

Despite severe drought, agriculture remains a leader in local Colorado economy

Written by Marianne Goodland, State Capitol reporter
Tuesday, 12 February 2013 15:35 -

Despite the worst drought in the last 50 years, agriculture should continue to lead Colorado out of the recession in the coming year, according to Commissioner of Agriculture John Salazar.

Salazar recently sat down to discuss the state of agriculture in Colorado and the focus of the Department of Agriculture in the coming year.

“Agricultural exports have never been higher,” Salazar said, and he expects sales of ag and food products to surpass \$2 billion this year. Net farm income was expected to top \$144 billion in 2012, about \$120 million less than in 2011, due to drought, Salazar said.

Farm and ranch receipts are projected to be \$8.7 billion in 2013, largely on the strength of higher prices for fed cattle and calves. Grain prices are likely to be down a bit, with production expected to drop by 5-7 percent, he said.

And despite the drought, the value of cropland is up to \$1,450 per acre average, up 63 percent since 2004.

One issue that continues to plague the state is the battle to open up Mexico to exports of Colorado potatoes. Salazar noted that Governor John Hickenlooper recently led a trade mission to Mexico and met with President Calderon and other officials, which included conversations on the potato export issue.

However, the national potato council in Mexico has been reluctant to support increased Colorado exports. In addition, a new president was recently elected who opposes those exports. Politically, “potatoes are used as a whipping boy,” Salazar said.

Livestock, “king of Colorado,” accounts for about 60 percent of farm income in Colorado, Salazar pointed out. However, the big concern is that 80 percent of Colorado’s pastureland is in poor condition due to drought, up from 40 percent just a year ago.

As a result, in 2012, ranchers thinned herds, with about 18 percent fewer numbers than in the previous year. Salazar is hopeful that spring snows and rains will improve pastures and

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ranchland and expects cattle prices to improve in 2013.

Dairy prices dropped slightly in 2012 but are expected to increase by as much as 20 percent in 2013. Lamb and sheep producers struggled in 2012 due to an oversupply of lamb and soft demand for older lambs, but Salazar believes prices will stabilize this year.

The outlook for crop receipts is expected to be very good in 2013, but that is also coupled with higher costs for fuel, fertilizer and cost of production, Salazar said. A CU study showed corn production may drop by nearly 20 percent, but the price per bushel is expected to be around \$7.75 per bushel.

Colorado's cantaloupe brand, badly damaged by a fatal listeria outbreak in 2011, showed a strong comeback in 2012. The comeback was assisted by new safety procedures, marketing efforts from the department and a new growers' association for the Rocky Ford area.

The big challenge for 2013 is the drought, Salazar said. "The biggest concern people have is whether we will have enough water" for crops this year. Another challenge is educating urban residents about the role agriculture plays in Colorado. "It's the second largest contributor to the state economy," Salazar noted.

In other action at the capitol:

House Bill 13-1013, which states that the federal government cannot demand water rights from a lessee as a condition for granting a special use permit, got out of the House Agriculture, Livestock and Natural Resources Committee on Feb. 4.

The bill addresses a 2012 directive issued by the U.S. Forest Service to require the water rights, without compensation, for federal lands leased by ski areas. Supporters of HB 1013 claim the Forest Service directive violated Colorado water law. While the directive was tossed by a federal court in Denver, a Forest Service representative said they intend to pursue another directive to obtain those water rights.

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HB 1013, which is sponsored by Rep. Jerry Sonnenberg (R-Sterling), passed the committee unanimously but not without a little last-minute wrangling during the Feb. 4 hearing. Rep. Mike McLachlan (D-Durango) announced during the hearing he intended to amend the bill to limit the impact to ski areas because he said the bill was too broad.

The issue was brought to the Legislature by the ski industry, but during a Jan. 28 hearing, attorney Glenn Porzak told the committee that the Forest Service had issued similar directives on water rights for ranchers and other agricultural users who lease federal lands for grazing.

McLachlan eventually decided not to add the amendment and HB 1013 is now awaiting action from the House Appropriations Committee. A companion measure, House Joint Resolution 13-1004, passed the full House on Feb. 1 and is headed to the Senate.

Sonnenberg also got full House approval for HB 1034, which would allow commodities warehouses and elevators to issue electronic receipts that could be shared with banks and other financial institutions. HB 1034 passed the House 64-0 on Feb. 4 and is now in the Senate.

On Feb. 5, Democrats unveiled their package of gun control bills. The package contains eight bills, with four of them introduced in the past week.

They include HB 1229, to require background checks for all gun buyers, regardless of how the guns are purchased; HB 1224, a ban on the sale, transfer or ownership of high capacity magazines, defined as devices with capacity of more than 10 rounds of ammunition; HB 1228, which requires individuals to pay for their own background checks (about \$10); and HB 1226, which prohibits concealed carry weapons on college campuses.

Not yet introduced: a bill to make manufacturers, sellers and owners of certain kinds of firearms liable when the firearms are used in illegal activities; another that requires mental health professionals to notify the Colorado Bureau of Investigation when a client poses a danger to themselves or others; further restrictions on the possession of weapons by people convicted of domestic violence; and a bill to require in-person training in order to obtain a concealed weapons permit.

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Bill sponsors include Senate President John Morse (D-Colorado Springs), a former police chief; and Rep. Rhonda Fields (D-Aurora), who lost a son to gun violence.

During the Feb. 5 press conference, sponsors were asked how the universal background checks would work in rural communities that don't have licensed firearms dealers. "There's no exception for rural communities," Fields said. "They will have to drive" to whomever has the license and can perform the background check. "The process has to be followed to keep all of us safe," Morse added. "There's no inconvenience exception."

Sen. Greg Brophy (R-Wray) attended the press conference and scoffed at the package, including the universal background check. "This is unworkable in rural Colorado without full-on registration" of guns, Brophy said.

Speaker of the House Mark Ferrandino (D-Denver) explained that "not one single piece of legislation will end gun violence." But the proposed package of bills "will move Colorado in the right direction. It takes a multipronged approach."

"It will be an uphill battle," Fields said.

Holyoke Enterprise February 14, 2013