

ARIZONA HOUSE OF REPRESENTATIVES
Fiftieth Legislature – First Regular Session

COMMITTEE ON AGRICULTURE AND WATER

Minutes of Meeting
Thursday, February 3, 2011
House Hearing Room 5 -- 9:00 a.m.

Chairman Jones called the meeting to order at 9:05 a.m. and attendance was noted by the secretary.

Members Present

Mrs. Barton	Mrs. Judd	Mr. Urie
Mrs. Brophy McGee	Ms. Miranda C	Mr. Crandell, Vice-Chairman
Mr. Gallego	Mrs. Pancrazi	Mr. Jones, Chairman

Members Absent

None

Committee Action

HB2276 - DPA (9-0-0-0)	HB2527 - HELD
HB2310 - DPA (9-0-0-0)	HB2549 - DP (9-0-0-0)
HB2393 - DPA (9-0-0-0)	

CONSIDERATION OF BILLS

HB2527 - well ownership; sale; registration - HELD

Chairman Jones announced that HB2527 will be held.

HB2276 - fertilizers; labeling; inspections; fund - DO PASS AMENDED

Vice-Chairman Crandell moved that HB2276 do pass.

Gina Kash, Majority Research Analyst, stated that HB2276 requires the Arizona Department of Agriculture to conduct fertilizer inspections when the product is “*offered for sale*,” rather than sample, inspect and make analyses of fertilizer materials that are ready for distribution or distributed within the state. The measure also requires the Department to submit fertilizer results to the licensee within 30 days after the sample is taken (Attachment 1).

Ms. Kash explained that the Crandell two-page amendment dated 2/1/11 (Attachment 2) removes all language relating to “*offered for sale*,” establishes a fertilizer materials trust fund for the

exclusive purpose of implementing, continuing, and supporting both agricultural programs, specifies that monies credited to the trust fund may be deposited in the State Treasury, or in a bank, or other depository approved by the Director and stipulates that the trust fund is exempt from lapsing appropriations.

Vice-Chairman Crandell moved that the Crandell two-page amendment dated 2/1/11 (Attachment 2) be adopted. The motion carried.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2276 but did not speak:

Bryan Ginter, representing self

Philip Bashaw, Arizona Farm Bureau Federation, Arizona Farm Bureau

Chris Udall, Executive Director, Agri-Business Council of Arizona

Representative Franklin Pratt, sponsor, testified in support of HB2276, stating that significant input was received from stakeholders on the bill resulting in the Crandell two-page amendment (Attachment 2) and requested the Members' support.

Robert Shuler, Arizona Crop Protection Association, Western Growers, testified in support of HB2276, stating that the bill is the result of collaboration through stakeholder meetings between the users of the materials; the farmers, and the sellers of the materials; the distributors and manufacturers.

Vice-Chairman Crandell moved that HB2276 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 3).

HB2310 - commodity marketing orders and agreements - DO PASS AMENDED

Vice-Chairman Crandell moved that HB2310 do pass.

Gina Kash, Majority Research Analyst, stated that HB2310 makes various changes to commodity marketing orders and agreements (Attachment 4).

Ms. Kash explained the Crandell two-page amendment dated 1/31/11 (Attachment 5).

Vice-Chairman Crandell moved that the Crandell two-page amendment dated 1/31/11 (Attachment 5) be adopted. The motion carried.

Robert Shuler, Western Growers, testified in support of HB2310, providing a brief history of the bill and stating that the difference between theoretical law and the practical application of that law is what prompted the legislation and included the changes being suggested. He stated that after stakeholder meetings with the Department of Agriculture regarding the bill's changes and modifications, all parties are in agreement.

Shelly Tunis, Attorney, Yuma Fresh Vegetable Association, testified in support of HB2310, providing a brief history of the Arizona Leafy Greens Products Shipper Marketing Agreement (AZLGMA). She stated that the leafy green industry is a \$1 billion a year industry in Arizona and employs about twenty thousand workers. She stated that the marketing agreement, consisting

of 36 shippers, is governed by a five-member industry committee, elected by the signatory shippers and is administered by Department of Agriculture personnel. Ms. Tunis cited requirements specified within the marketing agreement and penalties applied when the shippers are out of compliance. She stated that the AZLGMA represents an industry-wide commitment to food safety and is a successful private industry government-sponsored endeavor that leads to both consumer confidence for the public and benefit for the industry.

Chairman Jones asked how the fees are adjusted on an annual basis by the governing body to provide sufficient funds to cover the costs to the Department of Agriculture. Ms. Tunis explained that the assessment is reviewed annually and is based on the determination of the budget for the next year. The five-member industry committee that is elected by the signatory shippers meets to make sure that there is money to cover programs.

Mrs. Brophy McGee requested clarification regarding when information is public and when it is not. Ms. Tunis explained that there is a provision in current law that monetary sales figures are not public information. She provided an example of litigation that prompted the change in the current law through HB2310, permitting the Department of Agriculture to disclose certain information in court for the purpose of enforcing an order or agreement.

Mr. Urie asked if HB2310 relates to an assessment mentioned during a tour that Members previously took in Yuma. Ms. Tunis stated that HB2310 is a .0009 cent per carton assessment. Mr. Urie asked if the account can be swept by the Legislature. Chairman Jones answered in the affirmative. Mr. Urie asked if there is an amendment that can be added to keep the funds from being swept due to the fact that the assessment is voluntarily paid. Chairman Jones stated there is a bill already introduced addressing that issue.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2310 but did not speak:

Lesli Sorensen, Government Relations Officer, Arizona State Retirement System

Chris Udall, Executive Director, Agri-Business Council of Arizona

Philip Bashaw, Arizona Farm Bureau Federation, Arizona Farm Bureau

Vice-Chairman Crandell moved that HB2310 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 6).

HB2393 - drought emergency groundwater transfer. - DO PASS AMENDED

Vice-Chairman Crandell moved that HB2393 do pass.

Rodney Loehr, Majority Intern, stated that HB2393 allows groundwater to be transported away from a groundwater basin that is outside of an active management area (AMA) or away from the Upper San Pedro Water District under drought emergency circumstances (Attachment 7).

Mr. Loehr explained that the Jones four-line amendment dated 1/26/11 (Attachment 8) removes the Upper San Pedro Water District from HB2393.

Vice-Chairman Crandell moved that the Jones four-line amendment dated 1/26/11 (Attachment 8) be adopted. The motion carried.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2393 but did not speak:

Stuart Goodman, Lobbyist, Southern Arizona Water Users Association

Bridget Manock, Manager of Legislative Affairs, Central Arizona Project

Jeff Gray, Legislative Liaison, City of Phoenix

Chris Udall, Executive Director, Agri-Business Council of Arizona

Fred Breedlove, Legislative Liaison, Arizona Department of Water Resources (ADWR), testified in support of HB2393, stating that it provides a process for a community that has encountered a water emergency to obtain a temporary back-up emergency water supply through water hauling, auto mobile or train, in a very serious circumstance, in a way that is fair to both the community receiving the water and the community allowing the water to be transferred out of its water basin. Mr. Breedlove stated that the following restrictions apply and are extremely limiting:

- Approval must be received from the Director of the ADWR.
- Governor Brewer must declare an emergency due to a lack of rain or a water shortage.
- No new wells can be drilled; it must be an existing well.
- The community where the well is located and the water will be transported from must consent to the water being transported away from it.
- The water can only be hauled by motor vehicle or train.
- Groundwater transportation must be necessary for domestic purposes, etc.
- The city, town, county or subdivision where the water is going has to have an emergency conservation plan to ensure that the water is used appropriately and in the most minimal amount.
- The water cannot be transferred to an Active Management Area (AMA).
- The agreement is only valid for up to six months, can be renewed once, and is subject to the payment of damages.
- The water cannot be transported to subsidize insufficient supplies due to continued growth or deficient water supplies.

Vice-Chairman Crandell moved that HB2393 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 9).

HB2549 - state nickname; grand canyon state - DO PASS

Rodney Loehr, Majority Intern, stated that HB2549 establishes the official nickname of Arizona as “The Grand Canyon State.”

Mrs. Brophy McGee, sponsor, stated that Arizona’s official historian, Marshall Tindell brought HB2549 to her attention. She stated that HB2549 has significant support and requires no funding. Mrs. Brophy McGee also stated that the passing of HB2549 would be a wonderful gift from the Legislature to the Arizona Centennial Commission on the occasion of Arizona’s 100th birthday.

Mr. Gallego stated his support of HB2549.

Mrs. Brophy McGee stated that HB2549 is an effort to brand Arizona for the many good things associated with Arizona.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2549 but did not speak:

Jacqueline Walker, Intergov, City of Kingman

Vice-Chairman Crandell announced the names of those who signed up as neutral on HB2549 but did not speak:

Jim Hartdegen, Arizona Water Well Association

Vice-Chairman Crandell moved that HB2549 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 11).

PRESENTATION

Brett Cameron, Assistant Director, Arizona Department of Agriculture (Department), stated that he will be giving a brief overview of the Department and provided a copy of the presentation to the Members (Attachment 12).

Mr. Cameron stated that part of Arizona's foundation was laid in the following:

1. Cattle - Arizona has both beef and dairy cattle in many rural areas of the state; cattle production accounts for approximately 75 percent of the gross product of those counties.
2. Cotton - Arizona grows enough cotton each year to make more than one pair of jeans for every man, woman and child in the United States.
3. Citrus - Arizona's citrus production increased 48 percent from the previous year due to lemon production.
4. Copper - Arizona provides 66 percent of the Nation's copper.
5. Climate

Mr. Cameron stated that the Arizona Department of Agriculture (Department) is a cabinet-level agency with a governor-appointed director. He stated that there are six sections within the Department:

1. Agricultural Consulting and Training (ACT):
 - Air Quality/ PM 10
 - Specialty Crop Block Grants
 - Livestock and Crop Conservation Grants
 - Pesticide and Water Safety Compliance
 - Agricultural Conservation Education Program
 - Council, Board and Commission Administration
2. Animal Services Division:
 - Foreign Animal Disease
 - Animal Tracking
 - Health/Cruelty
 - Food Safety
3. Citrus Fruit and Vegetable Standardization:

- State Program
 - Federal State Inspection Service (FSIS)
 - Arizona Leafy Green Products Shipper Marketing Agreement (AZLGMA)
4. Environmental Services Division:
 - Licensing
 - Pesticide Compliance
 - Non-Food Quality Assurance (NFQA)
 - Office of Special Investigations
 5. Plant Services Division:
 - Plant Protection and Quarantine
 6. State Agricultural Laboratory:
 - Compliance Testing
 - Food Safety Testing

Mrs. Judd asked Mr. Cameron to address air quality concerns. Mr. Cameron stated that through a cooperative agreement with the Environmental Protection Agency (EPA) and the Arizona Department of Economic Quality (ADEQ), a program within the Department provides compliance assistance and outreach education to the agricultural community on the Best Management Practices (BMPs) available. Mrs. Judd asked how the Department deals with the issue of dust abatement compliance, when cotton crops must be harvested dry. Mr. Cameron stated that the Department has a meeting scheduled with the EPA on Tuesday, February 8, 2011, where these issues will be discussed, because the agricultural community is trying to be in compliance with those standards, but Arizona has dust.

Chairman Jones announced that a bill will be coming to the Committee that proposes the merging of the Office of Pest Management and the Department, and he asked Mr. Cameron to speak to the readiness and willingness of the Department to merge. Mr. Cameron deferred to Director Butler.

Don Butler, Director, Arizona Department of Agriculture (Department), addressed the Members of the Committee to speak about the merging of the Department with the Office of Pest Management within the same building to address budgetary concerns. He explained that the merger will be a two-year pilot program and that the Department is very open to the change because it has a lot of space within its building that is not being used. Director Butler explained that the Department and the Office of Pest Management will still be separate entities, but will share the same building.

Mrs. Brophy McGee asked about budget impacts to the Department and possible related staffing concerns. Director Butler stated that the budget impacts have been a challenge, but the Department is making it work and the industry is being cooperative.

Chairman Jones asked what the current level of General Funding is to the Department. Director Butler stated that the level of General Fund money currently received by the Department is less than the General Fund monies received in 1991, when the Department was established; discussion ensued.

Chairman Jones asked what issues the Department is facing regarding citrus. Director Butler stated that the Department is working with United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) to move citrus from Yuma to the Greater Phoenix Area. He continued that the Department has requested that Senator Jon Kyle go directly to the Secretary of Agriculture to speed up the operation.

Chairman Jones asked Director Butler to keep the Members of the Committee updated on the issue.

Without objection, the meeting adjourned at 10:11 a.m.

Charly Laube, Committee Secretary
March 1, 2011

(Original minutes, attachments and audio on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)