

Introduced: 2/6/68  
Referred: Resources and  
Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 507

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to promote and render feasible the production  
7 and utilization of small grains in Alaska."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. The purpose of this Act is to increase small grain produc-  
10 tion and utilization in Alaska, and to achieve within five years of the  
11 passage of the Act an equal stabilization within 15 per cent between the  
12 production of small grain in the state and the utilization of the grain.

13 \* Sec. 2. AS 03 is amended by adding a new chapter to read:

14 CHAPTER 19. SMALL GRAIN INCENTIVE PROGRAM.

15 Sec. 03.19.010. ESTABLISHMENT OF PROGRAM. The division of  
16 agriculture shall establish and administer a small grain incentive  
17 program according to the provisions of this chapter.

18 Sec. 03.19.020. PROCLAMATION OF PROGRAM ACREAGE. The director  
19 shall publicly proclaim a program acreage for each of the small  
20 grains, barley, oats, wheat and rye on which incentive payments may  
21 be earned through participation in the small grain incentive program.  
22 The acreage shall be equal to or more than the acreage of each grain  
23 estimated to be produced within the state during the year for which  
24 the proclamation is declared, but the acreage shall not exceed 150 per  
25 cent of the estimated utilization of small grains during the year  
26 immediately following harvest.

27 Sec. 03.19.030. PROCLAMATION OF PROJECTED YIELDS. (a) The  
28 director shall publicly proclaim annually a projected yield for each  
29 of the small grains normally produced in each of the areas for which

1 an area incentive payment rate is established under sec. 40 of this  
2 chapter. The director shall provide for the establishment of a  
3 projected yield for each of the small grains produced or to be  
4 produced on each farm indicating a request to participate in the in-  
5 centive program.

6 (b) The weighted projected yields established for farms within  
7 an area shall not exceed by more than 105 per cent the area weighted  
8 projected yield for each of the small grains.

9 Sec. 03.19.040. PROVEN YIELDS. A small grain projected yield  
10 established for a farm may be increased to equal the average proven  
11 yield of like grain produced on the farm during two or more prior  
12 years.

13 Sec. 03.19.050. INCENTIVE PAYMENT RATE. (a) The director shall  
14 publicly proclaim annually the incentive payment rate established for  
15 each of the small grains, barley, oats, wheat and rye. The rates shall  
16 be established for each area for which a federal price support loan  
17 rate has been established.

18 (b) The area incentive payment rate for each of the small  
19 grains shall be equal to or more than the difference between the  
20 federal price support loan rate established for an area and 155 per  
21 cent of the support rate established for the Seattle Terminal as  
22 published in the Federal Register, provided that an area incentive  
23 payment rate shall not exceed the federal price support loan rate  
24 established for the area nor shall the rate plus the area federal  
25 price support rate exceed by more than 120 per cent the average cost  
26 of production of the grain in the applicable area to be established  
27 annually by the University of Alaska.

28 (c) The director shall provide for the annual establishment of  
29 an incentive payment rate for each of the small grains produced or to

1 be produced on each farm on which a projected yield has been estab-  
2 lished. The rate shall equitably reflect a farm's projected yield  
3 multiplied times the area incentive payment rate established for the  
4 area in which the farm is located.

5 Sec. 03.19.060. DISBURSEMENT OF INCENTIVE PAYMENTS. (a) In-  
6 centive payments shall be designated as an advance payment, semi-final  
7 payment or final payment.

8 (b) Advance payments shall be disbursed in an amount equal to  
9 or less than 40 per cent of the participant's anticipated earnings  
10 upon approval of a request to participate.

11 (c) Semi-final payments shall be disbursed following harvest in  
12 an amount equal to or less than 80 per cent of the computed earnings  
13 due the participant less any advance payment or debts arising from  
14 previous participation in the small grain incentive program.

15 (d) Final payments shall be disbursed following harvest in an  
16 amount equal to the balance due the participant less one-half of the  
17 amount the participant received through sale of any portion of the grain  
18 produced on the farm which was in excess of 105 per cent of the federal  
19 price support rate established for the area in which the grain was  
20 sold, except (1) where the grain is retained under the participant's  
21 control and ownership, including the placement of the grain under loan  
22 to the Commodity Credit Corporation, in which case the final payment  
23 may be disbursed on or after December 15 upon submission of a satis-  
24 factory certification by the participant that one-half of the amount  
25 received through sale of the grain which is in excess of 105 per cent  
26 of the area price support rate in which the grain is sold will be  
27 presented to the general fund of the state; (2) where the grain is  
28 retained under the participant's control and ownership and is utilized  
29 or is to be utilized as feed for livestock owned by the participant,

1 the final payment may be disbursed to the participant on or after  
2 December 15 upon submission of a certification by the participant  
3 that one-half of the amount received from sale of such grain in excess  
4 of 105 per cent of the area price support rate for the area in which  
5 the grain is sold will be presented to the general fund of the state.

6 Sec. 03.19.070. USE OF CERTAIN FUNDS. An amount equal to the  
7 funds collected in payment of debts arising from previous participation  
8 in the program and funds not disbursed due to reductions in payments  
9 shall be utilized by the division of agriculture for the development  
10 and promotion of agriculture within Alaska.

11 Sec. 03.19.080. LOSS OF CROPS. Incentive payments shall be  
12 considered as earned and payable on an acreage of small grains seeded  
13 for harvest as grain on a participating farm which is destroyed or  
14 lost either partially or wholly due to conditions beyond the control  
15 of the producer provided all other applicable provisions of the  
16 program have been accomplished.

17 Sec. 03.19.090. APPLICATION PERIOD. Applications to participate  
18 shall be submitted to the director during the first half of the 60  
19 day period immediately prior to the earliest normal seeding date for  
20 small grains in the area in which the farm is located.

21 Sec. 03.19.100. REGULATIONS. The director shall promulgate  
22 regulations and policies to carry out the purposes of this chapter,  
23 including but not limited to regulations adequate to insure (1) the  
24 equitable rights of participation in the program; (2) the issuance of  
25 incentive payments compatible with the participant's and participant  
26 farm's projected production capabilities for the year of participation  
27 in the program; (3) the equitable division of proclaimed program  
28 acreage between small grain producers utilizing the guidance of prior  
29 years' production of small grains, participants' requests and production

1 capabilities; (4) the privilege of appeal to a higher administrative  
2 level where the producer has information leading to the conclusion of  
3 inequitable treatment or denial of rightful program benefits.

4 Sec. 03.19.110 ADMINISTRATION. (a) The division of agriculture  
5 director may, with the concurrence of the commissioner of the Department  
6 of Natural Resources enter into a cooperative agreement with the Agri-  
7 cultural Stabilization and Conservation Service, of the U.S. Department  
8 of Agriculture, to delegate to the service any or all administrative  
9 functions related to the small grain incentive program except (1) final  
10 determinations rendered on appeals filed by or for small grain producers;  
11 (2) final determinations of incentive payment rates other than those  
12 rates established on or for individual farms, and final determination  
13 rendered under appeal regulations; (3) final determinations of projected  
14 yields of each variety of small grain inclusive in their program other  
15 than yields established on or for individual farms, and final determina-  
16 tions rendered under appeal regulations.

17 (b) In the absence of a cooperative agreement with the U.S.  
18 Department of Agriculture the provisions of this chapter shall be  
19 carried out by a farmer-elected committee or committees possessing  
20 organizational structure and authority similar to the committee or  
21 committees utilized by the Agricultural Stabilization and Conservation  
22 Service, U.S. Department of Agriculture.

23 Sec. 03.19.120. ADMINISTRATIVE PROCEDURE ACT. This chapter is  
24 subject to the Administrative Procedure Act (AS 44.62).

25 Sec. 03.19.130. DEFINITIONS. In this chapter "director" means  
26 the director of the division of agriculture.  
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