

**ALASKA STATE LEGISLATURE**  
**SENATE RESOURCES STANDING COMMITTEE**

February 14, 2024

3:30 p.m.

**MEMBERS PRESENT**

Senator Click Bishop, Co-Chair  
Senator Cathy Giessel, Co-Chair  
Senator Bill Wielechowski, Vice Chair  
Senator Scott Kawasaki  
Senator James Kaufman  
Senator Forrest Dunbar

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Senator Kelly Merrick

**COMMITTEE CALENDAR**

SENATE BILL NO. 118

"An Act relating to critical and essential minerals and the global energy transition."

- MOVED SB 118 OUT OF COMMITTEE

SPECIAL SENATE CONCURRENT RESOLUTION (SSRC) NO. 1  
Disapproving EO 124.

- MOVED SSCR 1 OUT OF COMMITTEE

SPECIAL SENATE CONCURRENT RESOLUTION (SSRC) NO. 3  
Disapproving EO 126.

- MOVED SSCR 3 OUT OF COMMITTEE

SPECIAL SENATE CONCURRENT RESOLUTION (SSRC) NO. 9  
Disapproving EO 132.

- MOVED SSCR 9 OUT OF COMMITTEE

SPECIAL SENATE CONCURRENT RESOLUTION (SSRC) NO. 11

Disapproving EO 134.

- MOVED SSCR 9 OUT OF COMMITTEE

PRESENTATION: ALASKA FOOD STRATEGY TASK FORCE'S YEAR ONE REPORT  
REVIEW RECOMMENDATIONS

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 118

SHORT TITLE: CRITICAL NATURAL RESOURCES; REPORTS

SPONSOR(s): SENATOR(s) MERRICK

03/29/23	(S)	READ THE FIRST TIME - REFERRALS
03/29/23	(S)	RES
02/02/24	(S)	RES AT 3:30 PM BUTROVICH 205
02/02/24	(S)	Heard & Held
02/02/24	(S)	MINUTE(RES)
02/12/24	(S)	RES AT 3:30 PM BUTROVICH 205
02/12/24	(S)	Heard & Held
02/12/24	(S)	MINUTE(RES)
02/14/24	(S)	RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

SENATOR SHELLY HUGHES, District M  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented the Year One Report Review  
Recommendations.

MICHAEL JONES, Research Assistant Professor of Economics  
Institute of Social and Economic Research (ISER)  
University of Alaska Anchorage (UAA)  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented the Year One Report Review  
Recommendations.

JODIE ANDERSON, Director  
Institute of Agriculture, Natural Resources,  
and Extension (IANRE)  
University of Alaska Fairbanks (UAF)  
Fairbanks, Alaska

**POSITION STATEMENT:** Provided information on food security.

AMY SEITZ, Executive Director  
Alaska Farm Bureau  
Soldotna, Alaska

**POSITION STATEMENT:** Briefly spoke to Alaska's food system.

SCOTT MUGRAGE, President  
Alaska Farm Bureau  
Ridgeway, Alaska

**POSITION STATEMENT:** Provided information about the farming industry.

ASPEN O'CONNOR, Youth Farmer  
Cricket Fence Farm  
Palmer, Alaska

**POSITION STATEMENT:** Spoke to the future generation of farmers.

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

**POSITION STATEMENT:** Provided information on the mariculture industry.

COLIN PEACOCK, Co-Director  
Alaska Food Policy Council Regional Food Business Center  
Homer, Alaska

**POSITION STATEMENT:** Briefly spoke to food security and marketing.

#### **ACTION NARRATIVE**

[3:30:29 PM](#)

**CO-CHAIR CATHY GIESSEL** called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Wielechowski, Kawasaki, Claman, Kaufman, Dunbar, Co-Chair Bishop, and Co-Chair Giessel.

#### **SB 118-CRITICAL NATURAL RESOURCES; REPORTS**

[3:31:25 PM](#)

**CO-CHAIR GIESSEL** announced the consideration of SENATE BILL NO. 118 "An Act relating to critical and essential minerals and the global energy transition."

3:31:43 PM

**CO-CHAIR GIESSEL** solicited a motion.

[3:31:48 PM](#)

CO-CHAIR BISHOP moved to report SB 118, work order 33-LS0076\A, from committee with individual recommendations and attached fiscal note(s).

[3:32:05 PM](#)

CO-CHAIR GIESSEL found no objection and SB 118, work order 33-LS006\A, was reported from the Senate Resources Standing Committee.

**SSRC 1 DISAPPROVE EO 124**

[3:32:22 PM](#)

CO-CHAIR GIESSEL reminded members that the governor has the authority through the Alaska Constitution to make changes to the organization and some functions in the executive branch unless the legislature disapproves those changes through a resolution.

[3:33:09 PM](#)

CO-CHAIR GIESSEL announced the consideration of SENATE SPECIAL CONCURRENT RESOLUTION NO. 1 Disapproving Executive Order No. 124, which would prohibit by regulation live capture, possession, transport, or release, of native/exotic game or eggs.

[3:33:33 PM](#)

CO-CHAIR GIESSEL solicited a motion.

[3:33:40 PM](#)

CO-CHAIR BISHOP moved EO 124 be reported from committee, and SSCR 1, work order 33-LS1331\A, with individual recommendations and attached fiscal note(s) be reported from committee for further consideration in the Senate.

[3:34:22 PM](#)

CO-CHAIR GIESSEL found no objection and EO 124 and SSCR 1 were reported from the Senate Resources Standing Committee. For the record this report does not reflect an intent by any of the members to vote for or against a special concurrent resolution disapproving this Executive Order in joint session.

**SSCR 3-DISAPPROVE EO 126**

[3:34:55 PM](#)

CO-CHAIR GIESSEL announced the consideration of SENATE SPECIAL CONCURRENT RESOLUTION NO. 3 Disapproving Executive Order No. 126, which would eliminate the Wood-Tikchik State Park Council.

[3:35:11 PM](#)

CO-CHAIR GIESSEL solicited a motion.

[3:35:15 PM](#)

CO-CHAIR BISHOP moved EO 126 be reported from committee, and SSCR 3, work order 33-LS1337\A, with individual recommendations and attached fiscal note(s) be reported from committee for further consideration in the Senate.

[3:35:50 PM](#)

CO-CHAIR GIESSEL found no objection and EO 126 and SSCR 3, work order 33-LS1337\A, were reported from the Senate Resources Standing Committee. For the record this report does not reflect an intent by any of the members to vote for or against a special concurrent resolution disapproving this Executive Order in joint session.

**SSCR 9-DISAPPROVE EO 132**

[3:36:18 PM](#)

CO-CHAIR GIESSEL announced the consideration of SENATE SPECIAL CONCURRENT RESOLUTION NO. 9 Disapproving Executive Order No. 132, which would eliminate the Alaska Chilkat Preserve Advisory Council.

3:36:37 PM

CO-CHAIR GIESSEL solicited a motion.

[3:36:42 PM](#)

CO-CHAIR BISHOP moved EO 132 be reported from committee, and SSCR 9, work order 33-LS1339\A, with individual recommendations and attached fiscal note(s) be reported from committee for further consideration in the Senate.

[3:37:12 PM](#)

CO-CHAIR GIESSEL found no objection and EO 132 and SSCR 9, work order 33-LS1339\A, were reported from the Senate Resources Standing Committee.

**SSCR 11-DISAPPROVE EO 134**

[3:37:39 PM](#)

CO-CHAIR GIESSEL announced the consideration of SENATE SPECIAL CONCURRENT RESOLUTION NO. 11 Disapproving Executive Order No. 134, which would eliminate the Recreational Rivers Advisory Board.

[3:37:56 PM](#)

CO-CHAIR GIESSEL solicited a motion.

[3:37:58 PM](#)

CO-CHAIR BISHOP moved EO 134 be reported from committee, and SSCR 11, work order 33-LS1341\A, with individual recommendations and attached fiscal note(s) be reported from committee for further consideration in the Senate.

[3:38:27 PM](#)

At ease

[3:38:39 PM](#)

CO-CHAIR GIESSEL reconvened the meeting.

[3:38:51 PM](#)

CO-CHAIR GIESSEL found no objection and EO 134 and SSCR 11, work order 33-LS1341\A, were reported from the Senate Resources Standing Committee. For the record this report does not reflect an intent by any of the members to vote for or against a special concurrent resolution disapproving this Executive Order in joint session.

[3:39:18 PM](#)

At ease

**OVERVIEW: ALASKA FOOD STRATEGY TASK FORCE'S YEAR ONE REPORT**  
**REVIEW RECOMMENDATIONS**

[3:46:20 PM](#)

CO-CHAIR GIESSEL reconvened the meeting and announced the consideration of an overview of Alaska Food Strategy Task Force's Year One Report Review Recommendations.

[3:47:18 PM](#)

SENATOR SHELLY HUGHES, District M, Alaska State Legislature, Juneau, Alaska, introduced herself and others. She explained how they would deliver the presentation. The committee will discuss unique issues and challenges that Alaska faces in having a stable food supply.

[3:48:05 PM](#)

MICHAEL JONES, Research Assistant Professor of Economics, Institute of Social and Economic Research (ISER), University of Alaska, Anchorage, Alaska, moved to slide 2 and provided a brief outline of the report. He said he was selected to represent and speak on behalf of the 36-member Food Strategy Task Force.

[3:49:00 PM](#)

JODIE ANDERSON, Director, Institute of Agriculture, Natural Resources, and Extension, University of Alaska Fairbanks (UAF), provided information on food security. She noted that the Alaska Food Security and Independence Task Force existed prior to the current task force. UAF was tasked with developing the report and worked alongside the Alaska Food Policy Council and experts across the system. Recommendations from the original report are the foundation for how members move forward in the legislative task force.

[3:50:37 PM](#)

MR. JONES moved to slide 5 and listed the four main components of the legislative intent:

[Original punctuation provided.]

**Task Force Report Overview**

**Legislative Intent (2023-2025)**

- 1) Improve food security statewide
- 2) develop comprehensive food strategy
- 3) strengthen diverse food systems
- 4) grow local food economies across state

[3:50:57 PM](#)

MR. JONES moved to slide 6 and shared task force goals that are split by year:

[Original punctuation provided.]

**Task Force Report Overview**

**2023 Focus:**

- 1) Sustainably growing agriculture industry
- 2) Sustainably growing markets for local products (grown, harvested & processed
- 3) Improving transportation and infrastructure to transfer and deliver food

**2024 Focus:**

- 1) Enhancing climate for food & beverage processing/distribution businesses

- 2) Minimizing food waste & diverting from waste stream
- 3) Improving connectivity, efficiencies, & outcomes in state-run programs
- 4) Ensuring food security in all communities on & off main road system

[3:51:24 PM](#)

MR. JONES moved to slides 7 through 10 and briefly highlighted the diverse makeup of the Executive Board, individual task force members, and supporters. He said discussions are guided by the public sector, legislative members, UAF, and the private sector. He said other task force members include high-level commissioners, deputy commissioners, university faculty farmers, rural grocery retailers, and other agriculture and food leaders. The task force also has support from legislative aides and critical guidance from other experts.

[3:52:15 PM](#)

SENATOR HUGHES interjected to thank the many volunteers who helped support the project.

[3:52:40 PM](#)

MR. JONES moved to slide 11 and provided an overview of the agriculture industry. He said the National Agricultural Statistics Service (NASS) under the United States Department of Agriculture (USDA) released new data for 2022.

[Original punctuation provided.]

### **Task Force Report Overview**

#### **Growing the Agriculture Industry**

- 1) Establish an Alaska Department of Agriculture
- 2) Expand Leases on State-Owned Land
- 3) Increase State Research Capacity
- 4) Improve Producers' Access to Capital
- 5) Expand Tax Exemptions for Farmland

[3:53:02 PM](#)

MR. JONES conveyed that data from USDA identified 1,172 farmers in Alaska that have over one thousand dollars in annual sales of agricultural products. He noted that Alaska is one of the states to see an increase in annual sales, which demonstrates a substantial growth trajectory. In 2012, there were 762 farmers in the state; in 2017, there were 990. From 2012 to 2017 and

over the past five years, the total farmland size has grown. He said the coalition wants to support workers who are facing steep challenges with climate, input sourcing, and the agricultural industry. There is broad support in the task force to increase institutional support for farmers to upgrade the Division of Agriculture into a department and boost the state's major research bodies to design cutting edge varieties. Expanding land options for agricultural production, reducing tax burdens, and increasing critical access to capital would ensure producers have the flexibility to move their businesses forward.

[3:54:37 PM](#)

SENATOR HUGHES pointed out that five of 18 recommendations were not shown in any specific order except the establishment of a department of agriculture in the state. She mentioned that as the committees developed recommendations, they also identified action steps to assess resources available and a plan for implementation by looking at other states with robust agricultural industries. On this day, February 14, the task force debuted a "White Paper" that it worked on. She expressed her gratitude for the Division of Agriculture and the Department of Natural Resources (DNR) for piecing together information. She implored that now is the time to start the conversation surrounding these task force objectives.

[3:56:23 PM](#)

MR. JONES moved to slide 12 and spoke to efforts to grow local markets:

[Original punctuation provided.]

### **Task Force Report Overview**

#### **Growing Markets for Local Products**

- 1) Establish an Alaska Grown Marketing Institute
- 2) Re-establish Alaska Meat Inspection Service
- 3) Add Technical Assistance Officer Position
- 4) Request grocery stores track Alaska Grown products
- 5) Expand Agriculture Revolving Loan Fund

MR. JONES said amidst Food Security Week, Alaskans producers are hungry to expand their marketing options to shorten the state's supply chains and feed the state. He noted that it is a tough prospect, but the Local Markets Committee believes there are tangible steps forward to expand marketing programs. He said the state is missing federal dollars due to insufficient manpower to

write grants. Increasing Alaska-grown representation in larger grocery outlets, which is a primary target for producers, poses one of the main challenges. Except for a few large, organized growers, production is highly seasonal, so storing perishables is often not possible. To increase production, farmers should discuss organized collaboration with retailers and agricultural entities to understand constraints, meet the minimum required volumes for distributors, and navigate less conventional structures.

[3:58:30 PM](#)

CO-CHAIR BISHOP asked what opportunities are lost for not capturing grant dollars.

[3:58:50 PM](#)

MR. JONES replied that he has not personally done a formal accounting of missed federal grant opportunities. He said task force members intimately involved with federal grants reported that the amount of money is money is substantial, but grant writing requires a lot of work hours. Grants require a lot of work hours to develop grant applications.

[3:59:38 PM](#)

SENATOR HUGHES said the task force reestablished the Alaska Meat Inspection Service in 2022. It has since learned that its three meat plants are not at capacity due to a workforce shortage and people may not desire this type of work. However, there is great potential with the automation of meat processing. By expanding the Revolving Loan Fund, meat plants could acquire automated machines for the processing and manufacturing of meat products.

[4:00:53 PM](#)

MR. JONES moved to slide 13 and spoke to transportation and infrastructure:

[Original punctuation provided.]

### **Task Force Report Overview**

#### **Improving Transportation and Infrastructure**

- 1) Improve Maritime and Aviation Infrastructure
- 2) Decrease Rural Hub Food Loss: Climate-Controlled Storage
- 3) Increase Bypass Mail Operations
- 4) Improve Data Collection and Analysis
- 5) Invest in Research and Innovative Technologies

- 6) Create Supply Chain Coordination Council
- 7) Increase Storage: Food Banks and Disaster Preparedness
- 8) Extend Rail: Northern, Pt. MacKenzie, A2A

MR. JONES spoke to the first bullet point and stated once agricultural products are grown, everything must navigate supply chain networks that are more complex in Alaska than in any other state. He said the solutions must match the diversity of that challenge and mentioned that Alaska has critical maritime infrastructure, especially in Anchorage. The task force supports ongoing measures to ensure reliability and increase redundancy to better navigate port systems in order to avoid grave situations such as natural disasters. A large majority of Alaskan communities live off the road system. The aviation system is important and relies on Department of Transportation (DOT) and Federal Aviation Administration (FAA) assets to navigate difficulties. He said he analyzed data while working in tandem with DOT that showed one in three of all Alaska stations had a power outage within the past year, which is about three times higher than nearby districts in the Northern region of the lower 48. The task force traveled to multiple areas around the state to understand backlogs and how food is wasted along various systems.

MR. JONES spoke to the second bullet point and said patterns demonstrated a lack of refrigerative or chilled assets. Data from Alaska Commercial Company showed three thousand produce servings went to waste in 2022 alone. Time spent growing and selling produce in turn led to food wasted. These factors are capitalized into the price and lead to limited food availability in Bush communities. The task force urges the state to do better to protect fresh food and ensure year-round availability and affordability.

MR. JONES spoke to bullet the sixth bullet and said the task force hopes to create a supply chain coordination council to address ecosystem problems. He recommended bringing together groups from all corners of the agricultural industry, maritime and air carriers, grocery retailers, and other entities to coordinate critical supply chain infrastructure. There is support among the carrier community and among state and federal agencies for the creation of this council to achieve a formal communication mechanism.

[4:05:18 PM](#)

SENATOR CLAMAN asked about the correlation between maritime infrastructure funding cuts to the ferry system and food availability in rural communities.

[4:05:42 PM](#)

MR. JONES replied he has not personally conducted that research review but noted that Northern Economics ran an economic evaluation of the impacts of downsizing. He stated he would provide the committee with a response.

[4:06:11 PM](#)

SENATOR CLAMAN opined it certainly seems like downsizing is a real issue today. He said a huge part of ferry activity includes the transportation of goods.

[4:06:27 PM](#)

MR. JONES moved to slide 14 and spoke to food systems data:

[Original punctuation provided.]

### **Task Force Report Overview**

#### **Data and Measuring Impact**

- Demystifying the "95 percent" Statistic
- Need for Robust Food Systems Data
- Approaching Food Security using a Systems-Based Approach

MR. JONES noted that the first bullet point is in reference to a statistic that Alaska imports 95 percent of its store-bought food. He conveyed that a Meter and Goldberg report found this statistic was given in back to a 1977 speech by a former Dean of Agriculture School at UAF. Over time, it became conventional wisdom through repetition. The statistic fails to specify dollars, weight, calories, or units. While there is no obvious way to track the statistic, USDA can track the dollar estimate of home food purchases. He shared an estimate that the percentage of imported store-bought food is high for many states. Alaska's supply chain is unique and carries inherent vulnerabilities from its dependence on importation. However, the type of food that requires importation likely varies by the specific product. He recommended focusing on the economic arguments where the most opportunities are available for in-state production and sales. He opined the state should also ensure its agricultural production, marketing, and supply chain data is public and user-friendly.

[4:08:41 PM](#)

SENATOR HUGHES said page 1 of the Department of Agriculture's White Paper shows that Alaska spends over three billion dollars per year on food, so a lot of money leaves the state.

[4:09:06 PM](#)

SENATOR HUGHES briefly read slide 15:

[Original punctuation provided.]

**Time to cultivate and plant...**

**Seed choices  
for the Legislature!**

[4:09:25 PM](#)

SENATOR HUGHES moved to slide 16 and spoke to ways to grow the agricultural industry that are within the legislature's domain. She clarified that the green checkmarks indicate the legislature's ability to take action through funding or statutory changes.

[Original punctuation provided.]

**Within Legislature's Domain**

**Growing the Agriculture Industry**

- 1) Establish an Alaska Department of Agriculture
- 2) Expand Leases on State-Owned Land
- 3) Increase State Research Capacity
- 4) Improve Producers' Access to Capital
- 5) Expand Tax Exemptions for Farmland

[4:09:45 PM](#)

SENATOR HUGHES moved to slide 17 and spoke to ways to grow local markets that are within the legislature's domain:

[Original punctuation provided.]

**Within the Legislature's Domain**

**Growing Markets for Local Products**

- 1) Establish an Alaska Grown Marketing Institute
- 2) Re-establish Alaska Meat Inspection Service

- 3) Add Technical Assistance Officer Position
- 4) Request grocery stores track Alaska Grown products
- 5) Expand Agriculture Revolving Loan Fund

SENATOR HUGHES said establishing a department of agriculture would address the need for a technical assistance officer position.

[4:10:26 PM](#)

SENATOR HUGES moved to slide 18 and spoke to transportation and infrastructure:

[Original punctuation provided.]

### **Within the Legislature's Domain**

#### **Improving Transportation and Infrastructure**

1. Improve Maritime and Aviation Infrastructure
2. Decrease Rural Hub Food Loss: Climate -Controlled Storage
3. Increase Bypass Mail Operations
4. Improve Data Collection and Analysis
5. Invest in Research and Innovative Technologies
6. Create Supply Chain Coordination Council
7. Increase Storage: Food Banks and Disaster Preparedness
8. Extend Rail: Northern, Pt. MacKenzie, A2A

SENATOR HUGHES explained why the third and fourth bullet points were not bolded in green. She said increasing bypass mail operations falls under federal jurisdiction. Improving data collection and analysis is being spearheaded by ISER and the university. Although funding could help support research, statutory changes are not necessary. She explained that farmers have emphasized the importance of research but should not carry all the responsibilities. States that have robust agricultural industries also have good research programs to support farmers.

[4:11:57 PM](#)

SENATOR DUNBAR referenced slide 16 and stated DNR previously testified on the importance of upgrading the Division of Parks and Outdoor Recreation to a departmental structure. He inquired about the advantages of transitioning from a divisional to a departmental framework.

[4:12:46 PM](#)

SENATOR HUGHES replied that the process of transitioning a division to a department takes consistent effort over an extended period. Some advantages include having the commissioner involved on the Governor's cabinet and budgeting process, streamlining departments to better serve stakeholders, and ensuring effective management practices. A commissioner can weight in on budgeting more than a director. She also noted that Alaska might be the only state lacking an agricultural committee within its legislature.

[4:14:51 PM](#)

SENATOR DUNBAR opined these are powerful arguments for establishing a department of agriculture, as well as a department of state parks.

[4:15:02 PM](#)

SENATOR HUGHES said slides 19-24 are proposed items of legislation and spoke to the farm structures tax rate. She noted she assigned the titles and are unofficial:

[Original punctuation provided.]

#### **Proposals on the Docket**

##### **SB 161 Farm Structures Tax Rate**

Lowers farm structure tax rate to farmland rate.  
Eligibility: IRS Schedule F.

- Improve producers' access to capital
- Expand tax exemptions
- Increase storage capacity
  
- Opens doors for new entrants to Ag industry  
Extends season Ag products available More Ag  
production = more local food products

SENATOR HUGHES mentioned that the green checkmarks align with task force recommendations, while the blue checkmarks indicate why the proposal is beneficial.

[4:16:16 PM](#)

SENATOR HUGHES moved to slide 20 and spoke to the cottage food industry and meat shared:

[Original punctuation provided.]

## **Proposals on the Docket**

### **SB 251 Cottage Food Industry/Meat Shares**

Raises cap for and expands cottage food industry.  
Allows purchase of meat shares.

- Improve producers' access to capital
- Increase storage capacity
- Opens doors for new entrants to Ag industry  
Extends season Ag products available More Ag  
production = more local food products

SENATOR HUGHES added that raising the cap for the cottage food industry would require labeling.

[4:16:56 PM](#)

SENATOR HUGHES moved to slide 21 and outlined the stand land use proposal:

[Original punctuation provided.]

## **Proposals on the Docket**

### **HB 282/SB 199 State Lands**

Allows non-Ag uses (e.g., a B&B) to support Ag development on Ag land

- Expand leases on State Land
- Improve producers' access to capital
- Opens doors for new entrants to Ag industry More  
Ag production = more local food products

[4:17:29 PM](#)

SENATOR HUGHES moved to slides 22 through 24 and outlined the CROP Act proposal:

[Original punctuation provided.]

## **Proposals on the Docket**

### **HB 296/SB 211 CROP Act**

- Reduces Board of Ag quorum
- Raises ARLF caps
- Adds shipping to ARLF
- Allows ARLF refinancing
- Staggers crop insurance payments
- Suspends public entities' Ag and fisheries procurement caps 5 years.
- Improve producers' access to capital
- Expand Agriculture Revolving Loan Fund
- Grow Ag Industry
  - Expand leases on state land
- Grow Markets
  - Increase meat inspection/processing capacity
  - Invest in innovative technology
- Improve transportation/Infrastructure
  - Increase storage capacity
  - Invest in logistics research

[4:18:46 PM](#)

SENATOR HUGHES moved to slide 25 and stated the bills include nine of the 18 recommendations by the task force, but the legislature could address the remaining seven untouched recommendations. She spoke to budget recommendations:

[Original punctuation provided.]

**7 of 18 Recommendations ~Still Need Champions~**

**Legislation and/or Operating Budget**

- 1) Establish an Alaska Department of Agriculture
- 2) Increase State Research Capacity
- 3) Establish an Alaska Grown Marketing Institute
- 4) Create Supply Chain Coordination Council

**Capital Budget**

- 5) Improve Maritime & Aviation Infrastructure
- 6) Decrease Rural Hub Food Loss: Climate-Controlled Storage
- 7) Extend Rail: Northern, Pt. MacKenzie, A2A

SENATOR HUGHES said for every state dollar, Alaska leverages nine non-state dollars for research. There are vehicles available for other agricultural bill proposals. She expressed her belief that climate-controlled storage would not be a high capital item and could preserve a substantial amount of food.

[4:20:15 PM](#)

SENATOR CLAMAN asked why Senator Hughes has not introduced legislation to establish a department of agriculture considering her passion for this goal.

[4:20:38 PM](#)

SENATOR HUGHES replied the task force recommended waiting for the development of the White Paper and discussion to make the case for establishing a department of agriculture and then with integrated feedback, draft legislation. She expects drafting to begin next year.

[4:21:13 PM](#)

SENATOR CLAMAN asked if the creation of an agricultural department would increase the size of government.

[4:21:33 PM](#)

SENATOR HUGHES responded that the creation of the department would add a couple of positions, but the idea is to combine and coordinate existing roles to improve efficiency. She suggested that the intent is to support food independence and security in the state. She opined that local foods have higher nutritional value and support personal health. Input from stakeholders and communities will help determine how to best structure a department.

[4:23:13 PM](#)

SENATOR KAWASAKI commented on the extra investment of research dollars to the University of Alaska System, which was known as the School of Agriculture and College of Mines one hundred years ago when the agricultural industry was heavily relied on for survival. While legislators don't direct exact funding, there is an opportunity to discuss the budget and designate general funds later this year. He stated it is important the budget reflects state values.

[4:24:21 PM](#)

SENATOR HUGHES moved to slide 26 and spoke to recommendations collected post-report. She mentioned that the Director of IANRE could speak to research findings and said these recommendations were developed following visits with farmers. Other states have a higher cap on the workers compensation requirement and farm vehicle registration. In Alaska, farmers must purchase registration for commercial vehicle use, which is much more expensive. With these changes, the state could free up the capital to invest in agricultural businesses.

[Original punctuation provided.]

#### **Other Recommendations Collected Post-Report**

- 1) Change workers comp requirement for Ag producers from 11 to 50 workers
- 2) Allow hemp as feed for livestock
- 3) Establish farm vehicle registration at lower cost than commercial vehicle registration

[4:25:48 PM](#)

SENATOR HUGHES moved to slide 27 and briefly spoke to support for the task force. She stated she hasn't seen such strong public support and momentum since the aftermath of the COVID-19 pandemic's effect on grocery stores two years ago.

[Original punctuation provided.]

#### **Time to Plant**

**The seeds are in your hands...  
and the soil is rich and ready!**

Tremendous public support Task Force (36 members)

Food & Farm Caucus (28 members)

Boots on the ground

[4:27:05 PM](#)

MS. ANDERSON stated that IANRE is responsible for maintaining the work of the land grant of UAA to improve the lives of Alaskans. The task force received capital funding last year for a livestock nutrition research program. It also heard from producers and agency partners like Farm Bureau and the Alaska Food Policy Council about the need for protein production in the state. With that funding, a new program will be housed in Palmer at the Experiment Station that will study the most ideal crops for feed to raise in the best way possible. She noted poor hay production over the past couple summers. Therefore, livestock producers must make the decision to either bring in money to feed their herd or downsize it to what can be afforded. The research program will study raising the right crops that will feed the herd at the right lifecycle. This is a sustainable movement that mandates new researchers obtain their own funding. Without specialists and sufficient capital, tremendous research

opportunities remain unavailable and federal money is left on the table. As new programs begin, funding will become more accessible. She said a new oil seed crop similar to canola proved successful in Fairbanks. The oil seed is outproducing all commercial oil seed products in the lower 48. Camelina oil is expressed after being crushed or ground and can be used for food-grade human consumption, animal feed, and as a biofuel.

[4:31:44 PM](#)

MS. ANDERSON said after the oil is expressed, the meal transforms into waste that can be used as livestock feed. Considering aviation fuel needs, this presents an opportunity to bring the crop to the interior of Alaska. The oil seed also has incredible soil benefits that could help farmers decrease their inputs. In the summer, IANRE will begin an oil seed research project utilizing five seed varieties from North Dakota. IANRE saw production rates of three thousand lbs. per acre., which is higher than in the lower 48. Increased production rates are only achievable with sustainable, consistent funding.

[4:33:33 PM](#)

CO-CHAIR BISHOP asked if camelina removes nitrogen from soil.

[4:33:50 PM](#)

MS. ANDERSON replied camelina does not remove a lot of nitrogen from the soil, but it is beneficial to soil health.

[4:34:20 PM](#)

CO-CHAIR BISHOP noted that fertilizer is expensive and pondered the cost-benefit ratio of using camelina in crop rotation.

[4:34:39 PM](#)

MS. ANDERSON replied that camelina was studied as a potential cover crop. Farmers can't be asked to improve their soil health through cover cropping if an economic value is unmet. She said the plant produces nitrogen in its seeds. If seeds are kept in the field, nitrogen remains, but it does not fix nitrogen levels in soil.

[4:36:14 PM](#)

CO-CHAIR GIESSEL announced invited testimony.

[4:37:33 PM](#)

AMY SEITZ, Executive Director, Alaska Farm Bureau, briefly spoke to Alaska's food system. She said Alaska Farm Bureau and other organizations have been discussing the need for food production for many years. She said she appreciates the legislature and

administration's interest in developing a task force and stated it will help Alaska's food system.

[4:39:08 PM](#)

SCOTT MUGRAGE, President, Alaska Farm Bureau, Ridgeway, Alaska, Provided information about the farming industry. He expressed pride to see the administration's interest in food security and praised the representation of the Alaska Farm Bureau by the Director of Agriculture. There is an opportunity to run with the momentum. As a member of the Board of Directors for the National Farm Bureau, he highlighted efforts to address longstanding issues. Given the rapid pace of climate change in Alaska, he stressed the necessity of establishing a department of agriculture. He expressed concerns about the potential for foreign entities to enter Alaska with integrated operations, which could potentially lead to local farmers becoming employees.

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SENATOR DUNBAR asked him to elaborate on his comment about one hundred years of poor farming practices.

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MR. MUGRAGE replied that integrated operations are detrimental to the farming industry. He stated big companies make profit from a fully integrated deal while small producers feel the impact. Costco grows, processes, and sells its own Rotisserie chickens. Farmers can't compete against large producers. If Costco doesn't turn a profit on its chickens, it makes up the loss because people buy other products in addition to the chicken. If a farmer doesn't make a profit off the chicken, the farmer can't survive and the business closes. Big corporations like Tyson and Costco are in the power position, so if they do buy from farmers, they set the terms.

[4:45:14 PM](#)

ASPEN O'CONNOR, Cricket Fence Farm, Palmer, Alaska, stated she is 13 years old and expressed her belief that it is important schools have an agricultural education program. Her said farming has been a part of her life since birth and her family currently raises sheep and dairy goats. She relayed that he represents the next generation of Alaskan farmers. Palmer Junior Middle School planned to create a Future Farmers of America (FFA) club but students shot down the idea. Most students do not understand that most food comes from farming or how it's grown. By housing FAA under a department of agriculture, students would remain connected to food and learn valuable skills to build future

farmers in Alaska. She said over the past few years and since the COVID-19 pandemic, she has realized how critical food security is for Alaska's future. Establishing a department will ensure people can farm, ranch, garden, learn, and eat. She stated her belief that young farmers feel it is important the state listens to this recommendation to ensure the land and food growers are supported and funded.

[4:48:01 PM](#)

CO-CHAIR BISHOP commented that the middle school's vote outcome for a FAA club in the cradle of civilization for farming in Alaska was a travesty. He encouraged her to educate her peers and take another vote.

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CO-CHAIR GIESSEL said the discussion about future farmers reminded her of a young man who could not afford land, so he farmed people's front yards and strived to get into the industry, but eventually had the means to buy land.

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MS. SEITZ said everyone is excited for the future of agriculture and would like to see an easier path for the next generation to get into the business.

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NICK MANGINI, Kelp Farmer, Kodiak Island Sustainable Seaweed, Kodiak, Alaska, said there are 36 farms under the mariculture industry in the state and 14 of those farms are permitted for both kelp and oysters. Currently, almost all oysters harvested within the state remain in Alaska. However, the increase in oyster growth this year may result in oysters being shipped outside the state. Alaska currently has 746 acres of permitted kelp farms and 1,358 in total. In 2017 during the first harvest for the state, only about 18 thousand pounds of kelp were produced. In 2022, nine hundred thousand pounds of kelp were produced. He said the mariculture industry has a lot of momentum, but marketing challenges exist. The creation of a department of agriculture could address some of those difficulties. The money that goes into university research is integral to the success of the mariculture industry. He said he worked on a couple grant opportunities with the University of Alaska (UA) and noted an upcoming soil amendment project. Utilizing kelp within the state to increase the quality of nutrients within soil would benefit everyone. Two years ago, he performed a large study on livestock that demonstrated the benefits of kelp for gut biome. There are other benefits such as

biostimulants and human consumption that are important for the mariculture industry, but the creation of a department of agriculture is key, especially for mariculture permitting assistance.

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MS. SEITZ introduced the Co-Director of the Alaska Food Policy Council Regional Food Business Center and said he has worked with diverse farmers to build markets for them.

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COLIN PEACOCK, Co-Director, Alaska Food Policy Council Regional Food Business Center, spoke to food security and marketing. He mentioned he started a food hub in Southeast Alaska and primarily assisted smaller food producers. His producers were successful through the establishment of their products in grocery stores. However, there are incredible barriers to market entry. Task force recommendations would address some of these issues. The governor requested that Fred Meyer introduce Alaskan products, which could allow small to medium producers to potentially grow into larger producers who could significantly address food security. However, it will not be possible to address this issue through agriculture without a more organized and efficient structure to uncover larger ways to bring money to the state. Following the market strategies of the Alaska Seafood Marketing Institute would generate incredible dividends. Increasing agricultural research within universities is also one of the best ways to support farmers.

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CO-CHAIR GIESSEL said she knows a farmer in her district in Anchorage. She said as wages increase, he can no longer economically produce food due to the increased cost of paying his J-1 visa employees. He did not plant cucumbers last month because he can't sell them at rates that are too unreasonable. His customers have complained about the price of cucumbers at Fred Meyer, but he can't sell directly to the grocer due to the long time it takes to reimburse producers. Therefore, he uses a middleman company to manage the cash flow. She said she advised the governor that wage increases shift the cost of food, what farmers can grow, and what they can make a living at. She expressed frustrations that Costco has been unwilling to accept local produce. She stated her appreciation for the land trust in Palmer but acknowledged her disappointment knowing subdivisions are built on the farmlands.

[4:59:09 PM](#)

There being no further business to come before the committee, Co-Chair Giessel adjourned the Senate Resources Standing Committee meeting at 4:59 p.m.