



ALASKA FARM BUREAU, INC.

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March 25, 2014

Dear House Resource Committee Members:

At the Annual Meeting in November 2013, the membership of the Alaska Farm Bureau voted down a motion to support HB 207. After the meeting, most members who commented on the vote indicated that they didn't have a very good understanding of the bill's impact on agriculture.

The ensuing weeks have seen one chapter maintain a position adamantly opposed to the bill and another chapter vote to support it. The divisive issue seems to center on whether to preserve the status quo with respect to loan approval authority or to move the approval authority to the Department of Community, Commerce, and Economic Development.

Moving the loan approval authority would create a larger pool of farmers from which to appoint members for the advisory board. Maintaining the current structure prohibits any board member from applying for or restructuring a loan with the Agricultural Revolving Loan Fund (ARLF).

At the Board of Directors meeting held in February 2014, a motion was made to oppose HB 207, which passed. The vote clarifies Alaska Farm Bureau's position on HB 207. During the discussion, the directors expressed concern that HB 207 would result in the closure of Mt. McKinley Meat and Sausage, a critical part of infrastructure for ranchers and dairymen. There was also dissatisfaction that while HB 207 made some improvements, it didn't create a Department of Agriculture, which most farmers support.

Three amendments were submitted at the close of the House Resource Committee hearing held on March 14, 2014, that require the closure or disposal of Mt. McKinley Meats and Sausage (MMM&S) because of a stated competition with private industry. Past attempts to dispose of MMM&S have been unsuccessful.

The Alaska Farm Bureau agrees that private ownership of meat packing is the preferred option, but in the absence of a privately-owned facility with the necessary capacity, Alaska Farm Bureau supports the continued operation of

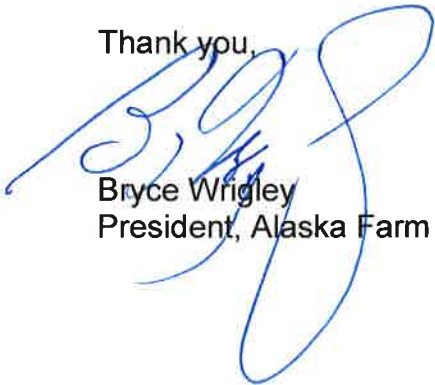
MMM&S. The premature closure of the plant would severely impact not only meat production in Alaska, but many upstream farmers raising hay and grain for livestock.

Mt. McKinley Meat and Sausage has been for sale for several years, with no takers. We question how the BAC is to develop a plan to create such a facility. If there are private operations that are willing to step up and provide a USDA inspected kill floor and meat cutting facility, it seems logical to encourage them to open a plant before shutting down MMM&S so that there is minimal impact on the livestock operations and the farmers who grow their feed.

In the meantime, the Department of Corrections, receives a valuable service for the inmate meat cutting training program at no cost. Surely, it is not asking too much that DOC pay for the value of the training program, which should more than cover the \$100K deficit that MMM&S incurs each year.

While there is disagreement among Farm Bureau Members regarding HB 207, we are united in opposing a bill that would result in the closure of MMM&S without a viable alternative in place.

Thank you,



Bryce Wrigley
President, Alaska Farm Bureau