

ASSEMBLY AGRICULTURE COMMITTEE MINUTES
MARCH 9, 1977
7:30 p.m.

MEMBERS PRESENT: Chairman Hickey
Mr. Price
Mr. Serpa
Mr. Jacobsen
Mr. Rhoads

MEMBERS ABSENT: Mr. Polish
Mr. Jeffrey

GUESTS: Mr. and Mrs. James Rolph, III
Mr. and Mrs. Paul Unruh
Arnold Settelmeyer
Mr. and Mrs. Joost
Mr. and Mrs. John Indiano
John H. White
Marvin Sellelmeyer
Mr. and Mrs. Herb Witt
Mr. and Mrs. Andre Aldax
Mr. and Mrs. Edwin Sarman
Matt Benson
Clarence Burr
Mrs. Lawrence Jacobsen

An informal meeting the Agriculture Committee was held in Minden, Nevada, for the purpose of hearing issues from the area's farmers and ranchers.

Mr. Jacobsen welcomed all those present and gave each one the opportunity to have his say.

John H. White, Gardnerville, stated that he was a member of the Junior Livestock Showboard. He stated that there were 5 members who serve voluntarily to hear reports from County Agents. They basically coordinate the efforts of everybody. It has been proposed to turn this over the extension service and let them do it. He added from previous experience they find that this does not work too well because of some jealousy between the counties. He finished by stating that he feels it is important to keep this board as is.

John Indiano, a farmer from Minden, stating that he felt it was important to get some type of cloud seeding program going to help the farmers of this area.

Mr. Joost, of Carson City, stated that he felt the legislation on the Marlette Water system was important as it would give Carson City a better deal.

Mr. Jacobsen expanded on this by saying that the state is proposing to go half way with the funding. He added that

he felt that it was necessary for the state to help in that the water for the capitol complex comes from this system, and at the present time this water is not up to quality.

Andre Aldax, a dairy farmer, stating that he felt it was important to save the Dairy Commission. He presented an article regarding the deregulation of milk prices in California. This is attached to these minutes as Exhibit A and herewith made a part of this record.

Mr. Aldax continued by saying that he felt without the Dairy Commission you could easily have a condition like those that existed in the 30's when there were milk wars. He stated that he felt the Dairy Commission was necessary in order to stabilize the industry and keep the small dairyman in business. He added that he sometimes wonders why he stays in this business as he could sell the farm and invest his money and make three times what he does now. It is important to the consumer to keep the Dairy Commission because if the state order were dissolved the federal marketing order would probably come in. He stated that he felt if this were to happen you find that the price of milk would increase.

Herb Witt, dairyman, stated that the producers are willing to go along with AB 152 but are concerned with the funding that would be available if it were to include only the western area producers. Mr. Witt stated that they were also concerned about some legislation that has been introduced regarding workmen's compensation that would apply to agriculture. He stated that they sure would want to watch this and see what they are trying to accomplish by it.

Marvin Sellenmeyer, dairyman, stated that he certainly would go along with the previous speakers. He added that he also would like to voice concern over proposed alien bills. He stated that he felt there was a place for aliens in agriculture. He stated that he hope the committees that would consider these bills would realize that there are very few people that will "do certain work in agriculture".

Arnold Settlemeyer, cattleman, stated that he also was a member of the school board locally. He stated that he felt another major concern should be to keep the control of the schools locally. He stated that he felt negotiations with teachers is getting completely out of hand and asked that the legislature look closely at AB 356. He added that he felt negotiations should be restrictly to wage and salary, and that the school board should have the final authority.

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Mr. Settlemeyer went on to say that he also was involved with the Federal Land Bank and that they have over \$43 mill. loaned out in Nevada to 275 different operators and they presently hold 35% of this type of mortgages in the State. They are presently concerned about equity positions. BLM is coming in and they want to have their rights in dealing with water. Of the five states that belong to the Berkley Land Bank, Nevada has the best underground water system. There has been the policy of "first in time, first in use". If you change this you will be getting trouble. Take the water away from agriculture purposes the land is nil. The greenbelt law has been great for the Carson Valley. He added that without this he would have had to pay taxes up to \$70,000.00.

Mr. Settlemeyer ended by stating that with school boards some things should not be included in binding arbitration but left up to the local school boards. He added that he also hated to see the governor removed from this process.

Mr. Price asked if Mr. Settlemeyer would then like to see the system stay the way it was. Mr. Settlemeyer stated that he was not completely happy the way things were but it did work this way.

Clarence Burr, cattle producer and President of the local Farm Bureau, stated that last session they had requested the legislative auditor to do an audit of the Department of Agriculture books. He inquired what had happened to this.

Mr. Hickey stated that Mr. Jeffrey and Virgil Getto had been assigned to investigate this and an audit had been made. They found they had not been any mishandling of money. Mr. Rhoads added that the Ways and Means Committee had just closed the budget for this department and had added an accountant to the staff. They did find that the budget for the department had been badly handled and with this addition to the staff it should help.

Mr. Burr stated that beef producer's money was going into the proper fund but then was being dispersed through the general fund of the department when it was specified to run the brand division. Mr. Hickey replied that they found no comingling of funds but that there was a definite weakness in the accounting of funds.

Mr. Burr stated that they do appreciate the help they are getting regarding control of predators. He added that it has come to a point where they are asking for more legislation to be killed then passed. He added that other areas of concern were the inventory tax on cattle, alien bills etc. He stated that what they were basically trying to do was to

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keep costs down to the consumer and still let the farmer make a reasonable living; and the more controls that are placed on them the harder it is to make that living.

Ed Sarman, beef cattle producer, stated that one of the main concerns was the stabilization of the water supply. He stated that any water project that the United States invests in with the Corps of Engineers the 160 acre limitation rule comes into effect. With this 160 acre limitation it is virtually impossible to make a living. He stated that with 160 acres of pasture you would make about \$6400/year. Unless some action can be gotten to eliminate the 160 acre rule and instead have limitation based on soil conditions and weather conditions he stated that he did not feel that they could go for this type of water project. He felt that Nevada might try to convince the other Western States to join together and challenge this ruling.

Paul Unruh, sod grower, stated that he felt that the farmer was only true private enterprise left in the nation today. He had to do his own borrowing and planning as well as everything else. He stated that he felt it would be nice if there were fewer controls and more money for the product.

Matt Benson, cattle producer, stated that other areas of the state had more problems in the industry then they do in that they must deal with the BLM. This is presently causing problems that will put many cattlemen out of business. So much emphasis has been placed on conservation and environment; yet the farmer was the first conservationist and environmentalist. Yet they are presently being made out to be the bad guys and it is getting beyond the point that they can continue to live with. He stated that when he goes to testify on legislation it is normally to oppose measure and he is tired of being on that side of the fence. If much of the legislation proposed went into effect it would cost them more and restrict their operations.

Mr. Price stated that he felt that any legislation that would come out would exclude agriculture as far as aliens were concerned. He stated that there was a problem in Southern Nevada however. He added that he felt that the school bill is being negotiated at the present time. He added that he felt the session was going good and that sessions like as this one are a real education to the legislators involved.

Mr. Rhoads stated that in his area around Elko the federal government was a real problem. He stated that they were calling for a 40% reduction in permits for the ranchers. He stated that he did feel that the legislature was going to try to get some relief for some of the rules and regulations. He stated that the inventory tax passed 37-1 in the Assembly and that it was now up to the Senate side.

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Mr. Rhoads went on to say that the 160 acre limitation was indeed "a fly in the ointment".

Mr. Serpa stated with predator control the fish and game people wanted more control but the committee was able to water down this legislation a lot. He stated that this was introduced in good faith.

Mr. Hickey stated that he felt the county was well represented here and that he would hope that this committee could continue to meet with the people at this level.

Jim Rolph, cattle rancher and third general California politician, closed the meeting-by stating that he felt that it was great that these legislators would come out to listen to these people. He felt that this was a good sign for the future on Nevada and America as a whole.

Mr. Jacobsen thanked those present for attending and for their comments. He stated that their support is important to their representative.

The meeting was adjourned.

Respectfully submitted,

Sandra Gagnier
Sandra Gagnier
Assembly Attache

Andre Alday
3-9-77

Dairymen Fear Deregulation of Producer Prices

The state has dropped minimum retail milk prices. This is the first time in about 40 years that milk prices have been taken out from under state government control.

There has been some noise from so-called consumer action groups expressing dissatisfaction with retailers because milk prices have not made significant drops at retail levels.

But there are dairymen who fear that now that minimum retail prices have been removed, it will be prices to producers that will be deregulated next, opening the way for the industry to fall into the hands of a few big corporations.

Henry Hafziger, a dairyman who milks about 500 cows in the Hemet-

San Jacinto area, says, "We have been assured they are not going to sell milk below cost. But we are wondering how the state is going to monitor this."

His son John, a dairy science major at Cal Poly, adds, "I don't think the governor has gone out of his way to bring the industry and the consumer together."

Hafziger notes that he is well aware of rising feed costs, especially since he no longer raises any of his own feed, but buys all of it from outside sources.

On the milk pricing question, Hafziger says, "We are far removed from the power source. Historically, this is agriculture's problem. We are not involved in the decision



Henry Hafziger and son John.

making."

Hafziger's next-door neighbor, Cor Schouten, a dairyman who milks about 1200 cows and is a member of the California Milk Board, was adamant about the removal of retail prices.

"I am against it. If it goes out of control, it is going to come back on us, the producers. They are going to put the little guy out of business and eliminate competition."

Schouten claims that if retail markets use milk as a loss leader to bring customers into their stores, it will lead to a milk war like dairymen experienced in the 1930s.

"This will kill the little family store owners. Big business is going

to take it all," he maintains.

Schouten feels the young men who might want to get into dairying or farming are being severely hampered today. "There is no way for a youngster that wants to go into the business. They just don't have the money. Big business is taking it all." □

Freestone Officers

Frank Van Konynenburg, Modesto area grower, has been named to his third term as president of California Freestone Peach Association and Bert Johnson, Merced, was elected vice president. □

Exhibit A