

Key Provisions of Dept. of Agriculture from the Alaska Farm Bureau, Inc.

Using the current budget for the Division of Agriculture, we propose forming a Dept. of Agriculture for Alaska to more effectively guide agricultural policy during this critical time. Alaska is far too reliant on importation of food. When a disruption of the transportation occurs, which happens all too regularly, Alaskans suffer. This is especially obvious in the remote rural areas, but the major impacts would be felt in the urban centers, simply because the majority of Alaskans live there.

The state suffers from the lack of attention to agriculture. Let us consider that with agricultural products on the farms, storage barns, and feedlots of Alaskans, we become more able to weather the effects of natural disasters or widespread pandemic. Alaskan farms can produce the variety of food needed to provide a balanced diet.

What we lack is a focused agency that houses the needed services that government can and should provide. Inspection of locally produced food and processing is currently under DEC, as is the state veterinary. We believe moving both these functions back to Agriculture would greatly facilitate the development of agriculture and the attendant processing needs. There is a simple, but powerful difference the attitudes of facilitation and regulation exert on the business climate.

To this end, we suggest the following adjustments:

Creation of a Department of Agriculture – DNR is rightfully absorbed with oil, gas, and mining. There is no time and very little support for agriculture in the shadow of these topics. Yet feeding our citizens healthy, nutritious food and securing its supply for Alaska is important enough to warrant a higher level of support from the administration.

1. Under the Dept. of Agriculture, inspection services of all agricultural products and State Veterinary services would be transferred from DEC along with the budgets for those services.
2. ARLF would remain with the Dept. of Agriculture. This is important because banks will not lend on land subject to ag covenants. Therefore, lending options for ag producers are limited. Not only does the ARLF lend on farm enterprises, because it is housed under agriculture, there is a better understanding for the ag of the risks and opportunities relating to agriculture than other state loan programs have.
3. Plant Material Center (PMC) functions would continue with the new Department of Agriculture to develop and propagate seed for agriculture.
4. Oversight of all land classified for agricultural development will be moved to the Dept. of Agriculture. Alaska has a limited amount of land suitable for agriculture, much of which has been designated as such. When a borough, municipality, or the University receives land, those ag covenants do not transfer with the land. This reduces the amount of land available for growing agriculture. The state land

designated for ag development that currently remains, must be protected from losing those covenants. The Dept. of Agriculture is the logical entity to identify land for disposal to the private sector for development. They need to have funding to survey it, put in pioneer access to it, and dispose of it to people interested in farming and ranching.

5. Budget

- a. Recapitalize ARLF and stop funding operations from the loan fund. The fund was set up to revolve, however some operational cost are drawn from the loan fund, resulting in a gradual decline of money available for lending to farming operations.
- b. Fund all Dept of Agriculture functions from budget, including Mt. McKinley Meats, the loan officer positions, and any other expenditures currently being drawn from the ARLF. This legitimizes the functions performed by the Dept. of Agriculture with a budget, and preserves the corpus of the revolving loan fund.
- c. Include agriculture education in budget. This might be funded from a percentage of the sale agricultural land, but it is important that the next generation be informed about where their food comes from and what they can do to participate in that process or else food production in Alaska will only last for one generation.
- d. Statutory regulations regarding loan policies.

6. Develop a Food Safety plan for Alaska. The Department of Agriculture will develop a plan to address food security in Alaska by providing for the expansion of local production. There is no other method of ensuring our food security because all other sources depend on the same transportation system we currently depend on. Food produced in Alaska and stored in the vegetable barns and cellars, grain bins, feedlots, dairies, and ranges of Alaska are 2500 miles closer to their end user, greatly facilitating access to food in the event of a transportation disruption. Several aspects of this plan need to be put in place while there is time including:

- a. The scheduled sale of ag land. State owned land is not producing land. It must be put into the hands of farmers who are determined to work it and produce on it.
- b. Regulations need to be designed to encourage a cottage industry for food production and processing. Small scale operations will provide the pool from which larger operations will emerge as they see growth in their markets. One model for accomplishing this is in Oregon, which allows a small producer to sell to neighbors.
- c. The Dept. of Agriculture can play an important role in facilitating small scale infrastructure development including mobile processing, inspections, land disposal, village food production projects, and farm financing. It is critical that through it all, the Dept. of Agriculture stay focused on improving our food security by facilitating growth of agriculture.
- d. The Department of Agriculture must proactively renew expiring livestock leases in a timely manner. Livestock leases are integral to the red meat industry, which is vital to our food security. Some producers have been

waiting years to get their leases renewed while the state determines what the wisest and best use of the land is and whether the lease cost need to be raised. Boiled down to the essentials, the Dept. of Agriculture will recognize that:

- Grazing leases are indicative of Agricultural land, therefore it has already been determined that agriculture is the highest and best use for it.
- Improvements made by the leaseholder should be credited toward the lease price, not charged extra for. In other words, when a rancher has put in livestock wells or working facilities, he should not be charged extra for them by the state when the lease comes up for renewal since the state had no part in making the improvements. Instead, the improvements should weigh in favor of the rancher as evidence that he is a good risk.
- Preference rights should be allowed if the current leaseholder continues to raise animals. This encourages the rancher to invest in improvements because the expenses can be amortized over a longer period of time.
- New leases should be for a minimum of 20 years to allow reasonable stability for financing improvements and making management decisions such as increasing his herd.