] or Donn Thill (208-885-6214, dthill@uidaho.edu) or visit <http://www.cals.uidaho.edu/biodiesel/conference/index.htm>)

Feb. 15-17 – Washington Association of Wheat Growers, Olympia (legislative dinner is Feb. 16, contact Heather Hansen at 360-705-2040 or heatherhh@qwestoffice.net)

Feb. 17 – Washington Cattlemen's Association Legislative Reception, Olympia
(contact: Jack Field at 509-929-1711)

Feb. 26 – Washington State Fairs Association, Olympia (contact: Heather Hansen at 360-705-2040 or heatherhh@qwestoffice.net)

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