

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

February 14, 2024

1:28 p.m.

**MEMBERS PRESENT**

Representative Tom McKay, Chair  
Representative George Rauscher, Vice Chair  
Representative Thomas Baker  
Representative Kevin McCabe  
Representative Dan Saddler  
Representative Jennie Armstrong  
Representative Donna Mears  
Representative Maxine Dibert

**MEMBERS ABSENT**

Representative Stanley Wright

**OTHER LEGISLATORS PRESENT**

Senator Shelley Hughes  
Representative Andrew Gray

**COMMITTEE CALENDAR**

HOUSE BILL NO. 296

"An Act relating to the powers of the board of agriculture and conservation; relating to loans and limitations under the Alaska Agricultural Loan Act; relating to federal crop insurance contributions; relating to municipal and state procurement preferences for agricultural products harvested in the state and fisheries products harvested or processed in the state; and providing for an effective date."

- HEARD & HELD

PRESENTATION(S): ALASKA FOOD STRATEGY TASK FORCE

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 296

SHORT TITLE: AGRICULTURAL PRODUCTS/LOANS/SALES

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/26/24 (H) READ THE FIRST TIME - REFERRALS  
01/26/24 (H) RES  
02/12/24 (H) RES AT 1:00 PM BARNES 124  
02/12/24 (H) Heard & Held  
02/12/24 (H) MINUTE (RES)  
02/14/24 (H) RES AT 1:00 PM BARNES 124

**WITNESS REGISTER**

SCOTT MUGRAGE, President  
Alaska Farm Bureau  
Owner

Mugrage Hay & Cattle  
Delta Junction, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 296 to recommended changes needed.

ROBBI MIXON, Executive Director  
Alaska Food Policy Council  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of HB 296.

SHANNON CARROLL, Director  
Alaska Public Affairs and Fisheries Development  
Trident Seafoods  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 296.

BEN ADAMS, representing self  
Soldotna, Alaska

**POSITION STATEMENT:** Testified in support of HB 296.

NICK MANGINI, Kelp Farmer  
Kodiak Island Sustainable Seaweed  
Kodiak, Alaska

**POSITION STATEMENT:** Testified in support of HB 296.

SENATOR SHELLEY HUGHES  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided a PowerPoint presentation, titled "Year One Report Review Recommendations From Research to Implementation."

MIKE JONES, PhD, Assistant Professor  
Institute of Social and Economic Research

University of Alaska Anchorage  
Member  
Alaska Food Strategy Task Force  
Anchorage, Alaska

**POSITION STATEMENT:** Provided a PowerPoint presentation, titled "Year One Report Review Recommendations From Research to Implementation."

JODIE ANDERSON, Project Manager and Task Force Liaison  
Alaska Food Security & Independence Task Force  
Director  
Institute of Agriculture, Natural Resources, and Extension  
University of Alaska Fairbanks  
Fairbanks, Alaska

**POSITION STATEMENT:** Provided a PowerPoint presentation, titled "Year One Report Review Recommendations From Research to Implementation."

AMY SEITZ, Executive Director  
Alaska Farm Bureau  
Soldotna, Alaska

**POSITION STATEMENT:** Provided invited testimony during the Alaska Food Security presentation.

SCOTT MUGRAGE, President  
Alaska Farm Bureau  
Owner

Mugrage Hay & Cattle  
Delta Junction, Alaska

**POSITION STATEMENT:** Provided invited testimony during the Alaska Food Security presentation.

ASPEN O'CONNOR, Farmer  
Crooked Fence Farm  
Butte, Alaska

**POSITION STATEMENT:** Provided invited testimony during the Alaska Food Security presentation.

COLIN PEACOCK, Co-director  
Regional Food Business Center  
Alaska Food Policy Council  
Salt and Soil Marketplace  
Juneau, Alaska

**POSITION STATEMENT:** Provided invited testimony during the Alaska Food Security presentation.

#### **ACTION NARRATIVE**

[1:28:42 PM](#)

CHAIR MCKAY called the House Resources Standing Committee meeting to order at 1:28 p.m. Representatives Saddler, Baker, Rauscher, McCabe, Dibert, Armstrong, Mears, and McKay were present at the call to order.

**HB 296-AGRICULTURAL PRODUCTS/LOANS/SALES**

[1:30:03 PM](#)

CHAIR MCKAY announced that the first order of business would be HOUSE BILL NO. 296, "An Act relating to the powers of the board of agriculture and conservation; relating to loans and limitations under the Alaska Agricultural Loan Act; relating to federal crop insurance contributions; relating to municipal and state procurement preferences for agricultural products harvested in the state and fisheries products harvested or processed in the state; and providing for an effective date."

[1:30:19 PM](#)

CHAIR MCKAY opened public testimony on HB 296.

[1:30:34 PM](#)

SCOTT MUGRAGE, President, Alaska Farm Bureau, Owner, Mugrage Hay & Cattle, offered his support for HB 296 but expressed concern about the crop insurance portion of the bill, which focused primarily on the grain production in Alaska. He alluded to an expansion of federal crop insurance for specialty crops that fit the state more broadly and said he wished to see a segway of this being included in the bill. He noted his other concern was with the product preference portion of the bill and opined it still needed more work. He further noted that the price of Alaska-grown products is problematic. There needed to be a connection between wholesalers and farmers, he advised, and negotiations need to transpire. He pointed out that the pilot project was for five years and expressed that he thought the timeframe was too short.

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REPRESENTATIVE RAUSCHER referenced the five-year time frame and asked Mr. Mugrage if he had a suggestion.

MR. MUGRAGE recommended a seven- to ten-year range.

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REPRESENTATIVE SADDLER asked Mr. Mugrage for his opinion on the percentage of the product preference having a 7 percent cap.

MR. MUGRAGE opined that there was actually 15 percent for individual crops. He stated he was in agreement with having a cap.

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CHAIR MCKAY acknowledged the hard work of those farming Alaska land.

[1:39:07 PM](#)

The committee took a brief at-ease at 1:39 p.m.

[1:39:15 PM](#)

ROBBI MIXON, Executive Director, Alaska Food Policy Council, testified in support of HB 296 but offered recommendations to make it stronger so it could work better for the state's farmers. Areas of concern were loan eligibility, crop insurance, and the Division of Agriculture to explore ways to engage the Board of Agriculture and Conservation as necessary to increase participation in decision-making. She recommended delaying procurement until July 2025 and expressed her support for the committee's efforts.

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SHANNON CARROLL, Director, Alaska Public Affairs and Fisheries Development, Trident Seafoods, testified in support of HB 296 and expressed that the company was aligned with the bill's intent. He noted 2023 was a challenging year for the fishing industry and he appreciated the governor introducing the bill. He pointed out how the proposed legislation could improve many areas in the fishing industry and communities.

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REPRESENTATIVE MEARS referred to testimony about delayed implementation of the procurement section, and asked Mr. Carroll whether it would affect him.

MR. CARROLL replied that he did not have any recommendations for changes in the bill.

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BEN ADAMS, representing self, related that he was a farmer and a rancher, and for the last 25 years, a licensed attorney. He noted his disbelief at obstacles placed on him as a farmer. He said he was supportive of the bill but pointed out Sections 17 and 18 expressed concern regarding a confusing conflict related to procurement. He said it may be clear to those who drafted it, but he was unsure what it meant. He stressed that Section 18 mentioned a "preference" and he wished for clarification on the meaning. He emphasized the expense of caring for his cattle, especially during the winter. He said he was thankful that the legislature was taking food security more seriously.

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REPRESENTATIVE SADDLER ventured to add clarity to Mr. Adams concerns. He said Section 17 takes effect in 2024, and Section 18 would take effect in 2029, and no cap would be there for five years; however, he could not speak for the [bill] sponsor.

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REPRESENTATIVE MEARS clarified that the language reverted back to the original HB 296.

[1:52:07 PM](#)

NICK MANGINI, Kelp Farmer, Kodiak Island Sustainable Seaweed, offered his support for HB 296 because mariculture in general slows ocean acidification, filtration, and warming of the waters. He noted the ways the bill could help in several areas, including university studies, bio-stimulants, and the dependence on kelp. He encouraged the passing of HB 296.

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CHAIR MCKAY, after ascertaining no one else wished to testify, closed public testimony on HB 296.

CHAIR MCKAY announced that HB 296 was held over.

**PRESENTATION(S) : ALASKA FOOD STRATEGY TASK FORCE**

[1:54:28 PM](#)

CHAIR MCKAY announced that the final order of business would be the Alaska Food Strategy Task Force presentation.

[1:54:54 PM](#)

SENATOR SHELLEY HUGHES, Alaska State Legislature, introduced a PowerPoint presentation, titled "Year One Report Review Recommendations From Research to Implementation" [hard copy included in the committee packet].

[1:56:31 PM](#)

MIKE JONES, PhD, Assistant Professor, Institute of Social and Economic Research, University of Alaska Anchorage; Member, Alaska Food Strategy Task Force, Introduced strategies and recommendations from the Alaska Food Security Task Force.

[1:57:12 PM](#)

JODIE ANDERSON, Project Manager and Task Force Liaison, Alaska Food Security & Independence Task Force; Director, Institute of Agriculture, Natural Resources, and Extension, University of Alaska Fairbanks, provided some background information on the formation of the Alaska Food Strategy Task Force.

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DR. JONES provided an overview of the Alaska Food Strategy Task Force Report and mentioned that the task force is guided by a diverse executive board and has members from across the state including university faculty, commissioners, deputy commissioners, farmers, rural grocers, and other food leaders.

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SENATOR HUGHES mentioned that the legislative task force was created in statute with no funding. She noted the involvement of individuals has been voluntary.

[2:01:18 PM](#)

DR. JONES noted the top five priorities of the agriculture committee. He mentioned new data from the National Agriculture Statistics Service from the U.S. Department of Agriculture

(USDA) that reported that there are 1,172 farmers in Alaska with annual sales of agricultural products over \$1,000. Alaska is one of the only states in the country where the number of farmers is increasing. There is difficulty among farmers accessing markets within the state. Support for farmers can be sought through an upgrade of the Division of Agriculture to a Department of Agriculture, expanding land options for agriculture producers, reducing tax burdens, and increasing critical access to capital for farmers. To boost marketing support, the task force would like to establish an Alaska Grown Marketing Institute to build on the successful components of the Alaska Seafood Marketing Institute. By adding a technical assistance officer position, dedicated support can be put forth to funneling federal support dollars. The committee recommends expanding the Agriculture Revolving Loan fund. The committee wants to work with grocery stores to source seasonal produce in new ways.

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DR. JONES made note of the complicated supply chains within Alaska. He highlighted critical maritime and aviation infrastructure. In 2022 there were 360,000 servings of fresh fruits and vegetables that were rotten upon arrival to stores. About 95 percent of the food purchased in Alaska comes from outside the state. He encouraged approaching food security using a systems-based approach

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SENATOR HUGHES made note of the 18 recommendations that were put forth by the task force that are within the domain of the committee. The current Alaska Meat Inspection Service is not at capacity due to a lack of adequate workforce and funding. The legislature can fund logistics research. She discussed bills that have been proposed that could benefit Alaska's food security including expanding tax exemptions for farmers, allowing the purchase of meat shares, expanding the cottage food industry, allowing non-agricultural uses to support agriculture development on agricultural land and Expanding Agriculture Revolving Loan Fund.

[2:16:37 PM](#)

CHAIR MCKAY recognized Representative Gray was present in the gallery.

[2:16:41 PM](#)

SENATOR HUGHES said that 7 of the 18 task force recommendations have yet to be put forth in proposed legislation, which may be included in amendments or new bills. She emphasized the importance of robust agriculture research for farmers in the state.

[2:19:32 PM](#)

MS. ANDERSON reported that in response to recommendations from the food security task force, research advancements are underway for a livestock nutrition research program at the University of Alaska Fairbanks and through capital funding. This research will help to develop the necessary livestock feed in Alaska to reduce the reliance on expensive imported feed.

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SENATOR HUGHES made note of the viability of camelina as a commercial crop in Alaska. Capital infusion of funds is needed to decrease rural hub food loss through climate-controlled storage. Extending the rail system to Pt. MacKenzie would help to move food further throughout the state. There is a recommendation from the task force to raise the workers' comp requirement for agricultural producers. Another recommendation is to allow hemp in statute as feed for livestock. To show support to farmers, farm vehicle registration could be established at a lower rate than a commercial vehicle registration. She explained that there is tremendous public support for food security.

[2:26:14 PM](#)

MS. ANDERSON, in response to Representative McCabe, said that a resource for an inexpensive, freight-moved, soil amendment like potash is needed to benefit the agricultural industry. She explained that the Plant Materials Center at the Division of Agriculture could study hemp for its insulation qualities. The university system could collaborate with the Division of Agriculture to study hemp as a nutrition source for livestock.

[2:29:24 PM](#)

SENATOR HUGHES clarified that federal regulation makes it impossible for the university to study hemp until the 2024 Farm Bill is passed at the federal level. The Division of

Agriculture reported that because of uncertainty at the federal level, there has been hesitation to plant hemp in Alaska.

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DR. JONES affirmed that the task force has had conversations with federal agencies about food supply chains and aviation infrastructure friction. Broadband is a major issue for food security and could be solved with federal dollars. There are nuances about where funding can come from and who can receive funding for cold storage.

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REPRESENTATIVE MCCABE urged the task force to speak with the Federal Aviation Administration about updating communication technology and weather stations.

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SENATOR HUGHES referred to the white paper [included in the committee packet], which provides the recommendations that the Office of the State Veterinarian be transferred from the Department of Environmental Conservation to the Division of Agriculture. The task force report was not designed to collect dust and provides action items to keep up momentum to tackle the food security crisis in Alaska.

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DR. JONES, in response to Representative Baker, explained issues in Kotzebue, Alaska, including difficulties collaborating with the postal service to inspect by-passed mail.

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AMY SEITZ, Executive Director, Alaska Farm Bureau, thanked the committee for its interest and attention in food production during food security week. She introduced representatives from Alaska's food system.

[2:47:58 PM](#)

SCOTT MUGRAGE, President, Alaska Farm Bureau; Owner, Mugrage Hay & Cattle, mentioned that Alaska has lots of untapped potential for livestock opportunities. He encouraged the committee to "do it right the first time" and discourage foreign entities and

large corporations from profiting from farm operations in Alaska. In response to Representative McCabe, said that cattle and processed beef could be moved across the state using a variety of transportation options. Grass fed Alaska beef could be big enough for exports if automated slaughter facilities and transportation infrastructure were available. He noted the bottleneck due to labor. There is export potential to Asian markets.

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ASPEN O'CONNOR, Farmer, Crooked Fence Farm, described her family's farm outside of Palmer and emphasized the importance of educating the youth about farming. She is 12 years old and supports creating a Department of Agriculture that would house the Future Farmers of America. This would ensure that students remain connected to food and learn skills to build future farms in Alaska. She described how critical food security is for Alaska's future.

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COLIN PEACOCK, Co-director, Regional Food Business Center, Alaska Food Policy Council, Salt and Soil Marketplace, discussed challenges faced by farmers who attempt to enter their products into grocery stores. He suggested a mandate or request from the governor to potentially increase local foods on grocery shelves. He recommended funding agricultural research and creating a Department of Agriculture. Marketing for agriculture in Alaska is essential to grow the business of local farmers.

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CHAIR MCKAY provided closing remarks.

[2:59:47 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:00 p.m.