

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE AND
TOURISM

January 29, 2013
11:16 a.m.

MEMBERS PRESENT

Representative Shelley Hughes, Chair
Representative Lynn Gattis
Representative Bob Herron
Representative Pete Higgins
Representative Craig Johnson
Representative Kurt Olson
Representative Lance Pruitt
Representative Harriet Drummond
Representative Geran Tarr

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

OVERVIEWS (S): ALASKA SEAFOOD MARKETING INSTITUTE OVERVIEW AND
SEAFOOD MARKETING EFFORTS

- HEARD

HOUSE CONCURRENT RESOLUTION NO. 1
Relating to the establishment and operation of a state food
resource development working group.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HCR 1

SHORT TITLE: STATE FOOD RESOURCE DEVELOPMENT GROUP

SPONSOR(S): REPRESENTATIVE(S) STOLTZE

01/24/13	(H)	READ THE FIRST TIME - REFERRALS
01/24/13	(H)	EDT, RES
01/29/13	(H)	EDT AT 11:15 AM BARNES 124

WITNESS REGISTER

SUSAN BELL, Commissioner
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Gave introductory remarks prior to the presentation by the Alaska Seafood Marketing Institute (ASMI).

TYSON FICK, Communications Director
Alaska Seafood Marketing Institute (ASMI)
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Provided a PowerPoint presentation entitled, "Alaska Seafood Marketing Institute," dated 1/29/13.

REPRESENTATIVE BILL STOLTZE
Alaska State Legislature
Juneau, Alaska 99801

POSITION STATEMENT: Speaking as the sponsor, introduced HCR 1.

KEVIN BRENNAN, Executive Director
Kodiak Regional Aquaculture Association
Kodiak, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

BRYCE WRIGLEY, President
Alaska Farm Bureau
Delta Junction, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

REX WRIGLEY
Delta Junction, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

DEAN HAMBURG, Chair
Public Policy & Legislation
Alaska School Nutrition Association; Administrator
U.S. Department of Agriculture National School Meal Program
Kenai School District
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

KATE VEH
Soldotna, Alaska

POSITION STATEMENT: Speaking on her own behalf, testified in support of HCR 1.

KYRA WAGNER
Homer, Alaska

POSITION STATEMENT: Speaking on her own behalf, testified in support of HCR 1.

LARRY DEVILBISS, Mayor
Matanuska-Susitna Borough
Palmer, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

TAFFINA KATKUS, Consultant
Wasilla, Alaska

POSITION STATEMENT: Testified in support of HCF 1.

DELENA JOHNSON, Mayor
City of Palmer
Palmer, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

DANNY CONSENSTEIN, State Executive Director
U.S. Department of Agriculture
Farm Service Agency for Alaska; Member
Governing Board
Alaska Food Policy Council
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

MARY SULLIVAN, Director
Department of Advocacy and Agency
Anchorage Food Bank of Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 1`.

JOE BALASH, Deputy Commissioner
Office of the Commissioner
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Offered his department's support for HCR 1.

DARREN SNYDER, 4-H Youth & Development and
Agriculture/Horticulture Agent
Southeast District
Cooperative Extension Service
University of Fairbanks
University of Alaska; Member
Governing Board
Alaska Food Policy Council
Juneau, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

JIM SACKETT, CEO and President
Toghotthele Corporation
Nenana, Alaska

POSITION STATEMENT: Testified in support of HCR 1.

MIKE O'HARE, Deputy Director
Division of Homeland Security/Emergency Management (DHS&EM)
Department of Military & Veterans Affairs (DMVA)
Fort Richardson, Alaska

POSITION STATEMENT: Stated his division would comply with HCR 1.

ACTION NARRATIVE

[11:16:44 AM](#)

CHAIR SHELLEY HUGHES called the House Special Committee on Economic Development, Trade and Tourism meeting to order at 11:16 a.m. Representatives Gattis, Higgins, Johnson, Olson, and Hughes were present at the call to order. Representatives Herron, Pruitt, Drummond, and Tarr arrived as the meeting was in progress.

OVERVIEWS (S): ALASKA SEAFOOD MARKETING INSTITUTE OVERVIEW and SEAFOOD MARKETING EFFORTS

[11:17:29 AM](#)

CHAIR HUGHES announced that the first order of business would be a presentation by the Alaska Seafood Marketing Institute (ASMI).

[11:18:20 AM](#)

SUSAN BELL, Commissioner, Department of Commerce, Community & Economic Development (DCCED), gave introductory remarks prior to the presentation by ASMI. Ms. Bell stated there is urgency in the state to diversify the economy, create jobs, and attract investment. Her department is working to address energy costs and the development of infrastructure to support industry, and is much focused on marketing Alaska's goods and services - such as seafood, tourism, forest and mineral products, and film - and to make connections to markets worldwide. Another part of creating a solid foundation and an attractive business climate is to work towards low taxes and fees, stability, and reasonable regulation. She advised that future testimony to this committee by various divisions of DCCED will be particularly focused on

the economic development activities of the state and engaging with the private sector in the key area of marketing. In addition, DCCED is collaborating with the private sector and other agencies in the areas of financing, market research, economic analysis, providing technical assistance and training, and connecting businesses to services provided by the state and other entities.

[11:20:59 AM](#)

TYSON FICK, Communications Director, Alaska Seafood Marketing Institute (ASMI), Department of Commerce, Community & Economic Development (DCCED), provided a PowerPoint presentation entitled, "Alaska Seafood Marketing Institute," dated 1/29/13. He said ASMI staff members are busy; for example, last week there were promotions scheduled in France, Spain, China, and Brazil, along with an informational tour of Europe. In addition, the foodservice, retail, and communication sections are working on videos and press interviews, and are preparing for shows in the U.S. Alaska Seafood Marketing Institute is a public/private partnership of the state and the seafood industry, governed by a board of directors that is appointed by the governor, and its single focus is on increasing the value of Alaska's seafood resource. The Alaska statutes authorizing ASMI direct that it promotes Alaska's seafood generically, and prohibits promotion by geographic region or specific brand. He pointed out that when Alaska became a state the notion of sustainability and sustained yield was part of its constitution. Mr. Fick called attention to slide 5 which was a breakdown of ASMI's funding and budget request, and he advised that ASMI is restricted in the amount of spending allowed with the intent that it carry funds forward and work to build savings against the possible loss of federal funds. The total spending plan is approximately \$22.5 million for the coming year.

[11:26:49 AM](#)

CHAIR HUGHES asked for an explanation of the voluntary tax.

MR. FICK recalled that in 2003 the tax structure and the composition of the board of directors changed; in fact, now all processors pay .05 percent into a fund that is subject to a vote by the industry. In further response he said, "Once the vote was taken and the tax is taken, now everybody that ... processes fish or sells fish directly - like the direct marketers - then they would pay into this marketing fund. If the decision is

made to go back and revisit the issue, then [the processors] could vote out the tax and basically eliminate ASMI."

CHAIR HUGHES observed that industry funds provide the bulk of ASMI's funding.

[11:27:51 AM](#)

REPRESENTATIVE HIGGINS asked how much the industry contributes per year.

MR. FICK said the amount is based on .05 percent of the ex-vessel value; 2011 was an historic high year with an ex-vessel value of approximately \$2.2 billion. For the past five years, the value has been closer to \$1.7 billion thus the tax has been in the \$8.5 million to \$9 million range. He returned attention to slide 6 and said voting members of the board consist of five processors and two harvesters. There are four ex-officio members - one member each from the governor's office, DCCED, the House of Representatives, and the Senate. In addition, advisory committees offer the board specific industry knowledge in salmon, halibut-sablefish, shellfish, whitefish, international marketing, foodservice marketing, and retail marketing. Slide 8 was an organizational chart that indicated the species and operational advisory committees make recommendations directly to the board. He said there is also a customer advisory panel made up of some of the largest seafood customers who have been invited to advise staff on how they are doing and how to improve. Mr. Fick assured the committee that ASMI looks at every opportunity to coordinate marketing efforts with other organizations and events; for example, the Great Alaska Seafood Cook-off; "Ocean Mysteries" on television; tourism marketing; the Alaska SeaLife Center; Alaska Airlines; and other countries. The institute also works with other governmental departments such as the Alaska Department of Fish & Game (ADF&G), the Department of Environmental Conservation (DEC), the National Oceanic and Atmospheric Administration (NOAA), the Environmental Protection Agency (EPA), and the U.S. Food and Drug Administration (USDA).

MR. FICK stated that the Alaska seafood industry accounted for 52 percent of the total U.S. harvest in 2011 - which is less than 2 percent of the global harvest - and pointed out that the above percentage underlays the importance of marketing. The Alaska seafood industry is the state's largest private sector employer, seafood is the state's largest export, and the industry provides very important job opportunities to rural

communities. Mr. Fick noted that Alaska Marine Lines attributes the seafood industry with a 10 percent cost savings in overall shipping. In response to Representative Drummond, he clarified that the volume of containers leaving with frozen seafood lowers the cost of products coming to Alaska. Slide 12 was a pie chart indicating the composition by volume of the Alaska seafood harvest. About 80 percent of the total harvest is pollock, groundfish, and cod; in fact, pollock is the largest commercial fishery in the U.S. Calling attention to the high value of some species, he noted that salmon makes up 14 percent of the harvest but 31 percent of the value, and halibut and sablefish make up 1 to 2 percent of the harvest and 17 percent of the value. Slide 14 illustrated that Alaska seafood is supplied to a huge global market, although exports to the U.S. are roughly 50 percent of the total. Seafood is also re-exported from other countries like China; in fact, ASMI has recently opened an office in Brazil to support businesses that ship cod to Spain and Portugal and re-export to Brazil. Slide 15 was a graph indicating the historical wild and hatchery stock salmon harvest from 1900 to 2010; hatchery stock now accounts for about 30 percent of the total harvest. He pointed out there were increases in the harvest around the time of statehood, and in 1976 after the passage of the Magnuson-Stevens Fishery Conservation and Management Act which established a state-managed 200-mile fishery conservation zone.

[11:36:27 AM](#)

CHAIR HUGHES asked what accounts for the downturn in 1990.

MR. FICK was unsure and will provide an answer at a later date. Slide 16 was a graph indicating global salmon supplies, the average ex-vessel price of Alaska salmon, and the wholesale price of farmed salmon. He said this information proves that even with an increased global supply of salmon, the value of Alaska wild salmon continues to go up. As a matter of fact, the value of farmed salmon is declining thus wild Alaska salmon has developed a strong niche in the market and created a preference for wild salmon. Furthermore, as the value of salmon has increased over the last 10 years, so has the value of fishing assets such as permits and boats. However, there are challenges to the fishing industry including economic unrest in the European Union which has depressed prices, and illegal, unreported, and unregulated (IUU) fishing - particularly Russian king crab fishing which has created about a 25 percent decrease in ex-vessel value for Alaska fisherman.

CHAIR HUGHES asked if the illegal fishing takes place in Alaska waters.

11:38:48 AM

MR. FICK explained the illegal fishing takes place in Russian waters and is evidenced by discrepancies between trade data and published quotas for the legal harvest. Another challenge is the whitefish supply that has rebounded in the Atlantic Ocean thereby lowering global cod prices. Chile and Norway have increased their farmed salmon supply and the effect of genetically modified organisms (GMOs) remains unknown. Competing proteins such as imported seafood and marketing promotions targeted toward the U.S. market present difficulties for the Alaska industry, however, the biggest challenge is the proliferation of eco-labels and the reaction to the withdrawal of salmon from the Marine Stewardship Council (MSC) Certification Program. He explained the reasons for the withdrawal are: to maintain market access; maintain non-governmental organization (NGO) control of the fishery management process; prevent brand erosion; and avoid the ongoing and increasing costs of certification. Mr. Fick recalled that in 2005 MSC sought to divide Alaska salmon management into 64 units and language on the packaging of seafood products in the United Kingdom claimed co-management. Also, the Alaska hatchery programs are under attack. Slide 21 was a graph that he said illustrated the appropriate role of NGOs which is equal to that of stakeholders and United Nations Food and Agriculture Organization (FAO) guidance. However, the certification program has "put a roadblock between the seafood product and the marketplace and if you have control of the market to where we can't take our product to market without a certification ... that NGO that has control of the market can impose whatever they want as far as mandates on fisheries management." At the same time, the Alaska brand has been replaced by MSC. As the Russian pollock fleet is close to being certified, this is particularly a problem because the official species name is Alaska pollock thus packaging on Russian pollock could read "MSC certified Alaska pollock." Furthermore, [the Russian fleet] does not have observer coverage, a plan to reduce bycatch, or worker safety rules, and operates in a less competitive situation.

11:42:38 AM

MR. FICK advised the current situation is that retailers are more accepting of the FAO-based Responsible Fisheries Management Certification. He explained that the reason other

certifications seek to usurp the Alaska brand is because Alaska Seafood is the second most commonly specified brand on U.S. menus, second only to Angus beef. Slides 27 through 58 illustrated many marketing promotions through cafes and quick service restaurants, and some of the many merchandising materials available to the food service industry. The institute also offers consumer research to every major retailer and has materials available at the point of sale and on the retailers' web sites. Other marketing efforts include educational programs, events at universities, menus, chef seminars, trade advertising, consumer media relations, crisis communications, global food aid, food photography, and international activities in 21 countries. Mr. Fick concluded that ASMI is in the news and in the industry news, and he feels ASMI's future is bright.

[11:48:01 AM](#)

HCR 1-STATE FOOD RESOURCE DEVELOPMENT GROUP

[11:48:05 AM](#)

CHAIR HUGHES announced that the final order of business would be HOUSE CONCURRENT RESOLUTION NO. 1, Relating to the establishment and operation of a state food resource development working group.

[11:48:42 AM](#)

REPRESENTATIVE BILL STOLTZE, Alaska State Legislature, informed the committee he is introducing HCR 1 in order to integrate the resources within existing departments and agencies thereby improving support for agriculture - and food policy in general - through better coordination of services. The resolution pinpoints the departments, agencies, and groups that have a role in agriculture from the Department of Health and Social Services (DHSS) which administers Women, Infants, and Children (WIC) food and nutrition programs, to the Department of Corrections (DOC), which makes many agricultural purchases. In fact, efforts by Representative Stoltze, other legislators, farmers, and wholesalers have been successful in increasing DOC's purchases of local agricultural products from \$32,000 in FY 08 to \$113,000 in FY 11. House Concurrent Resolution 1 seeks for all departments, agencies and the University of Alaska (UA) to be more proactive in promoting and utilizing agriculture in Alaska. Last year's capital budget included an appropriation for the Department of Commerce, Community & Economic Development (DCCED) to approve Alaska Grown, Alaska Wild Seafood, and Alaska

Husbandry products. He noted two previously successful programs: the promotion of vegetables and the salmon supplied to the Galena City School District by Kaltag Fisheries. Representative Stoltze advised the resolution has wide support.

[11:52:56 AM](#)

CHAIR HUGHES asked how the resolution will "fill a gap that the [Alaska] Food Policy Council isn't currently filling?"

REPRESENTATIVE STOLTZE said the council is a private group which agrees that Alaska needs a better food policy. Although the resolution is as inclusive as possible, the administration will have to invite participants. In further response to Chair Hughes' question on the membership of the group, he expressed his belief that for the resolution to be successful, the administration will have to agree [to the membership], therefore, for the resolution to set out the membership of the group would have been counterproductive.

REPRESENTATIVE HUGHES noted the resolution brings eight departments and UA together so it will potentially have impact across the state.

REPRESENTATIVE STOLTZE stated he was open to incorporating good ideas into HCR 1.

[11:56:04 AM](#)

REPRESENTATIVE DRUMMOND stated her interest in the resolution, noting her urban district includes "enormously successful" farmers markets stocked with products from other districts. She has heard that Alaska produces less than 5 percent of the food that is consumed in the state, and said she supports any way to increase that.

CHAIR HUGHES recalled in the 1950s Alaska produced 50 percent of the food consumed.

REPRESENTATIVE STOLTZE surmised that Alaska has been a victim of efficiencies and better transportation.

REPRESENTATIVE DRUMMOND observed the Anchorage School District has a large food service facility that serves 20,000 students each school day. She opined school food service facilities should be utilized each non-school day to process food and support community and state programs such as WIC.

CHAIR HUGHES expressed her belief that part of what the working group authorized by HCR 1 will address is recommendations regarding similar opportunities.

[11:59:27 AM](#)

REPRESENTATIVE STOLTZE agreed.

CHAIR HUGHES reminded the committee that the nutritional value of food declines with time after harvest. She invited public testimony.

[12:00:15 PM](#)

KEVIN BRENNAN, Executive Director, Kodiak Regional Aquaculture Association, stated his support for the resolution, saying that it is a good move for the state. The Kodiak Regional Aquaculture Association is one of seven regional corporations that run salmon hatcheries and perform salmon enhancement projects across the state along with many non-regional, private, nonprofit salmon hatchery systems. He advised that hatchery production salmon account for about 30 percent of the statewide salmon harvest. The association seeks to encourage action by the state to help with food security and food resources. Unfortunately, many view salmon hatchery systems as commercial fishery-driven and profit based; however, hatcheries have expanded their roles to support food security. The United Nations Food and Agriculture Organization (FAO) has identified fish as a single food that can be used to address all aspects of world malnutrition. Hatcheries produce fish for the commercial fishery, subsistence, personal-use, and sport fisheries as well. Mr. Brennan gave an example of a hatchery that stocked sockeye into a barren lake and provided a source of food for the local community. Sport fish programs along the road system produce for local use and support tourism. The association board of directors passed a resolution in 2012 that read in part:

We acknowledge our role as a food producer and commit to working in a collaborative multi-disciplinary manner to address the issues and challenges of food security at a local, regional, and global level ...

[12:05:37 PM](#)

BRYCE WRIGLEY, President, Alaska Farm Bureau, encouraged the adoption and implementation of HCR 1. He cautioned that food

security in Alaska is subject to disruptions of its transportation system such as the closure of the highway last summer; the only way for Alaska to become more food secure is to produce a greater amount of food within the state. Mr. Wrigley expressed his appreciation that the resolution brings many diverse agencies together in order to resolve the problem of food security.

[12:07:54 PM](#)

REX WRIGLEY agreed with the previous speaker and expressed his support of HCR 1.

[12:08:24 PM](#)

DEAN HAMBURG, Chair, Public Policy & Legislation, Alaska School Nutrition Association, and the administrator for the U.S. Department of Agriculture National School Meal Program, Kenai School District, expressed the association's support of HCR 1 because it is a step toward improved food security for Alaska families. Efforts to support locally sourced and processed foods are best for kids and adults. Those responsible for providing school meals to the 43 percent of Alaskan families who qualify for free and reduced school meals are challenged by the need to source foods from outside Alaska, and welcome HCR 1 as a positive step towards bringing quality foods and increased quantities of Alaska foods to the Alaskan children served by school meal programs.

[12:10:52 PM](#)

KATE VEH, speaking on her own behalf, expressed her support of HCR 1. She said her community is excited about local foods and the government should support the public.

[12:11:49 PM](#)

KYRA WAGNER, speaking on her own behalf, informed the committee she is involved with the cooperative extension state advisory board, the local food workgroup of the Alaska Food Policy Council, the Homer farmers market, and growers who are using the USDA High Tunnel Grants for Organic Farmers. Her community is networking to identify local food systems and it is apparent there is a need to expand small scale production and distribution. Ms. Wagner said the resolution creates a point of contact for information and an infrastructure for collaboration between state agencies.

[12:14:23 PM](#)

LARRY DEVILBISS, Mayor, Matanuska-Susitna (Mat-Su) Borough, said he is a farmer and the former director of the Division of Agriculture, Department of Natural Resources, who has been involved in the farming industry since childhood. He recognizes the frustration felt by Alaska farmers who cannot market their products; for example, Alaska has long held the capacity to saturate the potato market, yet farmers are unable to market to state agencies such as the Department of Corrections - even after the passage of Alaska-preference legislation. Although the marketing of carrots has been successful for 15 years, "the state agencies are the hardest ones to get products into." As mayor, Mr. Devilbiss seeks to increase the percentage of locally-produced foods because the creation of ready markets will encourage the next generation of farmers.

[12:18:27 PM](#)

TAFFINA KATKUS said she was a consultant representing agriculture for the Mat-Su Borough and a raspberry farmer. She expressed her support for HCR 1, pointing out the importance of working together to make Alaska self-reliant. Farmers are unsung heroes - without whom we could not get by - because they provide food. From her experience she has learned that solutions and answers come from many people and she has high expectations that the working group created by the resolution will look at the environmental impacts that are a major factor in economic expansion, and that the legislature will study policies affecting entrepreneurs. Ms. Katkus stated that farmers in the borough are producing more than one-half of the state's local production of crops and meat and repeated her support for the resolution.

[12:22:41 PM](#)

DELENA JOHNSON, Mayor, City of Palmer, expressed her support for HCR 1 which holds a vision to address the needs of all Alaskans. The issue of food is universal and nonpartisan thus this subject deserves the collaborative effort requested by the resolution. Palmer has a 100-year history of agriculture in the region, but agriculture has had a place in Sitka and Kodiak even longer; this is a statewide issue and applies to everyone throughout the state. Ms. Johnson stressed that farmers are hardworking and government should work as hard. In fact, federal, state, and local governments put up a lot of hurdles to farming and

legislation can help. She encouraged the governor to study this issue closely, and pointed out that tourists are also interested in Alaska farming.

[12:26:43 PM](#)

DANNY CONSENSTEIN, State Executive Director, U.S. Department of Agriculture (USDA), Farm Service Agency for Alaska, and a member of the governing board, Alaska Food Policy Council, said he is in strong support of HCR 1. He agreed that importing 95 percent of the food consumed in Alaska creates vulnerabilities; however, there is also a health issue when citizens do not have access to local and fresh food leading to obesity, diabetes, and heart disease. The broken food system also limits economic opportunities for local workers because of "hemorrhaging all of our food dollars to the Lower 48." Mr. Consenstein pointed out the resolution recognizes the problem and proposes that the first step toward a solution is the coordination of state agencies. Federal and local jurisdictions such as USDA are also trying to improve by the coordination of their agencies. He relayed that the food policy council will be forwarding policy recommendations to the legislature regarding improvements the state can make in infrastructure, training opportunities, procurement, and marketing.

[12:31:19 PM](#)

MARY SULLIVAN, Director, Department of Advocacy and Agency, Anchorage Food Bank of Alaska, stated her organization's strong support for HCR 1, saying improved coordination is a necessary and viable answer to hunger problems and food security issues in the state. She informed the committee that the food bank and other anti-hunger advocates agree that this is a good resolution.

[12:32:24 PM](#)

JOE BALASH, Deputy Commissioner, Office of the Commissioner, Department of Natural Resources (DNR), stated that DNR - as one of the named agencies in the resolution - offers its support for HCR 1 and looks forward to working for this effort.

[12:33:02 PM](#)

DARREN SNYDER, 4-H Youth & Development and Agriculture/Horticulture Agent, Southeast District, Cooperative Extension Service, University of Fairbanks, University of

Alaska, and a governing board member of the Alaska Food Policy Council, expressed his strong support for HCR 1. He said the resolution recognizes the importance to all Alaskans of developing a strong and secure food system that provides jobs, healthy communities, food for the hungry, and a secure food supply chain. Over 130 representatives have joined the Alaska Food Policy Council because of challenges such as food dollars that could stay in Alaska and create jobs; health concerns for disease and contaminated food; and the high cost of food. The vision of the council is for a healthy and secure food system that feeds all Alaskans, and its mission is to improve the food system for the benefit of all Alaskans. Initiated in 2010, the council is an independent organization that is open to anyone and is working to connect people from different areas of the food system, focus attention on the problems of the food system, and elevate policy to strengthen the food system. Members work to strengthen the local agriculture and fisheries product preference statute and to increase state agencies' purchase of Alaska agricultural and fish products, and have collaborated to pilot-test the Alaska Farmers' Market-Quest Card program. Goals of the council's 2012-2015 strategic plan are: all Alaskans have access to affordable, healthy, local foods; Alaska's food-related industries have a strong workforce; the food is safe and supplies are secure; the food system is sustainable; and that Alaskans are engaged in their food system. Mr. Snyder expressed the council's appreciation for the legislature's support and encouraged the governor to establish a state food resource development working group.

[12:37:13 PM](#)

JIM SACKETT, CEO and President, Toghoththele Corporation, informed the committee Toghoththele Corporation is the Alaska Native village corporation of Nenana. He expressed the corporation's support of HCR 1 and requested an amendment which read:

Following the words, "to work collaboratively with Alaska Native regional corporations" insert "and village corporations"

MR. SACKETT explained that the regional corporations own the sub-surface estate, but village corporations own the surface estate where the food is actually grown. He noted that the rising cost of energy will affect the cost of transportation and growing food locally will become even more important. He pointed out that Nenana is geographically located in the center

of the state with a highway, railroad, and barge system to move food to the western cities.

[12:38:55 PM](#)

MIKE O'HARE, Deputy Director, Division of Homeland Security/Emergency Management, Department of Military & Veterans' Affairs stated that his division is one of the named agencies in the resolution that would be required to coordinate with others to provide food reassurance and the utilization of domestically grown and harvested food. He assured the committee the division does incorporate locally grown and harvested food resources in its catastrophic food assurance plan.

[12:40:06 PM](#)

CHAIR HUGHES closed public testimony.

[12:40:21 PM](#)

REPRESENTATIVE HERRON moved Conceptual Amendment 1 which read:

On page 5, line 9, following "Alaska Native regional"
insert "and village"

[12:40:44 PM](#)

CHAIR HUGHES objected for the purpose of discussion.

[12:41:03 PM](#)

REPRESENTATIVE HERRON observed that village corporations have the surface rights in their respective jurisdictions and this is an appropriate amendment to the resolution.

[12:41:09 PM](#)

REPRESENTATIVE STOLTZE spoke in support of the amendment.

[12:42:14 PM](#)

CHAIR HUGHES removed her objection. There being no further objection, Conceptual Amendment 1 was adopted.

[12:43:09 PM](#)

[HCR 1 was held over.]

12:43:28 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Economic Development, Trade and Tourism meeting was adjourned at [12:43] p.m.