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SB 322: Justification

This bill would expand the Agriculture Revolving Loan Fund (ARLF) board from 5 to 7 members. One of the particularly important characteristics of the ARLF board is the members know the specific needs of the agriculture areas of the state. Growing condition, frost dates, and clearing costs all vary across Alaska. The present board members know the variable conditions confronting producers and are often personally familiar with the loan applications. This may be viewed as one of the positive aspects of the ARLF.

The ARLF is expanding in several ways. More activities are coming under the administration of the ARLF. A larger loan fund board will enable the members to represent, with some expertise, the increasing activities which have been acknowledged as agricultural including, but not limited to, fur farming and horticulture, which are included in a bill moving through the legislature this session.

The corpus of the loan fund has increased significantly since its establishment in 1953 through the creation of the board to manage the fund in the 1960's with \$200,000 to \$75 million, today. In all probability, the Department of Natural Resources will ask the Legislature to again raise the limit on the ARLF to \$100 million.

The expansion of the board is also warranted to obtain a better statewide representation. At present, only one of the five members comes from north of the Alaska Range, yet 55% of the funds loaned go to this area.