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538

FILE WITH BILL

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STJURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

TO: Senator Bill Ray, Chairman
Senate Transportation Committee

FROM: Senator Bettye Fahrenkamp, *BF* Chairman
Senate Resources Committee

DATE: June 9, 1981

RE: HB 456 and CSHB 538

Attached is back-up information on HB 456 and CSHB 538 which have passed out of the Resources Committee and are now in your Committee.

Attachments

BF:rk

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
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Senate

Committee on Resources

June 5, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Sturgulewski
Senator Mulcahy
Senator Eliason
Senator Gilman

HEARING:

CSHB 535 An Act relating to the Alaska Agricultural Action Council.

HCR 29 Relating to the development of a plan for Alaska agricultural development.

SB 588 An Act relating to mineral leasing.

✓ HB 456 An Act relating to agriculture.

HB 88 An Act relating to the qualifications for the farm or agricultural lands tax exemption.

HB 83 An Act making special appropriations to the Department of Fish and Game for bison management.

✓ HB 538 An Act relating to a small-scale agriculture grant program.

Representative Gardner, stated that HCR 29 and HB 535 outline the state's policies and goals for agricultural development. HB 535 increases the membership on the Agricultural Action Council from 5 to 7 members.

Senator Sturgulewski put forth the motion to move SCS CSHB 535 with individual recommendations.

Senator Sturgulewski put forth the motion to move HCR 29 and the letter of intent with individual recommendations.

Representative Gardiner stated that the purpose of HB 456 is to promote small scale agriculture.

Representative Rogers suggested an amendment to HB 456 on page 1, line 16, place a period after "state" and delete line 17.

Senator Fischer put forth the motion to accept the amendment. He put forth several technical and grammatical amendments which were accepted.

Senator Fischer put forth the motion to move HB 456 as a Senate Committee Substitute with individual recommendations.

Dick Bishop, Regional Supervisor, Fairbanks, Department of Fish and Game, stated that HB 83 provides funding to develop the Delta Bison range and improve the bison summer range to delay their movement.

Representative Gardiner stated that he had looked at other alternatives and HB 83 was the least expensive to help ease the conflict between bison and agriculture.

Senator Mulcahy put forth the motion to move HB 83 with individual recommendations.

Representative Gardiner stated that HB 538 is designed to help small scale and village agricultural programs. He suggested that the Committee consider a letter of intent stating that the funds should be dispersed throughout the state and that no single geographical region receive an abnormal amount of the funds.

Senator Mulcahy put forth the motion to move CS HB 538 am with individual recommendations and the letter of intent.

Senator Fahrenkamp put forth the motion to defer consideration of HB 98.

SB 588 was held until the Committee meeting June 8, 1981.

The Committee adjourned at 3:05 p.m.

LETTER OF INTENT

SENATE RESOURCES COMMITTEE

TO ACCOMPANY CSHB 538(Fin) am

It is the intent of the Alaska State Legislature that the funds appropriated to the Small-scale Agriculture Grant Program be dispersed throughout the state and that no single geographical region receive an abnormal amount of the funds.



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

Pouch V
State Capitol
Juneau, Alaska 99811

To: Senator Bettye Fahrenkamp, Chairman
Senate Resources

From: Rep. Terry Gardiner, Co-chairman *T.G.*
House Resources

Date: May 21, 1981

Re: CS HB 538 am - Small Scale Agriculture Grant Program

The House Resources Committee has devoted a great deal of time and energy examining the agriculture industry in Alaska. During a week of hearings on agriculture held in March one need was pointed out which the committee has addressed in HB 538.

HB 538 provides financial assistance to communities throughout the State for small-scale agriculture projects and programs. It was designed to provide assistance to villages and communities in efforts to provide nutritional, locally produced foods for residents, particularly in rural Alaska where fresh produce is often scarce, and food costs extremely high. The bill allows all municipalities or villages in the State to apply for funding of smallscale agriculture projects or programs, with a maximum set at \$25,000 per recipient. Block grants may be awarded at the discretion of the Commission of DNR to programs serving a number of communities.

Last year the legislature appropriated \$2,147,000 for village agriculture programs through HB 60 and other pieces of legislation. House Resources is aware of \$2,433,440 in requests from numerous rural communities for agriculture programs for FY 82. These are being handled through the budget process. In order to provide funds to support these agriculture efforts in a more coherent manner, while providing a source of information and technical assistance to groups starting new programs, HB 538 was drafted. Earlier in the year Department of Natural Resources proposed a similar program, and it has been with DNR, numerous individuals involved in village gardening programs and a sub-committee of the Resource committee that we have worked to arrive at the bill before you.

The funding level for the grant program is projected to be \$1,000,000. Since this grant program will not be operational until 1982, and it is assumed that the Governor will allocate continuation level funding in FY 83, the request for grant monies for FY 82 is \$500,000. The million dollars in the grant fund will clearly not meet the total requests for village agriculture projects, but will provide substantial funds to cover costs of the basic gardening efforts.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF — STATE CAPITOL

JUNEAU 99801

MEMORANDUM

DATE: February 27, 1981

TO: Mary Hakala
Administrative Assistant
House Resources Committee

FROM: Elmer Lindstrom (EL)
Fiscal Analyst
Legislative Finance Division

The following is a summary of state funding for agriculture from 1978 to 1980. Since the first major appropriation for Delta I was approved in 1978, I have not attempted to locate funding prior to that time. All amounts are in thousands of dollars.

Delta I

Sec. 1, Ch. 171, SLA 1978 (Special Appropriation) -
Appropriated to the Department of Natural Resources 4,793.0.

Land Clearing	2,700.0
Surveying	300.0
Test Marketing	350.0
Environmental Studies	150.0
Grain Storage Facilities	1,000.0
Transportation of Grain	43.0
Administration	100.0
Miscellaneous	150.0

Sec. 25, Ch. 80, SLA 1979 (General Appropriations Act) -
Appropriated to the Department of Commerce & Economic
Development 7,070.8.

Final Clearing	4,736.0
Road Construction	1,080.0
Test Marketing	900.0
Administration	127.9
Extension Services	63.2
Pesticide/Herbicide Research	78.5
Miscellaneous	85.2

Mary Wakala
February 27, 1981
Page 2

Sec. 53, Ch. 120, SLA 1980 (General Appropriations Act) -
Appropriated to the Office of the Governor, Agricultural
Action Council 2,000.0.

Delta I	2,000.0
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Sec. 1, Ch. 40, SLA 79 (Special Appropriation) -
Appropriated to the Department of Fish & Game.

Delta Bison Management Plan	<u>20.0</u>
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Total	13,883.8
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Point McKenzie

Ch. 90, SLA 1980 (Special Appropriation) - Appropriated to the
Agricultural Action Council 5,025.0.

Survey Costs	200.0
Land Clearing	3,600.0
Administration	150.0
Construction of Access Roads	1,000.0
Dairy Specialist & Support	<u>75.0</u>

Total	5,025.0
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Nenana/Totchaket

Sec. 281, Ch. 50, SLA 80 (HB 60) - Appropriated to the Office
of the Governor, Special Projects Office.

Totchaket Agricultural Project	500.0
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Department of Natural Resources

Sec. 14, Ch. 113, SLA 1978 (General Appropriations Act)

Red Meat Project	113.1
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Sec. 286, Ch. 150, SLA 1980 (HB 60)

Plant Materials Center Lab Bldg	150.0
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Sec. 53, Ch. 120, SLA 1980 (General Appropriations Act)

Equipment & Seed Storage Building	
Palmer	108.0
Plant Materials Center Animal	
Enclosure	14.6
Upgrade Seed Cleaning Building	<u>110.0</u>

Total	495.7
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University of Alaska

Sec. 14, Ch. 113, SLA 1978 (General Appropriations Act)

Remodeling/Construction

Sewage Facility, Palmer Agricultural Experiment Station	50.0
Storage of Hazardous Chemicals - Fbx Agric Experiment Station	30.0
Renovate Agricultural Experiment Station Bldgs, Fairbanks	70.0

Sec. 25, Ch. 80, SLA 1979 (General Appropriations Act)

Organized Research

Feed Mill Bldg & Pellet Mill, Fbx	80.0
Animal Waste Disposal System, Fbx	120.0

Sec. 286, Ch. 50, SLA 1980 (HB 60)

Equipment Replacement & Additions

Equip Agricultural Experiment Station, Fairbanks	300.0
Building Repair & Renovation Experimental Farm Renovation, Fbx	191.3
Other Facilities & Equip, Agric Experiment Station	113.0
Fairbanks School of Agriculture, Timber Thinning/Fire	<u>140.0</u>

Total 1,094.3

Rural Agriculture FY 81

Sec. 25, Ch. 80, SLA 1979 (General Appropriations Act)

Dept/Commerce & Economic Development

Koyukon Development Corp - Farm Projects	400.0
Dept/Natural Resources Galena Agricultural Fair	5.0
Tanana Chiefs Conference - Agricultural Equipment	120.0

Sec. 197, Ch. 50, SLA 1980 (HB 60)

Dept/Natural Resources

Koyukon Development Corp - Arctic Agriculture Training Program	117.0
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Sec. 286, Ch. 50, SLA 1980 (HB 60)

Dept/Natural Resources	
Selawik Agricultural Project	412.0
Kuskokwim Native Assn -	
Agriculture	200.0
Koyukon Development Corp -	
Agriculture	200.0
Minto - Small Scale Agriculture	104.0
Dept/Community & Regional Affairs	
Mauneluk Garden Projects	61.0
Municipal Grant Account	
Bethel - Recreation/Agriculture	
Facility	<u>528.0</u>

(Total ~~2,147.0~~ 2,147.0, FY 81

Agricultural Revolving Loan Fund (ARLF)

General Fund Capitalization	
through FY 81	20,000.0
Fund Balance	20,719.2

Governor's Proposed FY 82 Agriculture Capital Projects

Dept/Commerce & Economic Development	
Agricultural Action Council	
Point McKenzie	328.0
Delta I	949.0
Delta I - Bison Fencing	120.0
Delta II - Survey/Disposal	699.1
Delta II - Clearing Loans	4,000.0
Delta II - Roads	2,622.8
Delta II - Clearing Equipment	30.0
Delta II - Grain Storage Loan	1,650.0
Grain Export Facility Loan	4,425.0
Livestock Facility Loan	2,650.0
Dept/Natural Resources	
Economic Development	
Kenai Grazing	280.0
Interior - Plant Materials	
Center Bldg	177.0
Plant Materials Center Head	
House	25.0
Plant Materials Center Equip	85.0
Plant Materials Center Alarm	
System	11.5
Agriculture Revolving Loan Fund	
Capitalization	<u>23,085.0</u>

Total 41,137.4

Operating Budget Programs Related to Agriculture

Dept/Natural Resources, Division of Agriculture
FY 79 Authorized: Agriculture Development
State Fairs 165.5
Plant Materials Center 406.8
Administration & Support 138.8
Agricultural Loan Fund 160.2
FY 80 Authorized: Agricultural Development
State Fairs 162.3
Plant Materials Center 343.0
Administration & Support 129.9
Agricultural Loan Fund 157.8
FY 81 Authorized: Agricultural Management
Agricultural Development 353.5
Agric Financing & Promotion 203.8
Agric Research/Extension
Services 361.9
State Fairs 294.5
Directors Office 113.1
University of Alaska
Organized Research - Operating funds
for the Agricultural Experiment
Stations ---
University Center, Fairbanks -
Operating funds for the School
of Agriculture ---

NOTE: The University of Alaska's operating budget does not identify agriculture related programs separately. The University has been requested to provide this information to Legislative Finance for FY 79-FY 81 along with an estimate for FY 82.

Governor's Proposed FY 82 Agriculture Operating Budget

Dept/Natural Resources
Agriculture Management
Agricultural Development 299.4
Agric Financing & Promotion 359.9
Agric Research/Extension
Services 638.1
State Fairs 318.1
Dept/Commerce & Economic Development
Agricultural Action Council 360.7
University of Alaska - Information on Request

If I may be of further assistance, please let me know.

EL:vsw

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

DATE: March 3, 1981

TO: Mary Hakala, Administrative Assistant
House Resources Committee

FROM: Elmer A. Lindstrom, ^(EL) Fiscal Analyst
Legislative Finance Division

SUBJ: University Budget/Agriculture

The following is a summary of agriculture funds contained in the University of Alaska's operating budget for fiscal years 1979 - 1982.

<u>Program</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
	(thousands of dollars)			
Agricultural Experiment Station	3,997.8	4,450.2	4,780.1	5,060.7
School of Agriculture	194.1	224.0	400.7	636.9
Sea Grant Program	29.6	49.9	87.6	27.4
Mat-Su Community College	--	1.8	46.0	116.5
Rural Education	--	128.2	78.4	60.0
Cooperative Extension Service	718.7	1,076.5	1,200.0	1,300.0

+ 25% above 6.00. Fed.

cc: Alison Elgee
Legislative Finance

EL:bf

DEVELOPMENT
CORPORATION, INC.



TO: *MARY*

FROM: John Quirk, Executive Director

SUBJECT: Agriculture & Transportation

DATE: 04/09/81

Christine and I enjoyed our visit with you. I have put in writing some of our conversation of that day. I firmly believe that revealment education will be the cornerstone upon which self sufficient economic entities will be made viable during the coming decades. Local control of budgets and curriculum are vital if these endeavors are to succeed.

Subsistence agriculture can allow Rural Alaskans to sever the end of a long supply chain, reduce prices, instill pride and self determination in a changing life style, and prepare a workforce that will be capable and ready when agriculture becomes a reality. Economic spinoffs from a large scale economic agriculture development is going to impact transportation, building, mechanics, timber products, rural growth, energy, and a host of other related industries.

Transportation costs will be the key in marketing. Present plans call for a grain terminal at Seward. As agriculture develops in Alaska it will be west along the Yukon and Kuskokwim rivers. This will require a backhaul up the river to the railroad down to Seward with an increase in transportation costs. Kuskokwim grain will require a railroad and/or canal to reach the Yukon. Storage facilities costs will be high.

Grain handling is energy inefficient and some areas labor intensified. Handling of grain has not changed much in fifty years. The farmer augers the grain from the combine to the truck, to the graindryer, to the storage elevator, to the railroad car, to the seaport grain terminal, to the ship and than a similar process at destination. This takes time, money, and a unique one commodity storage facility.

The vastness of the Alaskan interior, the potential of grain production, and soaring costs require a new and innovative approach utilizing modern technology in transportation. Grain could be augured from the combine to the truck, to the grain dryer and into sealed containers, barged down to the mouth of the Yukon and Kuskokwim rivers, and loaded by sea going barges on large container ships being built by McClennan shipping that could be the future transportation link between pacific rim markets, and eventually feed lots on the Aluetian chain. The containers could be used for backhaul of commodities. They can have the capability of cooling, refrigeration, and floatation with some commodities in case of accident at sea.

REPORT ON VILLAGE/SMALL SCALE AGRICULTURE

MR. CHAIRMAN:

MY NAME IS JIMMIE L. FARMER

UNTIL RECENTLY I WAS THE EXECUTIVE DIRECTOR OF THE KOYUKON DEVELOPMENT CORPORATION LOCATED IN GALENA, IN THE INTERIOR. DURING MY TIME AT KOYUKON AN AGRICULTURE PROGRAM WAS STARTED TO TEACH PEOPLE IN OUR AREA HOW TO GROW, PRESERVE AND PREPARE MORE OF THEIR OWN FOOD. THIS EDUCATIONAL EFFORT WAS, AND IS, NEEDED BECUASE PART OF THE EDUCATION IS TEACHING PEOPLE HOW TO GROW VARITIES THAT UP TO THIS POINT WERE ONLY SEEN IN CANS OR DRIED FORM.

THE LEGISLATURE WAS VERY HELPFUL IN THESE EFFORTS BY PROVIDING SOME MONEY FOR EQUIPMENT FOR THIS PROJECT.

KOYUKON WORKED IN 2 VILLAGES IN 1977, 8 VILLAGES IN 1978, AND 20 VILLAGES IN 1979. AS YOU CAN SEE THE DEMAND WAS OUTSTANDING. AS SOON AS PEOPLE HEARD ABOUT THE PROJECT AND TALKED WITH PEOPLE THAT WERE INVOLVED IN IT, THEN THEY REQUESTED IT. THE MAJOR FOCUS WAS, AND IS, ON PRODUCING ENOUGH FOOD FOR USE WITHIN THE VILLAGE. DIRECT FOOD (GARDEN TO TABLE), FOOD PRESERVED FOR LATER USE, AND FOOD STOCKS TO FEED CHICKENS, TURKEYS, AND DUCKS. THESE ARE LATER TURNED INTO PROTIEN FOR THE TABLE. SOME ARE KEPT FOR EGG PRODUCTION. WE ALSO HAVE SOME MILK GOATS (PRIVATE PARTY) FOR MILK PRODUCTION WITHIN THE VILLAGE. THE ACCEPTANCE BY THE LOCAL PEOPLE IS GOOD. WE HAD A RED MEAT EXPERIMENT IN GALENA AND RUBY WHICH TURNED OUT REAL WELL AND PROVED THAT BEEF ANIMALS CAN BE KEPT OVER WINTER WITHOUT HEATED BUILDINGS.

OUR INITIAL GOAL WAS TO SHOW PEOPLE HOW TO IMPROVE THEIR HEALTH AND DIET BY GROWING THEIR OWN FOOD.

THIS HAS BEEN DONE.

WE ARE INTO A PROGRAM OF FOOD PRESERVATION, SO THAT THE SUMMERS EFFORTS WILL EXTEND INTO NEXT SUMMER.

THIS HAS BEEN STARTED, IN ALL 20 VILLAGES. WE NEED TO HAVE FOLLOW UP WORKSHOPS TO INSURE PROPER PROCESSING OF THE FOODS.

FROM THE INCEPTION OF THIS PROJECT IN THE INTERIOR, WE HAVE HAD REQUEST ON HOW TO GET STARTED AND JUST WHAT WAS NEEDED FOR A VILLAGE TO ENABLE THEM TO PRODUCE THEIR OWN FOOD. AS I TALKED TO PEOPLE FROM AROUND THE STATE AND ADDED UP THE VILLAGES THEY HAD THAT WANTED TO GET INTO AGRICULTURE, I COUNTED ABOUT 125 VILLAGES EITHER INVOLVED IN AGRICULTURE OR WANTING TO BECOME INVOLVED. THIS IS MORE THAN HALF OF THE VILLAGES IN ALASKA. THIS DOES NOT INVOLVE THE EFFORTS IN FAIRBANKS, ANCHORAGE, OR JUNEAU. WITH THIS KIND OF DESIRE FROM SO MANY DIVERSE PEOPLES, I FEEL THAT THE MESSAGE IS CLEAR:

HELP US REDUCE OUR DEPENDENCY ON LONG, HIGH ENERGY USE SUPPLY LINES - OUR DEPENDENCE ON IMPORTED FOODS.

DURING THESE TIMES OF AFFLUENCE BY OUR STATE, ONE OF THE BEST USES OF SOME OF THIS MONEY WOULD BE TO HELP CREATE A SYSTEM OR CONDITION WHEREBY THE RESIDENTS OF THE STATE CAN BECOME SELF SUFFICIENT IN FOOD PRODUCTION.

.THE DELTA AND POINT MCKENZIE PROJECTS ARE GREAT AND NEEDED FOR THE HEALTH OF THE STATE AS A WHOLE, BUT IN LOOKING AT THE LARGER PROJECTS LET US NOT FORGET THE NEEDS OF PEOPLE, THE VILLAGE AGRICULTURE PROJECTS, STATEWIDE.

DURING HISTORIC AGRICULTURE DEVELOPMENT GOVERNMENT CAN ASSIST BUT CANNOT DO THE JOB BY ITSELF. BY ENCOURAGING VILLAGE GARDENING YOU ARE EDUCATING THE STOCKHOLDERS OF THE VILLAGE AND REGIONAL CORPORATIONS AND THESE PEOPLE ARE THE ONES THAT CAN GET THESE CORPORATIONS INVOLVED IN AGRICULTURE. THIS IS PRIVATE CAPITAL. THESE CORPORATIONS WILL OWN OR CONTROL A VERY LARGE BLOCK OF THE AGRICULTURE LAND WITHIN THE STATE IN THE NEAR FUTURE. THIS PROGRAM WILL ALSO PROVIDE A TRAINED CADRE OF AGRICULTURE WORKERS WITHIN THE STATE AND WILL ENSURE NOT HAVING TO IMPORT WORKERS FOR OUR DEVELOPING AGRICULTURE INDUSTRY.

THE PROPER INCLUSION IN THE LONG TERM AGRICULTURE DEVELOPMENT PROGRAM, OF THE VILLAGE NEEDS, THE UPGRADING OF THE TRANSPORTATION SYSTEMS TO ALL AREAS OF THE STATE, THE PROPER BLENDING OF THE VILLAGE AND URBAN NEEDS AS PART OF A WHOLE STATEWIDE PROGRAM OF DEVELOPMENT IS JUST A FEW OF THE THINGS WE NEED.

WITH THE CONTINUING FUEL PRICE INCREASES AND THE ATTENDENT FREIGHT RATE INCREASES, PRICES ARE GETTING SO FAR OUT OF REACH OF EVERYONE. BUT IN THE VILLAGES WITH 80% UNEMPLOYMENT FOR 75% OF THE YEAR AND PRICES THAT RANGE FROM 20 - 400% HIGHER THAN ANCHORAGE (AVERAGE 150 - 200 %) IT IS BECOMING LIFE THREATING. EVEN WITH WELFARE AND FOOD STAMPS (WHICH ARE USED BUT NOT REALLY ACCEPTED IN MOST CASES) YOU CANNOT FEED A FAMILY AN ADEQUATE LIFE SUSTAINING DIET.

THE RESULTS OF A RECENT SURVEY DONE IN THE KOYUKON REGION SHOWS THAT 96% OF THE HOUSEHOLDS SURVEYED ARE CURRENTLY INVOLVED IN GROWING SOME OF THEIR OWN FOOD. OUR SURVEY COVERED 49% OF THE HOUSEHOLDS WITHIN THE KOYUKON REGION. 1978 FIGURES FOR OUR AREA SHOWS 974 HOUSEHOLDS AND 5,368 RESIDENTS. WITH NORMAL PROJECTIONS THAT 96% OF ALL OF THE HOUSEHOLDS ARE INVOLVED IN VILLAGE/SMALL SCALE AGRICULTURE THIS SHOULD BE A CLEAR INDICATION OF THE DESIRE OF THE PEOPLE TO HELP THEMSELVES.

THE KOYUKON PROJECT ONLY COVERS ABOUT 8-9% OF THE VILLAGES IN ALASKA, THERE ARE OTHER ORGANIZATIONS THAT ARE TRYING TO ASSIST IN THEIR AREAS, WITH GOOD RESULTS WHERE FUNDING HAS BEEN MADE AVAILABLE. THIS ONLY REINFORCES WHAT HAS BEEN SAID BEFORE, "HELP US HELP OURSELVES".

REMEMBER THE OLD SAYING, "IF YOU EAT, YOU ARE INVOLVED IN AGRICULTURE".

WHEN I STARTED AT KOYUKON, SPRING OF 1977, IT WAS ONE OF MANY REGIONAL NON-PROFITS THAT JUST SEEM TO EXIST WITHOUT MUCH IMPACT ON THE LIVES OF THE PEOPLE IN THE VILLAGES. SINCE THAT TIME, DUE TO THE POSITIVE DEMANDS MADE ON ME BY THE VILLAGE RESIDENTS AND THE ASSISTANCE OF THE LEGISLATURE AND THE USDA PERSONELL IN ALASKA THE KOYUKON DEVELOPMENT CORPORATION HAS BECOME WELL KNOWN IN JUNEAU AND WASHINGTON, D.C. AS THE MOST AGRESSIVE VILLAGE AGRICULTURE DEVELOPMENT PROGRAM IN THE COUNTRY. I FEEL GRATIFIED TO HAVE BEEN A PART OF THIS. IT WAS THROUGH 16-20 HOUR DAYS, 6-7 DAY WEEKS THAT IT WAS MADE POSSIBLE. ONLY WITH THIS KIND OF PERSONAL COMMITTMENT IS THIS TYPE PROGRAM ABLE TO GET STARTED AND TO BECOME A MODEL FOR OTHERS TO FOLLOW.

WE ANTICIPATE THE PROGRAM WILL CONTINUE UNDER THE NEW MANAGEMENT AT KOYUKON AND REQUEST THE LEGISLATURE TO PROVIDE SUPPORT TO INSURE THAT THEY ARE ABLE TO (CONTINUE).

AT THE CURRENT TIME I FEEL THAT IT IS NECESSARY FOR THE RESOURCES COMMITTEE TO BECOME MORE INVOLVED IN THIS DEVELOPING INDUSTRY. THE DIVISION OF AGRICULTURE IS DOING WHAT IT CAN BUT THEY JUST DO NOT HAVE THE PERSONNEL TO DO THE FOLLOWING JOB. I SUGGEST THAT THE RESOURCES COMMITTEE HIRE SOMEONE TO VISIT ALL OF THE REGIONAL PROFIT AND NON-PROFIT ENTITIES AROUND THE STATE TO FIND OUT WHAT, IF ANYTHING, THEY HAVE IN THE WAY OF PLANS FOR AGRICULTURE DEVELOPMENT IN THEIR AREA. THIS WOULD COVER DEVELOPMENT WITH THEIR OWN CAPITAL OR WHERE THEY PLANNED TO SEEK STATE ASSISTANCE. ONCE THIS INFORMATION IS GATHERED AND DEVELOPED THEN THE PROPER STATE AGENCIES COULD INCLUDE THIS INTO THEIR PLANNING PROCESSES. ONE OF THE THINGS THAT IS LACKING NOW IS TOTAL COORDINATION OF THE PLANNING, AND IT IS REALLY NO ONE PERSON OR AGENCIES FAULT. THIS KIND OF INFORMATION IS VITAL TO ALLOW YOU AS A COMMITTEE TO DO YOUR JOB PROPERLY.

THANK YOU FOR ALLOWING ME TO EXPRESS MY VIEWS HERE AND BE ASSURED THAT I AM AVAILABLE FOR ANY ASSISTANCE YOU MAY REQUIRE. I STILL FEEL THAT THIS IS VITAL TO ALASKA AND THE NATION AS A WHOLE.

Jimmie L. Farmer
630 W. 8th Apt. 105
Anchorage, Ak. 99501
272-8720

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 538

Title Small-scale Agriculture Grant Program

Requested by Rep. Terry Gardiner

Date May 15 1981

II. FISCAL DETAIL

Agency Affected Department of Natural Resources

Program Category Affected Economic Development

BRU, Program, or Subprogram(s) Affected Ag. Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		37.8	37.8			
200 TRAVEL		10.0	10.0			
300 CONTRACTUAL		6.2	6.2			
400 COMMODITIES		.3	.3			
500 EQUIPMENT		1.7	1.7			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		500.0	1000.0			
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		564.0	1064.0			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1			
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Includes Agronomist (program coordinator) to be added to Division Staff. Position will reduce conflicting and duplicative grants, assist applicants with application and report, and screen applications.

Grant funds would fund already received applications and expected requests for FY 82.

IV. DATE May 16, 1981

PREPARED BY *Dawn Calow*

AGENCY DNR Division of Agriculture

PHONE _____

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CS for HB 456 (Finance) am

The bill consists of four main sections related to the agricultural revolving loan fund, an agricultural products board, the soil conservation board, and the Commercial Fishing and Agriculture Bank. The purpose of the bill in its entirety is to aid the development of all scales of agriculture in the state. A sectional analysis follows.

- Sec. 1. States the Act's purpose.
- Sec. 2. States the policy of the agricultural revolving loan fund -- "to promote the development of agriculture throughout the state by means of low-interest loans."
- Sec. 3. Adds greenhouses, marketing, greenhouse gardeners, and cooperatives as eligibles for the ag revolving loan fund and clarifies that all recipients must be residents.
- Sec. 4. Raises the interest rate to 8%.
- Sec. 5. Raises loan limits to \$750,000 for farm development and \$500,000 for chattel..
- Sec. 6. Adds a new section to identify the ag revolving loan fund as a development fund, not a continuing source of low-interest capital.
- Sec. 7. Creates an agriculture products board for quality and marketing. The board, in DNR, has seven resident members representative of agricultural products processors and farmers. Duties are defined in 03.18.030.
- Sec. 8-10. Amends the Soil Conservation Board to have five rather than three members, adds representation by ranchers, requires geographical representation, and defines the board's duties.
- Sec. 11-13. Amends CFAB to provide for agricultural processing facilities loans.
- Sec. 14-15. Transition.
- Sec. 16. Effective date July 1, 1981.

Title 3
Agriculture and Animals

Annual Contents Card

Title 1
General Provisions

Title 2
Aeronautics

Sec. 03.10.010. Declaration of policy. It is the policy of this chapter to promote the more rapid development of agriculture as an industry throughout the state by means of long-term interest loans. (§ 2 ch 122 SLA 1953)

Am. Jur., ALR and C.J.S. references.—2 Am. Jur., Agriculture, §§ 4, 12 to 16, 20, 24, 30 to 33; 36 Am. Jur., Mortgages, § 1 et seq.; 43 Am. Jur., Public Funds, § 1 et seq.

tion of market for agricultural in respect of crop loans by agency and the security thereof. ALR 338.

3 C.J.S. Agriculture §§ 7 to 9; C.J.S. States §§ 132 to 150.

Sec. 03.10.020. Powers of the department. The department:

(1) make loans to individual resident farmers, homesteaders and partnerships or corporations composed of farmers and homesteaders, for development of farms, storage and processing of produce, livestock and machinery and to individuals, partnerships or corporations, for storage and processing plants for agricultural products;

(2) designate agents and delegate its powers to them as necessary;

(3) adopt rules and regulations necessary to carry out its functions;

(4) establish amortization plans for repayment of loans, which may include delayed payments of principal and interest for not to exceed five years;

(5) enter into agreements with private lending institutions, other state agencies or agencies of the federal government, to carry out the purposes of this chapter. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961)

Sec. 03.10.030. Limitations on loans. (a) A farm development loan may not exceed \$150,000. The mortgage which secures a farm development loan may be of any priority if the total indebtedness on the real estate, including the secured farm development loan, does not exceed \$150,000. A farm development loan which, if granted, would raise the existing indebtedness on the real estate above \$150,000, or a farm development loan on real estate which has a prior existing indebtedness of \$150,000 or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm development loan which exceeds the \$150,000 indebtedness limit on the real estate. A loan may not run longer than 30 years nor bear interest exceeding six per cent, and it shall be secured by a real estate or chattel mortgage, or both.

(b) Except for loans for irrigation systems as provided in this subsection, a chattel loan may not exceed \$100,000 for each farm unit and may not run longer than seven years or the useful life of the chattel if more than seven years. It may not bear interest

(c) A short term loan, to be amortized within one year, not to exceed \$200,000 to any one borrower may be made for operating purposes.

(d) Farm development and chattel loans for irrigation systems may be for terms as determined by the commissioner.

(e) An installment payment is delinquent unless it is mailed by the borrower on or before the 15th day after the date specified for payment in the loan agreement or unless it is received by the department on or before the 15th day after the date specified for payment in the loan agreement. If an installment payment is delinquent, the director shall assess a delinquency penalty. The delinquency penalty shall be an amount equal to seven per cent of the delinquent payment.

(f) A farm product processing loan may not exceed \$2,500,000. A mortgage which secures a farm product processing loan may be of any priority if the total indebtedness on the real estate, including the secured farm product processing loan, does not exceed \$2,500,000. A farm product processing loan which, if made, would raise the existing indebtedness on the real estate securing the loan above \$2,500,000, or a farm product processing loan on real estate which has a prior indebtedness of \$2,500,000 or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm product processing loan which exceeds the \$2,500,000 indebtedness limit on the real estate. A farm product processing loan may not exceed a term of 30 years or bear interest exceeding six percent a year and shall be secured by a real estate or chattel mortgage or both. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961; am § 1 ch 144 SLA 1966; am § 1 ch 78 SLA 1967; am § 1 ch 135 SLA 1970; am § 1 ch 22 SLA 1974; am § 1 ch 18 SLA 1975; am §§ 1-4 ch 50 SLA 1979; am § 74 ch 106 SLA 1980)

Effect of amendments. — The 1974 amendment, in subsection (c), substituted "\$25,000" for "\$15,000" and "operating" for "emergency."

The 1975 amendment substituted "\$200,000" for "\$150,000" throughout subsection (a).

The 1979 amendment substituted "\$500,000" for "\$200,000" throughout subsection (a), substituted "\$300,000" for "\$100,000" in the first sentence of subsection (b), substituted "\$200,000" for

"\$25,000" in subsection (c), and added subsection (e).

The 1980 amendment, effective June 21, 1980, added subsection (f).

Editor's note: — Section 7, ch. 50, SLA 1979 provides: "The provisions of AS 03.10.030(e) enacted in sec. 1 of this Act and AS 03.10.035 enacted in sec. 5 of this Act applied to farm development, chattel, and irrigation system loans made after July 1, 1979."

Sec. 03.10.035. Use or disposal of mortgaged farm land. (a) A borrower may not use farm land for a non-farm use or sell, lease or otherwise dispose of farm land if that land is encumbered by a mortgage given to secure the payment of a farm development, chattel, or irrigation system loan under this chapter unless the borrower either

(1) pays the outstanding balance of the loan in a lump sum or under other terms agreed to by the commissioner which accelerate payment of the loan; or

paragraph (6) to substituted "orders, regulations, quarantines and embargoes" for "rules, orders, regulations and quarantines."
amendment, in meat, fish and aragraph (3) and As the rest of the section was not affected by the amendments, it is not set out.
ment, in the

Miscellaneous powers of commissioner. The
he inspection of food animals, fish, poultry and
ucts, to protect the public against fraud, disease
n this connection he shall promulgate uniform
ing standards of identity and composition of these
minimum standards of sanitation and handling
l phases of slaughtering, processing, storing,
ying and selling of these food products;
(1978)

As the rest of the section was not substituted "food affected by the amendment, it is not set out.
or "animals and out.
).

sale and labeling of frozen meat, fish and
fish or poultry which has been frozen may not be
advertised as a fresh food.
poultry which has been frozen must be labeled as
regulations.
ner shall promulgate regulations which
food labels for meat, fish and poultry which has

the examination and inspection of meat, fish and
whether it has been frozen. (§ 5 ch 138 SLA 1974)
inspection. On any business day during the usual
the commissioner or his authorized inspector may, for
ecting agricultural or fisheries products subject to
storehouse, warehouse, cold storage plant, packing
se, retail store or other building or place where
kept, stored, processed or sold. (§ 33-1-2 ACLA
SLA 1955; am § 2 ch 25 SLA 1972; am § 3 ch 58

nt inserted "or
e of the section.

Sec. 03.05.080. Products in violation of regulations. An
agricultural or fisheries product found by the commissioner, or his
authorized inspector, to violate a regulation adopted under this chapter
is declared to be a public nuisance injurious to the public interest and
shall not be moved by the person in whose possession it may be except
upon the specific direction of the commissioner or inspector. (§ 33-1-2
ACLA 1949; am § 1 ch 121 SLA 1955; am § 4 ch 58 SLA 1978)

Effect of amendment. — The 1978 substituted "regulation adopted under this
amendment inserted "or fisheries" near chapter" for "rule or regulation" near the
the beginning of the section and middle of the section.

Sec. 03.05.100. Definitions. In this chapter,
(1) "agricultural products" does not include fish or fisheries
products;
(2) "fish or fisheries products" means any aquatic animal, including
amphibians, or aquatic plants or parts of these plants, animals or
amphibians that are usable as human food. (§ 5 ch 58 SLA 1978)

Chapter 10. Alaska Agricultural Loan Act.

Section	Section
30. Limitations on loans	40. Creation of fund
35. Use or disposal of mortgaged farm land	50. Administration of fund
	54. [Repealed]

Sec. 03.10.030. Limitations on loans. (a) A farm development loan may not exceed \$500,000. The mortgage which secures a farm development loan may be of any priority if the total indebtedness on the real estate, including the secured farm development loan, does not exceed \$500,000. A farm development loan which, if granted, would raise the existing indebtedness on the real estate above \$500,000, or a farm development loan on real estate which has a prior existing indebtedness of \$500,000 or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm development loan which exceeds the \$500,000 indebtedness limit on the real estate. A loan may not run longer than 30 years nor bear interest exceeding six per cent, and it shall be secured by a real estate or chattel mortgage, or both.
(b) Except for loans for irrigation systems as provided in this subsection, a chattel loan may not exceed \$300,000 for each farm unit and may not run longer than seven years or the useful life of the chattel if more than seven years. It may not bear interest exceeding six per cent. It shall be secured by a real estate or chattel mortgage, or both. Loans and the real estate and chattel mortgage security on them for irrigation systems may be in amounts and for terms as determined by the commissioner.