

HB

415

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465-3800

LEGISLATIVE AFFAIRS AGENCY
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House L 3 C

March 17, 1988

(7)

HOUSE COMMITTEE REPORT

Date referred: 1/29/88

FURTHER REFERRALS: Finance

DATE: 3-17-88

The Labor & Commerce Committee has considered HB 415

"An Act relating to agricultural industry production credits for dairy products; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 415 (LTC) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Alto E. Kopman
[Signature]
Wfurnace

[Signature] (no rec)
[Signature] (no rec)

[Signature]
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: 3/22/88
Title: Dairy Production Credits
Sponsor: Labor & Commerce Committee
Requestor: House Labor & Commerce Comm

Agency Affected: Natural Resources
BRU: Agricultural Management
Land & Water
Components: ARLF
Public Use

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		84.0				
TRAVEL		-0-				
CONTRACTUAL		25.0				
SUPPLIES		2.0				
EQUIPMENT		-0-				
LAND & STRUCTURES		-0-				
GRANTS, CLAIMS		-0-				
MISCELLANEOUS		-0-				
TOTAL OPERATING		121.0	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE		(1,991.0)	(157.6)	(157.6)	(156.7)	(156.7)
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FUNDING: (Thousands of Dollars)

GENERAL FUND		121.0				
FEDERAL FUNDS						
OTHER						
TOTAL		121.0	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME		2				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This fiscal note reflects the changes in this bill and includes the fiscal effects of this program for the years 1985-1987 at \$2.68 per cwt of milk produced. The negative revenues are the result of production loans which will not be recovered due to the dairy credits allowed under this bill. (Contd.)

Prepared by: Hal Ward Phone: 745-7200
Division: Division of Agriculture Date: 3/22/88

Approved by Commissioner: Tom Hawking Date: 3/22/88
Agency: Natural Resources

Distribution (by preparer):

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

Fiscal Note Analysis CS HB 415 (L&C) contd.

The revenue projections for the loan fund for FY 89 and future years will decrease because the principal balance due on dairy loans will decrease by approximately 20%.

The operating costs are as follows:

100 -- 1 Natural Resource Manager I Range 18 A	50.0	(DL&WM)
1 Natural Resource Technician II Range 12 A	34.0	(DL&WM)
200 -- -0-	-0-	
300 -- Contracting for special accounting of credits and audit of milk processing records to ensure compliance with this bill.	30.0	(D of Ag)
Certified mail, public notice and telephone charges associated with land contract credit applications under this program.	5.0	(3.0 L&W) (2.0 D. Ag)
400 -- Commodities for 2 new positions	1.0	(L&WM)

Position Title Natural Resource Manager I		No. of Positions 1	Range/Step 18A	Org. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	37,600			
Benefits	12,400			
Premium Pay				
Other				
Total Personal Services		50,000		
Travel				
Contractual		3,000		
Commodities		500		
Equipment				
Other				
Total Cost		53,500		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	53,500		
GF Program Receipts	1005			
Other				
Justification This position will supervise a NRT II. The team will be responsible for calculating credits pursuant to HB 415				

Request For
New Position

Agency Natural Resources
 BRU Land and Water
 Component Public Use

Page 3 of 4
 Revised Date

FY 89

Position Title Natural Resource Technician II		No. of Positions 1	Range/Step 12A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	24,800			
Benefits	9,200			
Premium Pay				
Other				
Total Personal Services		34,000		
Travel				
Contractual		2,000		
Commodities		500		
Equipment				
Other				
Total Cost		36,500		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	36,500		
GF Program Receipts	1005			
Other				
Justification This position will work under a project leader. Will be involved in recalculating credits for current dairy contracts.				

Request For
New Position

Agency Natural Resources
 BRU Land and Water
 Component Public Use

Page 4 of 4
 Revised Date _____

FY 89



Official Business

COMMITTEE:
HOUSE LABOR & COMMERCE

DATE: March 17, 1988

SIGN-IN

Subject of meeting:

HB 415 "An Act relating to agricultural industry production credits for dairy products."
 HB 456 "An Act relating to agricultural loans and extending the agricultural production credit law."
 HB 472 "An Act relating to mechanical administrators"
 Discussion of potential committee legislation.

PLEASE PRINT
NAME & TITLE

REPRESENTING

ADDRESS & ZIP

PHONE

DO YOU WANT TO TESTIFY?

SUBJECT: BILL #

NAME & TITLE	REPRESENTING	ADDRESS & ZIP	PHONE	DO YOU WANT TO TESTIFY?	SUBJECT: BILL #
<i>E. A. Rutter</i>	<i>Mechanical Contractors of Alaska</i>	<i>1830 Second Ave. Fairbanks, AK 99701</i>	H 488-2385 W 486-8347	<input checked="" type="checkbox"/>	<i>HB 472</i>
<i>Randall Burns</i>	<i>Div. of Occupational Licensing</i>	<i>P.O. Box D-414 Juneau AK 99801</i>	H W 465-2535	<i>yes</i>	<i>HB 472</i>
<i>Donna Kotyk</i>	<i>Div. of Occ. Lic.</i>	<i>PO Box D-414 JNU 99811</i>	H W 465-3811	—	<i>HB 472</i>
<i>KAREN WEE</i>	<i>AK QUALITY DAIRY COOP</i>	<i>P.O. Box 872346 AIRYWEST WASILLA AK 99687</i>	H 376-0790 W 976-7780	<i>YES</i>	<i>HB 415 HB 456</i>
<i>Ray Henderson</i>	<i>AK Quality Dairy Coop</i>	<i>PO Box 877363 WASILLA AK 99687</i>	H 376-3546 W	<i>yes</i>	<i>HB 415 HB 456</i>
<i>Mark Weaver</i>	<i>State - DNR - Div. Agr.</i>		H 745-7200 W H W H W H W		"
			H W		
			H W		
			H W		
			H W		

HOUSE LABOR & COMMERCE COMMITTEE

DATE 3/17/88

TAPE NO. 83 + 84

BILL NUMBERS: HB 472 HB 456 HB 415

MEMBERS PRESENT: Dave, Koponen, Furnace, Ellis
~~Minors~~ Menard

MEMBERS ABSENT: Boucher Davidson

MEETING CALLED TO ORDER: 2:05

TAPE #	BILL #	
000	HB 415	Rep Larson - Homestead Act - in 1862 - implement - est # of ACRES. provis + condit. after develop plan - agricultural only would be granted
060		State of Alaska economic conditions different from 4 or 5 years ago -
069		HB 415 - Pt McKensie project - private sector invest greater, 11-12 mill than state (9 mil) - we have created a situation
093		HB 415 offers a way out - state can foreclose - help the farmers - cont to stay in business - recom - 2 amends.
106		1 amend - make it retroactive recognise those doing a good job -
135		2.1 fiscal - loss potential revenue - enforce the regs or lost reve would be 9 mil.

TAPE #	BILL #	HOUSE LABOR & COMMERCE	DATE: 3/17 PAGE 2 OF
160		Koporen - incorp the amend in the CS	
		Rep Ellis moved	
165		Ellis - letter to the govt. restructure	
		loans - supported that approach -	
		? about existing program -	
185		Larson (1) - letter to Gov - NO ANSWER	
		may take statute (2) relate to -	
213		Dair - rep	
218		Mark Weaver from Dept of Nat'l Res	
		Doesn't want a subsidy - retroactive	
		portion is a reduction of debt &	
243		How bad is the dairy industry	
260		Miss Karen Lee / owner Dairy West	
		grew up on dairy farm in Wasilla -	
		concern with Rep Larson / # of position	
		amt of \$ would repay the dairy	
		farmers - is the same amt taken	
		when Mat Maid got into trouble.	
		primary operating capital from state.	
		loss through 1987 - 300,000	
		ARLF debt - state cont to pay	
		bills for Mat Maid.	
309		Impt thing 415 does artificial	
		ceiling boxed themselves into the state	
		for loans -	
335		comment on the fiscal notes	

- 339 own fiscal note - based on memo the total retur amt #
- 350 act net loss on annual basis to \$106,429.55 about one employees
- 368 Menard - asks about
- 379 Karen overall effect -
- 385 2 creamers in the state - controls 11 people -
- 391 Ray Hendershich - comments brief said concerning 415 is correct - situation is not because they aren't producing - Pt Mc well in excess of the Nat'l Average -
- 423 Asking for elbow room - currently producing 25% of the milk in Railbelt area - (import substitute) -
- 455 Dairy industry important to Alaska
- 460 Menard - a lot of testimony - thinks the industry & the state made changes that affected the industry. speaks RE letter to gov - without restructure the farms won't ~~the~~ cash flow -
- 491 Ellis - explain promises go forward with level of project -

Cap on #1. mill -

505

Ellis - did the farmers put reasonable

518

Koponen - trial's story about the Delta barley project - to ensure the land went into production - those are stipulations

546

Ellis - something the state shouldn't be involved in - govt doesn't do this well - D+NR - don't pull the rug out from under people - no new # for state loans -

595

Koponen - aquaculture too!

606

Menard - a lot of Ellis' comments he agrees with - his understanding is that it's narrow - we are into the situation - hope it goes through -

617

Furnace - last 24 yrs product of the growth in the state - self sufficient generalized people who buy

TAPE ONE / SIDE TWO

000

Furnace still talking

025

endorses the intent of the bill - these people need help -

036

Mark Worrier - Rep Ellis made valid points - theme hood to make sure it's market

driven - Agriculture is good in the state -

083

Mark - grand total of \$20 mil - state the benefit - \$8 mil worth of milk - there is a net gain -

107

Ellis - most concerns addressed by the amendments would like the agricultural bills to be put into a package -

Ellis asks what Weaver's background was - farmed in the state -

176

Mark Weaver - fiscal note will have to be revised - wise to get an updated fiscal note -

172-

Menard - let them all catch up in finance -

223

Furnace - He's director of agricultural

246

Ellis - last two directors have been farmers

253

Koponen - move CSHB 415 to the next
Ellis object

259

Ellis - are the figures going to stay the same -

Menard - stick with it.

271

Ray Hendershott - in ref. to Mark's testimony - problem with the loan examiners

		Johnny withdrew object -
301		No objection - motion carried -
304	HB 456	Menard - it allows pro-cred to be applied to their loans -
		(2) does extend the offering to the ^{with these} farmer ARRC loans -
332		Ellis - 1st bill credit of toward principle
347		Ray HIS deals strictly with Davis
352		Mark Weaver - Dir of Agri - opposed HB 456 - doesn't resolve -
367		
382		Menard - loan is draining $\frac{1}{2}$ mil. from fund - \$257,000
		Menard familiar with letter from Cashier
402		Menard his point - scared comm -
413		Furnace - state loan program -
424		Weaver - this legislation - loss revenue not in significant trouble - min interest payments -
448		Furnace profile of people who are delinquent - 4 remedies -
458		Weaver - last spring trouble debtor if there - was a positive cash flow the policy allowed them to roll into one and over 20 yrs -
490		Furnace - 1 permit begun

Mark Weaver still

515

Furnace - how many loans outstanding to the meat farmers - 30-40 -

530

Koponen - horticulture loans outstanding
Mark can't answer -

550

Mark could be amended use this bill to give credit to people current in their loan payments

577

Mark - bad policy

586

Menard - how many dairy farmers have restructured their loans -

Mark - broad spectrum policy -

608

Dave - form a subcommittee

Koponen, Menard + Davidson

613

Ray Hendershod - Pt Mackenzie farmer level - retain loan fund -

TAPE TWO / SIDE ONE

006

Ray Hendershod still speaking.

044

He believes as far as delinquent borrower etc - loan examiners should have expertise.

069

Koponen - segments of the industry -

085

Ray - doesn't want that to happen

136

Karen Lee - point - agree with loan fund not worth saving if you can't

save the farmers -

252 Koponen - get enough info -

279 Menard - no problem with subcommittee

290 HB 472 - Mark Boyer has a conflict

296 Randall Burns, died of div of occ lic - hearing follow proposed policy major focus - not solving the problems of mechanical contractors. A result is an attempt to

318 OS does create a new license Speciality 3 or less -

340 Furnace - likes the first bill better than the OS - objects to including the speciality contractors - Separate

375 Randall - only - change is the addition of another speciality greatly increase the # of contractors does think it would offend anyone

409 Furnace - his concern - reads old statute RE: gen / speciality contractors

444 Burns - definition's explanations + back ground - explains 3 or less

452 Menard - fiscal note -

Burns - ? how many would become mechanics & administrators - FY 90 -

469 Eugene Rutland/ Ex Dir of Mech Cont, of FBKS + Secty Treas for state association. - ~~St~~ Strongly Support - present time - no require to become const contractor ex for elect industry - this bill parallels that - compound govt has reduced inspections

501 Dave - did you review the CS He supports the CS - AGC approved a draft

513 Menard - doesn't understand Furnace's concern - Furnace explains -

550 Burns - limited to 2 trades - heard testimony this summer about expanding to 3 -

563 Furnace - Dept of Labor - using disagrees with the dept

577 Kaponen - moved to adapt the CS Furnace obj'd 4 in favor - 1 opposed motion passed -

595 Mr. Rutland - problem was the dept. defin of the trade -

606 Kaponen moved CS HB 472 to the next comm w/indiv recomm.

608 Furnace - why is that there -

614 Burns - parallel with Eled

TAPE TWO / SIDE TWO

000 Koponen -

019 Dave - all in favor

4 in favor - 1 opposed

027 Meeting adjourned at 4:25

Alaska State Legislature



Session Address:
STATE CAPITOL BUILDING
BOX V
JUNEAU, ALASKA 99811
(907) 485-3727

Interim Address:
BOX 53
PALMER, ALASKA 99645
(907) 745-3328 - Palmer
(907) 378-8828 - Wasilla

Representative Ronald L. Larson
District 16B

To: Representative Dave Donley
From: Representative Ronald L. Larson *R.2*
Re: HB 415, Dairy Production Credits
Date: March 16, 1988

I submit HB 415, An Act Relating to Agricultural Industry Production Credits for Dairy Products--for the consideration of your committee.

This bill was developed to assist productive dairy farmers in the reduction of their debt load. Many of the farmers have made sincere efforts to create viable dairy farms. Those honest efforts have been necessarily coupled with major private monetary investments equalling approximately 12 million dollars.

This bill seeks to reward the producing farmers, as determined by their past production records.

The following amendments are recommended for inclusion on a committee substitute:

1. Page one; Line 24: (b)The annual credit for the years 1985-1987 [1991] is \$2.63 per hundredweight...
2. Page one; Line 28: The credits available under this section and AS 03.05.015 are limited to 25 [50] percent of the principal debt incurred on any eligible loan.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

March 17, 1988

The Honorable Dave Donley
State House of Representatives
Alaska State Legislature
P.O. Box V
Juneau, AK 99801

Dear Representative Donley:

Subject: House Bill 415, relating to agricultural credits for dairy products to allow dairy farmers to achieve parity with outside milk producers.

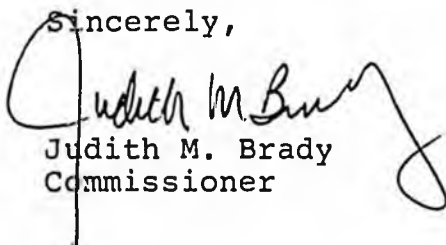
Position: The Department of Natural Resources opposes this bill because it effectively establishes a dairy products subsidy program that is not in the best interests of Alaskan agriculture or the state. In addition, the associated loss of principal payments could be disastrous to the Agricultural Revolving Loan Fund.

Background: Federal agricultural subsidy programs have not solved the nation's farm problems. There is no reason to believe that establishing similar farm subsidy programs in Alaska will solve this state's farm problems.

The original production credit program established under AS 03.05.015 was designed to encourage farmers to finish clearing their land and bring their farms into production as rapidly as possible. The program is scheduled to end after this tax year, and was not designed to be a subsidy or price support system for the agricultural sector.

Recommendation: Allow the agricultural sector to restructure troubled debt through the existing ARLF loan restructuring program. Forego the creation of agricultural subsidy programs in Alaska and allow the existing production credit program to end, as scheduled, next year.

Sincerely,



Judith M. Brady
Commissioner

Representative Dave Donley

-2-

March 17, 1988

cc: Committee Members
Bill Sponsors
Rod Swope
Bob Evans

FISCAL NOTE

REQUEST:

Revision Date: March 16, 1988
 Title: Dairy Production Credit Program
 Sponsor: Rep. Larsen, Rep. Menard
 Requestor: House Labor & Commerce Committee
 Agency Affected: Natural Resources
 BRU: Land and Water
Agricultural Management
 Components: Public Use
ADLE

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		84.0	84.0	84.0	84.0	84.0
TRAVEL						
CONTRACTUAL		35.0	35.0	35.0	35.0	35.0
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	121.0	121.0	121.0	121.0	121.0

CAPITAL	--	--	--	--	--	--
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REVENUE	(2635.7)	(908.0)	(953.5)	(1001.0)	(1051.1)	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND		121.0	121.0	121.0	121.0	121.0
FEDERAL FUNDS						
OTHER						
TOTAL		121.0	121.0	121.0	121.0	121.0

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached explanation

Prepared by: Hal Ward, Janet Burleson Phone: 465-2400
 Division: Division of Agriculture, Div. of LS&M Date: 3/16/88
 Approved by Commissioner: Judith M. Bury Date: 3/17/88
 Agency: Natural Resources

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Position Title <u>Natural Resource Manager I</u>		No. of Positions <u>1</u>	Range/Step <u>18A</u>	Barg. Unit <u>GGU</u>
Time Status <u>PFT</u>	Staff Months <u>12</u>	Location <u>Anchorage</u>		Election District
Type of Expenditure		Amount		
<u>1</u>	<u>2</u>	<u>3</u>		
Salary	<u>37,600</u>			
Benefits	<u>12,400</u>			
Premium Pay				
Other				
Total Personal Services		<u>50,000</u>		
Travel				
Contractual		<u>3,000</u>		
Commodities		<u>500</u>		
Equipment				
Other				
Total Cost		<u>53,500</u>		
Funding Source for Total Cost				
Federal Receipts	<u>1002</u>			
G. F. Match	<u>1003</u>			
General Fund	<u>1004</u>	<u>53,500</u>		
GF Program Receipts	<u>1005</u>			
Other				
Justification This position will supervise a NRT II. The team will be responsible for calculating credits pursuant to HB 415 on existing and future dairy contracts.				

**Request For
New Position**

Agency Natural Resources
 BRU Land and Water
 Component Public Use

Page 3 of 4
 Revised Date

FY 89

Alaska Quality Dairy Cooperative, Inc.
P.O. Box 872346
Wasilla, Alaska 99687

Rep. Dave Donnelly
Chairman, House Labor & Commerce Committee
Juneau, Alaska 99811

Dear Rep. Donnelly,

This letter is in support of the proposed legislation now before your committee in regard to production credits for the Alaskan dairy industry.

The legislation calls for a forgiveness of a portion of the debt owed the State of Alaska Agricultural Revolving Loan Fund by commercial dairy farmers throughout the state.

The bill calls for no "new" money to be expended by the fund. It would reduce by a small percentage the total amount of money which would have eventually been due from the farmers in the form of principal payments over the next 20 or 30 years. The annual effect on the fund would thus be very small. But the positive effects on the cash flows and financial positions of the state's dairy farmers would be very large.

The amount of the credit is equal to the amount by which the State of Alaska reduced the price of milk when it took over the Matanuska Maid creamery. All the new dairies received loans from the ARLF based upon the higher price of milk, and the state's reduction in the price has had severe impacts on each of our cash flows and abilities to survive.

Another important effect the principal reduction would have is to bring the total outstanding loans of the dairies under the statutory per-farm-unit limit of \$1,000,000. In this way, some of the farms which need expansion or operating capital in order to be more efficient would have the needed lending source again available to them. The State of Alaska, in insisting on limits in the land titles and in holding first mortgages on all the farms, has placed itself in the position of being the only lender available to the farms.

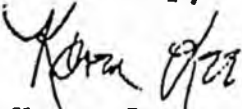
A summary of the production credit reasoning follows.

1. The dairy industry has been severely impacted by the failure of the Matanuska Maid creamery, and by continuing market difficulties.

2. The severe problems were noted by the ARLF when it assumed ownership of the creamery in November, 1984, and made the crucial decision to lower the price of milk below that which the new farms at Point MacKenzie had planned for.
3. A moratorium was granted due to these dislocations. However, moratoriums postpone problems rather than solve them. Interest continued to accrue, worsening the cash flows and financial positions of those farms which continued to produce milk during this period. The activation of a one-time-only principal credit equal to the amount of money lost because of the different milk price would solve a problem the moratoriums only put off.
4. Dairy farms have a very large start-up cost, commensurate with their ability to produce very large on-going benefits in the form of jobs and economic stimulation. The \$1 million ARLF lending limit has caused a hardship on all the farms now operating, in their inability to obtain adequate operating capital, or where necessary, capital for expansion. This credit would lower the outstanding debt to ARLF sufficiently to allow farms to qualify for needed capital. ARLF is the only lender able to lend to the farms at present, both because of the weakened state of the farms, the weakened state of prospective lenders, and because of the nature of the land title.
5. The reduction in debt would improve the financial positions of the dairies, making them more attractive to other private lenders in the future.
6. The principal reduction production credit has the added advantage of acting to reward only those farms which persevered through the difficult times.

We hope this helps in your deliberations. We are aware of the large number of bills competing for your attention and endorsement. This, we believe, is one that for no further expenditure and relatively little reduction in future receipts, would have a dramatic stabilizing effect on a jobs-intensive industry. If we can answer further questions, please call.
Thank you.

Sincerely,



Karen Lee
Secretary
Alaska Quality Dairy Cooperative, Inc.
(376-0790)



Snowcrest Farms, Inc.

P.O. Box 872406, Wasilla, AK 99687 • 376-3546

RECEIVED FEB - 7 1988

Representative Curt Menard
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

March 4, 1988

Dear Curt,

Thankyou for sending me copies of HB 400, 415, 456, and SB 23 and for your request for my opinion

I strongly favor passage of all four pieces of legislation as each is an important piece of the larger puzzle which hopefully will yield success for the agricultural industry and the dairy industry.

Please note that contrary to Mr. Chuck Forch's letter, dated February 12, 1988, to you that HB 415 will not reduce the current funds of the ARLF by 2 million dollars. It will reduce yearly the amount returning to ARLF.

We are concerned about the survival of the ARLF, as are they, but the board must remember that if the demands for repayment are to high and unrealistic that money will not revolve back anyway and if they are so concerned about the funds being bled out maybe they ought to look at the 1.1 million it took to run the fund in 1986 and that near amount again in 1987 with a greater amount anticipated in 1988. The fund that was established to " establish and promote Agriculture in Alaska" is being bled dry to the tune of 1 million per year by the bureaucracy and they have the audacity to critique us in our desire to survive and be productive. I also find it very interesting that that the Loan Board encouraged us to take our plight to the legislature and are now opposing us after having done so.

I appreciate your efforts in helping us resolve these issues and I am certainly willing to provide you with any information needed to support these pieces of legislation.

Sincerely,


H. Ray Hendershot

COA

ALASKA STATE LEGISLATURE

Curt Menard

351 W. Swanson Ave.
Wasilla, Alaska 99687

Or

P.O. Box V
Juneau, Alaska 99811

373-CURT
376-5315 Work
376-5855 Home
465-2679 Juneau



MEMORANDUM

DATE: February 15, 1988

TO: Dave Donley
Chair, Labor and Commerce Committee

FROM: Curt Menard *CDM*
Representative

RE: Consideration of HB415

RECEIVED
FEB 22 1987

I respectfully request that you schedule a committee hearing on HB415 as soon as you can. I can not emphasize strongly enough the need for urgency on this issue.

The Pt. MacKenzie Dairy Producers need this legislation this year in order to have a decent chance for survival. They need your help to make their case before the Legislature.

Thank you for your consideration of my earnest request.

Alaska State Legislature



Session Address:
STATE CAPITOL BUILDING
BOX V
JUNEAU, ALASKA 99811
(907) 485-3727

Interim Address:
BOX 53
PALMER, ALASKA 99645
(907) 745-3828 - Palmer
(907) 376-8628 - Wasilla

Representative Ronald L. Larson
District 16B

To: Representative Dave Donley, Chairman
House Labor and Commerce Committee

From: Representative Ron L. Larson *R.L.*

Re: HB 415 Agricultural Production Credits : *Dairies*

Date: February 15, 1988

RECEIVED
FEB 16 1988

I would appreciate your scheduling HB 415 as soon as possible in the House Labor and Commerce Committee. If I or my staff can be of aid to you in any way, please contact me.

Thank you for any assistance.

Alaska State Legislature

G



Session Address:
STATE CAPITOL BUILDING
BOX V
JUNEAU, ALASKA 99811
(907) 465-3727

Interim Address:
BOX 53
PALMER, ALASKA 99645
(907) 745-3826 - Palmer
(907) 376-8828 - Wasilla

Representative Ronald L. Larson
District 16B

To: Representative Dave Donley
From: Representative Ronald L. Larson *R.L.*
Re: HB 415
Date: February 25, 1988

I would appreciate HB 415, Agricultural Production Credits, being scheduled for a hearing in the Labor and Commerce Committee as soon as possible.

If I or my staff can be of any assistance to you, please do not hesitate to call on us.