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Ken Hoffman, Executive Director  
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March 13, 2026

Senate Resources Committee  
Alaska State Capitol  
Juneau, AK 99801

**RE: Support for Senate Bill 200 – Property Tax Reductions for Alaska’s Farms**

Chair Giessel and Senate Resources Committee,

On behalf of the Alaska Farm Bureau and our statewide membership of farmers, ranchers, and agricultural supporters, I am writing to express our strong support for Senate Bill 200 Farm & Agricultural Land Assessment. This legislation is a practical, common-sense measure designed to provide much-needed relief to an industry that is both a national outlier for its growth and a victim of rapidly rising global input costs.

While Alaska is one of the few states in the country where the number of farms is actually increasing, our producers are fighting significant economic headwinds. According to the 2022 USDA Census of Agriculture, production costs for Alaska’s farmers have surged by 33% from 2017 to 2022. These costs—many of which are outside a farmer’s control—threaten the viability of an industry essential to diversifying our state’s economy. SB 200 provides a critical tool to offer these hard-working Alaskans relief where it matters most: their bottom line.

Agriculture in Alaska is evolving and is very diverse, SB 200 ensures our tax policy reflects that reality by including our non-food farmers in the property tax reductions. The growth in these sectors is not just theoretical; it is proven:

- **Floriculture and Bedding Crops:** Sales grew from under \$13 million in 2017 to over \$16 million in 2022.
- **Cut Flowers:** This sector has seen a staggering 150% increase in sales over the same period.

Whether a farmer is growing potatoes or peonies, they are keeping land in active production and contributing to the local economy.

Supporting the growth of all agricultural sectors creates a ripple effect throughout our local communities:

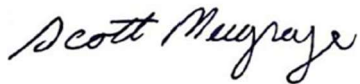
- **Agritourism:** Domestic and international visitors travel to Alaska specifically for peony-related events, spending money in local hotels, restaurants, and retail stores.

- **Manufacturing:** We see an emerging market for value-added products like specialty teas and extracted oils for cosmetics and pharmaceuticals, which create local jobs.
- **Supply Chain:** Growing our industry creates the "critical mass" needed to attract new suppliers to the state or spark the emergence of Alaska-based businesses for things like fertilizer and pest control.

Ultimately, SB 200 offers a clear choice: we can provide a modest tax tool that allows a farmer to scale their business, or we can watch that land be subdivided and sold for development, ending its productive economic life.

We urge you to support SB 200 to ensure Alaska agriculture continues to grow, innovate, and employ our neighbors.

Sincerely,

A handwritten signature in cursive script that reads "Scott Murgage".

Scott Murgage, President  
Alaska Farm Bureau