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SENATE RESOURCES COMMITTEE  
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 339*

BILL NAME: *repealing expiration date of ag. action council*

SPONSOR(S): *Moss*

RELATED BILLS PENDING:

DATE INTRODUCED: *1/9/84*

REFERRALS: *Resources*

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR  
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE: *zero*

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR  
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE  
SUBSTITUTES DRAFTED:

*(Kathleen) - Richard Patton*  
*✓ Moss - available for questions*  
*✓ Sharon Barton, DNR*  
*✓ DCED - Katie Wallen - Vivian O'Reilly,*  
*Carol Amstrong - etc. for available for questions*

ALASKA AGRICULTURAL ACTION COUNCIL

1) Major Accomplishments

a) All three agricultural development projects are proceeding as planned.

Delta I, Delta II and Point McKenzie have been sold and are presently meeting their clearing time projections. About 90% of the clearing is done.

b) Two contracts for meat processing were let this year.

1) Mt. McKinley Meat and Sausage, Palmer, started construction on 12/6/83.

2) McKee's Meats, Fairbanks, will start construction as soon as Fairbanks is through break-up. They should be in operation by Fall of 1984.

c) Research for three new projects continued throughout 1983.

1) Nenana/Totchaket

2) Fish Creek (Point McKenzie extension)

3) Delta Creek

d) Work on the Seward Grain Terminal project was halted.

2) Budget

Budget breakdown for FY 84 was:

Capital.....\$176,200 (Delta I, II and Point McKenzie)

Operating.....\$313,300

3) Number of Employees

Six full-time and one part-time (shared with Cooperative Extension Service)

4) Year-end Report

A draft has been sent to all Council members, and will be submitted to the Legislature upon its approval.

SENATE BILL 339

repealing the termination date of the Alaska Agricultural Action Council

sponsor: MOSS

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SB 339

As prepared by the Sponsor, Senator Moss, the bill would repeal the termination date of the Council effective June 30, 1984.

CS SB 339

The Resource Committee substitute repeals the termination date of the Council and re-establishes the Council under sunseting provisions.

SB  
339

ranking applications shall include facility need and suitability, public support for construction or development and maintenance of a facility, availability of land, management capacity, alternatives to completion of the facility proposed, redevelopment or rehabilitation of a structure qualifying as an historic property or a building of historic value which is part of an historic district, and cost;

(2) by application of the criteria adopted under (1) of this section, advise the commissioner of commerce and economic development regarding the approval of requests for financial assistance in the construction of cultural facilities submitted in accordance with AS 43.18.500;

(3) at the request of a municipality, provide assistance in the preparation of an assessment of needs and review proposals and plan for construction or development of a cultural facility, for which financial assistance is requested under AS 43.18.500; and

(4) submit an annual report to the commissioner of commerce and economic development and the legislature summarizing its activities and expenses. (§ 3 ch 62 SLA 1979)

**Article 10. Alaska Agricultural Action Council.**

**Section**

- 450. Creation of council
- 455. Compensation of members
- 460. Meetings
- 465. Quorum

**Section**

- 470. Powers and duties of the council
- 475. Agricultural development projects
- 500. Definitions

Termination date. — Section 4, ch. 75, SLA 1979, provides that this article terminates July 1, 1984.

**Sec. 44.33.450. Creation of council.** (a) There is established in the Department of Commerce and Economic Development the Alaska Agricultural Action Council. The council is composed of five members appointed by the governor. The chairman of the council is to be designated by the governor from among the members.

(b) The council may invite representatives from the United States Soil Conservation Service, the United States Forest Service, or from other federal agencies to participate in the deliberations of the council in an advisory capacity.

(c) The term of a member of the council is four years. Vacancies are filled in the same manner as original appointments, but a member appointed to fill a vacancy serves for the unexpired term of the member he succeeds. (§ 1 ch 75 SLA 1979)

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**Editor's note.** — Section 2, ch. 75, SLA 1979, terminating July 1, 1984, provides: "Notwithstanding the terms of office specified for members of the Alaska Agricultural Action Council in AS 44.33.450(c), enacted in sec. 1 of this Act, the terms of the first appointees shall be one member serving a term ending June 30, 1980, one member serving a term ending June 30, 1981, one member serving a term ending June 30, 1982, one member

serving a term ending June 30, 1983, and one member serving a term ending June 30, 1984."

Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Legislative history report.** — For adoption of the Free Conference Committee letter of intent on Senate Bill No. 14 (ch. 75, SLA 1979), see 1979 Senate Journal, p. 1138; 1979 House Journal, p. 1373.

**Sec. 44.33.455. Compensation of members.** (a) Members of the council who are not state officers or employees are entitled to per diem and travel expenses provided for boards and commissions under AS 39.20.

(b) State officers or employees appointed as members of the council serve without compensation but are entitled to receive per diem and travel expenses from council funds. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.460. Meetings.** The council shall schedule regular meetings during the year, and may hold special meetings upon the call of the chairman or four members of the council. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.465. Quorum.** Three members of the council constitute a quorum. An affirmative vote of at least three members is necessary to approve any action of the council. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.470. Powers and duties of the council.** (a) The council has the power to

(1) adopt and amend bylaws for the management and regulation of its affairs; and

(2) maintain an office at any place or places in the state.

(b) The council has the duty to

(1) hold public hearings in areas of the state considered for agricultural development;

(2) evaluate the need for farm conservation plans for land under agricultural production in the state;

- (3) serve as coordinator for gathering information and data relating to agriculture;
- (4) recommend appropriate activities for the promotion of agriculture in the state;
- (5) provide technical information and make recommendations to the commissioner of natural resources regarding the classification of state land having a potential for agricultural use;
- (6) act as administrator of the Delta agricultural development project and any other agricultural development project authorized under AS 44.33.475;
- (7) contract for the clearing, draining and breaking of agricultural land located in the Delta agricultural development project;
- (8) contract with the owners of land prepared for agricultural use under (7) of this subsection for reimbursement to the state of the cost of the clearing, draining and breaking of the land;
- (9) contract for the construction of access roads in the Delta agricultural development project;
- (10) conduct studies and carry out experimental and pilot projects to develop markets for agricultural products produced in the state; and
- (11) recommend legislation to the governor to improve agricultural development in the state. (§ 1 ch 75 SLA 1979)

Editor's note. — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.475. Agricultural development projects.** (a) Before January 15 of each year the council shall report to the governor and the legislature concerning the activities of the council during the current fiscal year. The report shall contain recommendations for the development of agriculture in the state during the next fiscal year.

(b) An agricultural development project recommended under (a) of this section may not be implemented unless authorized by law. The report required by (a) of this section shall include recommended legislation which

- (1) sets out the type of agricultural development to be accomplished and, if state land is to be developed for agricultural production, describes the boundaries of the land to be developed;
- (2) defines specific tasks to be performed by appropriate state agencies to the extent the tasks are identifiable at that time; and
- (3) grants to the council sufficient authority to insure cooperation of all state agencies involved in the implementation of the agricultural development project. (§ 1 ch 75 SLA 1979)

Editor's note. — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

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**Sec. 44.33.500. Definitions.** In AS 44.33.450 — 44.33.500,  
 (1) "council" means the Alaska Agricultural Action Council;  
 (2) "Delta agricultural development project" means the state funded  
 program to develop agricultural land located in the Big Delta, Tanana  
 Loop region for the production of small grains and other related  
 agricultural products. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75  
 provides that this article terminates July  
 1, 1984.

**Article 11. Native Art Competitions.**

Section	Section
501. Program of competitions	505. Sale of entries
502. Regional competitions	506. Other displays
503. Place of competition	507. Grants and assistance
504. Judges	512. Temporary custody

**Revisor's note.** — The responsibility  
 for the competitions was initially vested in  
 the director of tourism. In 1962 those  
 responsibilities were codified under the  
 Department of Economic Development  
 and Planning, Chapter 103, SLA 1960,  
 transferred planning function from the  
 department to the Office of the Governor  
 and renamed the department the Depart-  
 ment of Economic Development. Chapter  
 207, SLA 1975, provided that all  
 references to the "Department of Economic  
 Development" be read as "Department of  
 Commerce and Economic Development".

**Sec. 44.33.501. Program of competitions.** (a) The Department of  
 Commerce and Economic Development shall direct a continuing pro-  
 gram of competitions. The competitions shall be held each summer to  
 select outstanding examples of Alaskan Native arts and crafts.

(b) The Department of Commerce and Economic Development, after  
 consulting with a committee from the Alaska Native Brotherhood and  
 Sisterhood appointed by their councils from among the memberships of  
 those organizations, shall adopt regulations for the competitions,  
 providing for, but not limited to the following:

- (1) eligibility requirements for entrants;
- (2) categories for entry, such as basketwork, wood carving, pottery,  
 stone work, ivory work, painting, etc.;
- (3) criterion for selecting category winners and grand prize winners;
- (4) transportation and display of entries;
- (5) prizes and awards for winning entrants which are restricted to  
 ribbons, cups, plaques, etc.;
- (6) preparation of entry forms which
  - (A) give the name and mailing address of the entrant,

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



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(907) 465-3834  
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## Senate

### Committee on Resources

#### MINUTES

January 25, 1984  
3:03 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chair  
Senator V. Fischer  
Senator Paul Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

- SB 322 An Act relating to the Alaska Agricultural Loan Board; and providing for an effective date.
- SB 342 An Act amending the Alaska Agricultural Loan Act.
- SB 339 An Act repealing the expiration date of the Agricultural Action Council; and providing for an effective date.
- SB 356 An Act amending the expiration date of the Alaska Agricultural Action Council.

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#### TELECONFERENCED TO:

Fairbanks  
Delta  
Palmer/Wasilla

Anchorage  
Homer  
Soldotna

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Senator Kerttula testified in support of SB 322. He said the geographic areas where agricultural development exists have expanded and suggested the Governor appoint two more members to represent farmers from those areas.

Senator Faiks testified in favor of SB 342. He answered questions about the bill and also supported the Kerttula amendment regarding soil classification.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, acknowledged that SB 342 would create a greater demand on the Agricultural Revolving Loan Fund and asked for clarification from the Legislature on granting loans for non-food products.

Steve Shropshire, Alaska Horticulture Association, spoke in support of SB 342. He felt the definition of "agriculture" should include horticulture.

Mayor Bill Allen, Fairbanks North Star Borough, supported all the bills before the Committee. He urged the continuation of the Alaska Agricultural Action Council and the expansion of the agricultural loan program.

Frank Geiger, Mayor, Delta Junction, spoke in support of all four bills. He recommended that two Boards be established, one for the Interior and one for the rest of the state.

Richard Ramsey, Aide to Senator Kerttula, testified in support of Kerttula's proposed amendment to SB 342. This amendment would allow more lands to be eligible for clearing loans.

Edna Anderson, Homer, recommended passage of SB 339 and SB 358 and said she agreed with Mayor Allen's comments.

Pete Roberts, Homer, supported Kerttula's proposed amendment to SB 342.

Ed Merdes, Fairbanks, supported all the bills being heard. He introduced the idea of "production incentives" to lower costs of production and make our crops more competitively priced.

Pat Mulligan, President, Alaska Farmers and Stock Growers, spoke in support of SB 342 and horticulture.

Bill Heim, Director, Division of Agriculture, DNR, wanted legislative guidance, through SB 342, on the expansion of the loan program. He supported Kerttula's proposed amendment to SB 342. Regarding SB 322, he recommended that the two new members be from Delta and Fairbanks.

Ken Ulz, Kobuk Fuel and Feed, spoke in support of all the bills being heard. He felt fur ranching was just as valid as any other ranching enterprise.

Bruce Willard, Homer, supported the continuation of the Alaska Agricultural Action Council.

Harry Wassink, Anchorage, proposed raising the cap on ARLF loans, particularly for dairy farmers.

Sig Restad, Agricultural Experimental Station, Palmer, testified in support of the four bills before the Committee.

Burton L. Clifford, U.S Department of Agriculture (USDA), spoke in support of all of the bills.

Carrol Martin, Soldotna, testified in support of all the bills heard today.

Jerry Giaouque, Palmer, spoke in support of all the bills.

Terry Weiland, Palmer, supported SB 339 and SB 358 and also wanted the cap raised on ARLF loans.

Jerry Brehmer, Delta, was in favor of all of the bills.

Vincent O'Reilly, Deputy Commissioner, Department of Commerce and Economic Development, testified that the Administration supports agricultural development. They are currently reexamining the program, trying to focus on in-state market needs. He felt that coordinating that effort should be done by the line agencies, specifically the Department of Natural Resources and the Department of Commerce and Economic Development, rather than the Alaska Agricultural Action Council.

Annely Girard, Palmer, testified that farmers need to diversify. She felt the passage of SB 342 would allow them to do that. She spoke of growing shrubs and fast growing trees such as poplars in greenhouses for use as windbreaks.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, spoke again to concur with Vincent O'Reilly, Deputy Commissioner, Department of Commerce and Economic Development, that the functions of the Alaska Agricultural Action Council can be better carried out by the line agencies, particularly the Department of Natural Resources.

The meeting adjourned at 4:42 pm.



United States  
Department of  
Agriculture

Soil  
Conservation  
Service

Professional Center - Suite 129  
2221 East Northern Lights Boulevard  
Anchorage, AK 99504 (907) 276-4246

January 26, 1984

Senator Bettye Fahrenkamp, Chairperson  
Senate Resources  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

Attached is the testimony I offered yesterday through the teleconference hearing regarding the Alaska Agricultural Action Council. I know the teleconference was due to end at 4:30 PM so felt rushed trying to give the testimony and probably did not come across as clear as I should have.

The Agricultural Action Council has been very important in the agricultural development process, and as noted in the testimony, until the industry can stand on equal footing with other departments, then the council continues to have a vital role in these efforts. Because of this, I hope the attached written record will be of value to the committee in their considerations.

I certainly will be happy to provide any other background or testimony that might be useful regarding this matter.

Sincerely,

Burton L. Clifford  
State Conservationist

cc:

All Committee Members  
Senator J. Kerttula  
Senator P. Moss



FEB 2 1984

Testimony given on 1/25/84 Teleconference Hearing regarding the status of the Alaska Agricultural Action Council

I would like to comment on current bills identified as SB 358 and SB 339 relative to the Alaska Agricultural Action Council (AAAC). One bill moves the expiration date of the council forward to July 1, 1989 and the other simply repeals the expiration date, making the council perpetual.

The AAAC has been in my judgment the prime mover of the agricultural development effort to date. My agency has been deeply involved over the past years in support, as requested by the state, in the efforts of the council. We are committed to the program they might actively carry on, as we are to any other natural resource effort in which we can provide assistance.

The previous administration and legislatures committed themselves to agricultural developments that have occurred to this point and Governor Sheffield has, based on the plan discussed last month in Fairbanks, dedicated his administration to continue the agricultural commitment. It appears to me that the present legislature is also committed to the present administration plan. The point being made is that there is still a strong agricultural commitment with a specific plan of action emphasizing the infrastructure, actual development of farms committed to date, and the completion of other activities necessary to demonstrate reliability. It also seems to me, as the Governor presented his speech at the Agricultural Symposium, that he was setting the stage for future developments. Again, the point is a continued strong commitment to Alaska agriculture and let me hasten to add that we in the Soil Conservation Service are anxious to assist in whatever course of action the state takes.

It appears, historically, the prime reason agriculture was slow to develop during the 1960's and early 1970's, was a lack of state support. What support was present, primarily through the Division of Agriculture, was sometime overshadowed by other interests; Divisions or Departments that had either a stronger organization or power to override some agricultural efforts. Another reason was that this resource did not receive much attention from various administrations or legislatures. This was noted by the State Association of Soil Conservation Districts and was the primary reason they submitted a resolution to the Governor in the fall of 1976 asking him to take a personal interest in Alaska's agriculture. I guess we will never know if that particular resolution had any impact on what happened, but it was only a few weeks later that a representative of the Governor called a large group of us together to discuss Alaska agriculture, its potential, possibilities, and concerns that should be addressed. A task force action was started through the Governor's Ad hoc Council and it went forward because, I believe, of the powers that were given to the effort by the Governor. The Ad hoc group evolved to the AAAC and it had the power or authority to obtain cooperation between state departments and divisions, even to the point of demanding action to maintain projects and other efforts on an effective schedule. This was appropriate to meet the state's commitment to this industry.

Having worked in Alaska for the past 18 years on such activities, it is my conviction this power, exercised by the Governor's representative, guided by the Council, is the primary reason this resource moved to the present point of development. I believe the loss of this type of endorsement before the industry becomes full grown may well bring Alaska's agricultural efforts to a level that will be difficult for it to compete with other forces. Remember that Alaska agriculture does not have department status and the Council's role the past several years has to some extent helped overcome this lack of position. I might add it has been an economical organization when we note its accomplishments.

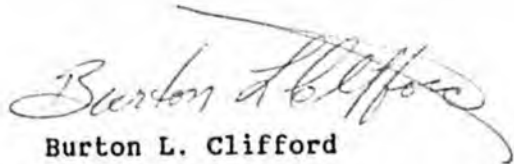
The Council also became a forum for action. It was (and is) a vehicle to rapidly review ideas, concepts, and basic needs for a fledgling industry as it struggles to both emerge into, as well as catch up with, the 20th century. This process has placed tremendous pressure on this effort and the need to rapidly respond is critical. Most of us fully understand the critical margin relative to this Alaska resource. The only way, I believe, to keep this margin from becoming more narrow is by working through an action group such as the Council. A group that has the primary mission to monitor and react to the industry's emerging needs. This calls again for special powers and mission objectives which the Council has to date had as working tools.

Another factor that has enhanced the present efforts has been the Council's ability to bring to the industry's assistance excellent authorities that can deal with both in and out of state factors relative to Alaska's developing agriculture. Over the years, we have been fairly traditional, relative to agriculture in Alaska, while the rest of the world has rapidly moved forward. I personally make quite an effort to stay somewhat current on world markets and yet I continue to be amazed the fast pace agriculture moves in this part of the market place, especially over the past 10 years. It is imperative that we understand these forces in the event that someday we might be a part of them, even on a small scale. The Council, to date, has been the primary group to fill this role.

Relative to intrastate activities, the Council has again been the moving force to coordinate developing activities on projects, both land development and facilities. The new slaughterhouse is probably the most recent example. May I compliment the administration and legislature for this accomplishment, but let me suggest that you did it through a very active AAAC.

I appreciate the opportunity to provide background from my observations and my experience with the AAAC. I believe the Council, with the role it has come to play, is a critical organization if the agricultural industry is to continue to evolve and I believe there is a commitment as stated previously for that purpose. This in no way slights other interests, such as the Division of Agriculture, which also is critical to this effort and has done an excellent job. The Council, however, is strongly mission oriented along the development needs of the industry. It does not run the risk of having its energies diverted into other activities more common to the maintenance of the industry and the services the state provides along these lines.

The Council must continue at least for some future period if not as a perpetual group, and have the power to bring together others when necessary to keep activities moving on a timely basis and finally the support, both legislatively and financially to carry out its mission.



Burton L. Clifford  
State Conservationist  
USDA - Soil Conservation Service  
Anchorage, Alaska  
1/25/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB 339  
Title: Repealing the expiration date  
of the Agric. Action Council  
Sponsor: Moss  
Requestor: Senate Resources  
Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce and Economic Development  
Program Category Affected: Development  
BRU, Program or Subprogram(s) Affected:  
Agricultural Action Council

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Carl Amstrup Phone: 452-1590  
Division: Alaska Agricultural Action Council Date: 1/23/84  
Approved by Commissioner: Richard A. Lyon Date: 1/25/84  
Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

received 11/01/84

SB 339: "An Act repealing the expiration date of the Alaska Agricultural Action Council; and providing for an effective date."

SB 358: "An Act amending the expiration date of the Alaska Agricultural Action Council."

The Administration supports the development of Alaska's agricultural industry through an integrated management system that will encourage all phases of development. Line agencies within the Departments of Commerce and Economic Development, Natural Resources, and Transportation and Public Facilities will provide this support.

1. Agriculture has come of age.

With 130,000 tillable acres currently in private hands and 130,000 acres of range leases, plus rapidly increasing activities in horticulture, poultry, fur farming and meat processing, agriculture deserves the same product management support in the form of advocacy, economic analysis and market support that other industrial sectors receive through line office and division associations with Commerce.

2. Agriculture is increasingly an integrated industry.

Horizontally, agriculture ranges from egg production to reindeer herding. Vertically, it moves from seed production to barley, to multiple livestock, to meat processing, to in-state and export marketing. It is developing support service industries. Administratively, it should be structured such that all aspects of market integration are addressed.

3. Agriculture needs a market orientation.

Alaskan agriculture supplies only 20% of the in-state fluid milk market, 2% of the beef, 3% of the pork and 10% of the eggs. Yet, 130,000 acres provides the potential to supply 75% of the fluid milk, 25% of the beef, 40% of the pork and 60% of the eggs. Agriculture needs a major market orientation which matches the production orientation. The Department of Commerce and Economic Development is using marketing as the catalyst for all of its advocacy divisions.

4. Agricultural development is a three-legged stool.

The department has been designated as the State's lead agency in the area of economic development. Yet, development clearly involves three functions: land management and disposal are clearly within the jurisdiction of DNR, infrastructure is the responsibility of DOT&PF and Commerce's responsibility is product management. Development of agriculture requires strong state support in product management.

Department of Commerce & Economic Development / POSITION PAPER

5. The department's advocacy offices fall into three categories. Enterprise and International Trade deal with small business development and Alaska's commercial relationship with foreign countries. Energy and Minerals Development relate to nonrenewable resources. Tourism and Fisheries Development relate to Alaska's renewable resources, yet without a commitment to forestry and agriculture, the renewable resource commitment is fragmented and shallow.
6. The department is demonstrating its commitment of objective economic analysis in the field of agriculture and forestry. Since December 1, the department has released an economic assessment of Alaskan agriculture, plus 15 monographs on agriculture and forestry. The department is committed to building an economic data base, forecasting, and economic analysis for each advocacy sector. Forestry and Agriculture are the only two regions where this research is left without an implementing agency.

 2/3/84

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Richard A. Lyon, Commissioner

Department of  
Commerce & Economic Development

"Product Management"

Advocacy  
Economic Analysis  
Marketing

Department of  
Natural Resources

"Land Management"

Land Disposal  
Clearing Loans  
Soil & Seed Testing  
Project Management

Department of  
Transportation & Public Facilities

"Infrastructure Management"

Access Roads  
& Bridges  
Utilities  
Railroad  
Facilities Management

Product Management Activities

Advocacy:

1. Continue and expand outreach programs with grain farmers, dairy industry, experiment station and extension service.
2. Develop associations with livestock association, horticulture, fur farming and Native interests.
3. Expand ties with international community and in-state entrepreneurs, particularly in the area of processing, support industries and financing.
4. Organize commodity councils.

Economic Analyses:

1. Long-range economic forecasting.
2. Building economic data base and objective economic analysis of industries and projects.

Marketing:

1. Develop and implement marketing strategies.
2. Perform market analyses.
3. Identify competitive force.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



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## Senate

### Committee on Resources

#### MINUTES

February 3, 1984  
3:07 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Vic Fischer  
Senator Paul Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

- SE 322 An Act relating to the Alaska Agricultural Loan Board; and providing for an effective date.
- SB 342 An Act amending the Alaska Agricultural Loan Act.
- SB 339 An Act repealing the expiration date of the Agricultural Action Council; and providing for an effective date.
- SB 358 An Act amending the expiration date of the Alaska Agricultural Action Council.

Briefing on Bristol Bay Cooperative Management Plan

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#### SB 339

Vince O Reilly, Deputy Commissioner, Department of Commerce and Economic Development, testified against SB 339. He stressed the Administration's commitment to agriculture, with an emphasis on production for in-state market needs. A Memorandum of Understanding is being written that would divide the responsibilities of the Alaska Agricultural Action Council between the Departments of Natural Resources, Commerce and Economic Development, and Transportation. Also, by transferring those duties to line agencies, more emphasis would be placed on forest product marketing.

Senator Mulcahy moved to adopt the Resources Committee Substitute for SB 339, and move it from committee with individual recommendations. There was no objection.

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SB 342

Alex Shadura, testified in favor of SB 342, supporting horticulture as an important part of the agriculture industry. He expressed concern that the definition of horticulture as "growth in greenhouses or nurseries" contained in the Committee Substitute was restrictive.

Senator Mulcahy moved to adopt the Resources Committee Substitute for SB 342, and moved the bill from Committee with individual recommendations. There was no objection.

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SB 322

Senator Mulcahy moved the bill from Committee with individual recommendations. There was no objection.

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Frank Rue, Department of Natural Resources, Division of Land and Water Management, Resource Allocations, presented the committee with a brief overview of the changes that were made to the draft version of the Bristol Bay Cooperative Management Plan. Changes were made in the areas of oil and gas leasing, mineral exploration and development, and land disposals. Many of the original guidelines were seen as too specific and were dropped or rewritten in the final draft. Senator Sturqulewski and Senator Fahrenkamp had questions about the amendment process and asked for a more in-depth report on how Legislative authority over the lands will be affected under the plan.

The meeting adjourned at 4:38 pm.

March 22, 1984

Senator Jan Faiks  
Pouch V  
Juneau, Alaska 99811

Dear Senator Faiks;

On behalf of all of the farmers in the group from Delta Junction, we would like to express our thanks to you for your time and for the most stimulating discussion we had on agriculture related issues yesterday. Keep up the good work!

We discussed the sponsor substitute for Senate Bill 45, which would allow farmers of the state a five year period to develop their farms and while actively doing so, the payments and interest on the land would be tolled. Our discussion led us to the subject of the Alaska Agricultural Action Council and we expressed to you some of the reasons why we are not pleased with the performance of that agency. We might note that the Council, at the lower levels, has been doing an outstanding job. However, because of lack of support from the top, this work has been limited to controlling the quality of work being done in clearing on the Delta I and Delta II tracts. We have listed below some of our grievances with the Alaska Agricultural Action Council.

It is our opinion that the Council is not acting to develop markets either in state or out of state. They should be doing the following:

- A. Contacting end users of feed grains or by getting buyers and sellers together.
- B. Promoting the red meat industries, working with local groups such as the FFA or the 4H.
- C. Getting rape seed production underway by
  1. Developing test marketing plans;
  2. Seeking contracts for the growing of rape seed as requested by at least two farmers in the Delta area;
  3. Contacting foreign companies who are the producers and end users of vegetable oils;
  4. Investigating the feasibility and availability of in state crushing facilities for rape seed;
  5. Getting herbicides cleared for use in Alaska.

NOTE: The rape seed potential is so great that in Canada it is the Number 2 cash producer in farm sales.

- D. Assessing the economic progress of the farms and making recommendations. Requests for such a study have been made as long as six months ago and no evidence exists that any work has been done in this area.
- F. Working with the farmers and agriculture businesses to see that legislation is progressing to aid those trying to promote agriculture in Alaska. The plight of the Delta II farms is a good example. The council is not actively pursuing any form of salvage efforts in this area.
- G. Transportation--a great need exists for getting feed grains out and fertilizer and supplies in to Delta farmers. Nothing is being done to streamline or economize these facilities.
- H. Promoting and assisting the dairy industry including cattle procurement, equipment, processing, transportation, etc.
- I. Liason--keeping concerned parties informed on the current status of agricultural issues.

In summary, there exists a great need for agricultural action and promotion. Because there appears to be little or no activity from the Alaska Agricultural Action Council, the burden of implementing the steps mentioned above reverts to us; the producers, transportation users, etc. Perhaps this is where they belonged in the first place!

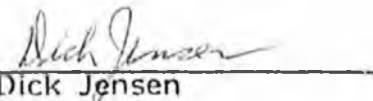
We are getting great responses here in the Capitol from all those who we are contacting. We are working on developing markets, streamlining transportation, and getting legislative assistance, etc., etc.

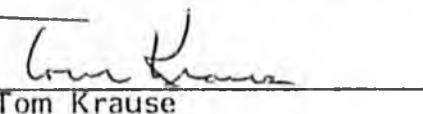
It is therefore our opinion that the Council should either be eliminated or revitalized to accomplish the tasks for which it was intended. The Alaska Agricultural Action Council should be more than just a social affair.

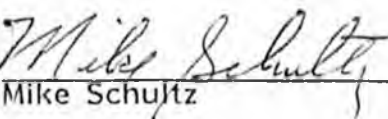
Again, thank you for your time and please contact us if there is any way you feel we could be helpful.

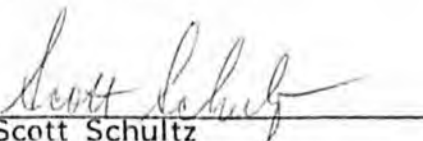
Yours very truly,

  
Charles Trowbridge

  
Dick Jensen

  
Tom Krause

  
Mike Schultz

  
Scott Schultz

cc: Governor Sheffield  
Commissioner Lyon, Department of Commerce and Economic  
Development  
Commissioner Wunnike, Department of Natural Resources  
Carl Amstrup, Alaska Agriculture Action Council  
✓ Senator Fahrenkamp  
Senator P. Fischer  
Senator Josephson  
Senator Kerttula  
Senator Moss  
Senator Mulcahy  
Senator Sturgulewski  
Representative Abcod  
Representative Adams  
Representative Barnes  
Representative Bettisworth  
Representative Bussell  
Representative Hayes  
Representative Shultz  
Representative Ward