



Tracking #: A210-2019-2
Status: DFM Analyst: Recommended 03/26/19
 Gov's Office: Recommended 04/03/19
 DFM Regulatory: Recommended 04/04/19
 DFM Admin:

Administrative Rules Request Form

Agency Name: Agriculture, Department of	Submitted on: 03/26/2019
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Secondary Contact: Phone:	Email:
Person Authorizing Rule: Brian Oakey Phone: 208-332-8500	Email: Brian.Oakey@ISDA.Idaho.gov
State or Federal Statute that Authorizes this Rule: Idaho Code Title 22, Chapter 1 Section 22-112	
IDAPA, Title, Chapter, and Section Number(s) (e.g. - 35.01.02.028): 02.01.04.010	
Administrative Bulletin for Publication: May	
This rule is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Temporary	
Under the Red Tape Reduction Act (Executive Order 2019-02), this rulemaking (select all that apply):	
<input type="checkbox"/> Increases regulatory requirements <input type="checkbox"/> Decreases regulatory requirements <input checked="" type="checkbox"/> Neither Increases nor decreases regulatory requirements <input type="checkbox"/> Qualifies for an exemption	
Agency has determined, according to Idaho Code 67-5220(1), that	
<input checked="" type="checkbox"/> This rule will be negotiated with interested persons as outlined in Idaho Code 67-5220(3) <input type="checkbox"/> Negotiation of this rule is not feasible	
Provide a short summary of the changes this rule makes:	
<p>The negotiated rulemaking will revise the product qualifications in the voluntary Idaho Preferred program for bottled water, craft beer and possibly other products. Wine has its own product qualifications but bottled water and craft beer fall under the "processed food and beverage" definition that says that foods and beverages shall contain a minimum of twenty percent (20%) agricultural content by weight that has been grown or raised in Idaho and shall be processed in the state of Idaho. How do you measure malt or hops content by weight in the final product? And how do you measure the agricultural content of bottled water? Game meat currently reads that only domestic elk products are eligible to participate in the program but yet domestic Cervidae includes fallow deer and reindeer. There are also inconsistencies in the meat products definitions that need to be revisited as well. The changes will be negotiated with industry. Therefore, the specific changes are not yet identified. In addition to the proposed changes, IDAPA 02.01.04 will be reviewed for amendment or repeal of select sections in order to comply with Gov. Little's Executive Order 2019-02, Red Tape Reduction Act.</p>	
Why is this rule needed? What prompted this request?	
<p>Some of the product qualifications in the current rule are not clear and therefore limit eligibility in the program. The program continues to grow. More beverage companies including bottled water, craft breweries and spirits have wanted to participate. CS Beef has also reached out to Idaho Preferred to become a member but does not qualify under the current rules.</p>	
List any affected parties and potential concerns they may have with this rule. How will the agency involve these parties in the negotiated rulemaking process?	
<p>The following organizations and companies will be specifically contacted to participate in negotiated rulemaking meetings: current Idaho Preferred members, Idaho Preferred Advisory Board members, Idaho Breweries United, Idaho retailers, CS Beef, Idaho Beef Council, bottled water companies and Cervidae producers. The Division has an excellent database and will promote the rule making meetings to as broad of an audience as possible via email directly to the above mentioned groups to ensure input from impacted stakeholders.</p>	
Provide the projected fiscal impact for all programs affected, including both positive and negative impacts to all fund sources (General, dedicated and federal):	
<p>It is possible that the rule changes will allow more products to be eligible to participate in this voluntary program. Therefore, it is estimated that there will be in an increase in the number of companies participating and an increase in dedicated funds. At \$100/year for processed products, the impact to the dedicated fund could be up to 20 new participants for a net increase of \$2,000.</p>	

What impact will this rule have on the competitiveness of businesses and individuals?

The Idaho Preferred program is effective at expanding business for Idaho farmers, ranchers and processors. It is a voluntary program. These rule changes could result in more companies being eligible to participate therefore providing them with more business opportunities. On the negative side, there could possibly be more competition among Idaho producers.

DFM Analyst: Amber Christofferson Recommended Not Recommended **Date:** 03/26/2019

Comments:

This rule aims to better define product qualifications in the Idaho Preferred Program. Potentially, this could allow more products into the market and also increase competition between state producers.

Fiscal Impact Comments:

This could increase department revenue by about \$2,000 and the impact to the state economy could have a far more significant increase with the reach of the Idaho Preferred Program.

Final Draft Review Analyst Recommendation: Recommended Not Recommended **Date:**

Governor's Office: Sam Eaton Recommended Not Recommended **Date:** 04/03/2019

Comments:

It appears appropriate to consider eligibility requirements to potentially allow broader participation in the Idaho Preferred Program.

DFM Regulatory Review: Colby Cameron Recommended Not Recommended **Date:** 04/04/2019

Comments:

Just a reminder to be reviewing current rules, and to draft all proposed rules to be clear and concise.

DFM Administrator Action: Alex Adams

Negotiation of proposed rule: Authorized to begin negotiated rulemaking Not Approved **Date:** 04/04/2019

Final Approval: Approved Not Approved **Date:**

Comments:

Are the projected fiscal impact and business impact statements still accurate? Yes No