



Jeff Youtz
Director

Legislative Services Office Idaho State Legislature

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MEMORANDUM

TO: Rules Review Subcommittee of the Senate Agricultural Affairs Committee and the House Agricultural Affairs Committee

FROM: Principal Legislative Research Analyst - Katharine Gerrity

DATE: September 19, 2013

SUBJECT: Idaho State Department of Agriculture

IDAPA 02.06.25 - Rules Governing the Planting of Beans other than Phaseolus Species, in Idaho (New Chapter - Fee Rule) (Docket No. 02-0625-1301)

The Idaho State Department of Agriculture submits notice of proposed rulemaking at IDAPA 02.06.25 - Rules Governing the Planting of Beans other than Phaseolus Species, in Idaho. According to the department, the new chapter will require that all lots of soybean seed, and as a result of public input through negotiated rulemaking, seed from other related plant species for planting in Idaho, be tested for bean diseases of concern and nematodes that do not occur in Idaho. The department adds that soybeans and other bean species such as mung and azuki beans are known to carry a complex of bacterial blights and other diseases that could affect the longstanding and well established bean seed production industry in the state and that laboratory testing and at least one inspection will occur during the growing season.

This is a fee rule. The department proposes to charge a minimum of \$250.00 for laboratory analysis on a per sample basis and to charge \$3.50 per acre for field inspections, with a \$50.00 minimum. The department notes that the fees are consistent with the fee structure for laboratory analysis and the current Rules Governing the Planting of Beans. The department does not expect the fees to generate more than \$10,000 in dedicated funds per year. The department also states that charges for nematode and soil testing will be at the prevailing rates of those labs capable and approved for that testing.

The department states that negotiated rulemaking was conducted. The rule appears to be authorized pursuant to Section 22-2006, Idaho Code.

cc: Department of Agriculture
Brian J. Oakey
Michael E. Cooper

PROPOSED RULE COST/BENEFIT ANALYSIS

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

Department or Agency: Agriculture

Agency Contact: Michael E. Cooper

Phone: (208) 332-8620

Date: August 27, 2013

IDAPA, Chapter and Title Number and Chapter Name:

02.06.25 - RULES GOVERNING THE PLANTING OF BEANS OTHER THAN *PHASEOLUS* SPECIES, IN IDAHO

Fee Rule Status: **Proposed** **Temporary**

Rulemaking Docket Number: 02-0625-1301 New Chapter

STATEMENT OF ECONOMIC IMPACT:

Pursuant to Idaho Code Section 22-2006, ISDA proposes to charge a minimum of \$250.00 for laboratory analysis on a per sample basis. ISDA proposes to charge \$3.50 per acre for field inspections, with a \$50.00 minimum. Both of these fee rates are consistent with the already established fee structure for laboratory analysis and field inspection in the current Rules Governing the Planting of Beans (IDAPA 02.06.06). Based on recent acreages planted with soybeans (<1,000 acres) ISDA does not expect fees to generate more than \$10,000 in annual dedicated funds. Charges incurred by growers for nematode and soil testing will be at the prevailing rates, depending on the type and quantity of testing, of any lab capable and approved by ISDA for that testing.

As an example, a twenty (20) acre soybean field would incur \$250.00 in lab testing and \$140.00 in inspection fees during certification. Therefore, a reasonable estimation of costs would be approximately \$400.00 per twenty acres of bean field. At \$38.00 for dry beans or \$57.00 for garden beans per hundred weight contract price and assuming approximately twenty (20) hundred weight per acre yield, the gross for a twenty (20) acre dry bean field would be \$15,200 for a dry bean contract and \$22,800 for a garden bean contract. Therefore the cost of certification compared to the gross income from sales of twenty (20) acres of beans is approximately 1:39 for a dry bean field and 1:58 for a garden bean field.

A potential cost to landowners may arise if the landowner has to destroy a field due to infestation. Under Idaho's current bean rule IDAPA 02.06.06 - Rules Governing the Planting of Beans, (*Phaseolus* Species) fields found to be infested have to be plowed down. Assuming a one to one ratio and assuming the above ratios of 1:39 and 1:58, the cost of the certification fees benefits growers greatly because certification makes it less likely that bean fields will have to be plowed under for a total loss. If an infested field were discovered ISDA would

provide supervision of the destruction of the bean field and may incur additional costs related to that supervision.

If an exotic bean pest, such as the Asian Soybean rust or Soybean Cyst Nematode were introduced into Idaho bean fields, there could be severe potential negative market impacts. Lost contracted sales or delays in introducing new varieties into the market are difficult to quantify and are not analyzed in this scenario.