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SPONSOR STATEMENT **HB 383 – Transfer Certain DNR Duties to DCCED**

The Department of Natural Resources is one of Alaska’s largest departments. It oversees the most significant and lucrative resource base in the state: oil and gas. The Division of Oil & Gas budget, combined with budgets for gas pipeline development and Petroleum Systems Integrity, exceeds \$18 million. DNR has many other jurisdictions, from mining and timber to parks and recreation, but clearly oil and gas development and land management are DNR’s most important focus. Most Alaskans would agree that oversight of Alaska’s most lucrative resource, the lifeblood of the state budget, is an appropriate focus for the department.

The Division of Agriculture is currently under the auspices of DNR. Unfortunately, with the immensity and power of DNR’s focus on oil and gas, it may be unwittingly overlooking the Division of Agriculture.

For many years farmers and ranchers in Alaska have expressed concern that the Division of Agriculture – as a relatively small division – simply does not get the attention it needs. Agriculture is a significant industry in Alaska, but there is room for expansion. Farms in Alaska cover more than 900,000 acres in five boroughs and in 2008 that acreage had an approximate value of \$22,700,000. Yet only three percent of Alaska’s food is grown in our state. Many Alaskans believe that the Division of Agriculture could better meet its mission “to encourage and promote development of an agriculture industry in the State” if the division found a home in a smaller, less diversified agency with a mission more compatible with its own.

The Department of Commerce, Community & Economic Development most fits the bill. Not only does DCCED share a similar mission, “promoting a strong economy and healthy communities,” it also has valuable expertise in marketing Alaska products, promoting economic and industrial development, and managing revolving loan funds. This expertise will be an asset to the Division of Agriculture as it works to enhance and promote an agriculture industry in Alaska. HB 383 proposes to move the Division of Agriculture to the DCCED where it will get the support and attention needed to fulfill its mission.