

HB

191

<TARGET><BILL>HB 191</BILL><SUBJECT>HB
191</SUBJECT><COMM>HRES27</COMM></TARGET>

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

SPONSOR STATEMENT HB 191 – *“An Act establishing a state department of agriculture and food and relating to its powers and duties; relating to the powers and duties of the Department of Environmental Conservations and the Department of Natural Resources; and providing for an effective date.”*

HB 191 was introduced at the request of the state-wide Alaska Farm Bureau. HB 191 establishes a new state Department of Agriculture and Food with the intent of using the current Division of Agriculture’s budget. Currently, statutes and regulations that govern food, food products, land sales, loans, land development, and animals are spread between the Department of Natural Resources (DNR), and the Department of Environmental Conservation (DEC). HB 191 is an effort to stream-line government by bringing agriculture and agricultural foods products under the purview of one department.

A Department of Agriculture would allow for a singular focus that would enhance agriculture and food security in Alaska. Agricultural policy has been inconsistent and prone to changes with new administrations, retirements, or economic changes. This ever-changing policy has hampered the development of a strong agricultural economy.

In 1974, Governor Hammond stated that “the state needed a renewable resource economic base to sustain Alaska after the oil was depleted.” In 1976, Governor Hammond in an effort to develop renewable sources in the state established the following goals:

- Broaden the economic base of the state through agriculture production;
- Stabilize real food cost by increasing local food;
- Provided alternative job opportunities through expanded agriculture;
- Improve rural life by developing an economic base through agriculture.

Today people want to know where their food is coming from, they want to feel the security of having a farmer growing and storing food close by, they want to be at the farmers market on Saturday buying food from their neighbor.

Under a Department of Agriculture farming can expand to meet the needs of Alaska’s residents, providing meat, milk, vegetables and grains for the table. Alaska’s biomass can be used to heat homes and power cars, and fiber can be used to manufacture goods. Agriculture is a renewable resource that provides independence and industry into the future for the State of Alaska.

More young people opportunity - better advocate

Hoop houses - Kodiak - local food demand - ^{more focus} better advocates
sustainable food production

Delta Junction Bryce Wiggley - ^{Supportive - food independence}
Sustainable + rural development

Bruce Willard - can't nail anybody down
need secure market for product for \$

Bill Burton - Leases can't get renewals addressed.

*adapted
for discussion*

27-LS0458\B
Bannister
2/7/12

CS FOR HOUSE BILL NO. 191()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

**Sponsor(s): REPRESENTATIVES THOMPSON BY REQUEST, Kerttula, Tuck, Lynn, Dick, Miller,
Tammie Wilson, Muñoz**

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a state department of agriculture and food and relating to its**
2 **powers and duties; relating to the powers and duties of the Department of**
3 **Environmental Conservation and the Department of Natural Resources; and providing**
4 **for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** AS 03.05.010 is amended to read:

7 **Sec. 03.05.010. Powers and duties: agricultural products [OF**
8 **COMMISSIONER OF NATURAL RESOURCES].** (a) The commissioner [OF
9 **NATURAL RESOURCES] shall**

10 (1) direct, administer, and supervise promotional and experimental
11 work, extension services, and agricultural projects for the purpose of promoting and
12 developing the agricultural industry within the state, including such fields as
13 horticulture, dairying, cattle raising, fur farming, grain production, vegetable
14 production, and development of other agricultural products;

1 (2) procure and preserve all information pertaining to the development
2 of the agricultural industry and disseminate that information to the public;

3 (3) assist prospective settlers and others desiring to engage in the
4 agricultural industry in the state with information concerning areas suitable for
5 agriculture, **including storage, sustainable and renewable farming practices**, and
6 other activities and programs essential to the development of the agricultural industry
7 in the state;

8 (4) review the marketing, financing, and development of agricultural
9 products inside the state including transportation, with special emphasis upon local
10 production, and negotiate for the marketing of agricultural products of the state with
11 federal and state agencies operating in the state;

12 (5) regulate and control the entry into the state and the transportation,
13 sale, or use inside the state of plants, seeds, vegetables, shell eggs, fruits and berries,
14 nursery stock, animal feeds, remedies and mineral supplements, fertilizers, and
15 agricultural chemicals in order to prevent the spread of pests, diseases, or toxic
16 substances injurious to the public interest, and to protect the agricultural industry **from**
17 **[AGAINST]** fraud, deception, and misrepresentation; in this connection the
18 commissioner may require registration, inspection, and testing, and establish
19 procedures and fees;

20 (6) regulate the farming of elk in a manner similar to the manner in
21 which the commissioner regulates domestic animals and livestock, to the extent that is
22 appropriate;

23 (7) implement the farm-to-school program established in
24 AS 03.20.100;

25 **(8) establish a food security program that includes record keeping**
26 **of agricultural products stored on farms in the state and information about the**
27 **number of days a supply of food is stored in the state; participation in the**
28 **program by a farm is voluntary.**

29 (b) To carry out the requirements of this title, the commissioner [OF
30 NATURAL RESOURCES] may issue orders, regulations, quarantines, and embargoes
31 relating to

- 1 (1) examination and inspection of agricultural premises containing
- 2 products, articles, and commodities carrying pests;
- 3 (2) establishment of quarantines for eradication of pests;
- 4 (3) establishment of standards and labeling requirements pertaining to
- 5 the sale of agricultural and vegetable seeds;
- 6 (4) tests and analyses that [WHICH] may be made and hearings that
- 7 [WHICH] may be held to determine whether the commissioner will issue a stop order
- 8 or quarantine;
- 9 (5) cooperation with federal and other state agencies.

10 * **Sec. 2.** AS 03.05.011(a) is amended to read:

11 (a) To carry out the requirements of this title relating to animals or animal

12 products [OVER WHICH THE DEPARTMENT HAS JURISDICTION], the

13 commissioner may

14 (1) issue orders or permits relating to or authorizing the examination,

15 inspection, testing, quarantine, or embargo of animals or animal products, or

16 agricultural premises containing or having contained animals or animal products, in

17 order to prevent the spread of pests or contagious or infectious disease;

18 (2) conduct tests, analyses, and hearings to determine whether to issue

19 an order or permit relating to animals or animal products under this section;

20 (3) cooperate with federal, state, municipal, and other governmental

21 agencies regarding powers and duties under this section;

22 (4) issue orders or permits relating to or authorizing the custody, care,

23 or destruction of animals or animal products or agricultural premises to prevent the

24 spread of pests or contagious or infectious disease;

25 (5) designate points of entry for the admission of animals or animal

26 products into the state; and

27 (6) issue orders or permits relating to, or authorizing the examination,

28 testing, or care of, animals or animal products to be transported into, within, or from

29 this state, in order

30 (A) to prevent the spread of pests or contagious or infectious

31 disease; or

1 (B) to promote safe or sanitary conditions for the animals or
2 animal products to be transported.

3 * **Sec. 3.** AS 03.05.011(b) is amended to read:

4 (b) The commissioner may

5 (1) adopt a schedule of fees or charges, and credit provisions, for
6 services related to animals and animal products rendered by state veterinarians to
7 farmers and others at their request, and all the receipts from the fees and charges shall
8 be transmitted to the commissioner for deposit in the state treasury;

9 (2) designate individuals, independently or in cooperation with federal,
10 state, municipal, or other governmental agencies, to carry out and enforce, under the
11 direction of the state veterinarian, the requirements of this title relating to animals or
12 animal products [OVER WHICH THE DEPARTMENT HAS JURISDICTION];

13 (3) enter into agreements with the federal government for controlling
14 disease among animals and match federal payments for animals destroyed under those
15 agreements from any appropriation available for this purpose;

16 (4) pay an owner of an animal destroyed under this section an amount
17 from any appropriation available for this purpose; and

18 (5) adopt regulations under AS 44.62 (Administrative Procedure Act)
19 to implement and interpret this section; when adopting regulations under this
20 paragraph, the commissioner shall give substantial weight to the typical practices and
21 standards in the state and in the United States of the industry for which the regulations
22 are designed.

23 * **Sec. 4.** AS 03.05.013 is amended to read:

24 **Sec. 03.05.013. State veterinarian.** The commissioner [OF
25 ENVIRONMENTAL CONSERVATION] may employ or appoint a person to act as
26 the state veterinarian to carry out and enforce the requirements of this title relating to
27 animals or animal products over which the department [DEPARTMENT OF
28 ENVIRONMENTAL CONSERVATION] has jurisdiction. To be eligible for
29 appointment as the state veterinarian, a person must be licensed or otherwise legally
30 authorized under AS 08.98 to engage in the practice of veterinary medicine in the
31 state.

1 * **Sec. 5.** AS 03.05.027(a) is amended to read:

2 (a) The commissioner [OF NATURAL RESOURCES] shall employ or
3 appoint a state coordinator for noxious weed, invasive plant, and agricultural pest
4 management and education.

5 * **Sec. 6.** AS 03.05.075(a) is amended to read:

6 (a) Elk may be raised and bred as domestic stock for commercial purposes,
7 including the sale of meat, by a person who lawfully owns the elk and who holds a
8 current valid elk farming license. The commissioner [OF NATURAL RESOURCES]
9 may issue an elk farming license for the farming of elk to a person who applies on a
10 form provided by the commissioner, pays the biennial elk farming license fee, and
11 proves to the satisfaction of the commissioner that the person lawfully owns the elk,
12 intends to raise and breed elk, and possesses facilities for maintaining the elk under
13 positive control. Before issuing or renewing an elk farming license, the commissioner
14 shall conduct a physical inspection of the elk farming facilities and determine that the
15 facilities are in good repair and comply with the fencing standards established under
16 (d) of this section. In this subsection, "lawfully owns" means ownership that was
17 obtained without violating a state or federal law or regulation or a condition of a
18 license or permit issued with respect to elk.

19 * **Sec. 7.** AS 03.05.075(b) is amended to read:

20 (b) The commissioner [OF NATURAL RESOURCES] shall provide to the
21 Department of Fish and Game a copy of each application for an elk farming license
22 received by the commissioner and each elk farming license issued by the
23 commissioner.

24 * **Sec. 8.** AS 03.05.075(d) is amended to read:

25 (d) The commissioner [OF NATURAL RESOURCES] shall establish fencing
26 standards for elk farming facilities to maintain elk under positive control. Proposed
27 fencing standards shall be submitted to the commissioner of fish and game for review
28 before the standards are adopted or amended.

29 * **Sec. 9.** AS 03.05.075(e) is amended to read:

30 (e) Notwithstanding other provisions of law, a license or permit is not required
31 from the Department of Fish and Game in order to import, export, or possess elk for

1 the purpose of elk farming. Elk imported, exported, or possessed for the purpose of elk
2 farming are subject to the provisions of this title and regulations adopted under this
3 title by the commissioner [OF NATURAL RESOURCES OR THE
4 COMMISSIONER OF ENVIRONMENTAL CONSERVATION] for domestic
5 animals and livestock, to the extent they are made applicable to elk by the
6 commissioner [COMMISSIONERS].

7 * **Sec. 10.** AS 03.05.090(a) is amended to read:

8 (a) A person who violates a provision of this chapter or a regulation, order, or
9 quarantine made under authority of this chapter, or violates a provision of a permit
10 issued under this chapter, or sells seeds failing to meet the labeling requirements,
11 standards, and tests provided for by regulation of the commissioner [OF NATURAL
12 RESOURCES OR THE COMMISSIONER OF ENVIRONMENTAL
13 CONSERVATION] is guilty of a class A misdemeanor for each offense.

14 * **Sec. 11.** AS 03.05.090(c) is amended to read:

15 (c) If the department [DEPARTMENT OF ENVIRONMENTAL
16 CONSERVATION] issues an order regarding, adopts a regulation on, issues a permit
17 regarding, imposes a quarantine on, or orders an embargo on an animal or animal
18 product that the department [DEPARTMENT OF ENVIRONMENTAL
19 CONSERVATION] reasonably believes carries pests, a contagious disease, or an
20 infectious disease, a consignee who knowingly receives, or a carrier who knowingly
21 transports, the animal or animal product in violation of the order, regulation, permit,
22 quarantine, or embargo is subject to a civil fine of not more than \$500 for each
23 violation.

24 * **Sec. 12.** AS 03.05.090(d) is amended to read:

25 (d) The department [DEPARTMENT OF ENVIRONMENTAL
26 CONSERVATION] or a court of competent jurisdiction may impose the fine
27 authorized by (b) or (c) of this section.

28 * **Sec. 13.** AS 03.05.100 is amended to read:

29 **Sec. 03.05.100. Definitions.** In this chapter, unless the section or the context
30 indicates otherwise,

31 (1) "agricultural products" does not include fish, fisheries products,

1 animals, or animal products;

2 (2) "animal" means an animal other than a human being and includes a
3 mammal, insect, bird, [FISH,] and reptile, whether wild or domestic, and whether
4 living or dead, **but does not include fish or fisheries products;**

5 (3) "animal product" means a product, article, or commodity
6 containing any part of an animal;

7 (4) "fish or fisheries products" means any aquatic animal, including
8 amphibians, or aquatic plants or parts of those plants, animals, or amphibians that are
9 usable as human food.

10 * **Sec. 14.** AS 03.09.020(a) is amended to read:

11 (a) The **commissioner** [DIRECTOR] of [THE DIVISION OF THE
12 DEPARTMENT WITH RESPONSIBILITY FOR] agriculture **and food** shall **appoint**
13 **an employee of the Department of Agriculture and Food to** serve as the director of
14 the Board of Agriculture and Conservation. The director may employ staff and, as
15 directed by the board, is responsible for the daily operations of the agricultural
16 revolving loan fund (AS 03.10.040).

17 * **Sec. 15.** AS 03.10.050(g) is amended to read:

18 (g) The board may dispose of property acquired by the agricultural revolving
19 loan fund through foreclosure, default, or other action arising out of agricultural loans
20 or the sale of agricultural land. Disposals shall be conducted under regulations
21 approved by the commissioner **of agriculture and food**. The regulations must ensure
22 that the property is disposed of so as to maximize the return to the state and must
23 require that the parcels of land that are composed primarily of cropland soils be
24 restricted to agricultural uses and disposed of only to persons who are residents of the
25 state.

26 * **Sec. 16.** AS 03.22.010 is amended to read:

27 **Sec. 03.22.010. Establishment of plant materials center.** The **department**
28 [DEPARTMENT OF NATURAL RESOURCES], in cooperation with the college or
29 department of the University of Alaska responsible for the Agricultural and Forestry
30 Experiment Station, shall establish and maintain a plant materials center.

31 * **Sec. 17.** AS 03.22.040 is amended to read:

1 **Sec. 03.22.040. Personnel.** The department shall ensure that competent
2 professional, secretarial, and subprofessional personnel necessary to carry on the work
3 of the center are employed. The administrator of the plant materials center is a joint
4 appointment between the department [DEPARTMENT OF NATURAL
5 RESOURCES] and the college or department of the University of Alaska responsible
6 for the Agricultural and Forestry Experiment Station.

7 * **Sec. 18.** AS 03.35.030 is amended to read:

8 **Sec. 03.35.030. Notice, hearing, and order.** Upon receipt of a petition for the
9 establishment, addition, elimination, or dissolution of a controlled livestock district,
10 the district judge shall set a time for hearing the petition not less than 30 days after its
11 receipt. Notice of the time and place of the hearing and its purpose shall be posted in
12 not less than three conspicuous public places within the proposed district, including a
13 post office, for a period of at least 30 days before the hearing. If there is no post office
14 within the proposed district, then the notice shall be posted in two conspicuous public
15 places in the proposed district and in the post office nearest the proposed district. If, at
16 the hearing, the district judge finds that the petition meets the requirements established
17 under AS 03.35.020 and that notice of the hearing has been given, the district judge
18 shall enter an order granting the request contained within the petition. The boundaries
19 of the district are those proposed within the petition. The district judge shall certify to
20 the clerk of the superior court for the judicial district a copy of the findings and order.
21 The district judge shall send a copy of the order to the commissioner of agriculture
22 and food.

23 * **Sec. 19.** AS 03.40.030(a) is amended to read:

24 (a) To adopt a brand or mark, a person shall forward to the commissioner [OF
25 NATURAL RESOURCES] a facsimile of the brand or mark, together with a written
26 application, and the recording fee of \$2. Upon receipt, the commissioner shall record
27 the brand or mark unless it is of record or conflicts or closely resembles that of some
28 other person, in which case the commissioner shall return the facsimile and fee to the
29 applicant. A brand described as being on either side of the animal may not be accepted
30 or recorded.

31

1 * **Sec. 20.** AS 03.47.020 is amended to read:

2 **Sec. 03.47.020. Importation of bees.** All bees imported into the state shall be
3 accompanied by a health certificate that states that the bees come from an apiary
4 apparently free of bee diseases and that is signed by an apiary inspector determined to
5 be qualified by the department [DIVISION].

6 * **Sec. 21.** AS 03.47.030(a) is amended to read:

7 (a) The department [DIVISION] shall investigate reported cases of diseased
8 bees and cases of diseased bees discovered by the department [DIVISION].

9 * **Sec. 22.** AS 03.47.030(b) is amended to read:

10 (b) The department [DIVISION] shall take action necessary to prevent the
11 spread of bee diseases. Bees or used beekeeping equipment found to contain the
12 causative organisms of American foulbrood (*Bacillus larvae*) or European foulbrood
13 (*Streptococcus pluton*) shall be immediately quarantined and treated within five days
14 by

15 (1) chamber fumigation using ethylene oxide or other gases approved
16 by the department [DIVISION];

17 (2) sterilization by boiling in lyewater for at least 15 minutes; or

18 (3) destruction of bees, bee combs, and frames by burning followed by
19 burying 18 inches deep.

20 * **Sec. 23.** AS 03.47.030(d) is amended to read:

21 (d) A quarantine imposed under this section may not be removed until infected
22 bees and used beekeeping equipment are destroyed or the department [DIVISION]
23 determines through testing that the used beekeeping equipment is free of the disease.

24 * **Sec. 24.** AS 03.47.030(e) is amended to read:

25 (e) The department [DIVISION] shall adopt regulations necessary to carry
26 out the purposes of this chapter.

27 * **Sec. 25.** AS 03.90.010 is amended to read:

28 **Sec. 03.90.010. Definitions.** In this title, unless otherwise indicated,

29 (1) "commissioner" means the commissioner of agriculture and food
30 [NATURAL RESOURCES];

31 (2) "department" means the Department of Agriculture and Food

1 [NATURAL RESOURCES].

2 * Sec. 26. AS 14.07.020(a) is amended to read:

3 (a) The department shall

4 (1) exercise general supervision over the public schools of the state
5 except the University of Alaska;

6 (2) study the conditions and needs of the public schools of the state,
7 adopt or recommend plans, administer and evaluate grants to improve school
8 performance awarded under AS 14.03.125, and adopt regulations for the improvement
9 of the public schools;

10 (3) provide advisory and consultative services to all public school
11 governing bodies and personnel;

12 (4) prescribe by regulation a minimum course of study for the public
13 schools; the regulations must provide that, if a course in American Sign Language is
14 given, the course shall be given credit as a course in a foreign language;

15 (5) establish, in coordination with the Department of Health and Social
16 Services, a program for the continuing education of children who are held in detention
17 facilities in the state during the period of detention;

18 (6) accredit those public schools that meet accreditation standards
19 prescribed by regulation by the department; these regulations shall be adopted by the
20 department and presented to the legislature during the first 10 days of any regular
21 session, and become effective 45 days after presentation or at the end of the session,
22 whichever is earlier, unless disapproved by a resolution concurred in by a majority of
23 the members of each house;

24 (7) prescribe by regulation, after consultation with the state fire
25 marshal and the state sanitarian, standards to ensure [THAT WILL ASSURE]
26 healthful and safe conditions in the public and private schools of the state, including a
27 requirement of physical examinations and immunizations in pre-elementary schools;
28 the standards for private schools may not be more stringent than those for public
29 schools;

30 (8) exercise general supervision over pre-elementary schools that
31 receive direct state or federal funding;

1 (9) exercise general supervision over elementary and secondary
2 correspondence study programs offered by municipal school districts or regional
3 educational attendance areas; the department may also offer and make available to any
4 Alaskan through a centralized office a correspondence study program;

5 (10) accredit private schools that request accreditation and that meet
6 accreditation standards prescribed by regulation by the department; nothing in this
7 paragraph authorizes the department to require religious or other private schools to be
8 licensed;

9 (11) review plans for construction of new public elementary and
10 secondary schools and for additions to and major rehabilitation of existing public
11 elementary and secondary schools and, in accordance with regulations adopted by the
12 department, determine and approve the extent of eligibility for state aid of a school
13 construction or major maintenance project; for the purposes of this paragraph, "plans"
14 include educational specifications, schematic designs, projected energy consumption
15 and costs, and final contract documents;

16 (12) provide educational opportunities in the areas of vocational
17 education and training, and basic education to individuals over 16 years of age who
18 are no longer attending school;

19 (13) administer the grants awarded under AS 14.11;

20 (14) establish, in coordination with the Department of Public Safety, a
21 school bus driver training course;

22 (15) require the reporting of information relating to school disciplinary
23 and safety programs under AS 14.33.120 and of incidents of disruptive or violent
24 behavior;

25 (16) establish by regulation criteria, based on low student performance,
26 under which the department may intervene in a school district to improve instructional
27 practices, as described in AS 14.07.030(14) or (15); the regulations must include

28 (A) a notice provision that alerts the district to the deficiencies
29 and the instructional practice changes proposed by the department;

30 (B) an end date for departmental intervention, as described in
31 AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three

1 consecutive years of improvement consisting of not less than two percent
2 increases in student proficiency on standards-based assessments in
3 mathematics, reading, and writing as provided in AS 14.03.123(f)(2)(A); and

4 (C) a process for districts to petition the department for
5 continuing or discontinuing the department's intervention;

6 (17) notify the legislative committees having jurisdiction over
7 education before intervening in a school district under AS 14.07.030(14) or redirecting
8 public school funding under AS 14.07.030(15);

9 (18) assist the Department of Agriculture and Food [NATURAL
10 RESOURCES] in developing and implementing the farm-to-school program
11 established under AS 03.20.100.

12 * **Sec. 27.** AS 17.20.005 is repealed and reenacted to read:

13 **Sec. 17.20.005. Powers and duties of commissioner of agriculture and**
14 **food.** To carry out the responsibilities of the Department of Agriculture and Food and
15 the commissioner of agriculture and food under this chapter, the commissioner of
16 agriculture and food may issue orders, regulations, permits, quarantines, and
17 embargoes relating to

18 (1) agricultural food products, including

19 (A) inspection;

20 (B) standards of sanitation and handling methods for all phases
21 of slaughtering, processing, storing, transporting, displaying, and selling;

22 (C) labeling; and

23 (D) the training, testing, and certification requirements for
24 individuals who handle or prepare the products, their supervisors, and their
25 employers to ensure their knowledge of food safety and sanitation principles
26 and requirements;

27 (2) control and eradication of pests;

28 (3) labeling, subject to AS 17.20.013, and grading of milk and milk
29 products and standards of sanitation for dairies offering to the public or selling milk or
30 milk products to at least the minimum of current recommendations of the United
31 States Public Health Service pasteurized milk ordinance as it may periodically be

1 revised;

2 (4) tests and analyses that may be made and hearings that may be held
3 to determine whether the commissioner will issue a stop order or quarantine;

4 (5) transportation of, use of, disposal of, recalls of, or warnings
5 concerning quarantined or embargoed items;

6 (6) cooperation with federal and other state agencies;

7 (7) written food safety disclosure statements by persons who sell
8 directly to a consumer agricultural food products that are grown and processed by the
9 sellers.

10 * **Sec. 28.** AS 17.20 is amended by adding a new section to article 1 to read:

11 **Sec. 17.20.007. Powers and duties of commissioner of environmental**
12 **conservation.** To carry out the responsibilities of the Department of Environmental
13 Conservation and the commissioner of environmental conservation under this chapter,
14 the commissioner of environmental conservation may issue orders, regulations,
15 permits, quarantines, and embargoes relating to

16 (1) the inspection of nonagricultural food products for sanitation and
17 food safety, including

18 (A) standards of sanitation and handling methods for all phases
19 of processing, storing, transporting, displaying, and selling of food; and

20 (B) the training, testing, and certification requirements for
21 individuals who handle or prepare food, their supervisors, and their employers
22 to ensure their knowledge of food safety and sanitation principles and
23 requirements;

24 (2) nonagricultural food products, including

25 (A) inspection;

26 (B) standards of sanitation and handling methods for all phases
27 of processing, storing, transporting, displaying, and selling;

28 (C) labeling; and

29 (D) the training, testing, and certification requirements for
30 individuals who handle or prepare the products, their supervisors, and their
31 employers to ensure their knowledge of food safety and sanitation principles

1 and requirements;

2 (3) enforcement of hazard analysis critical control point programs for
3 seafood processing that are developed in cooperation with appropriate industry
4 representatives or, to the extent not inconsistent with this chapter or regulations
5 adopted under the authority of this chapter, that are established by regulations of the
6 United States Food and Drug Administration as they may periodically be revised;

7 (4) standards and conditions for the operation and siting of aquatic
8 farms and related hatcheries, including

9 (A) restrictions on the use of chemicals; and

10 (B) requirements to protect the public from contaminated
11 aquatic farm products that pose a risk to health;

12 (5) monitoring aquatic farms and aquatic farm products to ensure
13 compliance with this chapter and, to the extent not inconsistent with this chapter or
14 regulations adopted under the authority of this chapter, with the requirements of the
15 national shellfish sanitation program manual of operations published by the United
16 States Food and Drug Administration as it may periodically be revised;

17 (6) tests and analyses that may be made and hearings that may be held
18 to determine whether the commissioner will issue a stop order or quarantine;

19 (7) transportation of, use of, disposal of, recalls of, or warnings
20 concerning quarantined or embargoed items;

21 (8) cooperation with federal and other state agencies.

22 * **Sec. 29.** AS 17.20.010 is amended to read:

23 **Sec. 17.20.010. Definitions and standards for food.** When, in the judgment
24 of the commissioner of agriculture and food, honest and fair dealing in the interest of
25 consumers will be promoted, the Department of Agriculture and Food
26 [DEPARTMENT] shall adopt regulations fixing and establishing for agricultural
27 food products or classes [CLASS] of agricultural food products a reasonable
28 definition and standard of identity, a reasonable standard of quality, and reasonable
29 standards of fill of container. In prescribing a definition and standard of identity for
30 agricultural food products or classes [CLASS] of agricultural food products in
31 which optional ingredients are permitted, the department shall, for the purpose of

1 promoting honesty and fair dealing in the interest of consumers, designate the optional
2 ingredients that [WHICH] shall be named on the label. The definitions and standards
3 adopted shall conform as far as practicable to the definitions and standards adopted
4 under authority of the federal act. The Department of Agriculture and Food
5 [DEPARTMENT] shall establish a mobile canned agricultural food products
6 inspection service available upon request to agricultural food product packers or
7 processors inside the state.

8 * **Sec. 30.** AS 17.20.010 is amended by adding a new subsection to read:

9 (b) When, in the judgment of the commissioner of environmental
10 conservation, honest and fair dealing in the interest of consumers will be promoted,
11 the Department of Environmental Conservation shall adopt regulations fixing and
12 establishing for nonagricultural products or classes of nonagricultural fish products a
13 reasonable definition and standard of identity, a reasonable standard of quality, and
14 reasonable standards of fill of container. In prescribing a definition and standard of
15 identity for nonagricultural food products or classes of nonagricultural food products
16 in which optional ingredients are permitted, the department shall, for the purpose of
17 promoting honesty and fair dealing in the interest of consumers, designate the optional
18 ingredients that shall be named on the label. The definitions and standards adopted
19 must conform as far as practicable to the definitions and standards adopted under
20 authority of the federal act. The Department of Environmental Conservation shall
21 establish a mobile canned nonagricultural food products inspection service available
22 upon request to nonagricultural food product packers or processors inside the state.

23 * **Sec. 31.** AS 17.20.013(e) is amended to read:

24 (e) A dairy plant shall keep the original affidavit provided under (c) of this
25 section on file for a period of not less than two years. The affidavit and corresponding
26 records shall be made available for inspection by the commissioner of agriculture
27 and food. If the milk product is to be labeled under (a) of this section, dairy plants
28 supplying milk or cream to a processor or to a manufacturer of a milk product for use
29 in the milk product shall supply the processor or manufacturer with a certificate stating
30 that the producers of the supplied milk or cream have executed and delivered the
31 affidavits as required by (c) of this section.

1 * **Sec. 32.** AS 17.20.013(f) is amended to read:

2 (f) All milk or cream from non-rBGH-treated cows used in the manufacturing
3 or processing of milk products labeled under (a) of this section, and milk or cream
4 supplied by a producer using an affidavit under (c) of this section, shall be kept
5 completely separate from any other milk or cream throughout all stages of storage,
6 transportation, and processing until the resulting milk products are in final packaged
7 form in a properly labeled container. The dairy plant and the processor or
8 manufacturer at each stage shall keep records of the separation and make them
9 available to the commissioner **of agriculture and food** for inspection.

10 * **Sec. 33.** AS 17.20.030 is amended to read:

11 **Sec. 17.20.030. Tolerances for added poisonous ingredients.** A poisonous or
12 deleterious substance added to food, except where the substance is required in the
13 production of food or cannot be avoided by good manufacturing practice, is unsafe for
14 purposes of the application of AS 17.20.020(a)(2). When the substance is required or
15 cannot be avoided, the department **responsible under AS 17.20.005 - 17.20.075 for**
16 **the particular food item involved** shall adopt regulations limiting the quantity of it to
17 the extent necessary for the protection of public health. A quantity exceeding the
18 limits fixed is unsafe for purposes of the application of AS 17.20.020(a)(2). While a
19 regulation limiting the quantity of a substance in the case of any food is in effect, the
20 food is not, by reason of bearing or containing an added amount of the substance,
21 adulterated within the meaning of AS 17.20.020(a)(1). In determining the quantity of
22 the added substance to be tolerated in or on food, the department **responsible under**
23 **AS 17.20.005 - 17.20.075 for the particular food item involved** shall consider the
24 extent to which the use of the substance is required or cannot be avoided in the
25 production of each article and the other ways in which the consumer may be affected
26 by that or other poisonous or deleterious substances.

27 * **Sec. 34.** AS 17.20.040(a) is amended to read:

28 (a) Food is misbranded if

- 29 (1) its labeling is false or misleading in any particular;
30 (2) it is offered for sale under the name of another food;
31 (3) it is an imitation of another food, unless its label bears, in type of

1 uniform size and prominence, the word "imitation" and, immediately after that word
2 [THEREAFTER], the name of the food imitated;

3 (4) its container is made, formed, or filled so as to be misleading;

4 (5) it is in package form unless it bears a label containing (A) the name
5 and place of business of the manufacturer, packer, or distributor; and (B) an accurate
6 statement of the quantity of the contents in terms of weight, measure, or numerical
7 count; however, under (B) of this paragraph, reasonable variations are permitted, and
8 exemptions for small packages shall be established by regulations prescribed by the
9 department responsible under AS 17.20.005 - 17.20.075 for the particular food
10 item involved;

11 (6) a word, statement, or other information required by or under
12 authority of this chapter to appear on the label or labeling is not prominently placed
13 with the conspicuousness, [() as compared with other words, statements, designs, or
14 devices in the labeling, ()] and in terms that make it likely to be read and understood
15 by the ordinary individual under customary conditions of purchase and use;

16 (7) it purports to be or is represented as a food for which a definition
17 and standard of identity has been prescribed by regulations as provided by
18 AS 17.20.010, unless (A) it conforms to the definition and standard, and (B) its label
19 bears the name of the food specified in the definition and standard and the common
20 names of optional ingredients other than spices, flavoring, and coloring present in the
21 food as required by regulation;

22 (8) it purports to be or is represented as a food for which a standard
23 of

24 (A) [A FOOD FOR WHICH A STANDARD OF] quality has
25 been prescribed by regulations, and its quality falls below that standard, unless
26 its label bears, in the manner and form the regulations specify, a statement that
27 it falls below that standard; or

28 (B) [A FOOD FOR WHICH A STANDARD OF] fill of
29 container has been prescribed by regulation as provided by AS 17.20.010 and
30 it falls below the applicable standard of fill of container, unless its label bears,
31 in the manner and form as the regulations specify, a statement that it falls

1 below that standard;

2 (9) it is not subject to the provisions of (7) of this subsection, unless it
3 bears labeling clearly giving (A) the common or usual name of the food, if any, and
4 (B) in case it is fabricated from two or more ingredients, the common or usual name of
5 each ingredient; except that [, HOWEVER,] spices, flavorings, and colorings, other
6 than those sold as spices, flavorings, and colorings [SUCH], may be designated as
7 spices, flavorings, and colorings, without naming each; [HOWEVER,] to the extent
8 that compliance with the requirements of (B) of this paragraph is impracticable [,] or
9 results in deception or unfair competition, exemptions shall be established by
10 regulations adopted by the department with the responsibility under AS 17.20.005 -
11 17.20.075 for the particular food item involved, but the requirements of (B) of this
12 paragraph do not apply to food products that are packaged at the direction of
13 purchasers at retail at the time of sale, the ingredients of which are disclosed to the
14 purchasers by other means in accordance with regulations adopted by the department
15 with the responsibility under AS 17.20.005 - 17.20.075 for the particular food
16 item involved;

17 (10) it purports to be or is represented for special dietary uses, unless
18 its label bears information concerning its vitamin, mineral, and other dietary properties
19 the commissioner of the department with the responsibility under AS 17.20.005 -
20 17.20.075 for the particular food item involved determines to be, and by regulations
21 prescribes as, necessary in order fully to inform purchasers as to its value for those
22 uses;

23 (11) it bears or contains artificial flavoring, artificial coloring, or
24 chemical preservative, unless it bears labeling stating that fact; [HOWEVER,] to the
25 extent that compliance with the requirements of this paragraph is impracticable,
26 exemption shall be established by regulations adopted by the department with the
27 responsibility under AS 17.20.005 - 17.20.075 for the particular food item
28 involved;

29 (12) the food is a farmed halibut, salmon, or sablefish product, unless

30 (A) the product is labeled to identify the product as farmed fish
31 raised outside the state, if the product is sold in a packaged form; or

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(B) the product is conspicuously identified as farmed fish raised outside the state, if the product is sold in an unpackaged form;

(13) the labeling, advertisement, or identification of the food is inconsistent with the labeling, advertisement, or identification provisions of AS 17.20.048 or 17.20.049;

(14) the food is a genetically modified fish or genetically modified fish product unless

(A) the food is conspicuously labeled to identify the fish or fish product as a genetically modified fish or fish product if the fish or fish product is sold in a packaged form; or

(B) the food is conspicuously identified as a genetically modified fish or fish product if the fish or fish product is sold in an unpackaged form.

* **Sec. 35.** AS 17.20.044(b) is amended to read:

(b) Meat, fish, and poultry that has been frozen must be labeled as a frozen food in accordance with regulations adopted by the commissioner of the department with the responsibility under AS 17.20.005 - 17.20.075 for the food item.

* **Sec. 36.** AS 17.20.044(c) is amended to read:

(c) The commissioner of the department with the responsibility under AS 17.20.005 - 17.20.075 for the food item shall adopt regulations that

(1) require frozen food labels for meat, fish, and poultry that has been frozen; and

(2) provide for the examination and inspection of meat, fish, and poultry to ascertain whether it has been frozen.

* **Sec. 37.** AS 17.20.050 is amended to read:

Sec. 17.20.050. Emergency permit control. When a [THE] department finds after investigation that the distribution in the state of a class of food that the department has responsibility for under AS 17.20.005 - 17.20.075 may, by reason of contamination with microorganisms during the manufacture, processing, or packing, be injurious to health, and that the injurious nature cannot be adequately determined after the articles have entered commerce, the department [IT], in that

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1 case only, shall adopt regulations providing for the issuance of permits to
2 manufacturers, processors, or packers of that class of food, to which shall be attached
3 the conditions governing the manufacture, processing, or packing of that class of food,
4 for a temporary period of time as may be necessary to protect the public health. After
5 the effective date of the regulations, and during the temporary period, no person may
6 introduce or deliver for introduction into commerce the food so manufactured,
7 processed, or packed by any manufacturer, processor, or packer unless the
8 manufacturer, processor, or packer of it holds a permit issued by the commissioner of
9 the department that has responsibility under AS 17.20.005 - 17.20.075 for the
10 particular food item.

11 * **Sec. 38.** AS 17.20.060 is amended to read:

12 **Sec. 17.20.060. Suspension and reinstatement of emergency permit.** The
13 commissioner of the department that has responsibility under AS 17.20.005 -
14 17.20.075 for the particular food item may suspend immediately upon notice a
15 permit issued under AS 17.20.050 if it is found that the conditions of the permit have
16 been violated. The holder of a suspended permit may apply for the reinstatement of the
17 permit, and the commissioner of the department that has responsibility under
18 AS 17.20.005 - 17.20.075 for the particular food item, immediately after prompt
19 hearing and an inspection of the establishment, shall reinstate the permit if it is found
20 that adequate measures have been taken to comply with and maintain the conditions of
21 the permit as originally issued or as amended.

22 * **Sec. 39.** AS 17.20.065 is amended by adding a new subsection to read:

23 (c) In this section, "department" means the Department of Environmental
24 Conservation.

25 * **Sec. 40.** AS 17.20.066 is amended by adding a new subsection to read:

26 (f) In this section, "commissioner" means the commissioner of environmental
27 conservation.

28 * **Sec. 41.** AS 17.20.067 is amended to read:

29 **Sec. 17.20.067. Seafood processing research.** The commissioner of
30 environmental conservation may conduct studies, research, experiments, and
31 demonstrations, directly or through grants to or contracts with public or private

1 agencies, organizations, or individuals to

2 (1) improve sanitation practices in the processing of fish and fisheries
3 products; and

4 (2) develop improved techniques for surveillance and inspection
5 activities under this chapter.

6 * **Sec. 42.** AS 17.20.070 is amended to read:

7 **Sec. 17.20.070. Inspection by department.** An officer or employee
8 designated by the commissioner of the department that has responsibility under
9 AS 17.20.005 - 17.20.075 for the factory, aquatic farm, or establishment shall have
10 access to a factory, aquatic farm, or establishment, the operator of which holds a
11 permit from the commissioner of the department with responsibility under
12 AS 17.20.005 - 17.20.075 for the factory, aquatic farm, or establishment, for the
13 purpose of ascertaining whether the conditions of the permit are being complied with.
14 Denial of access for inspection is ground for suspension of the permit until access is
15 freely given.

16 * **Sec. 43.** AS 17.20.072 is repealed and reenacted to read:

17 **Sec. 17.20.072. Enforcement authority.** The department that has
18 responsibility under AS 17.20.005 - 17.20.075 for a particular area of regulation is
19 responsible for enforcing that area of regulation and may delegate the responsibility as
20 appropriate.

21 * **Sec. 44.** AS 17.20.180 is amended to read:

22 **Sec. 17.20.180. Regulations.** The Department of Agriculture and Food, the
23 Department of Environmental Conservation, and the Department of Health and Social
24 Services may adopt regulations for the efficient enforcement of their respective
25 portions of this chapter. Each department may make the regulations conform, in so far
26 as practicable, with those adopted under the federal act.

27 * **Sec. 45.** AS 17.20.200(a) is amended to read:

28 (a) The commissioner of environmental conservation or an agent shall have
29 free access at reasonable hours to a factory, warehouse, or establishment in which
30 nonagricultural food products [FOODS] or cosmetics are manufactured, processed,
31 packed, or held for introduction into commerce, to enter a vehicle being used to

1 transport or hold nonagricultural food products [THESE FOODS] or cosmetics in
2 commerce, or to an aquatic farm in order to

3 (1) inspect a factory, warehouse, establishment, vehicle, or aquatic
4 farm to determine if the provisions of the commissioner's respective portions of this
5 chapter are being violated; and

6 (2) secure samples or specimens of a nonagricultural food product,
7 aquatic farm product, or cosmetic.

8 * **Sec. 46.** AS 17.20.200 is amended by adding a new subsection to read:

9 (d) The commissioner of agriculture and food or the commissioner's agent
10 shall have free access at reasonable hours to a factory, warehouse, or establishment in
11 which agricultural food is manufactured, processed, packed, or held for introduction
12 into commerce, to enter a vehicle being used to transport or hold the foods in
13 commerce in order to

14 (1) inspect a vehicle, factory, warehouse, or establishment, except a
15 retail establishment, to determine if the provisions of the commissioner of agriculture
16 and food's respective portions of this chapter are being violated; and

17 (2) secure samples or specimens of an agricultural food product.

18 * **Sec. 47.** AS 17.20.220(a) is amended to read:

19 (a) The commissioner of agriculture and food, the commissioner of
20 environmental conservation, and the commissioner of health and social services may
21 have published from time to time reports summarizing judgments, decrees, and court
22 orders that [WHICH] have been rendered under their respective portions of this
23 chapter, including the nature of the charge and the disposition of it.

24 * **Sec. 48.** AS 17.20.220(b) is amended to read:

25 (b) The commissioner of environmental conservation may disseminate
26 [HAVE DISSEMINATED] information regarding nonagricultural food products
27 and cosmetics that [WHICH] the commissioner considers necessary in the interest of
28 public health and the protection of the consumer against fraud. This section does not
29 prohibit the commissioner from collecting, reporting, and illustrating the results of the
30 commissioner's investigations.

31 * **Sec. 49.** AS 17.20.220 is amended by adding a new subsection to read:

1 (d) The commissioner of agriculture and food may disseminate information
2 regarding agricultural food products that the commissioner considers necessary in the
3 interest of public health and the protection of the consumer against fraud. This section
4 does not prohibit the commissioner from collecting, reporting, and illustrating the
5 results of the commissioner's investigations.

6 * **Sec. 50.** AS 17.20.230(a) is amended to read:

7 (a) Whenever the commissioner of environmental conservation finds or has
8 probable cause to believe that a nonagricultural food product or cosmetic is
9 adulterated, or so misbranded as to be dangerous or fraudulent within the meaning of
10 this chapter, the commissioner shall affix to it a tag or other appropriate marking,
11 giving notice that it is or is suspected of being adulterated or misbranded and has been
12 detained or embargoed, and warning all persons not to remove or dispose of it by sale
13 or otherwise until permission for removal or disposal is given by the commissioner or
14 the court. A person may not remove or dispose of a detained or embargoed article by
15 sale or otherwise without this permission.

16 * **Sec. 51.** AS 17.20.230 is amended by adding a new subsection to read:

17 (c) Whenever the commissioner of agriculture and food finds or has probable
18 cause to believe that an agricultural food product is adulterated, or so misbranded as to
19 be dangerous or fraudulent within the meaning of this chapter, the commissioner shall
20 affix to it a tag or other appropriate marking, giving notice that it is or is suspected of
21 being adulterated or misbranded and has been detained or embargoed, and warning all
22 persons not to remove or dispose of it by sale or otherwise until permission for
23 removal or disposal is given by the commissioner or the court. A person may not
24 remove or dispose of a detained or embargoed article by sale or otherwise without this
25 permission.

26 * **Sec. 52.** AS 17.20.240 is amended to read:

27 **Sec. 17.20.240. Petition for libel for condemnation.** When an article detained
28 or embargoed under AS 17.20.230 has been found by the commissioner of
29 agriculture and food, the commissioner of environmental conservation, or the
30 commissioner of health and social services, as the case may be, to be adulterated or
31 misbranded, the appropriate commissioner shall petition the superior court for a libel

1 for condemnation of the article. When that commissioner finds that a detained or
 2 embargoed article is not adulterated or misbranded, the commissioner shall remove the
 3 tag or other marking.

4 * **Sec. 53.** AS 17.20.250 is amended to read:

5 **Sec. 17.20.250. Destruction of adulterated or misbranded goods.** If the
 6 superior court finds that a detained or embargoed article is adulterated or misbranded,
 7 it shall, after entry of the decree, be destroyed at the expense of the claimant, under the
 8 supervision of the commissioner of agriculture and food, the commissioner of
 9 environmental conservation, or the commissioner of health and social services, as the
 10 case may be. Court costs and fees and storage and other proper expenses shall be taxed
 11 against the claimant of the article.

12 * **Sec. 54.** AS 17.20.260 is amended to read:

13 **Sec. 17.20.260. Exemption from destruction.** When the adulteration or
 14 misbranding can be corrected by proper labeling or processing of the article, and after
 15 entry of the decree and after costs, fees, and expenses have been paid and a good and
 16 sufficient bond, conditioned that the article will be properly labeled or processed has
 17 been executed, the court may order that the article be delivered to the claimant for
 18 labeling or processing under the supervision of the commissioner of agriculture and
 19 food, the commissioner of environmental conservation, or the commissioner of health
 20 and social services, as the case may be. The claimant shall pay the expense of
 21 supervision. The bond shall be returned to the claimant of the article on representation
 22 to the court by the appropriate commissioner that the article is no longer in violation of
 23 this chapter, and that the expenses of supervision have been paid.

24 * **Sec. 55.** AS 17.20.270 is amended to read:

25 **Sec. 17.20.270. Immediate destruction of contaminated food.** Meat,
 26 seafood, poultry, vegetable, fruit, or other perishable article in any room, building,
 27 vehicle of transportation, or other structure that [WHICH] is unsound, or contains
 28 filthy, decomposed, or putrid substance, or a substance that may be poisonous or
 29 deleterious to health or otherwise unsafe, is a nuisance. Whenever the commissioner
 30 of the department that is responsible under AS 17.20.005 - 17.20.075 for the
 31 article or structure [ENVIRONMENTAL CONSERVATION] finds [SUCH] an

1 article that is a nuisance under this section, the commissioner shall immediately
2 condemn or destroy it or in any other manner render it unsalable as human food.

3 * **Sec. 56.** AS 17.20.280 is amended to read:

4 **Sec. 17.20.280. Injunction proceedings.** The commissioner of agriculture
5 and food, the commissioner of environmental conservation, and the commissioner of
6 health and social services may apply to the superior court for, and the court has
7 jurisdiction to grant, a temporary or permanent injunction restraining a person from
8 violating their respective portions of this chapter.

9 * **Sec. 57.** AS 17.20.290(b) is amended to read:

10 (b) The commissioner of environmental conservation or a designee of the
11 commissioner is responsible for enforcing the provisions of (a)(1) - (10) of this
12 section, if the subject of the prohibited act involves nonagricultural food products or
13 cosmetics, and the provisions of (a)(12) of this section. This subsection does not limit
14 the authority of peace officers.

15 * **Sec. 58.** AS 17.20.290 is amended by adding a new subsection to read:

16 (d) The commissioner of agriculture and food or a designee of the
17 commissioner is responsible for enforcing the provisions of (a)(1) - (10) of this
18 section, if the subject of the prohibited act involves an agricultural food product. This
19 subsection does not limit the authority of peace officers.

20 * **Sec. 59.** AS 17.20.315(c) is repealed and reenacted to read:

21 (c) In this section, "department" means the Department of Agriculture and
22 Food for violations of this chapter relating to agricultural food products, or the
23 Department of Environmental Conservation for violations relating to other items.

24 * **Sec. 60.** AS 17.20.350 is amended to read:

25 **Sec. 17.20.350. Report of minor violations.** Nothing in this chapter requires
26 [EITHER] the commissioner of agriculture and food, the commissioner of
27 environmental conservation, or the commissioner of health and social services, as the
28 case may be, to report minor violations of their respective portions of this chapter for
29 prosecution, or for the institution of libel or injunction proceedings, when that
30 commissioner believes that the public interest will be adequately served by a suitable
31 written notice or warning.

1 * **Sec. 61.** AS 17.20.360 is amended to read:

2 **Sec. 17.20.360. Attorney general to prosecute.** The attorney general, to
3 whom the commissioner of agriculture and food, the commissioner of
4 environmental conservation, or the commissioner of health and social services, as the
5 case may be, reports a violation of this chapter, shall institute appropriate proceedings
6 in the superior court without delay and prosecute them in the manner required by law.

7 * **Sec. 62.** AS 17.20.370 is amended by adding new paragraphs to read:

8 (17) "agricultural food product" means a food product produced on a
9 farm, except an aquatic farm, until the product leaves the farm and enters into
10 commerce;

11 (18) "nonagricultural food product" means a food product that is not an
12 agricultural food product.

13 * **Sec. 63.** AS 18.65.340(f)(1) is amended to read:

14 (1) "department" means a department of state government listed in
15 AS 44.17.005(2) - (16) [AS 44.17.005(2) - (15)];

16 * **Sec. 64.** AS 37.05.146(c)(55) is amended to read:

17 (55) money received by the Department of Agriculture and Food
18 and the Department of Environmental Conservation from the inspection of food under
19 AS 17.20;

20 * **Sec. 65.** AS 38.07.030(a) is amended to read:

21 (a) An owner of agricultural land, or a lessee from the state of agricultural
22 land, in the general vicinity of the land to be cleared or drained under AS 38.07.010(a)
23 may apply to the commissioner to have the land cleared or drained or both along with
24 the state land. The applicant's land shall be included in the contract of land to be
25 cleared or drained if, in the discretion of the commissioner, the inclusion is feasible
26 and furthers the agricultural policies of the [DIVISION OF THE] Department of
27 Agriculture and Food [NATURAL RESOURCES WITH RESPONSIBILITY FOR
28 AGRICULTURE].

29 * **Sec. 66.** AS 44.17.005 is amended to read:

30 **Sec. 44.17.005. Offices and departments.** There are in the state government
31 the following principal offices and departments:

- 1 (1) Office of the Governor;
- 2 (2) Department of Administration;
- 3 (3) Department of Law;
- 4 (4) Department of Revenue;
- 5 (5) Department of Education and Early Development;
- 6 (6) Department of Health and Social Services;
- 7 (7) Department of Labor and Workforce Development;
- 8 (8) Department of Commerce, Community, and Economic
- 9 Development;
- 10 (9) Department of Military and Veterans' Affairs;
- 11 (10) Department of Natural Resources;
- 12 (11) Department of Fish and Game;
- 13 (12) Department of Public Safety;
- 14 (13) Department of Transportation and Public Facilities;
- 15 (14) Department of Environmental Conservation;
- 16 (15) Department of Corrections;
- 17 **(16) Department of Agriculture and Food.**

18 * **Sec. 67.** AS 44.37.020(a) is amended to read:

19 (a) The Department of Natural Resources shall administer the state program

20 for the conservation and development of natural resources, including forests, parks,

21 and recreational areas, land, water, [AGRICULTURE, SOIL CONSERVATION,] and

22 minerals including petroleum and natural gas, but excluding commercial fisheries,

23 sport fish, game, and fur-bearing animals in their natural state.

24 * **Sec. 68.** AS 44.46.020(a) is amended to read:

25 (a) The Department of Environmental Conservation shall

26 (1) have primary responsibility for coordination and development of

27 policies, programs, and planning related to the environment of the state and of the

28 various regions of the state;

29 (2) have primary responsibility for the adoption and enforcement of

30 regulations setting standards for the prevention and abatement of all water, land,

31 subsurface land, and air pollution, and other sources or potential sources of pollution

1 of the environment, including by way of example only, petroleum and natural gas
2 pipelines;

3 (3) promote and develop programs for the protection and control of the
4 environment of the state;

5 (4) take actions that are necessary and proper to further the policy
6 declared in AS 46.03.010;

7 (5) adopt regulations for

8 (A) the prevention and control of public health nuisances;

9 (B) the regulation of sanitation and sanitary practices in the
10 interest of public health under AS 03 and AS 17.20;

11 (C) standards of cleanliness and sanitation under AS 03 and
12 AS 17.20 in connection with the construction, operation, and maintenance of a
13 camp, cannery, food handling establishment, food manufacturing plant,
14 mattress manufacturing establishment, industrial plant, school, barbershop,
15 hairdressing, manicuring, esthetics, tattooing and permanent cosmetic coloring,
16 body piercing, or ear piercing establishment, soft drink establishment, beer and
17 wine dispensaries, and for other similar establishments in which lack of
18 sanitation may create a condition that causes disease;

19 (D) the regulation of quality and purity of commercially
20 compressed air sold for human respiration.

21 * **Sec. 69.** AS 44.46.025(a) is amended to read:

22 (a) Except as otherwise provided in AS 37.10.050 - 37.10.056, the Department
23 of Environmental Conservation may adopt regulations that prescribe reasonable fees,
24 and establish procedures for the collection of those fees, to cover the applicable direct
25 costs, not including travel except in the case of a designated regulatory service, as that
26 term is defined in AS 37.10.058, of inspections, permit preparation and administration,
27 plan review and approval, and other services provided by the department relating to

28 (1) nonagricultural food products, retail [ANIMALS AND
29 ANIMAL PRODUCTS UNDER AS 03.05;] food establishments, drugs, and
30 cosmetics under AS 17.20; and public accommodations and facilities under AS 18.35;

31 (2) certificates of inspection for motor vehicles under AS 46.14.400 or

1 46.14.510;

2 (3) drinking water systems under AS 46.03.720;

3 (4) water and wastewater operator training under AS 46.30;

4 (5) waste management and disposal authorizations under
5 AS 46.03.100;

6 (6) certification of laboratories conducting environmental analyses of
7 public drinking water systems or of oil or hazardous substances, or conducting other
8 analyses required by the department;

9 (7) certification of federal permits or authorizations under 33 U.S.C.
10 1341 (sec. 401, Clean Water Act);

11 (8) regulation of point source discharges of pollutants under the
12 program authorized by AS 46.03.020(12);

13 (9) regulation of pesticides and broadcast chemicals registered under
14 AS 46.03.320(a)(4), with a reasonable fee not to exceed \$120;

15 (10) licensing of pesticide applicators under AS 46.03.320(b), with a
16 reasonable fee not to exceed \$25.

17 * **Sec. 70.** AS 44 is amended by adding a new chapter to read:

18 **Chapter 48. Department of Agriculture and Food.**

19 **Sec. 44.48.010. Commissioner.** The principal executive officer of the
20 Department of Agriculture and Food is the commissioner of agriculture and food.

21 **Sec. 44.48.020. Duties of department.** (a) The department shall

22 (1) have primary responsibility for coordination and development of
23 policies, programs, and planning related to commercial agriculture in the state;

24 (2) promote and develop programs for the protection and promotion of
25 commercial agriculture in the state;

26 (3) obtain and distribute information on subjects connected with
27 commercial agriculture;

28 (4) control and regulate the entry and transportation of seeds, plants,
29 and other horticultural products into and within the state;

30 (5) control and eradicate the spread of pests injurious to plants, trees,
31 vegetables, fruit, livestock, and poultry;

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(6) aid in developing used and unused agricultural resources; and
(7) experiment and determine practical methods of growing, processing, soil analysis, eradication of obnoxious weeds, control of insects, and cheaper and more satisfactory methods of land clearing.

(b) The department may adopt regulations to implement its powers and duties.

Sec. 44.48.030. Fees for services. (a) The department may adopt regulations that establish reasonable fees, and establish procedures for the collection of those fees, to cover the applicable direct costs, except for travel unless for a designated regulatory service, of inspections, permit preparation, permit administration, plan review, plan approval, and other services provided by the department relating to

- (1) the department's responsibilities under AS 03;
- (2) the department's responsibilities under AS 17.20.

(b) The department may not charge a fee for a service that is provided by a municipality under a delegation of authority by the department to the municipality.

(c) Notwithstanding (a) of this section, the department may not charge a fee for an inspection, permit, or other service provided by the department under AS 03.05 to a school.

(d) In this section,

- (1) "direct cost" has the meaning given in AS 37.10.058;
- (2) "school" means a public school or private school for children of school age, or a head start center that receives federal financial assistance under 42 U.S.C. 9835;
- (3) "school age" has the meaning given in AS 14.03.070.

Sec. 44.48.090. Definitions. In this chapter, "department" means the Department of Agriculture and Food.

* **Sec. 71.** AS 44.62.330(a)(16) is amended to read:

(16) **Department of Agriculture and Food,** Department of Health and Social Services, and Department of Environmental Conservation under AS 17.20 (Alaska Food, Drug, and Cosmetic Act), and Department of Commerce, Community, and Economic Development in connection with the licensing of embalmers and funeral directors under AS 08.42;

1 * **Sec. 72.** AS 03.05.011(e), 03.05.040(b), 03.05.050(b); AS 03.47.040(2); AS 03.55.190(3);
2 AS 17.20.075; AS 44.37.030; and AS 44.62.330(a)(34) are repealed.

3 * **Sec. 73.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 TRANSITION: REGULATIONS. The Department of Agriculture and Food, created
6 under sec. 70 of this Act, the Department of Environmental Conservation, and the Department
7 of Natural Resources may adopt, amend, and repeal regulations as necessary to implement
8 this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
9 before July 1, 2014.

10 * **Sec. 74.** Section 73 of this Act takes effect immediately under AS 01.10.070(c).

11 * **Sec. 75.** Except as provided in sec. 74 of this Act, this Act takes effect July 1, 2014.

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

SECTIONAL ANALYSIS (CSHB191 version B)

HB 191 – “An Act establishing a state department of agriculture and food and relating to its powers and duties; relating to the powers and duties of the Department of Environmental Conservation and the Department of Natural Resources; and providing for an effective date.”

Sec. 1. Amends AS 03.05.010, which deals with agriculture and food. Changes the responsible commissioner to the commissioner of agriculture and food (see new AS 03.05.100(5) in sec. 18). Adds some responsibilities to the list, including establishing a food security program. Exempts retail food establishments, food processing, and fish or fisheries product establishments from coverage of (b).

Sec.2. Amends AS 03.05.011(a), which relates to certain powers over animals and animal products. Exempts retail food establishments from its coverage.

Sec. 3. Amends AS 03.05.011(b) which relates to certain powers over animals and animal products. Exempts retail food establishments from its coverage.

Sec. 4. Amends AS 03.05.011(e) to change the commissioner and department responsible for AS 03.05.011 to the commissioner of agriculture and food and the Department of Agriculture and Food (DOAF).

Sec. 5. Adds the new section AS 03.05.012, which establishes the commissioner of environmental conservation and the Department of Environmental Conservation (DEC) as the responsible commissioner and department for this section.

Sec. 6. Amends AS 03.05.013 to change DOAF (based on the new definition in bill sec. 18) the commissioner and department are responsible for appointing or employing the state veterinarian for animal products over which DOAF has jurisdiction.

Sec. 7. Amends AS 03.05.027(a) to change DOAF (based on the definition in bill sec.18) the commissioner responsible for employing or appointing the state coordinator for noxious weed, invasive plant, and agricultural pest management.

E-mail [Representative Steve Thompson@legis.state.ak.us](mailto:Representative_Steve_Thompson@legis.state.ak.us)

Sec. 11. Amends AS 03.05.075(b) relating to elk farming. Changing the responsible commissioner to the Commissioner of the Department of Agriculture and Food. The Commissioner of DOAF shall provide the Department of Fish and Game with copies of elk farming applications and licenses.

Sec. 12. Amends AS 03.05.075(d). Fencing standards for elk shall be established under the Department of Agriculture and Food.

Sec. 13. Amends AS 03.05.075(e) Putting the power to regulate elk farming in the Department of Agriculture and Food.

Sec. 14. Amends AS 03.05.090(a) for criminal penalties for violations of regulations under this chapter made by the Departments of Agriculture and Food and Department of Natural Resources.

Sec. 15. Amends AS 03.05.090(c) Setting forth civil fines for violations of quarantines or embargos made by the Departments of Agriculture and Food and Environmental Conservation.

Sec. 16. Amends AS 03.05.090(d) States that the Department of Agriculture and Food, the Department of Environmental Conservation or a court may impose civil fines authorized by this chapter.

Sec. 17. Amends AS 03.05.090(d). Redefines “animal” to exclude fish or fisheries products.

Sec. 18. Amends AS 03.05.100. Adds new definitions to this chapter, to include “commissioner” and “department” as DOAF for the chapter.

Sec. 19. Amends AS 03.09.020(a). To direct the Commissioner of Agriculture and Food to appoint an employee of DOAF as the director of the Board of Agriculture and Conservation to oversee the daily operations of the agricultural revolving loan fund (ARLF).

Sec. 20. Amends AS 03.10.050(g). The Commissioner of Agriculture and Food shall set the regulations for disposal of property acquired by the Board of Agriculture and Conservation to ensure that the property is disposed of as so to maximize the return to the state.

Sec. 21. Amends AS 03.13.050 to make DOAF the department responsible for implementing the chapter relating to federal crop insurance contributions (AS 03.13).

Sec. 22. Amends AS 03.20.080 to define as DOAF the “commissioner” and “department” for the article relating to agriculture and industrial fairs (AS 03.30.010 – 03.20.080).

Sec. 23. Amends AS 03.20.100(e) to designate the DOAF as the lead department in the farm-to school program.

Sec. 24. Amends AS 03.22.010 to change the DOAF as the department responsible for establishing and maintaining the plant materials center.

Sec. 25. Amends AS 03.22.040 to make DOAF one of the agencies that appoints the administrator of the plant materials center.

Sec. 26. Adds sec. 03.22.100 to define “department” for AS 03.22, the plant materials center chapter, as DOAF.

Sec. 27. Amends AS 03.35.030 to identify the commissioner of DOAF as the commissioner to whom a district judge sends a copy of an order related to the establishment, addition, elimination, or dissolution of a controlled livestock district.

Sec. 28. Amends AS 03.40.030(a) to identify the commissioner of DOAF as the commissioner to whom a person applies for a brand mark.

Sec. 29. Amends AS 03.40.270 to define “commissioner” in 03.40 as the Commissioner of the Department of Agriculture and Food.

Sec. 30. Amends AS 03.47.020 to make DOAF responsible for determining whether apiary inspectors are qualified.

Sec. 31- 35 makes DOAF the responsible department for bees and beekeeping.

Sec. 36. Amends AS 03.55.190 to put the care of animals under the DOAF.

Sec. 37. Adds sec. 03.58.090 to put organic food and agricultural products under the purview of the Department of Agriculture and Food.

Sec. 38. Amends AS 14.07.020(a) Setting out the role of the Department of Agriculture and Food in assisting in the development and implementation in the farm-to-school program.

Sec. 39. Repeals and reenacts AS 17.20.005 to give to the commissioner of DOAF the powers to regulate food except for fish and fisheries products.

Sec. 40. Adds sec. AS 17.20.007 Setting forth the duties of the Commissioner of the Department of Environmental Conservation to regulate fish and fisheries products (including seafood raising and processing) and to inspect retail food establishments.

Sec. 41. Amends AS 17.20.010 to direct DOAF to adopt regulations relating to definitions and standards for agricultural food and to establish a mobile canned agricultural food products inspection service.

Sec. 42. Adds a new subsection to AS 17.20.010, keeping the power to regulate fish and fish products under the Department of Environmental Conservation and to establish a mobile canned nonagricultural food inspection service.

Sec. 43 & 44. Put the duty to regulate hormone labeling in milk under the Department of Agriculture and Food.

Sec. 45. Amends AS 17.20.030 to make changes to conform the section to the new division of responsibilities between the departments.

Sec. 46. Amends AS 17.20.040(a) to make changes to conform the subsection to the new division of responsibilities between the departments. Also, makes stylistic and clarifying changes.

Sec. 47 & 48. Amends 17.20.044(b) and (C) Separating the responsibilities for the sales and labeling of frozen meat, fish, and poultry between the Department of Agriculture Food and the Department of Environmental Conservation.

Sec. 50. Amends AS 17.20.050 makes changes to conforming the responsibility for emergency permit controls between the Department of Agriculture and Food and the Department of Environmental Conservation.

Sec. 51. Amends AS 17.20.060 to make changes to conform the section to the new division of responsibilities between the departments.

Sec. 52 - 56. Amends AS 17.20.065-.072 to make changes to conform the section to the new division of responsibilities between the departments.

Sec. 57. Amends AS 17.20.180 to allow the Department of Agriculture and Food to adopt regulations for efficient enforcement of its respective portions of this chapter.

Sec. 58. Amends AS 17.20.200(a) to limit the food covered in this subsection to fish and fisheries products over which DEC has responsibility.

Sec. 59. Amends AS 17.20.200 to add an inspection equivalent to subsection (a) to cover DOAF's access and inspection authority.

Sec. 60. Amends AS 17.20.220(a), which relates to making reports about court actions, to add DOAF as a department that may issue reports.

Sec. 61. Amends AS 17.20.220(b), which relates to dissemination of information, to limit the food-related subjects to fish, fisheries products, and retail establishments to over which DEC has jurisdiction.

Sec. 62. Amends AS 17.20.220 to add information dissemination equivalent to subsection (a) to cover DOAF's information dissemination authority.

Sec. 63. Amends AS 17.20.230(a), which relates to the Department of Environmental Conservation's power to detain or embargo fish or fish products that are dangerous or fraudulent.

Sec. 64. Amends AS 17.20.230 to give the Department of Agriculture and Food the power to detain or embargo agricultural food that is adulterated or misbranded in a manner that is dangerous or fraudulent.

Sec. 65. Amends AS 17.20.240 Adding the Department of Agriculture and Food to the departments that can petition for condemnation of a food.

Sec. 66. Amends AS 17.20.240 to allow the Department of Agriculture and Food to destroy adulterated or misbranded goods under its purview.

Sec. 67. Amends AS 17.20.260 gives the Department of Agriculture the oversight of relabeling of misbranded food items under the department's purview.

Sec. 68. Amends AS 17.20.260 to gives the Department of Agricultural and Food the oversight of destruction of contaminated food items under the department's purview.

Sec. 69. Amends AS 17.20.290(b) Giving the Department of Agriculture and Food the ability to apply to the superior court for injunctions against person's violating provisions of this chapter.

Sec. 70. Amends AS 17.20.290(b) , which relates to enforcement action taken on prohibited acts by DEC, to limit the food-related acts to fish, fisheries products, and retail food establishments.

Sec. 71. Amends AS 17.20.290 to add an enforcement action equivalent to subsection (b) to cover DOAF's enforcement action authority.

Sec. 72. Amends AS 17.20.315(c) gives the Department of Agriculture and Food the power to impose civil fines for serious violations of this chapter.

Sec. 73. Amends AS 17.20.350, to state that nothing in this chapter requires the Department of Agriculture and Food to report minor violations.

Sec. 74. Amends AS 17.20.360 to make a change to conform the section to the new division of responsibilities between the departments.

Sec. 75. Amends AS 17.20.370 to add definitions to AS 17.20 for “agricultural food”.

Sec. 76. Amends AS 18.65.340(f) to make a conforming change.

Sec. 77. Amends AS 37.05.146(c)(55) to include DOAF food inspection receipts in a specific category of program receipts and to reflect the change in the division of responsibilities under AS 17.20.

Sec. 78. Amends AS 38.07.030(a), which relates to the clearing and draining of agricultural land, to change the responsibility to DOAF.

Sec. 79. Amends AS 44.17.005 to list the new DOAF as a principal department of the state.

Sec. 80. Amends AS 44.27.020(a) to remove agriculture and soil conservation from DNR's responsibility.

Sec. 81. Amends AS 44.46.020(a), which relates to DEC's duties, to limit the application of certain provisions because DOAF will be performing some activities in the same general categories.

Sec. 82. Amends AS 44.46.025(a), which relates to DEC's powers, to limit the application of certain provisions to reflect DEC's new food and animal related responsibilities under AS 03.05 and AS 17.20.

Sec. 83. Adds a new chapter to establish the new DOAF department.

Section 44.48.010. Establishes the commissioner of DOAF as the principal executive officer of DOAF.

Sec. 44.48.020. Establishes the duties of the DOAF.

Sec. 44.48.030. Authorizes DOAF to establish reasonable fees for its services relating to DOAF's responsibilities under AS 03 and AS 17.20. Prohibits DOAF from charging a fee for a service provided by a municipality under a delegation of authority from the municipality. Prohibits DOAF from charging a fee for a service provided under AS 03.05 to a school.

Sec. 44.48.090. Defines a term for the new chapter.

Sec. 84. Amends AS 44.62.330(a)(16) to add DOAF to the agencies enforcing AS 17.20 and that are subject to the general administrative adjudication provisions of AS 44.62.330 - 44.62.630 (part of the state's Administrative Procedure Act).

Sec. 85. Amends AS 44.62.330(a)(34) to change to DOAF the agency identified as subject to the general administrative adjudication provisions of AS 44.62.330 - 44.52.630 (part of the state's Administrative Procedure Act) concerning the Alaska grain reserve program under former AS 03.12.

Sec. 86. Repeals certain laws.

Sec. 87 Authorizes the DOAF, DEC, and DNR to begin adopting, amending, and repealing regulations as necessary to implement this Act.

Sec. 88. Makes bill sec. 87 effective immediately Sectional Analysis HB191 Version M/Page 7

Sec. 89. Makes the bill effective July 1, 2014, except as provided in bill sec. 88.

Explanation of CS Changes

HB 191 – *“An Act establishing a state department of agriculture and food and relating to its powers and duties; relating to the powers and duties of the Department of Environmental Conservation and the Department of Natural Resources; and providing for an effective date.”*

Sec. 1, page 2, line 5. Removes reference to “food processing” language.

Sec 1, page 2, lines 24-26. Adds voluntary participation.

Sec. 5, page 4, line 29. Deletes references to fish and fisheries products.

Sec. 18, page 9, line 29. Deletes references to retail food.

Sec. 41, page 18, line 10. Amends definitions for standards and foods. Names the Department of Agriculture and Food to establish and fix regulations for agricultural food products or classes.

Sec. 49, page 23, line 22. Removes reference to retail food establishment.

Sec. 75, page 30, lines 25-30. Removes references to retail food.

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

SECTIONAL ANALYSIS (version M)

HB 191 – *“An Act establishing a state department of agriculture and food and relating to its powers and duties; relating to the powers and duties of the Department of Environmental Conservations and the Department of Natural Resources; and providing for an effective date.”*

Sec. 1. Amends AS 03.05.010, which deals with agriculture and food. Changes the responsible commissioner to the commissioner of agriculture and food (see new AS 03.05.100(5) in sec. 18). Adds some responsibilities to the list, including establishing a food security program. Exempts retail food establishments and fish or fisheries product establishments from coverage of (b).

Sec.2. Amends AS 03.05.011(a), which relates to certain powers over animals and animal products. Exempts retail food establishments from its coverage.

Sec. 3. Amends AS 03.05.011(b) which relates to certain powers over animals and animal products. Exempts retail food establishments from its coverage.

Sec. 4. Amends AS 03.05.011(e) to change the commissioner and department responsible for AS 03.05.011 to the commissioner of agriculture and food and the Department of Agriculture and Food (DOAF).

Sec. 5. Adds the new section AS 03.05.012, which provides powers over fish and fisheries products. Establishes the commissioner of environmental conservation and the Department of Environmental Conservation (DEC) as the responsible commissioner and department for this section.

Sec. 6. Amends AS 03.05.013 to change DOAF (based on the new definition in bill sec. 18) the commissioner and department are responsible for appointing or employing the state veterinarian for animal products over which DOAF has jurisdiction.

Sec. 7. Amends AS 03.05.027(a) to change DOAF (based on the definition in bill sec.18) the commissioner responsible for employing or appointing the state coordinator for noxious weed, invasive plant, and agricultural pest management.

Sec. 8. Amends AS 03.05.040(b) gives the power of inspection to the Commissioner of Agriculture and Food to inspect agricultural products and animals, with exceptions for retail food establishments and fish or fisheries products to DEC.

Sec. 9. Amends AS 03.05.050(b). Establishes which commissioners are responsible for carrying out this section dealing with animals, animal products, and agricultural products that violate regulations and are public nuisances. Changes to DOAF the commissioner for agricultural products and animals, except fish and fisheries products. Changes the responsibility of the commissioner of DEC to retail food establishments, fish or fisheries products, and fish or fisheries products establishments.

Sec. 10. Amends AS 03.05.075(a) relating to elk farming, licensing and elk farm inspections under the powers of the new DOAF.

Sec. 11. Amends AS 03.05.075(b) relating to elk farming. Changing the responsible commissioner to the Commissioner of the Department of Agriculture and Food. The Commissioner of DOAF shall provide the Department of Fish and Game with copies of elk farming applications and licenses.

Sec. 12. Amends AS 03.05.075(d). Fencing standards for elk shall be established under the Department of Agriculture and Food.

Sec. 13. Amends AS 03.05.075(e) Putting the power to regulate elk farming in the Department of Agriculture and Food.

Sec. 14. Amends AS 03.05.090(a) for criminal penalties for violations of regulations under this chapter made by the Departments of Agriculture and Food and Department of Natural Resources.

Sec. 15. Amends AS 03.05.090(c) Setting forth civil fines for violations of quarantines or embargos made by the Departments of Agriculture and Food and Environmental Conservation.

Sec. 16. Amends AS 03.05.090(d) States that the Department of Agriculture and Food, the Department of Environmental Conservation or a court may impose civil fines authorized by this chapter.

Sec. 17. Amends AS 03.05.090(d). Redefines “animal” to exclude fish or fisheries products.

Sec. 18. Amends AS 03.05.100. Adds new definitions to this chapter, to include “commissioner” and “department” as DOAF for the chapter. Also adds a definition of “retail food establishment” for the chapter.

Sec. 19. Amends AS 03.09.020(a). To direct the Commissioner of Agriculture and Food to appoint an employee of DOAF as the director of the Board of Agriculture and Conservation to oversee the daily operations of the agricultural revolving loan fund (ARLF).

Sec. 20. Amends AS 03.10.050(g). The Commissioner of Agriculture and Food shall set the regulations for disposal of property acquired by the Board of Agriculture and Conservation to ensure that the property is disposed of as so to maximize the return to the state.

Sec. 21. Amends AS 03.13.050 to make DOAF the department responsible for implementing the chapter relating to federal crop insurance contributions (AS 03.13)

Sec. 22. Amends AS 03.20.080 to define as DOAF the “commissioner” and “department” for the article relating to agriculture and industrial fairs (AS 03.30.010 – 03.20.080).

Sec. 23. Amends AS 03.20.100(e) to designate the DOAF as the lead department in the farm-to-school program.

Sec. 24. Amends AS 03.22.010 to change the DOAF as the department responsible for establishing and maintaining the plant materials center.

Sec. 25. Amends AS 03.22.040 to make DOAF one of the agencies that appoints the administrator of the plant materials center.

Sec. 26. Adds sec. 03.22.100 to define “department” for AS 03.22, the plant materials center chapter, as DOAF.

Sec. 27. Amends AS 03.35.030 to identify the commissioner of DOAF as the commissioner to whom a district judge sends a copy of an order related to the establishment, addition, elimination, or dissolution of a controlled livestock district.

Sec. 28. Amends AS 03.40.030(a) to identify the commissioner of DOAF as the commissioner to whom a person applies for a brand mark.

Sec. 29. Amends AS 03.40.270 to define “commissioner” in 03.40 as the Commissioner of the Department of Agriculture and Food.

Sec. 30. Amends AS 03.47.020 to make DOAF responsible for determining whether apiary inspectors are qualified.

Sec. 31- 35 makes DOAF the responsible department for bees and beekeeping.

Sec. 36. Amends AS 03.55.190 to put the care of animals under the DOAF.

Sec. 37. Adds sec. 03.58.090 to put organic food and agricultural products under the purview of the Department of Agriculture and Food.

Sec. 38. Amends AS 14.07.020(a) Setting out the role of the Department of Agriculture and Food in assisting in the development and implementation in the farm-to-school program.

Sec. 39. Repeals and reenacts AS 17.20.005 to give to the commissioner of DOAF the powers to regulate food except for fish and fisheries products.

Sec. 40. Adds sec. AS 17.20.007 Setting forth the duties of the Commissioner of the Department of Environmental Conservation to regulate fish and fisheries products (including seafood raising and processing) and to inspect retail food establishments.

Sec. 41. Amends AS 17.20.010 to direct DOAF to adopt regulations relating to definitions and standards for agricultural food and to establish a mobile canned agricultural food inspection service.

Sec. 42. Adds a new subsection to AS 17.20.010, keeping the power to regulate fish and fish products under the Department of Environmental Conservation and to establish a mobil canned nonagricultural food inspection service.

Sec. 43 & 44. Put the duty to regulate hormone labeling in milk under the Department of Agriculture and Food.

Sec. 45. Amends AS 17.20.030 to make changes to conform the section to the new division of responsibilities between the departments.

Sec. 46. Amends AS 17.20.040(a) to make changes to conform the subsection to the new division of responsibilities between the departments. Also, makes stylistic and clarifying changes.

Sec. 47 & 48. Amends 17.20.044(b) and (C) Separating the responsibilities for the sales and labeling of frozen meat, fish, and poultry between the Department of Agriculture Food and the Department of Environmental Conservation.

Sec. 49. Amends AS 17.20.049(b) to reference the moving of the main part of this definition of “retail food establishment” to the general definition of “retail food establishment” for As 17.20 (in AS 17.20.370).

Sec. 50. Amends AS 17.20.050 makes changes to conforming the responsibility for emergency permit controls between the Department of Agriculture and Food and the Department of Environmental Conservation.

Sec. 51. Amends AS 17.20.060 to make changes to conform the section to the new division of responsibilities between the departments.

Sec. 52 - 56. Amends AS 17.20.065-.072 to make changes to conform the section to the new division of responsibilities between the departments.

Sec. 57. Amends AS 17.20.180 to allow the Department of Agriculture and Food to adopt regulations for efficient enforcement of its respective portions of this chapter.

Sec. 58. Amends AS 17.20.200(a) to limit the food covered in this subsection to fish and fisheries products over which DEC has responsibility.

Sec. 59. Amends AS 17.20.200 to add an inspection equivalent to subsection (a) to cover DOAF’s access and inspection authority.

Sec. 60. Amends AS 17.20.220(a), which relates to making reports about court actions, to add DOAF as a department that may issue reports.

Sec. 61. Amends AS 17.20.220(b), which relates to dissemination of information, to limit the food-related subjects to fish, fisheries products, and retail establishments to over which DEC has jurisdiction.

Sec. 62. Amends AS 17.20.220 to add information dissemination equivalent to subsection (a) to cover DOAF's information dissemination authority.

Sec. 63. Amends AS 17.20.230(a), which relates to the Department of Environmental Conservation's power to detain or embargo fish or fish products that are dangerous or fraudulent.

Sec. 64. Amends AS 17.20.230 to give the Department of Agriculture and Food the power to detain or embargo agricultural food that is adulterated or misbranded in a manner that is dangerous or fraudulent.

Sec. 65. Amends AS 17.20.240 Adding the Department of Agriculture and Food to the departments that can petition for condemnation of a food.

Sec. 66. Amends AS 17.20.240 to allow the Department of Agriculture and Food to destroy adulterated or misbranded goods under its purview.

Sec. 67. Amends AS 17.20.260 gives the Department of Agriculture the oversight of relabeling of misbranded food items under the department's purview.

Sec. 68. Amends AS 17.20.260 to gives the Department of Agricultural and Food the oversight of destruction of contaminated food items under the department's purview.

Sec. 69. Amends AS 17.20.290(b) Giving the Department of Agriculture and Food the ability to apply to the superior court for injunctions against person's violating provisions of this chapter.

Sec. 70. Amends AS 17.20.290(b) , which relates to enforcement action taken on prohibited acts by DEC, to limit the food-related acts to fish, fisheries products, and retail food establishments.

Sec. 71. Amends AS 17.20.290 to add an enforcement action equivalent to subsection (b) to cover DOAF's enforcement action authority.

Sec. 72. Amends AS 17.20.315(c) gives the Department of Agriculture and Food the power to impose civil fines for serious violations of this chapter.

Sec. 73. Amends AS 17.20.350, to state that nothing in this chapter requires the Department of Agriculture and Food to report minor violations.

Sec. 74. Amends AS 17.20.360 to make a change to conform the section to the new division of responsibilities between the departments.

Sec. 75. Amends AS 17.20.370 to add definitions to AS 17.20 for "agricultural food" and "retail food establishments".

Sec. 76. Amends AS 18.65.340(f) to make a conforming change.

Sec. 77. Amends AS 37.05.146(c)(55) to include DOAF food inspection receipts in a specific category of program receipts and to reflect the change in the division of responsibilities under AS 17.20.

Sec. 78. Amends AS 38.07.030(a), which relates to the clearing and draining of agricultural land, to change the responsibility to DOAF.

Sec. 79. Amends AS 44.17.005 to list the new DOAF as a principal department of the state.

Sec. 80. Amends AS 44.27.020(a) to remove agriculture and soil conservation from DNR's responsibility.

Sec. 81. Amends AS 44.46.020(a), which relates to DEC's duties, to limit the application of certain provisions because DOAF will be performing some activities in the same general categories.

Sec. 82. Amends AS 44.46.025(a), which relates to DEC's powers, to limit the application of certain provisions to reflect DEC's new food and animal related responsibilities under AS 03.05 and AS 17.20.

Sec. 83. Adds a new chapter to establish the new DOAF department.

Section 44.48.010. Establishes the commissioner of DOAF as the principal executive officer of DOAF.

Sec. 44.48.020. Establishes the duties of the DOAF.

Sec. 44.48.030. Authorizes DOAF to establish reasonable fees for its services relating to DOAF's responsibilities under AS 03 and AS 17.20. Prohibits DOAF from charging a fee for a service provided by a municipality under a delegation of authority from the municipality. Prohibits DOAF from charging a fee for a service provided under AS 03.05 to a school.

Sec. 44.48.090. Defines a term for the new chapter.

Sec. 84. Amends AS 44.62.330(a)(16) to add DOAF to the agencies enforcing AS 17.20 and that are subject to the general administrative adjudication provisions of AS 44.62.330 - 44.62.630 (part of the state's Administrative Procedure Act).

Sec. 85. Amends AS 44.62.330(a)(34) to change to DOAF the agency identified as subject to the general administrative adjudication provisions of AS 44.62.330 - 44.52.630 (part of the state's Administrative Procedure Act) concerning the Alaska grain reserve program under former AS 03.12.

Sec. 86. Repeals certain laws.

Sec. 87 Authorizes the DOAF, DEC, and DNR to begin adopting, amending, and repealing regulations as necessary to implement this Act.

Sec. 88. Makes bill sec. 87 effective immediately

Sec. 89. Makes the bill effective July 1, 2014, except as provided in bill sec. 88.

FISCAL NOTE

1a.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 191
Fiscal Note Number _____
Publish Date _____

Identifier (file name) HB 191-DNR-ARLF-3-23-12 Dept. Affected Natural Resources
Title State Department of Agriculture and Food Appropriation Agriculture
Allocation Agricultural Revolving Loan Program
Sponsor THOMPSON
Requester (H) RES OMB Component Number 2235

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services					(472.9)			
Travel					(24.0)			
Services					(494.6)			
Commodities					(1,534.6)			
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	(2,526.1)	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
		FY13	FY14	FY15	FY16	FY17	FY18	
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1021	Agric RLF (DGF)			(2,526.1)				
TOTAL		0.0	0.0	0.0	(2,526.1)	0.0	0.0	

POSITIONS							
	FY13	FY14	FY15	FY16	FY17	FY18	
Full-time				-5			
Part-time							
Temporary							

CHANGE IN REVENUES	FY13	FY14	FY15	FY16	FY17	FY18

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

To reflect FY 2013 Governor numbers.

Prepared by Franci Havemeister
Division Agriculture
Approved by Daniel S. Sullivan
Department of Natural Resources

Phone 761-3867
Date/Time 3/23/12 12:00 AM
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS 03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources to a newly created commissioner of the Department of Agriculture and Food. This fiscal note is based on FY 2013 Governor numbers.

This bill will take effect July 1, 2014.

FISCAL NOTE

1b.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB191
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB191-GOV-OMB-3-23-12 Dept. Affected Agriculture and Food
Title State Department of Agriculture and Food Appropriation Agriculture Development
Allocation Agricultural Revolving Loan Program
Sponsor Representative Thompson
Requester HOUSE RESOURCES OMB Component Number 2235

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services					472.9	472.9	472.9	472.9
Travel					24.0	24.0	24.0	24.0
Services					494.6	494.6	494.6	494.6
Commodities					1,534.6	1,534.6	1,534.6	1,534.6
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0		2,526.1	2,526.1	2,526.1	2,526.1

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1108	Stat Desig (Other)							
1021	Agric RLF (DGF)				2,526.1	2,526.1	2,526.1	2,526.1
TOTAL		0.0	0.0	0.0		2,526.1	2,526.1	2,526.1

POSITIONS								
Full-time					5	5	5	5
Part-time								
Temporary								

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required;
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required;
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for FY2013 Governor's Amended budget.

Prepared by John Boucher, Senior Economist
Division Office of Management and Budget
Approved by Karen J Rehfeld, Director
Office of Management and Budget

Phone 465-4677
Date/Time 3/23/2012 12:00pm
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources to a newly created commissioner of the Department of Agriculture and Food. This fiscal note is based on FY2013 Governor amended budget numbers.

FISCAL NOTE

2.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB191
Fiscal Note Number _____
Publish Date _____

Identifier (file name) HB191-DNR-FAC-3-23-12 Dept. Affected Natural Resources
Title Establish Department of Agriculture and Food Appropriation Administration and Support
Allocation Facilities
Sponsor Rep. Thompson
Requester (H) RES OMB Component Number 2999

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services					(54.0)			
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0		(54.0)	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF				(54.0)			
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0		(54.0)	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This is a updated form version for the second session of the 27th legislature. The identifier, appropriation, and allocation have been changed to reflect the revised DNR structure.

Prepared by Jean Davis, Director
Division Support Services
Approved by Daniel S. Sullivan
Department of Natural Resources

Phone 465-2422
Date/Time 3/23/12 12:00 AM
Date 3/23/2012

FISCAL NOTE

**STATE OF ALASKA
2012 LEGISLATIVE SESSION**

BILL NO. HB191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS 03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources (DNR) to a newly created commissioner of the Department of Agriculture and Food. DNR pays \$54.0/year in general fund from the allocation Facilities to support the Division of Agriculture lease costs.

This bill will take effect July 1, 2014.

FISCAL NOTE

3a.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 191
Fiscal Note Number _____
Publish Date _____

Identifier (file name) HB 191-DNR-PMC-3-23-12 Dept. Affected Natural Resources
Title State Department of Agriculture and Food Appropriation Agriculture
Allocation North Latitude Plant Material Center
Sponsor THOMPSON
Requester (H) RES OMB Component Number 2204

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services					(1,757.6)			
Travel					(36.1)			
Services					(615.6)			
Commodities					(82.7)			
Capital Outlay					(194.2)			
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	(2,686.2)	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
		FY13	FY14	FY15	FY16	FY17	FY18	
1002	Federal Receipts			(370.0)				
1007	I-A			(65.2)				
1004	GF			(2,026.5)				
1005	GF/Prgm (DGF)			(16.2)				
1108	Stat Desig (Other)			(24.8)				
1061	CIP Rcpts (Other)			(183.5)				
TOTAL		0.0	0.0	(2,686.2)	0.0	0.0	0.0	

POSITIONS							
		FY13	FY14	FY15	FY16	FY17	FY18
Full-time				-11			
Part-time				-11			
Temporary				-2			

CHANGE IN REVENUES							
		FY13	FY14	FY15	FY16	FY17	FY18

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

To reflect FY2013 Governor's budget numbers and to reflect the new fiscal note form.

Prepared by Franci Havemeister
Division Agriculture
Approved by Daniel S. Sullivan
Department of Natural Resources

Phone 761-3867
Date/Time 3/23/12 12:00 AM
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS 03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources to a newly created commissioner of the Department of Agriculture and Food. This fiscal note is based on FY 2013 Governor numbers.

This bill will take effect July 1, 2014.

FISCAL NOTE

3b.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB191
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB191-GOV-OMB-3-23-12 Dept. Affected Agriculture and Food
Title State Department of Agriculture and Food Appropriation Agriculture Development
Allocation North Latitude Plant Material Center
Sponsor Representative Thompson
Requester HOUSE RESOURCES OMB Component Number 2204

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services					1,757.6	1,757.6	1,757.6	1,757.6
Travel					36.1	36.1	36.1	36.1
Services					615.6	615.6	615.6	615.6
Commodities					82.7	82.7	82.7	82.7
Capital Outlay					194.2	194.2	194.2	194.2
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0		2,686.2	2,686.2	2,686.2	2,686.2

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts				370.0	370.0	370.0	370.0
1004	GF				2,026.5	2,026.5	2,026.5	2,026.5
1005	GF/Prgm (DGF)				16.2	16.2	16.2	16.2
1007	I/A Rcpts (Other)				65.2	65.2	65.2	65.2
1061	CIP Rcpts (Other)				183.5	183.5	183.5	183.5
1108	Stat Desig (Other)				24.8	24.8	24.8	24.8
TOTAL		0.0	0.0	0.0	2,686.2	2,686.2	2,686.2	2,686.2

POSITIONS							
Full-time				11	11	11	11
Part-time				11	11	11	11
Temporary				2	2	2	2

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required;
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required;
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for FY2013 Governor's Amended budget.

Prepared by John Boucher, Senior Economist
Division Office of Management and Budget
Approved by Karen J Rehfeld, Director
Office of Management and Budget

Phone 465-4677
Date/Time 3/23/2012 12:00pm
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources to a newly created commissioner of the Department of Agriculture and Food. This fiscal note is based on FY2013 Governor amended budget .

FISCAL NOTE

4.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB191
Fiscal Note Number _____
Publish Date _____

Identifier (file name) HB191-DNR-CB-3-23-12 Dept. Affected Natural Resources
Title Establish Department of Agriculture and Food Appropriation Administration and Support
Allocation Interdepartmental Chargebacks
Sponsor Rep. Thompson
Requester (H) RES OMB Component Number 2998

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services				(52.8)			
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	(52.8)	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF			(52.8)			
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	(52.8)	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This is a updated form version for the second session of the 27th legislature. The identifier, appropriation, and allocation have been changed to reflect the revised DNR structure.

Prepared by Jean Davis, Director
Division Support Services
Approved by Daniel S. Sullivan
Department of Natural Resources

Phone 465-2422
Date/Time 3/23/12 12:00 AM
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS 03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources (DNR) to a newly created Commissioner of the Department of Agriculture and Food. DNR pays \$52.8 (\$23.1 for Human Resources and \$29.7 for IT Chargebacks) in general fund from the allocation Interdepartmental Chargebacks to support the Division of Agriculture Human Resource and IT costs.

This bill will take effect July 1, 2014.

FISCAL NOTE

5.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 191
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB191-GOV-OMB-03-23-12 Dept. Affected Agriculture and Food
Title Department of Agriculture and Food Appropriation Administrative Support
Allocation Administrative Services
Sponsor Representative Thompson
Requester House Resources OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services					1,161.7	1,161.7	1,161.7	1,161.7
Travel					15.0	15.0	15.0	15.0
Services					175.0	175.0	175.0	175.0
Commodities					15.0	15.0	15.0	15.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0		1,366.7	1,366.7	1,366.7	1,366.7

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF				1,366.7	1,366.7	1,366.7	1,366.7
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0		1,366.7	1,366.7	1,366.7

POSITIONS								
Full-time					13	13	13	13
Part-time								
Temporary								

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required;
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required);
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated to incorporate latest salary schedules.

Prepared by John Boucher, Senior Economist
Division Office of Management and Budget
Approved by Karen J. Rehfeld, Director
Office of Management and Budget

Phone 465-4677
Date/Time 3/23/2012 1:00pm
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 191

Analysis

HB 191 creates a new Department of Agriculture and Food. Although the programs and staff will be transferred from the Departments of Environmental Conservation and Natural Resources, an entirely new Office of the Commissioner and Division of Administrative Services will be created.

Funding and staffing are based on Office of the Commissioner staffs and funding in other departments. These are preliminary estimates only and would need to be refined closer to the actual set-up of the Office. This estimate excludes any initial set-up costs for the new office or the additional lease space required, which would increase the costs on a one-time basis in FY2015.

The 13 positions requested are:

Division Director (range 27B)	152,662
Budget Analyst III (range 19B)	97,673
Administrative Assistant II (range 14B)	73,740
Procurement Specialist III (rang 18B)	92,392
Supply Technician II (range 12B)	66,761
Accountant IV (range 20B)	103,463
Accounting Tech III (range 16B)	82,463
Accounting Tech II (range 14B)	73,740
Accounting Tech II (range 14B)	73,740
Accounting Tech I (range 12B)	66,761
Micro/Network Spec II (range 20B)	103,463
Micro/Network Spec I (range 18B)	92,392
Micro/Network Tech II (range 16B)	82,463
<u>(vacancy adjustment)</u>	(13)
Estimated Personal Services Costs	1,161,700

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 191
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB191-GOV-OMB-03-23-12 Dept. Affected Agriculture and Food
Title Department of Agriculture and Food Appropriation Administration and Support
Allocation Office of the Commissioner
Sponsor Representative Thompson
Requester House Resources OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services					630.0	630.0	630.0	630.0
Travel					30.0	30.0	30.0	30.0
Services					100.0	100.0	100.0	100.0
Commodities					15.0	15.0	15.0	15.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0		775.0	775.0	775.0	775.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF				775.0	775.0	775.0	775.0
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0		775.0	775.0	775.0

POSITIONS								
Full-time					5	5	5	5
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required,
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required);
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated to incorporate latest salary schedules.

Prepared by John Boucher, Senior Economist
Division Office of Management and Budget
Approved by Karen J Rehfeld, Director
Office of Management and Budget

Phone 465-4677
Date/Time 3/23/2012 1:00pm
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 191

Analysis

HB 191 creates a new Department of Agriculture and Food. Although the programs and staff will be transferred from the Departments of Environmental Conservation and Natural Resources, an entirely new Office of the Commissioner and Division of Administrative Services will be created.

Funding and staffing are based on Office of the Commissioner staffs and funding in other departments. These are preliminary estimates only and would need to be refined closer to the actual set-up of the Office. This estimate excludes any initial set-up costs for the new office or the additional lease space required, which would increase the costs on a one-time basis in FY2015.

The five positions requested are:

Commissioner (Range 30A)	\$205,910
Deputy Commissioner (range 28A)	\$170,409
Executive Secretary III (range 16A)	\$81,999
Special Assistant to the Commissioner II (range 21A)	\$108,175
Administrative Assistant (range 12A)	\$64,442
<u>Minus Vacancy adjustment of .02%</u>	<u>(\$135)</u>
Estimated Personal Services Line	\$630,000

FISCAL NOTE

7a.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 191
Fiscal Note Number _____
Publish Date _____

Identifier (file name) HB 191-DNR-AG-3-23-12 Dept. Affected Natural Resources
Title State Department of Agriculture and Food Appropriation Agriculture
Allocation Agricultural Development
Sponsor THOMPSON
Requester (H) RES OMB Component Number 455

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services				(1,570.5)			
Travel				(102.2)			
Services				(668.1)			
Commodities				(63.2)			
Capital Outlay				(7.0)			
Grants, Benefits				(100.0)			
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	(2,511.0)	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts				(761.4)		
1003	GF Match						
1004	GF				(1,229.6)		
1005	GF/Prgm (DGF)				(1.5)		
1108	Stat Desig (Other)				(30.0)		
1153	State Land (DGF)				(488.5)		
TOTAL		0.0	0.0	0.0	(2,511.0)	0.0	0.0

POSITIONS							
Full-time					-15		
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

To reflect FY 2013 Governor numbers.

Prepared by Franci Havemeister, Director
Division Agriculture
Approved by Daniel S. Sullivan, Commissioner
Department of Natural Resources

Phone 761-3867
Date/Time 3/23/12 12:00 AM
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS 03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources to a newly created commissioner of the Department of Agriculture and Food. This fiscal note is based on FY2013 Governor numbers.

This bill will take effect July 1, 2014.

76.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB191
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB191-GOV-OMB-3-23-12 Dept. Affected Agriculture and Food
 Title State Department of Agriculture and Food Appropriation Agriculture Development
 Allocation Agricultural Development
 Sponsor Representative Thompson
 Requester HOUSE RESOURCES OMB Component Number 455

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services					1,570.5	1,570.5	1,570.5	1,570.5
Travel					102.2	102.2	102.2	102.2
Services					668.1	668.1	668.1	668.1
Commodities					63.2	63.2	63.2	63.2
Capital Outlay					7.0	7.0	7.0	7.0
Grants, Benefits					100.0	100.0	100.0	100.0
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	2,511.0	2,511.0	2,511.0	2,511.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts				761.4	761.4	761.4	761.4
1003	GF Match							
1004	GF				1,229.6	1,229.6	1,229.6	1,229.6
1005	GF/Prgm (DGF)				1.5	1.5	1.5	1.5
1108	Stat Desig (Other)				30.0	30.0	30.0	30.0
1153	State Land (DGF)				488.5	488.5	488.5	488.5
TOTAL		0.0	0.0	0.0	2,511.0	2,511.0	2,511.0	2,511.0

POSITIONS

Full-time				15	15	15	15
Part-time							
Temporary							

CHANGE IN REVENUES

--	--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for FY2013 Governor's Amended budget.

Prepared by John Boucher, Senior Economist
 Division Office of Management and Budget
 Approved by Karen J Rehfeld, Director
Office of Management and Budget

Phone 465-4677
 Date/Time 3/23/2012 12:00pm
 Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources to a newly created commissioner of the Department of Agriculture and Food. This fiscal note is based on FY2013 Governor amended budget numbers.

FISCAL NOTE

8a.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

cost # codes

Bill Version HB 191
Fiscal Note Number _____
Publish Date _____

Identifier (file name) HB191-DEC-LS-12-03-11 Dept. Affected Environmental Conserv
Title Department of Agriculture and Food Appropriation Environmental Health
Allocation Laboratory Services
Sponsor Representative Thompson by request
Requester House Resources Committee OMB Component Number 2065

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	***	***	***	***	***	***	***

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1007	I/A Rcpts (Other)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		***	***	***	***	***	***

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
---------------------------	--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required,
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This fiscal note has been entered into the 2012 form with no changes from previous version.

Prepared by Kristin Ryan, Director
Division Environmental Health
Approved by Lynn Kent
Deputy Commissioner

Phone (907) 269-7645
Date/Time 12/3/11 9:30 AM
Date 12/22/2011

FISCAL NOTE

**STATE OF ALASKA
2012 LEGISLATIVE SESSION**

BILL NO. HB 191

Analysis

The Department of Environmental Conservation is unclear about aspects of the food safety regulatory portions of this bill and which department would be responsible for them. The Department needs clarification before finalizing a fiscal note. For example, there are hundreds of food processors in Alaska (birch syrup, salsa, tortillas, potato chips, jam, candy, etc.) that are not agricultural products but don't meet the definition of retail food.

FISCAL NOTE

86.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 191
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB191-GOV-OMB-03-23-12 Dept. Affected Agriculture and Food
 Title Department of Agriculture and Food Appropriation Food Safety
 Allocation Laboratory Services
 Sponsor Representative Thompson
 Requester HOUSE RESOURCES OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services				***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	***	***	***	***

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	***	***	***

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)
 Updated for 2012 legislative session.

Prepared by John Boucher, Senior Economist Phone 465-4677
 Division Office of Management and Budget Date/Time 3/23/2012 12:00pm
 Approved by Karen J Rehfeld, Director Date 3/23/2012
Office of Management and Budget

FISCAL NOTE

**STATE OF ALASKA
2012 LEGISLATIVE SESSION**

BILL NO. HB 191

Analysis

HB 191 creates a new Department of Agriculture and Food. Although it is clear that a portion of the existing programs and staff will be transferred from the Department of Environmental Conservation to the Department of Agriculture and Food, the Department of Environmental Conservation is currently unclear about what aspects of food safety regulatory responsibilities would be transferred to the Department of Agriculture and Food. This fiscal note is currently indeterminate

FISCAL NOTE

9.

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB191
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB191-GOV-OMB-3-23-12 Dept. Affected Agriculture and Food
Title State Department of Agriculture and Food Appropriation Administration and Support
Allocation Administrative Services
Sponsor Representative Thompson
Requester HOUSE RESOURCES OMB Component Number 2204

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services				106.8	106.8	106.8	106.8
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	106.8	106.8	106.8	106.8

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1004	GF			106.8	106.8	106.8	106.8
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1061	CIP Rcpts (Other)						
1108	Stat Desig (Other)						
TOTAL		0.0	0.0	0.0	106.8	106.8	106.8

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required;
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required;
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for FY2013 Governor's Amended budget.

Prepared by John Boucher, Senior Economist
Division Office of Management and Budget
Approved by Karen J Rehfeld, Director
Office of Management and Budget

Phone 465-4677
Date/Time 3/23/2012 12:00pm
Date 3/23/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB191

Analysis

This legislation moves the powers and duties of the Division of Agriculture (AS 03.05, 03.09, AS03.10, AS 03.22, AS 03.40, AS 03.90, AS 44.3) from the Commissioner of the Department of Natural Resources (DNR) to a newly created commissioner of the Department of Agriculture and Food.

This fiscal notes shows the allocation of general funds DNR pays to support the Agriculture Division in various Department of Adminsitratin costs.

\$23,100 for Division of Personnel costs
\$29,660 for ETS Telecommunications EPR charges
\$54,000 for the Division of Agriculture lease costs.

This bill will take effect July 1, 2014



Division of Agriculture

Alaska Department of Natural Resources

Building a Sustainable Agriculture Industry

*** defining a strategic planning process for the Alaska Division of Agriculture***

January 30, 2009





Division of Agriculture

Alaska Department of Natural Resources

January 30, 2009

Dear Alaskans;

This plan was developed by the Division of Agriculture, in cooperation with the industry, to build a sustainable agriculture industry. This report will be an evolving document, in that each year a committee will review and revise this plan as needed. It is important to note that the listed goals and steps must change over time, if we are to continue to meet the needs of the industry and assist them in providing food, fiber and energy to the people of Alaska.

ADOA has heard the concerns addressed by the aquaculture industry during the public comment period. The farming and growing of shellfish, Mariculture products in Alaska hold promising opportunities to become a viable industry and create new economic security in coastal Alaska. This industry has not been addressed in our long term plan as it does not currently fall under the Division of Agriculture.

I want to thank everyone who participated in drafting and finalizing this plan, and the Alaska State Farm Bureau membership who took the time to review and make comments at their annual meeting.

Please look for the Alaska Grown Label at your local stores – and support the Alaska Agriculture Industry.

Franci Havemeister, Director

Table of Contents

Letter from the Director	i
Table of Contents	ii
Introduction, Mission and Vision Statement	1
Background.....	2-3
Purpose of a Strategic Plan	4-6
Table 1: Key Informant Participants	7
Proposed Goals 1 through 9 and Related Objectives and Actions.....	8-22
1. Agricultural development and marketing	8-9
2. Board of Agriculture & Conservation	10-11
3. Plant Materials Center	11-13
4. Agricultural Revolving Loan Fund	14
5. Sustainable agricultural resources and services	15
6. Outreach, education and recruiting.....	16-17
7. Planning.....	18-19
8. Research	20
9. Energy	21
10. Infrastructure	22
Appendices	
Appendix A: Alaska Plant Material Center Strategic plan	23-26
Appendix B: Definitions & Acronyms	27

Alaska Division of Agriculture

The Long Term Plan for Agriculture

January 30, 2009

Introduction

The agricultural industry of Alaska contributes to the economy and well-being of the State. To continue to do so, agriculture must be a healthy and sustainable renewable resource industry.

The Alaska Division of Agriculture (ADOA) understands that its mission is not to guide the agriculture industry, but to assist and promote. In this plan, the ADOA has sought direction from industry to address its concerns and ongoing issues.

When considering the contents of this review and proposed planning process, readers should keep in mind that the ADOA believes that through open communication, education, and appropriate funding, producers will prosper and the citizens of Alaska will enjoy the benefits that Alaskan Agriculture offers.

Mission Statement

The mission of the Alaska Division of Agriculture is to promote and encourage the development of an agricultural industry in Alaska that is stable and profitable.

Vision Statement

The vision of the Alaska Division of Agriculture is to promote an economically stable agricultural industry for Alaska that can enhance the quality of life for its people, create sustainability of its communities, and encourage new business development opportunities for all Alaskans.

Background - Agriculture

Agriculture has played a role in Alaska over the past century. Prior to statehood, the people of Alaska realized the value of agriculture. This is noted with the state seal, originally designed in 1910, which portrays a farmer, his horse, and three shocks of wheat. Today, much of the general population does not understand the significance of agriculture, as the majority of the population is two or three generations removed from the farm. It is critical that we educate the citizens of Alaska, most importantly – the young people, of its importance and the value of being self sustainable, if Alaska is to maintain its agriculture industry.

Alaska's current policy reflects the boom-and-bust history of the State and territory that has often sought immediate profit at the expense of long-term stability. This does not fully reflect or recognize Alaska's potential for a diversified agricultural industry, the characteristics or the need for long-term stability. Numerous agricultural development projects, plans, analyses, reports, and studies have been undertaken, and issues and proposals have been debated. The industry and the State must now come together and create a plan that defines the role of the ADOA and in doing so assists the industry.

Alaska must continue to embrace the challenges and look for opportunities for the future. It must continue to incorporate good agriculture principles and good management practices, including food safety and security.

At present, factors that impact the industry are in the midst of change. Some of this dynamic change is positive as evidenced by several factors:

- The emergence of niche markets;
- Need for native plants used for revegetation;
- The increase in demand for “local grown” and community-based agriculture; and
- The desire for healthier lifestyles.

And some are negative:

- The lack of recognition of agriculture as a sustainable industry;
- The need for better linkages with land grant research, education and outreach;
- The need to ensure regulations and implementation allow the producer to continue to fill present markets as well as encourage new markets;
- The need for advocacy from state, university, federal, industry, local interest groups, and municipal and local governments; and
- The need for ongoing partnerships amongst the industry, local, state and federal agencies to move programs and services forward.

The ADOA must work in cooperation with the Board of Agriculture and Conservation (BAC), and improve communication among the University Alaska Fairbanks (UAF), industry representatives, the United States Department of Agriculture (USDA), local governments and communities, and organizations across the State to promote the development of a healthy and sustainable agricultural resource industry in Alaska. Alaska agriculture must be revitalized and become a stable industry that can then realize its potential in contributing to Alaska and maximizing the value of the land and its products for the citizens of Alaska.

Purpose of a Strategic Plan

A comprehensive and strategic understanding of the Alaskan agricultural industry is needed so that the State can direct its efforts and resources to best serve the industry, and in turn the citizens of Alaska. This review and strategic planning process is an attempt to understand the dynamics of the industry and to focus on meeting the needs of the industry both today and in the future. This strategic planning process will provide the Alaska Department of Natural Resources (ADNR) and the ADOA with a path towards identifying goals for the long-term growth and viability of the agricultural industry in Alaska and defines the role of the ADOA in accomplishing objectives for meeting these goals.

The ADNR recognizes that a plan with goals and specific objectives will provide a sense of stability that is needed for the industry to make informed decisions and to clearly understand the mission of the ADOA. Further, this plan will be an evolving effort, implemented by the ADOA. An annual joint review of the plan by ADOA, the BAC and industry will be presented by the ADOA to the Commissioner of the ADNR and will be available to the Governor and the Legislature. Input and involvement from both industry and agency will contribute to the overall success of creating and supporting an economically stable agricultural industry for Alaska.

This strategic plan was created to provide a tool to assist both ADOA and the industry. The document has been developed in thanks to interactive participation of public and private participants - producers, processors, agencies, educators, the general public, and legislators – and builds upon past efforts of the ADOA.

Some specific points need to be kept in mind:

- The agricultural industry must receive assurance that it is recognized and supported in its effort to develop and grow;
- It is critical that the core of Alaska's agricultural industry that is currently in place and/or its successful transition be supported, and be allowed to develop new priority programs/ initiatives;
- ADOA must work with industry and identify and creatively resolve issues that impede the growth of a successful agriculture industry;
- The ADOA will continue to provide services and programs needed to support and promote the agricultural industry;
- Strengths, underutilized abilities, and limited resources must be identified so that they may be enhanced and strengthened by additional investment, either State, Federal, or private; and
- ADOA and the agriculture industry must expand its base to include both non-agriculture sectors and non traditional agriculture regions of the state by creating partnerships; inclusionary programs for cooperative ventures and rural development/education projects.

A major part of this process requires that the ADOA initiate and support an engagement process that involves all aspects of Alaska agriculture. The proposed goals and objectives of this process reflect the following ten areas with which the ADOA has strategic programmatic linkages and where ADOA can assist the agricultural industry.

1. Agricultural development and marketing
2. Board of Agriculture and Conservation
3. Plant Material Center
4. Agricultural Revolving Loan Fund
5. Sustainable agricultural resources and services
6. Outreach, education and recruiting
7. Planning
8. Research
9. Energy
10. Infrastructure

This proposed review and plan provides comprehensive direction to allow both the agricultural industry and the State to forge a solid relationship so the industry can grow and prosper. The plan must be realistic and achievable to be successful. It must be based on a thorough understanding of the industry, thus requiring the industry's direct participation in its review, preparation and overall support.

Table 1 provides a list of individuals who participated in the development of this long term. These participants, in a joint effort with the ADOA, identified the proposed Goals and Objectives that comprehensively address issues relating to the Alaska agricultural industry.

Table 1: Participants	
Name	Organization
Dick LeFebvre	ADNR
Jeff Werner	FFA/UAF
Don Lintelman	Northern Lights Dairy
Ben VanderWeele	Agriculture Producer
Allen Mitchell	UAF
Chad Padgett	USDA
Bill Allen	City of Palmer
Bemie Karl	Business Owner
Tony Nakazawa	UAF
Carol Lewis	UAF
Franci Havemeister	ADOA
Rep. Mark Neuman	AK Legislature
Bryce Wrigley	AK Farm Bureau
Ed Arobio	ADOA Northern Region
Charlie Knight	ADOA Northern Region
Ruby Hollemback	Agricultural Producer
Stoney Wright	ADOA PMC
Douglas Warner	ADOA
Al Poindexter	BAC
Victoria Naegle	Agriculture in the Classroom
Steve Brown	UAF, Cooperative Extension
Lee Hecimovich	UAF, 4-H, Cooperative Ext.
John Schirack	BAC
Tom Paragi	ADF&G
PMC Advisory Board	
Division of Agriculture Staff	
Board of Agriculture & Conservation	

Proposed Goals 1 through 9 and Related Objectives

Proposed Goal 1. Agricultural development and marketing – The ADOA will continue to support and assist the producer in increasing market share and creating a food system.

Situation: The short growing season for traditional Alaskan agriculture has resulted in long-standing production and marketing challenges. The division will continue to work cooperatively with producers and growers to increase their market share in Alaska.

Objective 1.1: The ADOA will support and assist farmers' markets in increasing their market share with the establishment of a year-round market for *Alaska Grown* products.

Objective 1.2: The ADOA will work with farmers and producers to help form cooperatives or other appropriate business structures to support the sale of Alaskan agricultural products.

Objective 1.3: The ADOA will include in its planning process the potential for sustainable production and marketing of red meat in Alaska.

Objective 1.4: The ADOA will improve communication among the industry, ADOA and other federal and state agencies. The ADOA will work with the industry to improve communication with consumers. ADOA recognizes that good communication among all of the above plays a crucial role in the success of agriculture in Alaska. ADOA will explore the opportunity of utilizing alternative communication methods, via other farm cooperatives, etc.

Objective 1.5: The ADOA will build a strong base for Alaskan agriculture through partnerships, promotion, advocacy and communication. It will establish and cultivate champions and advocates of Alaskan agriculture, including individuals, organizations, government entities, and user groups.

Objective 1.6: The ADOA will work with other State of Alaska departments to support *Alaska Grown* by implementing a “buy Alaska policy” where feasible, and to take actions that ensure conformity with existing laws and regulations.

Proposed Goal 2. Board of Agriculture and Conservation – The BAC will work with ADOA in a comprehensive manner to support the growth and development of Alaskan agriculture.

Situation: The ADOA reports to the commissioner of the ADNR. The Governor appoints the members of the Board of Agriculture (BAC). The BAC consists of 7 members – 1 with general business or financial experience; 1 member of a statewide agricultural promotion organization; 1 member of a soil and water conservation district who is also engaged in commercial production agriculture; 4 members engaged in commercial production agriculture, each representing a different agricultural enterprise from the others, such as: livestock production, dairy, vegetable production, grain production, horticultural production, and greenhouse and hydroponic production. The BAC will work within their statutory authority, to promote the growth and development of Alaska Agriculture.

Objective 2.1: The BAC will continue to support the vision for Alaskan agriculture through input and personal expertise.

Objective 2.2: The BAC supports continued funding of ADOA with general funds.

Objective 2.3: The BAC requests that major issues and concerns affecting the agriculture industry and identified by the BAC be addressed by the Commissioner of ADNR.

Objective 2.4: BAC recommendations for policy, statutory, and /or regulatory changes will be considered by ADOA/ADNR.

Objective 2.5: The BAC/ADOA will work with industry to stabilize Mt. McKinley Meat and Sausage (MMM&S) until the private sector is able to assume responsibility.

Objective 2.6: The BAC/ADOA will explore opportunities to promote a Junior Farmer Loan Program, providing low interest loans to high school age children interested in exploring an agriculture endeavor.

Objective 2.7 ADOA/BAC will increase the agricultural land base, through identification of designated agricultural land and increased sales.

Objective 2.8: ADOA/BAC will identify agriculture lands at risk to suburban expansion in organized boroughs.

Proposed Goal 3. The Plant Material Center – ADOA will facilitate the development and sustainability of appropriate plant materials for Alaskan agriculture.

Situation: The Alaska Plant Materials Center (PMC) is the primary source of information in Alaska for seed production, harvest, and cleaning. The PMC is also the primary source of information on revegetation and seeding mixes used by the primary seed purchasers. However, the primary purpose of the PMC is the production of high quality; disease tested seed stocks to be used in production agriculture in Alaska. (See appendix A)

Objective 3.1: The PMC will reflect and anticipate the needs in Alaska to protect, support, enhance and expand Alaskan agriculture in terms of: appropriate plant materials for crop production; soil and water conservation programs and projects; noxious weed and invasive species, and increased activity in demonstration projects and education/outreach. Furthermore, the PMC will work to enhance its ties to the Natural Resources Conservation Service (NRCS) and the Soil and Water Conservation Districts (SWCD).

Objective 3.2: The ADOA, through the PMC will work cooperatively with other agencies, as climate changes occur, to address new crops and conservation issues.

Objective 3.3: The PMC must not lose sight of the fact that it is a crop production facility responsible for the production of high quality, disease tested, low generation crop seed. This material is the base for the production of Alaskan developed varieties. Crop production in Alaska depends on disease free, high quality seed.

Objective 3.4: Nearly all development projects require some form of revegetation following surface disturbance. The primary users of seed in Alaska are the Alaska Department of Transportation and Public Facilities, the Department of Defense, mining companies, and the oil industry. The use of native species in restoration should be encouraged and user's findings shared so all Alaska programs can benefit. The PMC will enhance its abilities to act as the state's land resources conservation laboratory.

Objective 3.5: The PMC must remain ever vigilant to industry/producer needs and changes in technology or policy directions and remain adaptable to the new conditions and economic environment. The PMC is the research and development arm of the ADOA; it is an economic development proponent and a new crop source for Alaska Agricultural producers. This requires stable and appropriate funding.

Proposed Goal 4. The Agricultural Revolving Loan Fund (ARLF) - The Agricultural Revolving Loan Fund is a critical component to the viability of Alaska agriculture, overseen by the Board of Agriculture & Conservation (BAC) and will be supported by ADOA.

Situation: The health of the Agricultural Revolving Loan Fund (ARLF) remains a critical component in Alaskan agriculture. This program offers low interest loans to the Alaskan agricultural industry. The ARLF within the ADOA has played and will continue to play an important role in creating a profitable and growing agricultural industry.

Objective 4.1: It is imperative to protect the health of the ARLF. The ADOA administrative staffing budget should not be drawn from this fund but funded through general funds.

Objective 4.2: The ARLF will work with government agency lenders and guarantors in an effort promote the growth of the agricultural industry. In forming these partnerships ADOA is confident it will further the development of the agricultural industry.

Objective 4.3: The ADOA and the agricultural industry support the recapitalization of the ARLF.

Objective 4.4: The ARLF will increase its marketing presence at agricultural functions and promote the use of its loan programs.

Proposed Goal 5. Sustainable agricultural resources and services – The ADOA will assist the Agricultural industry and continue to provide needed resources and services, which include inspection, regulatory requirements, and food safety and security.

Situation: ADOA inspection responsibilities and regulatory roles are essential for Alaska agriculture to grow and prosper. ADOA will continue to provide the industry with Inspection Services that are required to move product into commerce and work with industry to meet new requirements.

Objective 5.1: ADOA is aware that all laws and regulations related to preserving and/or enhancing farming must be carefully reviewed. ADOA will seek opportunities for input on new regulations affecting the agricultural industry, prior to agency review. ADOA will keep industry informed of possible regulation changes.

Objective 5.2: ADOA will work to expedite state grazing lease renewals, as well as work within regulation to provide terms that encourage continuity and profitable livestock production.

Objective 5.3: ADOA will work with federal and other state agencies to facilitate the import and export of plants and animals under the appropriate protocols that prevent the spread of disease or invasive species.

Proposed Goal 6. Outreach, education and recruiting –The ADOA will improve or establish outreach, education and recruiting initiatives to serve the agricultural industry of Alaska.

Situation: Agriculture is a critical industry in Alaska. A strong Alaska agricultural industry is vital for our state and national security. Alaskan agriculture growth requires ongoing education of agricultural producers and other industry professionals, potential new producers and consumers.

Objective 6.1: The ADOA will help coordinate and focus efforts to raise awareness of the importance of Alaskan agriculture to Alaska consumers, including issues of food security, sustainability, health benefits of locally grown foods, invasive species management and farmland protection.

Objective 6.2: The ADOA, to the extent it can, will provide and support programs, infrastructure and mechanisms that enable current Alaska farmers and processors to operate profitable businesses or organizations, and encourage Alaska's future farmers so the state is prepared for anticipated and needed growth in the industry.

Objective 6.3: The ADOA will focus on educational partnerships to promote Alaskan agriculture, explore internships at working farms, explore workforce training programs and identify and create new educational partnerships to promote Alaskan agriculture.

Objective 6.4: The ADOA will partner with Future Farmers of America (FFA) and 4-H programs to help develop tomorrow's agricultural leaders. ADOA will

partner with the State of Alaska Department of Education, Division of Career and Technical Education and Alaska's Agriculture in the Classroom and Farm to School programs to increase appreciation for agriculture in the general K-12 population, most of which has no connection to agriculture.

Proposed Goal 7. Planning – The ADOA’s future plans for a changing Alaskan agriculture will encourage best practices.

Situation: Impediments to the growth of Alaskan agriculture include: insufficient low-cost energy supplies; lack of appropriate transportation for inter- and intra-state movement of products; lack of accessible land that has been identified as agricultural land; and insufficient appropriate protection to maintain or sustain lands in production. Efforts that address each of these issues must consider not only the future growth and development of Alaska agriculture as a whole, but consider their effects on the other issues as well.

Objective 7.1: Sustained yield agriculture has a future and rightful place in land use planning in Alaska. The ADOA will create a plan that incorporates a best management practice approach for the preservation of land having agricultural potential, conservation of soils and surface resources existing on those lands.

Objective 7.2: ADOA will encourage the agricultural community to develop State Farm Conservation Plans and/or Soil & Water Conservation Plans that incorporate a best practice approach, and protect agricultural land under the Right to Farm legislation.

Objective 7.3: ADOA will work with the Division of Mining Land & Water, SWCD and NRCS to review state land for possible agricultural use.

Objective 7.4: ADOA will inform the Agricultural community of area plan reviews that have the potential to affect agriculture and/or agricultural land sales.

Objective 7.5: The ADOA will review existing legislation and regulations to determine applications to agricultural land that allow such land to remain in agricultural production; such rules include taxation and regulations to protect agricultural lands, and regulations regarding waste disposal and application.

Proposed Goal 8. Research – The ADOA will ensure that stakeholders in the Alaska agricultural industry are made aware of existing and emerging technology and research in natural resources and agriculture.

Situation: Changing technology offers new opportunities for Alaskan agriculture to seize opportunities and/or address operational efficiency-related concerns. ADOA will seek opportunities to apply new research and emerging technologies to agriculture in Alaska.

Objective 8.1: The expansion of agriculture in Alaska will require the awareness and ability to implement the latest technology and research applicable to Alaska agriculture. The ADOA will work with the agricultural industry, state and federal agencies, the University and others to ensure this process.

Objective 8.2: The ADOA will look at the potential of a closer affiliation between the PMC, UAF, Agriculture, Forestry, and Experiment Station (AFES), and Agriculture Research Service (ARS) as well other cooperators.

Proposed Goal 9. Energy – The ADOA will seek opportunities to partner with others to establish energy or support initiatives for Alaska and Alaskan agriculture.

Situation: Energy, or the cost of energy, has always been an issue related to agriculture as well as other resource development. Federal and State legislation recognizes the enormity of the issue of rising energy costs. Energy costs are also driving energy demonstrations and innovation initiatives across the State. Wind, biomass, bio-fuel, geothermal sources, hydropower, energy conservation, and other alternative energy resources, can all play a role in the Alaskan agricultural industry.

Objective 9.1: The ADOA will support meaningful discussions on energy issues, technology, and implementation related to enhancing the viability, marketability, and profitability of Alaskan agriculture.

Objective 9.2: ADOA supports the development of an alternative fuel industry, through tax credits, infrastructure, direct grants and low interest loans.

Objective 9.3: ADOA supports the production of our natural resources and by-products, such as urea, which are critical to the expansion of the agricultural industry.

Proposed Goal 10. Infrastructure – Infrastructure needs as determined by Industry. These needs are not listed in preferential order, but have been put forward by the industry.

Situation: Alaska is lacking the infrastructure needed to see substantial agricultural growth.

Objective 10.1 -Infrastructure needs:

- Local meat processing capabilities are needed state wide.
- A stable dairy processing facility must be developed in the Mat-Su Valley.
- Manufacturing plant for urea, this will sell to Alaska farmers as well as an international market.
- Development of a phosphate mine.
- A vegetable processing plant to extend the market season for locally grown produce. (Mat-Su borough has done this study)
- Improved loading and unloading facilities for rail shipments
- Rail spur to Delta to carry fertilizers to farms and grain to markets.
- Formation of marketing cooperatives to insure consistent quality and supply, and develop new markets in the state.
- Access to natural gas for processing Alaskan products
- Production Credits Program for producers meeting certain levels of production targets.
- Increase accessibility of USDA inspections coupled with the ability to sell locally in diverse areas of the state.
- Develop Nenana agricultural area and other agricultural areas

Appendix A: Alaska Plant Materials Center Strategic Plan

Vision: The Alaska Plant Materials Center (PMC) serves Alaska's needs in the production foundation class seed of Alaska native plants and traditional crops. The PMC provides leadership, innovation, and initiative in Alaska for revegetation, erosion control and commercial crop and plant production in Alaska. The PMC has created and continues to modernize a high quality facility for seed production, harvest, and cleaning.

Mission: The broad mission of the Plant Materials Program throughout the United States is to "develop and transfer state-of-the-art plant science technology to meet customer and resource needs." The Alaska Plant Materials Center:

- Focuses on using plants as a natural way to solve conservation issues and re-establish ecosystem function;
- Collects, selects, and releases grasses, legumes, wildflowers, trees, shrubs, and general high latitude germplasm;
- Cooperates with public, private, commercial and tribal partners and land managers to apply new conservation methods using plants;
- Offers plant solutions to battle invasive species, heal lands damaged by natural disasters, reduce the effects of construction and resource development, and promote air and water quality;
- Produces disease-free seed of potatoes;
- Enhances economic opportunities for agriculture producers; and
- Expand programs to include alternative energy crops, forage crops for non-traditional livestock, horticulture crops for the future agricultural needs of Alaska producers.

Objectives: In general and as per legislative intent the objectives of the PMC are to:

- assemble, evaluate, select, and increase plant materials needed in soil and water conservation, agriculture, and industry, and maintain genetic purity of these materials;
- increase promising plant materials for field scale testing;
- test the promising materials in field plantings on sites that represent soil and climatic conditions not found at the center;
- maintain and provide for increase of basic seed stocks of plant materials for agricultural and conservation interests;

- make seed and plant materials available, for a fee if necessary, in such a manner as to avoid monopolistic control of basic stocks of these materials and encourage the development of a seed industry;
- support but not duplicate activities carried on by state or federally funded research programs in the state; and
- prepare, publish, and disseminate a summary report on all studies as they are completed.

Using these underlying charges, the PMC will move into the future with a renewed emphasis on service delivery and progressive program development. These guiding principles will evolve with market demands and Department/Division policy directives.

Objective 1: PMC Agriculture Support: The PMC will anticipate the need to protect, support, enhance and expand Alaska agriculture in terms of: appropriate plant materials for Alaska; soil and water conservation programs and projects; noxious weed and invasive species integration; and increased activity in demonstration projects and education/out reach. Furthermore, the PMC will work to enhance its ties to the Natural Resources Conservation Service and the Alaska Soil and Water Conservation Districts.

Objective 2: A Center for Revegetation Excellence: Nearly all development projects require some form of revegetation following surface disturbance. The use of native species in restoration should be encouraged and user's findings shared to all. The PMC will be the lead agency in the State of Alaska with regard to development, use and commercialization of native species for revegetation, erosion control and other resource development and agriculture activities.

Objective 3: Expanded PMC Services: Erosion control, storm water issues, and a litany of new revegetation topics are creating problems for the natural resource extraction and construction industries. The PMC, with its expertise in these areas, should be the home to the state's Land Use and Conservation Laboratory (LUCL). In full cooperation with industry, union training programs, land management agencies, NRCS and the SWCD's, the PMC will develop and demonstrate land and soil protection measures (best management practices [BMPs]) to preserve the quality of the waters and air of Alaska.

The PMC with the Natural Resource Specialist augmented staff can become the states land laboratory of proactive and progressive stewardship working hand-in-hand with the Conservation Districts and ADNR.

Objective 4: Regional Native Plant Production Centers: Solutions to developing sources of native seed are needed by resource industries. By establishing seed growing/collecting cooperatives in village and rural regions, local native plants and seed can be made available, marketed and thereby create a sustainable industry formed in a few villages close to resource development projects.

Objective 5: Alaska Natural Gas Pipeline Seed Source Development Project: In Canada, some of the first contracts awarded in association with the Mackenzie Gas Line have been for seed production. This is in-part due to the basic problem in seed production that time is required to build up stocks of seed and to develop the production fields needed to supply the anticipated demand. Expect the same to occur in Alaska. The PMC is critical for the seed requirements of large projects like the proposed natural gas line.

Objective 6: Extension Activities and Public Workforce Development: Educational programs from the PMC engender the intrinsic value of green space, agriculture land, and wilderness. These programs empower teachers, adults, and children to appreciate, understand, and become stewards of Alaskan land.

Objective 7: Ethnobotany and Harvest Manual: The Ethnobotany Project impacts not just plants and other forest species, but also people along the spectrum from Native Alaskans who may have the intellectual rights to the uses of traditional plants and depend on them for a subsistence lifestyle to those who wish to harvest those plants for commercial purposes on State land. Sustained yield of these resources is critical.

Through publications, presentations and trainings, as well as experience, the people on the Alaska Ethnobotany Project are in a position to positively impact the effect of commercial harvest of native Alaska plants in a sustainable manner on State land.

Objective 8: The Alaska State Seed Laboratory: The State's only official seed testing laboratory is certified by the national seed testing organization, Association of Official Seed Analysts (AOSA). It has been an official laboratory since 1998 and is the only one in the state of Alaska.

Essential services the laboratory provides are purity and germination tests, noxious weed seed examinations, tetrazolium testing, and grain moisture testing. New services could include: Endophyte Testing, Seed Vigor Testing, Leachate

Conductivity Analysis, Cold Test, Accelerated Aging, Herbarium Development, Dormancy Research, Rare and Endangered Plant Research and Outreach and Education

Objective 9: Alternative Forages for Non-traditional Animals: Acquisition and evaluation of plant material with potential use as forage is in demand by producers of musk ox, elk, yak, bison, reindeer, and other livestock. These animals need a variety of plants in their diets – plants which have not been cultivated yet or evaluated by the PMC. It is time for this activity to start at the PMC.

Objective 10: Potato Disease Control Project: The potato program produces and provides a local source of pathogen-tested seed tubers. It assists the continuing development of the Alaskan potato industry. The project produces and provides disease tested seed primarily to commercial seed growers. The use of clean seed helps reduce losses from disease and helps to prevent disease introduction; critical elements in Alaska's potato industry.

Objective 11: Horticulture Development Project: The ADOA, PMC recognize the fact that the Horticulture Industry is by far the largest and most significant segment of commercial and hobby plant production in Alaska. In the context of this objective primary and secondary users such as the landscape industry and general public grounds beautification will be included as horticulture. With that said the ADOA, PMC will request the ADNR secure funding to re-establish a horticulture development project at the PMC.

Appendix B: Definitions & Acronyms

The definition of agriculture is “The process, business, or science of producing food, feed, fiber, and other desired products by the cultivation of certain plants and the raising of domesticated animals (livestock). There are numerous branches of agriculture including: agronomy, animal husbandry, horticulture, floriculture, dairy production, and many others.

ADF&G –	Alaska Department of Fish & Game
ADNR –	Alaska Department of Natural Resources
ADOA –	Alaska Division of Agriculture
AFES –	Agriculture, Forestry, and Experiment Station
AOSA –	Association of Official Seed Analysts
ARLF –	Agricultural Revolving Loan Fund
ARS –	Agriculture Research Service
BAC –	Board of Agriculture & Conservation
BMP's –	Best Management Practices
FFA –	Future Farmers of America
LUCL –	Land Use and Conservation Laboratory
MMM&S –	Mt. McKinley Meat & Sausage
NRCS –	Natural Resources Conservation Service
PMC –	Plant Material Center
SWCD –	Soil and Water Conservation Districts
UAF –	University of Alaska, Fairbanks
USDA –	United States Department of Agriculture

ALASKA'S STATE-FUNDED AGRICULTURAL PROJECTS AND POLICY —

HAVE THEY BEEN A SUCCESS?

A Senior Thesis

Presented to the faculty of the School of Natural Resources and Agricultural Sciences, University of Alaska Fairbanks, and the Senior Thesis Committee: J. Greenberg, Chair, H. Geier, S. Sparrow.

In partial fulfillment of the requirements for the degree of Bachelor of Science in Natural Resource Management

Plant, Animal, and Soil Sciences option

by Darcy Denton Davies

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Delta Junction grain elevator at the modern farm co-op.

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Abstract

In the 1970s and 1980s the state of Alaska invested millions of dollars to develop a large-scale agricultural industry. The Delta Barley Project and the Point MacKenzie Dairy Project were created to show that large-scale agriculture was possible in Alaska. This study looks at the major events and policy decisions that occurred and determines how the outcome of the demonstration projects was affected. An extensive literature review was conducted, focusing on state documents; key persons were also interviewed. The projects did not accomplish their original goals for a number of economic and political reasons. The positive aspects of development are that Alaska now has more land in private ownership, more infrastructure to support the industry, and a thriving agricultural community at Delta Junction.

Preface

The advancement of agriculture in Alaska in the 1970s and 1980s was considered one of the more important times for the Alaska agricultural industry. Numerous policy decisions were made during that period that has shaped the current industry. This thesis charts the history of the large-scale state-funded agricultural projects and identifies major events and management decisions. Through review of past agricultural management decisions, insight can be gained about the current state of agriculture in Alaska and what direction the industry is moving. This thesis will provide a historical overview of that era of development, as well as provide information to managers about past agricultural policy.

INTRODUCTION

In the late 1970s the State of Alaska developed a task force to address the advancement of an agricultural industry in Alaska. During this time the state had large budget surpluses due to incoming revenue from oil development on the North Slope (Lehne nd). The governor at the time established goals to develop renewable resource industries to spend oil revenues responsibly (AAAC 1981). During this time an exploratory soil survey was conducted, which identified over 20 million acres (8 million ha) of land suitable for agriculture. It was decided that Delta Junction was a good place to start a project demonstrating Alaska's capability for large-scale agriculture. The project land was sold through a lottery system and winners were put on a development schedule and given large loans to get their farms operating. Other tracts of land were surveyed for agricultural production, and a few years later the Point MacKenzie dairy demonstration project was auctioned at lottery, as well as the Delta expansion. Support facilities, such as meat processing plants and grain holding bins, were also planned and built.

The state spent millions of dollars to create this industry (Teal 1982), yet events took place that changed the intended outcome of the projects. It is still a controversial topic, as it is considered a blunder by some and a success by others. The objective of this study is to evaluate whether the major state-funded agricultural projects of the late 1970s and early 1980s accomplished their original goals, and to assess how policy decisions affected the outcome of the projects.

Review of Previous Investigations

There have been few complete studies done on the long-term effects of the agriculture projects. Many reports were published in the years directly following completion of the first phases of the projects, but most have failed to take a look at later, related events. Geier and Lewis wrote in 1998 that farms may have been more successful had the state put smaller parcels up for lottery to "make it easier for initial success," which may have allowed for further expansion of the industry.

In 1987 Engelbrecht and Thomas conducted a study about how policy was implemented during this time. The study indicated that there were conflicting agency goals and poor cooperation between the Division of Natural Resources (DNR) and the Alaska Agricultural Action Council (AAAC), which led to many complications during execution of the projects. Over time these conflicts led to decreased public support of the agricultural projects, and the political standing of the AAAC diminished. They concluded that "the degree of success achieved in implementing new policies is largely dependent on the ability of the power interests to negotiate or force change."

Methods

I conducted an extensive literature review to reveal the history of the projects and state actions. Specifically, I reviewed state papers documenting the policies and actions since the 1970s. Documents from the AAAC were of particular importance. I analyzed statistical data from the Alaskan Agricultural Statistics to ascertain the changes in production since the 1970s. I interviewed key personnel to better understand various agencies' actions and positions on the issues, as well as to obtain information that has not been formally documented. The State of Alaska Division of Natural Resources - Division of Agriculture and the University of Alaska Fairbanks School of Natural Resources and Agricultural Sciences data were particularly significant. I also interviewed various project farmers to understand the state's actions from a producer's point of view. I followed the University of Alaska Fairbanks' Institutional Review Board's guidelines when conducting interviews.

HISTORY OF ALASKA AGRICULTURE

Alaska has historically been a land of subsistence and the 'hunting and gathering' way of life. Agriculture was first introduced during the 1700s, when Europeans first colonized Alaska (Snodgrass et al. 1982). The Russians began many small

agricultural colonies in such areas as Yakutat, Ninilchik, and Kasilof. Cattle were introduced to the state at this time also.

When gold was discovered in Alaska there was a revival of agriculture. Homesteads were established and the farmers began producing crops for the many prospectors that had migrated into the state. By the time the gold rush had ended many permanent communities had already become established and were thriving. The Tanana Valley was the center of agricultural production up until the 1930s (Snodgrass et al. 1982).

The Matanuska colony was President Roosevelt's plan to breathe life into agriculture and revitalize people during the depression. In 1934, 202 impoverished families were relocated from the lower 48 states to Alaska (Lehne nd). During this time it was shown that agriculture was, in fact, viable in the state. The Matanuska Valley proved to be very capable of producing vegetable crops and became known for its dairy production.

As the Soil Conservation Service began mapping the soils in Alaska in the mid twentieth century, many areas were identified as having potentially arable soils (Snodgrass et al. 1982). In the end the figure reached over 20 million acres (8 million ha) of land suitable for agriculture. The discovery that the state had so much agricultural soil led to the publication of Alaska's Agricultural Production by the Alaska Rural Development Council and the idea of agricultural development again became an interest.



Plowing wheat in the Matanuska Valley, at the Matanuka Experiment Farm.

—AFES FILE PHOTO

Governor Hammond's Alaska

Governor Jay Hammond entered into office in December of 1974. This was a time of great wealth for the state following the discovery of oil at Prudhoe Bay in the 1960s. Governor Hammond believed the state needed a "renewable resource economic base to sustain [Alaska]" after the oil was depleted (Lehne nd). In 1976 Governor Hammond established the following goals to encourage the development of renewable resources in the state, including agriculture:

- Broaden the economic base of the state through agricultural production.
- Stabilize real food costs by increasing local food.
- Provide alternative job opportunities through expanded agriculture.
- Improve rural life by developing an economic base through agriculture.
- Assist in meeting national goals of increased food production for world needs.

(AAAC 1981)

These goals helped to shape future agricultural development in the state.

In 1975, the Federal-State Land Use Planning Commission for Alaska conducted an in-depth study on the feasibility of agriculture in Alaska. They concluded that agriculture was possible in Alaska and recommended that "a large demonstration area be developed," and that "efforts be made to designate a considerable portion of land for agriculture" (Faris and Hildreth 1975). This prompted Bob Palmer, Special Projects Coordinator for Governor Hammond, to establish an ad hoc committee to address the study (Lehne nd).

The committee investigated agricultural production and decided to focus on Delta Junction as the first project area. On August 5, 1978, 22 names were drawn by lottery for the opportunity to purchase agricultural rights to the demonstration area land, which totaled approximately 60,000 acres (24,281 ha). This marked the beginning of an era of large-scale state funded agricultural projects.

In 1979 the AAAC was created to manage the Delta project and recommend future projects to the legislature (AAAC 1979). It was composed of five members, three people from the state government and two from the private sector. It was chaired by the Office of the Governor's Special Projects Coordinator (AAAC 1979). This council was the influential body that made recommendations to the legislature, many of which were ultimately funded and completed.

The AAAC generated reasons why the state should support agricultural development. The five reasons are paraphrased as follows:

- Nonrenewable resource wealth must be used to develop renewable resource industries.

- Alaska has enough arable acreage to provide satisfying work and an enjoyable lifestyle for many Alaskans.
 - Alaska should not import 98% of red meat and depend on a system that maintains only a four-day supply.
 - Agriculture is an opportunity for rural people who wish to remain on historic land and participate in the economy of the state.
 - The state can demonstrate that oil wealth is being used responsibly.
- (AAAC 1981)

The AAAC devised many projects to expand the agriculture industry in Alaska. Additional projects were designed for land disposal, meat processing, grain handling, and transportation. Nearly all of the projects that the AAAC recommended to the legislature were funded, but not all were completed. It was also envisioned that 500,000 acres (202,343 ha) of land would be in cultivation by 1992 (AAAC 1982d).

The legislature was very supportive of agricultural development for a number of years, and from 1978–1982 over \$41 million was appropriated to the various projects of the AAAC. In the mid 1980s the political climate changed, following certain setbacks of the projects and tightening fiscal constraints due to dropping oil prices (Lewis and Pearson 1990). Legislators became more reluctant to fund agricultural development, possibly because they were unable to determine how their constituents felt about the projects (Snodgrass et al. 1982). At this time there was also skepticism from the public about the ability of the AAAC and DNR to implement the projects in the public's best interests (Engelbrecht and Thomas 1987). Governor Bill Sheffield took office in 1982, and the administration's support on the previous levels of development was much reduced (Lewis 2007).

In 1984, the effective life of the AAAC concluded and it was not renewed by the legislature. All of its duties reverted back to the Director of the Division of Agriculture (Fowler 1992). Once the AAAC was inactivated no more projects were devised, and it marked the end of large-scale agricultural development in Alaska.

Delta

The Delta project was designed as an agricultural demonstration, and was intended to specialize in the production of small grains—particularly barley. The intent was to produce grains on a large scale to lower the cost of feed grains, which would in turn stimulate the livestock industry in Alaska (AAAC 1982a). Delta was selected as the site for the large-scale demonstration for a number of reasons. Most important, there was a road system, large areas of state land were available for disposal, agriculture was already practiced there, and the community specifically asked for agricultural development in the area (Lewis and Wooding 1978).

Barley was selected because it is a proven crop in Alaska and export markets had been identified to support the industry. It can mature at cool temperatures and has a short growing

season, both of which are required for successful growth in Alaska (Lewis and Wooding 1978). According to studies, Alaska land produced nearly twice as many bushels of barley per acre as the Great Plains area (Faris and Hildreth 1975). In Alaska's Agricultural and Forestry Experiment Station trials, the highest yielding varieties averaged 76 to 80 bushels per acre (Lewis and Wooding 1978). The barley was expected to be purchased by the small in-state market and eventually to a larger Asian export market (AAAC 1981). The consensus at the time was that Alaska could be competitive with other regions for the Asian markets if the quality and price of the grain was comparable (Thomas 1979).

Agricultural rights to the land of the Delta I project were sold by lottery on August 5, 1978. Twenty-two tracts were included in the sale, averaging 2,600 acres (1,052 ha) per tract, for a total project area of 60,000 acres (24,281 ha) (AAAC 1981). Pre-qualified applicants in the lottery were required to be Alaska residents, have capital of their own to spend, and management ability (Lehne nd). After being selected in the lottery, winners were sold the agricultural rights to the land through the Department of Natural Resources Division of Lands (Division of Legislative Audit 1991). Contracts and loans for land clearing and development were established between the lottery winner and the Governor's Office, but contracts were later transferred to the AAAC. Additional loans for tract development were supplied by the Agricultural Revolving Loan Fund (ARLF). Since the landowners only purchased the 'agricultural rights' to the land, as opposed to a fee simple title, it was much harder to receive loans for capital investments (Johnson 1984). Private lenders felt that loaning money for agricultural rights was too risky because the industry was unstable.

An extension of the first Delta demonstration area was conceived in 1979 and approved by the legislature in 1981 (AAAC 1981). This extension, called Delta II, was to follow the same principles as Delta I and with the extension the state would be able to produce enough grain to support the infrastructure surrounding processing, marketing, and transportation (AAAC 1982b). On March 13, 1982, 24,600 acres (9,955 ha) in 15 tracts were sold by outcry auction (AAAC 1982c). There were no pre-qualifications in the Delta II sale because it was determined by the state court to exceed the government's authority (Engelbrecht and Thomas 1987). Originally the state had proposed a sale of 55,000 acres (22,258 ha) in the expansion, but resource conflicts prompted postponement of the western portion, called Delta II West (AAAC 1982a). There were concerns about using the land for timber, as opposed to agriculture, as well as concerns about the damage the buffalo herd could inflict on potential crops (Engelbrecht and Thomas 1987).

Clearing the land proceeded quickly, and planting crops began in 1980 (AAAC 1981). That year there were crop failures due to adverse weather conditions and predation by a local free-ranging buffalo herd, and the acreage planted produced on

average 30 bushels per acre. While some farms had losses of 20 to 50 percent (Lehne nd), some averaged over 75 bushels per acre (AAAC 1981). All of the grain produced that year, which was 6,000 tons, was sold in-state as livestock feed (AAAC 1982b). The next year, weather, in the form of an early snow, again caused crop loss. Grasshopper infestations also accounted for crop losses during the formative years (Hollembaek 2007). It is probable that these events contributed to the public's doubt about the capability of the project to succeed.

As grain production increased, so did the demand for in-state livestock feed (Lehne nd). The plan was to begin export of barley once there was a reasonable surplus, but as in-state demand increased, the date for export was delayed. At this time there was still no export grain elevator, and in 1983 the Division of Agriculture (DOAg) suggested that construction of the grain terminal be put on hold until production exceeded in-state markets and Alaska barley could be competitive with the world market (DOAg 1983). In the end the Seward export terminal was never completed and the dream of a large export market was not realized.

Also during this time the price of barley, and other agricultural crops, began declining internationally (Division of Legislative Audit 1986). The drop in international prices made imported grain cheaper than barley produced in Alaska (Lewis and Pearson 1990). Too little barley was being produced to



Barley harvest in Delta.
—AFES FILE PHOTO

export, and prices were too low for that to be an economical solution. As debt mounted, the number of farmers in Delta began decreasing (Division of Legislative Audit 1986). Farmers looked to in-state markets, but it was hard to compete with low prices from the lower 48 states. Some farmers thought that the state was responsible for the mounting debt because certain infrastructure, such as the export grain terminal, had never been completed and was deemed essential to the success of the farms in the University of Alaska's feasibility study and by the Alaska Agricultural Action Council. An investigation by the Division of Legislative Audit showed that farmers would be unable to have debt relieved by filing a lawsuit because the state had never guaranteed funding for additional infrastructure.

In 1990 the debt owed to the state by Delta project farmers totaled over \$53 million, in 1990 dollars (Division of Legislative Audit 1991). The state began to restructure loans with farmers to see some return on its investment. The programs for debt restructuring were generally unavailable to landowners participating in federal assistance programs, such as the Conservation Reserve Program (CRP), that paid to keep land out of production. It was felt by some that the restructuring process was very subjective, and the way it was carried out created distrust of the ARLF.



Dairy cattle in Delta.
—AFES FILE PHOTO

By 1998 only seven of the original 37 landowners from both projects still retained ownership of their parcels (Geier and Lewis 1998). The rest of the parcels had either been sold by the original tract owner or foreclosed upon and resold by the state. Some of the large tracts that reverted back to state ownership were then subdivided and sold, which put farmers on smaller parcels. Original project farmers who had retained ownership of their land were likely involved in the Conservation Reserve Program or had needed less initial capital investment and therefore accumulated lower amounts of debt (Hollembaek 2007). Currently there are 56 Delta farmers on 29,000 acres (11,736 ha) enrolled in the CRP received a combined annual payment of \$949,703 (Huelskotter, Pers. Comm. 2007¹).

Delta Junction currently has a diverse agricultural community, though it is not as was envisioned at inception of the Delta Project. There are still farms that are producing traditional crops and livestock, as well as other farms that are producing alternative livestock and niche market crops, and it is viewed as an agricultural community. The goal of a large export market for small grains was never achieved and the export elevator at Seward was never completed. This, coupled with falling grain prices, led to farmers being unable to survive economically. Original project farmers either sold their land or tried to enter different markets. Those who survived and have remained in Delta are extremely loyal to the community and are supportive of the agricultural development that has occurred there.

Point MacKenzie

Point MacKenzie was designed as a dairy project to supply the Anchorage market, as well as to use the livestock feed being produced in Delta (Snodgrass et al. 1982). The dairy industry depends heavily on infrastructure and other industries, so it was assumed that a revitalized dairy industry would create jobs and boost the local economy. There was once a relatively large dairy industry in Alaska, but during the 1960s many farms either consolidated or went out of business. By expanding the existing industry it was believed that the production of dairy products would become more feasible through an economy of scale (AAAC 1979). Point MacKenzie was designed as a 15,000 acre (6,070 ha) project with 31 tracts, 19 of which were designated as dairies and 12 others that were to be supplemental farms for growing feed and other crops (AAAC 1981).

A feasibility study was conducted in 1980 that estimated the productivity of dairy operations at Point MacKenzie (Lewis et al. 1980). According to the study a farm could achieve a positive cash flow by the second year in operation, assuming that the price paid to the farmers remained at or above \$16.84 per cwt (one hundred pounds of milk). The authors also stated the dairy industry could only grow if the farmers used best management

1. E-mail dated 18 April 2007 from Helga Huelskoetter. Program Technician, Farm Service Agency Northern County.

practices and if the processing sector became more efficient.

The project was scheduled for sale March 6, 1981 (Fowler 1992). The lottery took place, but was later thrown out by the court based on the fact that the state had required a farm conservation plan or dairy farming experience to qualify, which was deemed to be exceeding the state's own authority (Englebrecht and Thomas 1987). Two tracts were not included in the lawsuit because they were Matanuska-Susitna Borough land, and remained with the original lottery winner. Another lottery was held in September 1982, and this time no previous dairy farming experience was required to be considered for the lottery. The winners signed contracts that gave them agricultural rights to the land and established deadlines for land clearing, crop production, and production of milk.

Under the contract signed for the loans, farmers were expected to clear land, begin producing crops, and start milking cows in three years (Fowler 1992). At the start of the project milk prices were high, around \$22 cwt, and farmers felt confident in their investments. By 1983 one farm had already begun producing milk and the others were clearing property in anticipation of milking cows. Milk was being sold to Matanuska Maid, the oldest milk processor in the state. Matanuska Maid is located in Anchorage and was a major catalyst in beginning the Point MacKenzie project (Lewis et al. 1980). At the end of 1983, Matanuska Maid was unable to repay its debts and filed for bankruptcy and the price paid to producers immediately dropped (Fowler 1992). These events brought public attention to instability in the dairy industry.

The loan limit from the Agricultural Revolving Loan Fund was capped at \$1 million, and some farmers were already at or near this limit (Fowler 1992). Many farmers had initially invested in expensive barns, which left little or no money for other expenses, such as cows and equipment. The increased debt load made farms less likely to be successful.

Farmers had trouble staying on schedule, but were told the schedule was inflexible. Around this time the state took ownership of Matanuska Maid, which was deemed necessary to keep the dairy industry operating (Van Treeck 2006). The ARLF previously loaned \$4.5 million to Matanuska Maid (Division of Audit and Management Services 1990), but even more compelling was the investment made in the dairies at Point MacKenzie. Without the processor, the state believed the dairy industry it was trying to create would inevitably fail (Alaska Ombudsman 1989). Matanuska Maid, because it was state owned, was required to purchase all the milk produced that met quality standards (Fowler 1992). Though most farmers faced financial challenges, milk was being produced in significant quantities by 1986, so much so that Matanuska Maid stopped importing milk, but at the same time their sales were down.

During this time the Matanuska area was going through a recession (Alaska Ombudsman 1989). Unemployment rates in the area rose to 12 percent, and bankruptcies increased 250 percent through 1984. Businesses in the area had to downsize and cut costs to survive. Local feed suppliers were unable to supply

Point MacKenzie farmers because most could not afford to buy feed with cash, and suppliers were not willing to accept their credit. Farmers in the Point MacKenzie project began having problems repaying debt and keeping their dairies operating. As production decreased in 1988, Matanuska Maid began importing milk again. By 1990 over 50 percent of Matanuska Maid's milk was being imported, and coincidentally their sales began rising (Fowler 1992).

As of 1992, only two dairy producers remained at Point MacKenzie (Fowler 1992). This number has fluctuated through the years, but has stayed steady with at least one producer in Point MacKenzie at any time. The Point MacKenzie dairy project did not meet the expectations envisioned by the state. Some of the landowners at Point MacKenzie invested in the land as speculators, waiting to sell when the agricultural zones are lifted and the Knik Bridge is built (Fowler 1992). Instead of creating a sustainable industry, the state instead became owner of the primary milk processor in southcentral Alaska and watched as most of the dairy farms at Point MacKenzie underwent financial trouble and eventually failed. As dairies from Point MacKenzie defaulted on debts and went out of business, Matanuska Maid began importing more milk from out of state. Currently there are only nine grade A dairies in the state, down from sixteen at the height of Point MacKenzie's production in 1986 (Alaska Agricultural Statistics Service 1976–2006).

Nenana-Totchaket

The Nenana-Totchaket area has been considered an area with some of the most prime agricultural soils in the state (AAAC 1981). The proposed project was located west of the city of Nenana in a remote area. The original thought was that the producers would be linked to markets through the adjacent railroad, and agriculture would begin to expand westward. The Natural Resource Conservation Service (NRCS) (at that time the Soil Conservation Service) identified 175,000 acres (70,820 ha) of agricultural soils in the area between the Tanana and Kantishna Rivers. The feasibility study conducted assumed that this project would be much like Delta and be a small grain-producing area (AAAC 1982a).

In 1980 the legislature appropriated \$500,000 for design and development of the project. In 1982 the AAAC asked the legislature to fund further development of the project and that a lottery sale for 75,000 acres (30,351 ha) take place as soon as possible (AAAC 1982a). In 1983 the Division of Agriculture suggested that the sale be delayed until analysis of the previous projects had been completed, to help determine if the investments needed to complete the Nenana-Totchaket project would result in sufficient benefits to Alaska (DOAg 1983). It is possible that funding for a bridge and access to the remote location was more than the legislature was willing to do, because no more appropriations were made and the project was never completed (Lewis 2007).

Infrastructure

The infrastructure proposed, which would support the grain, dairy, and red meat industries, was seen as a “vital link between the producer and the consumer” (AAAC 1979). It was viewed as essential to the economic success of the projects that certain facilities were in place. To make the facilities available to the producer quickly, the AAAC knew the facilities would have to be government owned and managed for a period, but felt that “as soon as possible, the ownership and management function should be transferred to the private sector” (AAAC 1979).

A grain elevator at port was considered a necessity to the success of a small grain export industry. Seward was selected as the preferred city for its location because it was connected to the railroad system (Lewis 2007). Under this plan, grain trucked to Fairbanks from Delta would be loaded on rail cars and travel to Seward, stopping along the way to deposit grain for livestock producers in various towns (AAAC 1982a). The AAAC recommended that the legislature spend \$6.5 million to construct the terminal elevator.

Construction of the grain terminal began in 1981. The legality of the AAAC hiring contractors and leasing land was questioned, and work was halted later that year (Division of Internal Audit 1981, AAAC 1982a). Once Governor Sheffield took office no additional appropriations were made to fund the construction and the terminal elevator was never realized (Lewis 2007). Despite the \$6.5 million invested, the state placed further grain terminal appropriations on hold until there was increased production to support it (AAAC 1983). It is also possible the state thought the terminal being built in Valdez would be suitable, and did not wish to fund a redundant facility (Hammond 1994). That additional investment never materialized and the Seward facility is currently a concrete pad still owned by the state and used for various purposes, none of which are grain exportation (Lewis 2007).

The city of Valdez began construction of a grain terminal concurrently with the Seward project. The city of Valdez thought that it should be the place of grain export since all the oil from the North Slope was being shipped out from the same location. The state did not support a grain terminal at Valdez because it was not a part of the railroad system (Lewis 2007), but Valdez built one regardless. The building site was chosen poorly, and the terminal needed approximately \$500,000 in dredging to allow barges close enough to load grain (Alaska Cooperative Extension Service 2006). No grain was ever exported using the Valdez grain terminal.

A livestock processing facility was also deemed necessary to “complete the feed grain-livestock cycle” (AAAC 1981). Livestock numbers were expected to increase as grain production increased, and the existing slaughterhouses at the time would be unable to accommodate for the growth. The legislature appropriated \$2.65 million for the development of these facilities (AAAC 1982a), in the form of loans to private builders (Teal 1982). A slaughterhouse was built in Fairbanks, but it was

leased and later sold to Interior Alaska Fish Processors without ever being used for livestock slaughter (Knight 2007). Mt. McKinley Meat and Sausage (MMMS) was built in Palmer and began operation in December of 1983 (AAAC 1983).

The Palmer facility was designed to handle 100 hogs per day and 50 cattle. It stayed in operation for two years, but was foreclosed by the Agriculture Revolving Loan Fund in 1985 (Torgerson et al. 2003). The facility remained closed until 1987, when the Department of Corrections reopened it to use for rehabilitation and training of inmates. The MMMS continued to lose money and was unable to cover its operating expenses. In 2002 MMMS was able to cover operating expenses, but it was still unable to cover other expenses, such as wages. This was the closest it had come to being economical since its inception.

In 2002 the Division of Agriculture developed a request for proposals that would allow for a \$1 per year lease to operate MMMS in an attempt to get the losing venture out of state control. Although there was a lot of interest in the proposal request, no one submitted a responsive proposal and MMMS remained state operated. MMMS debt is paid out of the ARLF, which is steadily decreasing in funds and entirely pays for the operation of the Division of Agriculture, so the division has continually tried to decrease expenses and transfer the facility to private ownership (Torgerson et al. 2003). It has been suggested in the past that the facility be shut down, but the state recognizes the need that MMMS meets for the community. Currently MMMS remains under state ownership and management, and steps are still being taken to minimize expenses and reduce losses (DeVilbiss 2006).

A grain handling facility was constructed in 1980 in Delta Junction that provided an elevator, drying, and storage for Delta grain producers (AAAC 1981). It cost approximately \$1,300,000 in loans to a private business to construct, and had to be expanded almost immediately to deal with all the grain being produced in Delta. In 1985, when grain production dropped dramatically, it was foreclosed upon by the state (Alaska Cooperative Extension Service 2006). Currently it is owned by the ARLF, but is leased for \$1 a year by the Alaska Farmers Cooperative, Inc. It is used for grain and fertilizer storage for farmers in the Tanana Valley.

Analysis

Through the years the Alaska state government spent millions of dollars to create a large scale agricultural industry. In appropriations alone, over \$76 million, in 2006 dollars, was spent on the projects (Table 1). Even more millions of dollars were spent on the ARLF loans to farmers. It is debatable whether the funds expended were worth the benefits created. It is interesting to note that appropriations made to Delta I spanned a period of a few years, whereas all infrastructure appropriations came in a lump sum in one year.

Table 1. Direct Appropriations made by the Alaska Legislature, 1978–1982 (in 2006 \$)

Project	Year*					Total
	1978	1979	1980	1981	1982	
Delta I	\$11,296,253	\$14,844,849	\$3,671,072	\$1,595,762	0	\$31,407,936
Delta II	0	0	0	\$15,136,876	0	\$15,136,876
Point MacKenzie	0	0	\$9,223,568	0	\$392,286	\$9,615,854
Nenana-Totchaket	0	0	\$917,768	\$840,760	0	\$1,758,528
Infrastructure [†]	0	0	0	\$18,748,949	0	\$18,748,949
						\$76,668,143

*PPI (all commodities), not seasonally adjusted, normalized to 2006

[†] includes processing facilities, export terminal, rail hopper cars, and marketing

Source: Teal, D. 1982. Financing agricultural projects in Alaska. Juneau: State of Alaska, House Research Agency report 81-5

The projects increased overall commodity production in the state for a period of time. Total acres planted in crops rose during the period that the Delta project was created (Fig 1). Represented in the total cropland are many agronomic crops, such as hay, oats, and grass, and acreage dedicated to those commodities was highest during the projects' initial years. Acres in cropland dropped after a few years, in the mid 1980s. This was when farmers at the Delta project were going through financial troubles, and the international price of grains had dropped. The peak in 1984 of 41,000 acres (16,592 ha) has not since been reached. It is important to note that acreage in cropland

is presently at higher levels than before the agricultural projects were established. The 100,000 acres (40,469 ha) of project land put into private ownership appears to have made an impact on agricultural production, but not to the extent that was envisioned. The AAAC had a goal that 500,000 acres (202,343 ha) would be in production by 1992, and this obviously did not occur.

Acreage planted in barley increased dramatically in the years following the lottery for Delta I, but started to decline in the mid 1980s (Fig 2). The decline is due to a combination of factors, including dropping grain prices, farmer turnover,

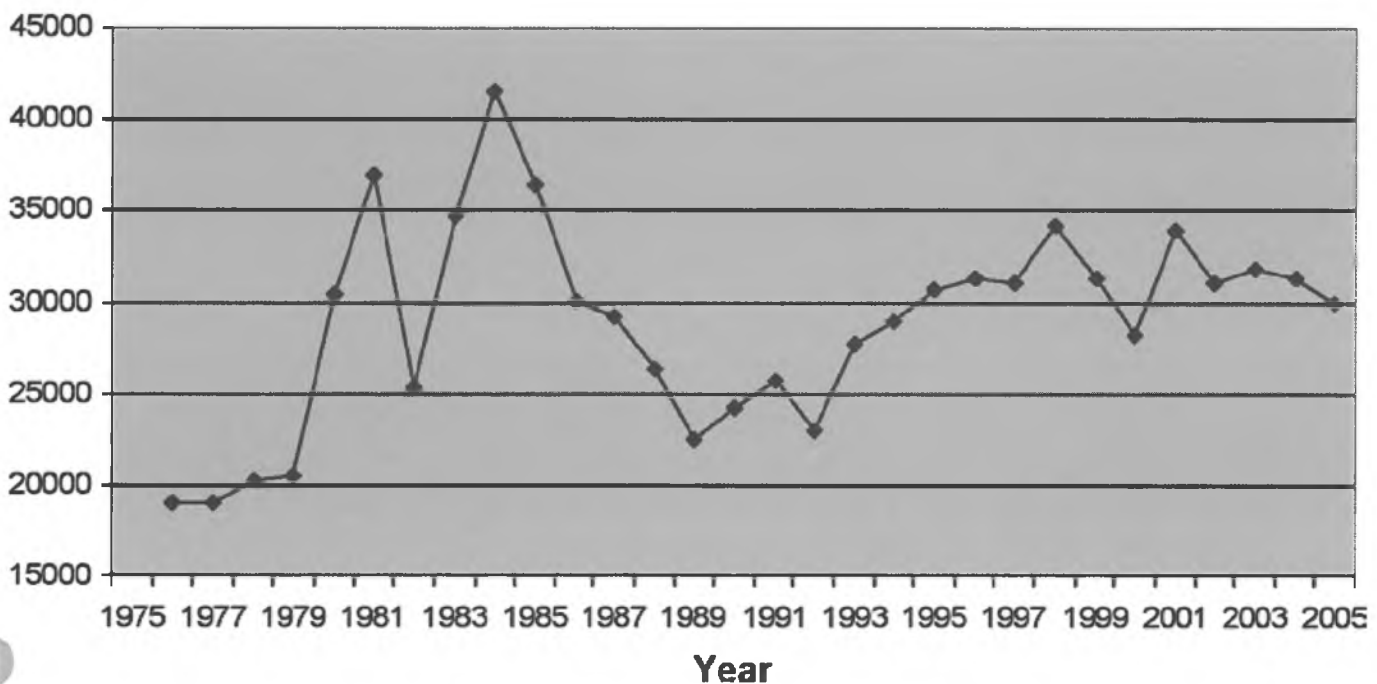


Figure 1. Alaska Cropland Utilization, 1976–2005. Source: Alaska Agricultural Statistics Service 1977–2006.

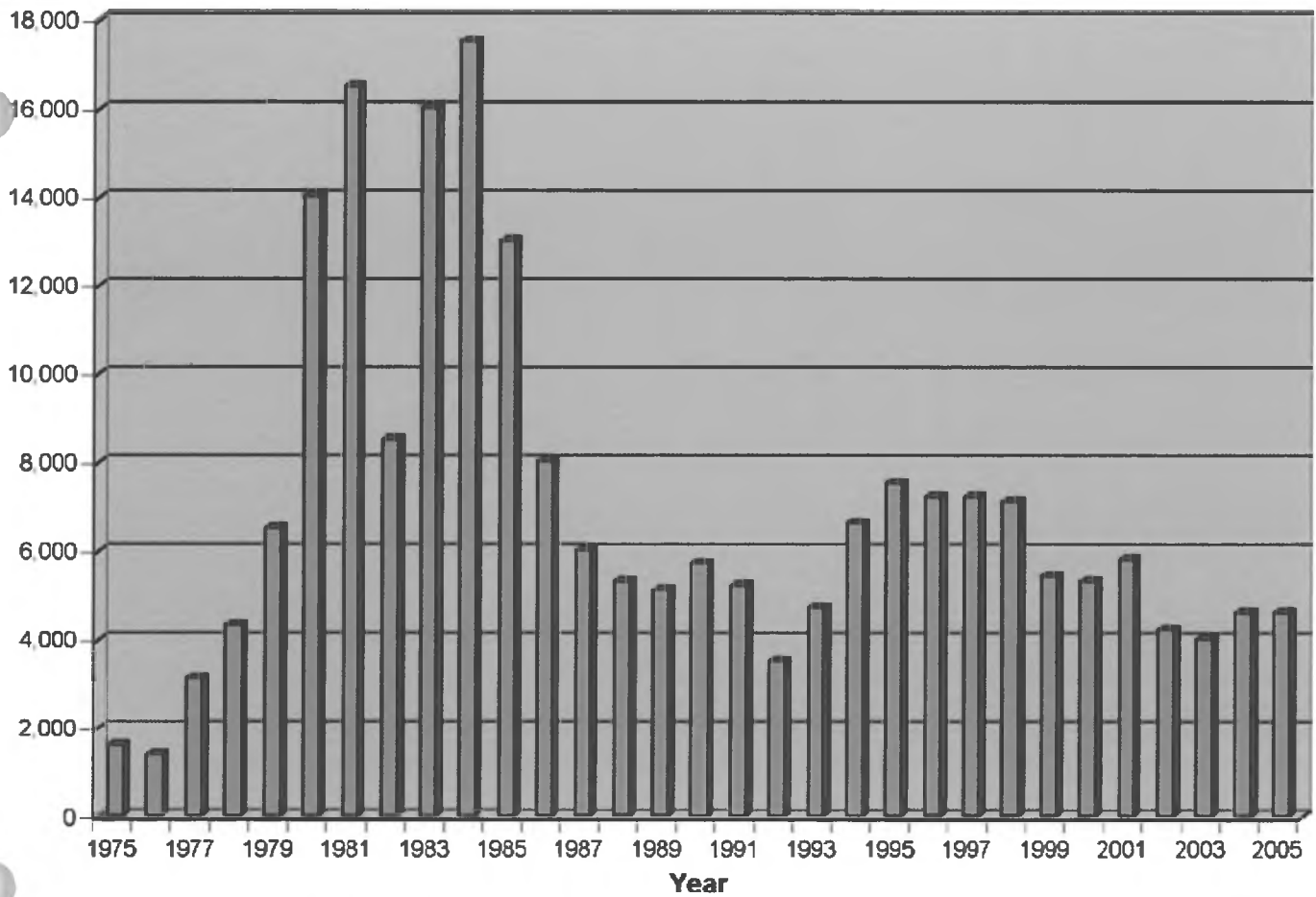


Figure 2. Alaska Acreage Planted in Barley, years 1975-2005. Source: Alaska Agricultural Statistics Service 1976-2006.

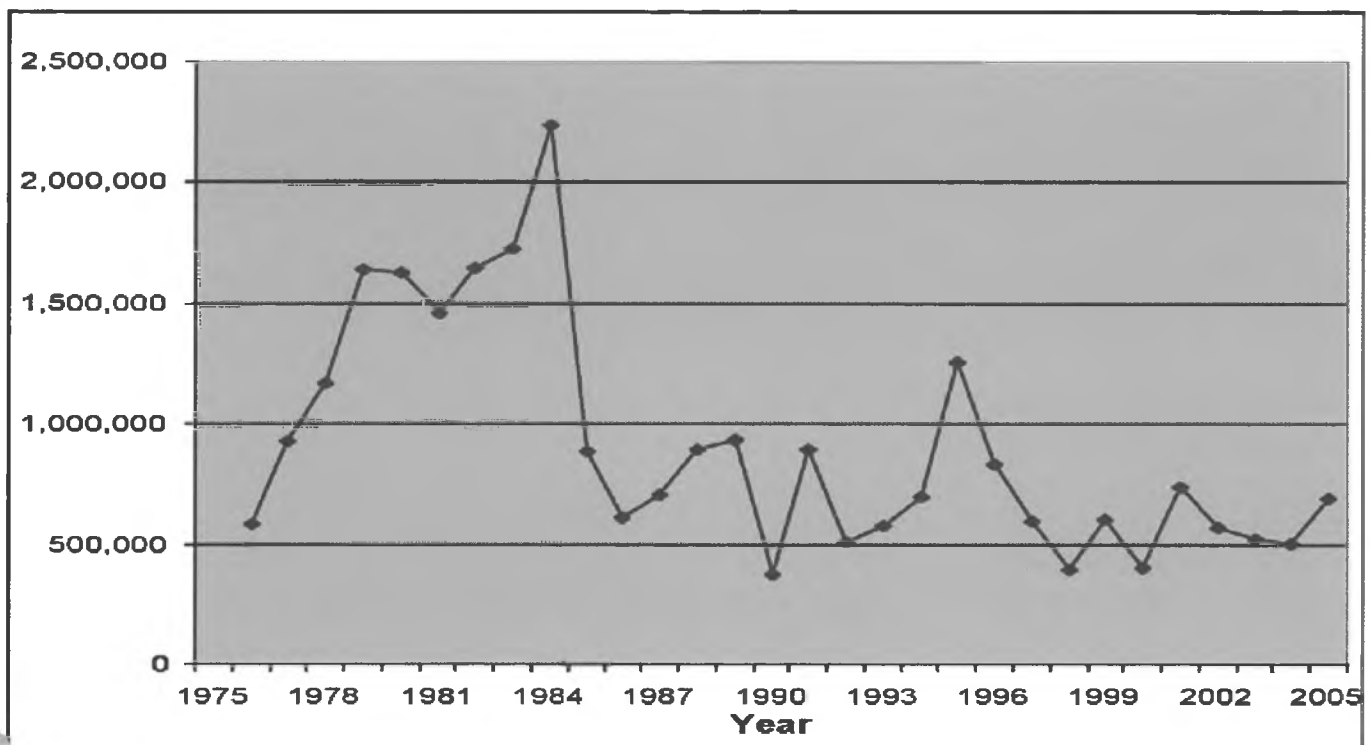


Figure 3. Alaska Cash Receipts for Barley, 1976-2005. PPI (all commodities), not seasonally adjusted, normalized to 2006 dollars. Source: Alaska Agricultural Statistics Service 1978-2006.

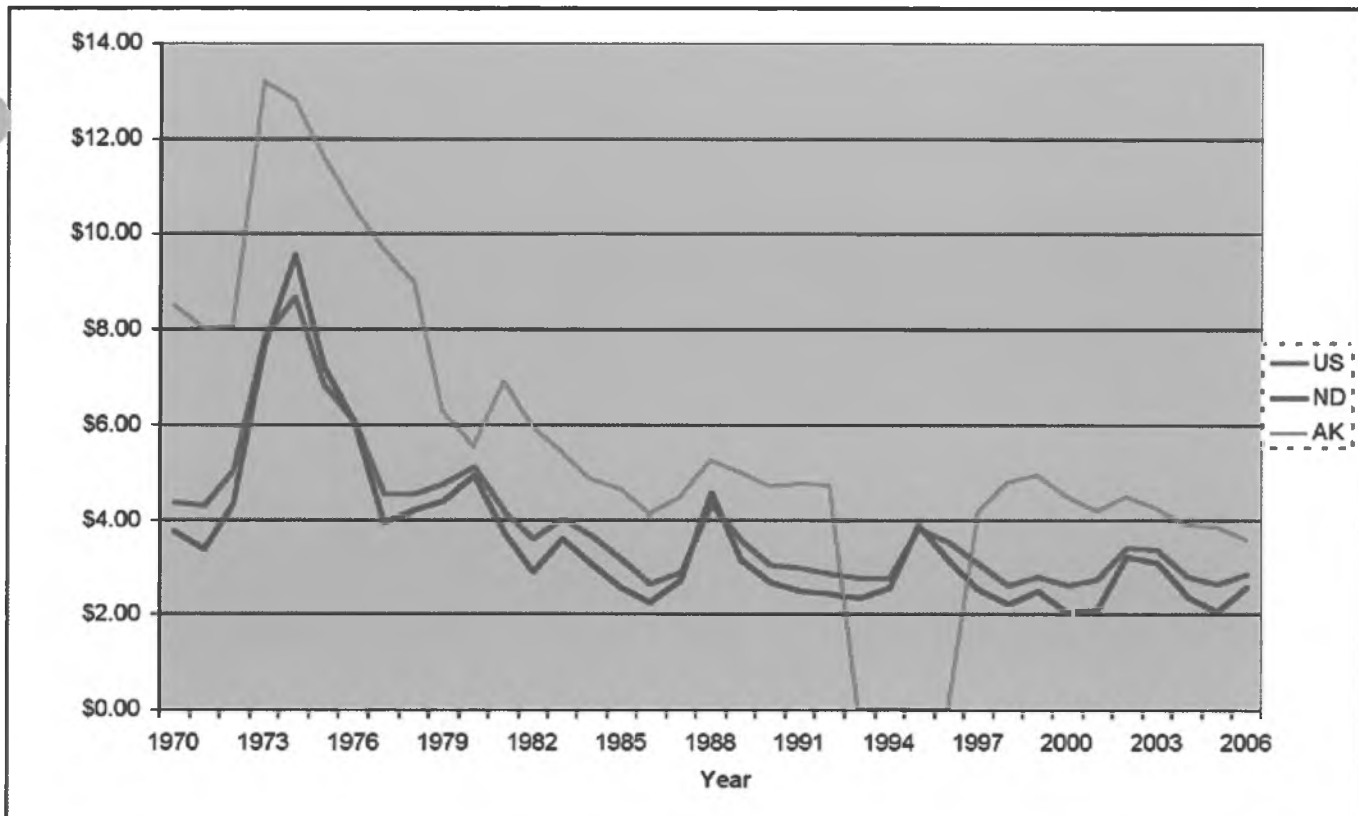


Figure 4. Barley Prices for the United States, North Dakota, and Alaska. Dollars per bushel, 1970–2006. PPI (all commodities), not seasonally adjusted, normalized to 2006 dollars. Source: USDA National Agricultural Statistics Service

and land being devoted to the Conservation Reserve Program. Barley production acreage has not fallen back to the low levels before 1978 and has remained between 4,000 and 8,000 acres (1,619-3,237 ha) over the past ten years. The projects affected barley production, but did not reach the expectations of the planners. The industry was supposed to grow to completely fill the in-state need and the surplus was to be sold on the world market. However, as prices dropped and production decreased the terminal was put on hold.

The cash receipts paid to farmers for barley peaked in 1984, at over \$2 million (Fig 3). Considering that each project farmer owed close to or over a million dollars, it is clear why many farmers were unable to pay back their debts. Nationally, barley prices were high during the planning stages of the Delta I project, but have been on a downward trend since 1974 (Fig 4). It is interesting that barley prices had already begun dropping when the ad hoc committee designed and created the Delta I project.

The level of milk production rose significantly during the late 1980s (Fig 5, p. 12). This rise can be attributed to the increased production from the Point MacKenzie project. Landowners were receiving large loans to bring farms into production swiftly, and some were quickly reaching the \$1 million loan limit. The rapid rise in production began in 1984 and peaked in 1987 at 35,000,000 lbs. of milk produced in the state of Alaska. The increase envisioned by the project's creators in Alaska milk production was short lived, and by 1987 milk production

began dropping. The decrease in production can be attributed to the numerous financial troubles that plagued area farmers, which led to foreclosures. Since 1991 production has remained relatively stable and comparable to production before the Point MacKenzie dairy project was established.

Based on the statistical data it is clear that project commodity production increased during the initial years of development, but drastically dropped in the mid to late 1980s. As farms in the Delta area accrued debt and were foreclosed upon, those acres went out of production. Many farms on Delta project land were placed into the Conservation Reserve Program (Knight 2007), which also accounts for the decrease in barley acreage. Milk production increased rapidly as farms were being subsidized and large investments were made to quickly begin milk production. Milk production decreased as debt mounted and farms were abandoned. The 'boom and bust' cycle exhibited by barley and milk production is indicative that the project goals were not achieved and that the projects were not sustainable, which is due to a number of factors.

Discussion

Governor Hammond had grand ideas about the creation of an agricultural industry from oil profits. The goals of his administration were to broaden the economic base of the state

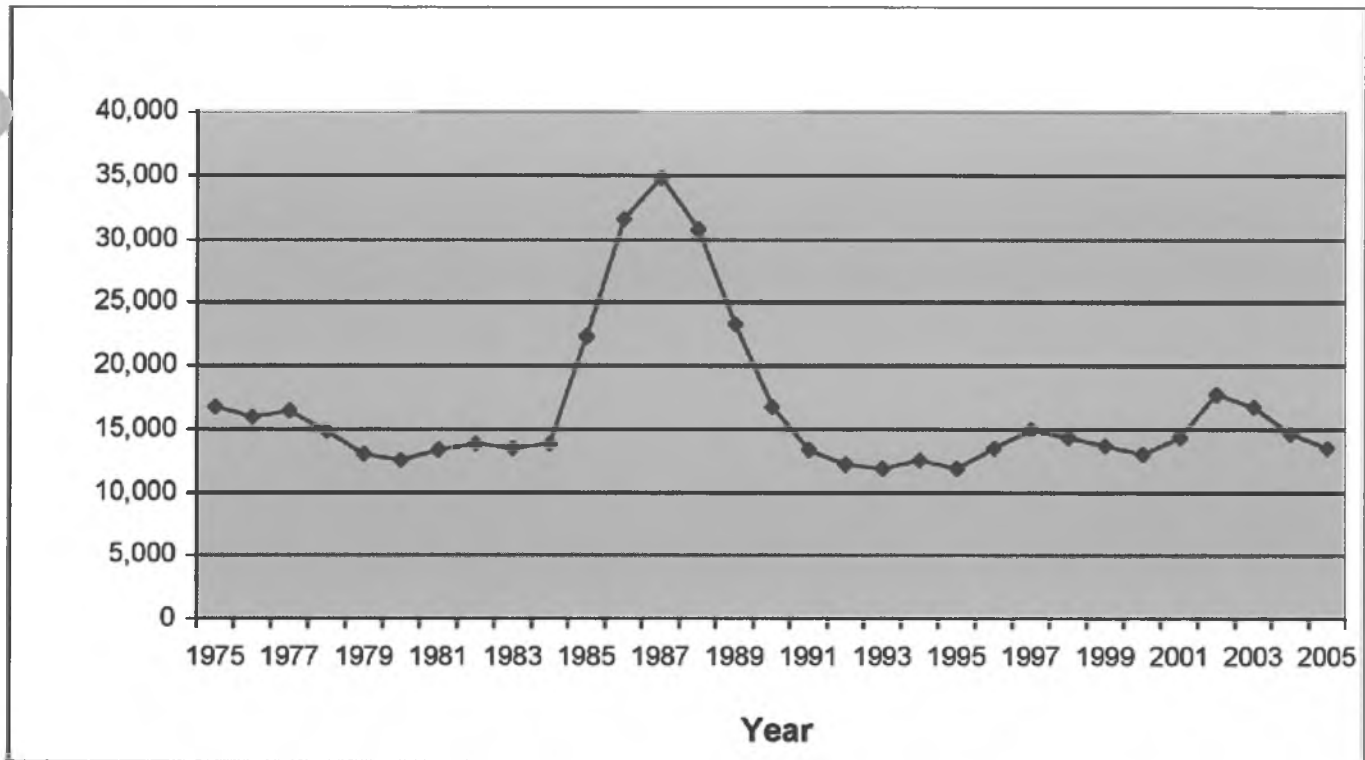


Figure 5. Alaska Milk Production, years 1975–2005. Source: Alaska Agricultural Statistics Service 1976–2006.

through agricultural production, stabilize real food costs by increasing local food, provide alternative job opportunities through expanded agriculture, improve rural life by developing an economic base through agriculture, and assist in meeting national goals of increased food production for world needs. Examination of the outcomes provides little evidence that any of these goals were achieved.

Agriculture is a minor component of Alaska's economy. Governor Hammond once said he believed "it is in fact possible that Alaska will be the prime agricultural state in the not too distant future" (Lehne nd). While Alaska does have dedicated farmers and agriculturalists, the industry is nowhere near the industrial scale that was envisioned in the design of the projects. Agriculture as an industry currently makes up less than one percent of the revenues earned from all resource industries in the state (Alaska Cooperative Extension Service 2006).

An increase in local food production has occurred, but not to the extent that was envisioned. Washington State is still the primary supplier of milk to the state, supplemented by the small amount produced in-state. Currently there are two milk bottlers in the state, Matanuska Maid and Northern Lights Dairy (Van Treeck 2006).² Northern Lights Dairy is located in Delta and uses only Alaska milk (Lewis and Pearson 1990). As of 1998, Matanuska Maid processed about 30 percent Alaska milk, with the rest imported (Division of Legislative Audit 1998). Alaska red meat production has increased since the 1970s, but so has the population of Alaska. The state still imports about

2. Editors' note: now one, since Matanuska Maid was shut down at the end of 2007 and is scheduled for sale.

95 percent of its food (Alaska Cooperative Extension Service 2006), and increases in commodity production have probably been only enough to counteract population growth and keep food importation at the levels it was in the 1970s.

The development of Alaska agriculture came along as the importation of commodities was becoming more efficient. Currently there are no price incentives for Alaska to become self-sufficient, considering how the markets have changed and how effectively air and land transport have brought food and products to Alaska (Division of Legislative Audit 1998). Though this system is not infallible, as adverse circumstances can slow or stop transportation, it has worked well enough that Alaska has not substantially decreased its dependence on importing food.

As far as improving rural life by developing an economic base through agriculture and assisting in meeting goals of increased food production, this simply did not occur. Although the local economy of Delta has been affected by the agriculture practiced there, based on commodity production it is doubtful the Matanuska Valley's economy is greatly affected by the Point MacKenzie development. Nenana-Totchaket was never completed, so development of a western Alaska agriculture economy was not accomplished. Grain production never reached the levels that had been imagined and the export terminal was never finished, so Alaska does not play a role in meeting world grain needs.

In the late 1970s and early 1980s, the rest of the United States was experiencing a farm crisis (Public Agenda Foundation 1987). A third of the nation's farmers were experiencing

financial troubles due to falling land values, low commodity prices, and mounting debt. The fiscal policies of the Carter and Reagan administrations escalated farmers' problems because the industry is extremely capital intensive, dependent on interest rates and heavily subsidized (Buttel 1989). Declines in United States commodity prices, including small grains, began in 1984 (Buttel 1989), which happens to be the peak year of Alaska barley production (Alaska Agricultural Statistics Service 1985). Alaska's attempt at creating an agriculture industry happened to coincide with this arduous time in American agriculture, from which it could not have benefited. Alaska farmers were at more of a disadvantage because the project land was bought at a time when agricultural lands had reached peak values, and it still took a few years of clearing and capital investment before the farmer could begin producing crops and making money (DOAg 1985).

There are federal government programs that have the potential to help stabilize commodity prices. The Commodity Credit Corporation (CCC) is managed by the Farm Service Agency (FSA), and its major functions are preservation of farm prices and income, as well as maintenance of supplies and balanced distribution of agricultural commodities.³ Programs such as this could have helped to stabilize barley prices during the Delta project's formative years, but many farmers did not use the program. Some of the programs require a licensed grain elevator in the state for eligibility, which leaves Alaska's grain industry at a disadvantage (Alaska Cooperative Extension Service 2006).

The Conservation Reserve Program is one government program that helped farmers retain control of their land (Knight 2007). By paying farmers to keep 'conservation covers' on their land the farmers did not have to invest in capital for high-risk crop production that may not be of suitable quality or quantity to make land payments. This land was not under cultivation, and was set aside as wildlife habitat, which allowed some landowners to receive an income without actually farming the land (Geier and Lewis 1998).

The agricultural projects were created using a system that was very governmentally 'hands on' (Lewis and Pearson 1990). The land was made available by the state, the state gave loans to landowners to develop farms, and the state invested millions of dollars to build support facilities that were supposed to boost the industry. Eventually, administration changes coupled with project setbacks and tightening fiscal constraints due to dropping oil prices led to less political and financial support for the government-funded projects. Legislators began asking when "enough is enough" and how much more money should be expended on the agricultural projects (Lehne nd). Lewis and Pearson noted in their 1990 study that a "hands-off model" of agricultural development would probably be most successful in Alaska. This model has been exhibited by the vegetable industry, especially potatoes and carrots. The vegetable industry uses a smaller land base than grains, but received \$4.7 million in cash

receipts in 2005, compared with \$787,000 for barley and oats (Alaska Agricultural Statistics Service 2006).

The trend in Alaska agriculture has shifted from traditional large-scale farms to smaller farms that produce for a niche market (Alaska Cooperative Extension Service 2006). Farmers' markets that supply local products to local consumers are growing statewide. There is room for growth in the alternative livestock industry, which emphasizes animals that are both well suited to Alaska and are a high value commodity. Currently, the most lucrative agricultural businesses in Alaska are greenhouses and aquaculture. The most traditional agronomic crop receiving the highest cash receipts is hay, which is mostly being used by recreational horse owners (Alaska Cooperative Extension Service 2006, Alaska Agricultural Statistics Service 2006).

The Delta project failed at creating a sustainable large-scale grain industry in Alaska. There have been positive outcomes from the Delta development, such as the agricultural community that has grown there. Dr. Lewis, Dean of the University of Alaska Fairbanks School of Natural Resources and Agricultural Sciences and co-author of the Delta and Point MacKenzie feasibility studies, has stated that the Delta project has shown that agriculture in Alaska is possible under certain conditions, and that it can be successful (2007), though the level of success envisioned in the large-scale agricultural projects has obviously not been achieved. The project did put large amounts of state-owned land into private ownership, and most of it is still being used for some type of agricultural enterprise.

The Point MacKenzie project has less success to show for all the money that was invested in it. Only two dairies remained in 1992 out of nineteen that were proposed, one of which was an original lottery winner (Fowler 1992). Point MacKenzie had many problems, such as lawsuits and the bankruptcy of Matanuska Maid, which hindered success. It is troubling that the state did not anticipate Matanuska Maid's impending bankruptcy. The project had been underway for less than a year before the processor declared bankruptcy. Probably the most detrimental factor to the project's success was the development time scale imposed on farmers. The project was designed with a development schedule that was too fast for nearly all of the farmers. They built up large amounts of debt quickly and were either unable to stay on schedule or make payments due to the decrease in milk prices. Lottery winners were not required to have dairy experience, and as such were unprepared for the circumstances that followed.

The Point MacKenzie project was based on numerous assumptions from the University of Alaska's feasibility study that did not materialize after inception. It was assumed that milk prices of \$16.84 cwt would be sufficient for farmers to make a profit. However, later studies showed that the Point MacKenzie dairies needed up to \$50.90 cwt to support their capital investments (Fowler 1992), which is an alarming difference. It was envisioned that Point MacKenzie farmers would be able to buy grain from the Delta project, but as grain prices dropped and farms pulled out of production, that was never realized. Land

3. Farm Service Agency website. Commodity Credit Corporation. <http://www.fsa.usda.gov/FSA/webapp?area=about&subject=landing&topic=sa0-cc>

clearing costs were underestimated, which led to farmers quickly reaching their \$1 million loan limit, along with excessive amounts being invested in capital expenses. Parts of the feasibility study were unrealistic, and it led to overoptimism about the potential risks and investments involved.

The Point MacKenzie project was envisioned as a large-scale dairy project, just as Delta was designed as a large-scale grain industry. The successes of the projects are that 100,000 acres (40,469 ha) have been transferred to private ownership and that there are now support facilities available to producers, even though most are state owned. In both cases, experience of the farmers was limited and large capital investments were either required or advocated, before profits could be achieved. Events not predicted by the development councils, such as adverse weather, decreased commodity values, and political decisions were detrimental to the outcome of the projects.

Based on the information and sources available, some lessons can be learned from the state-funded agricultural projects. The way that the projects were planned and carried out was instrumental to the outcome. The ideas proposed were grand and designed on an immense scale. Generally, creating an industry such as this would take generations to accomplish, but the planners tried to create it in a short time. Administration changes proved volatile for the projects in their formative years, and those routine changes of the political climate were not conducive to industry growth. Not only was there a high rate of farmer turnover, but project administrators also came and went, which created a loss of continuity.

There were setbacks in the early years, which were potentially minor events, but administrators saw this as a mark of failure, lessening their support for additional funding. It seemed as though some administrators were willing to cut their losses when the projects did not go exactly as planned. The industry was designed on an intricate scale with many interconnected parts, and each piece depended on the others. As certain parts fell through, such as the Seward Grain Terminal and the Matanuska Maid bankruptcy, the chance of success for the rest of the projects decreased. Government can create a climate to encourage industry growth, but it is inappropriate for government to entirely fund and create an industry.

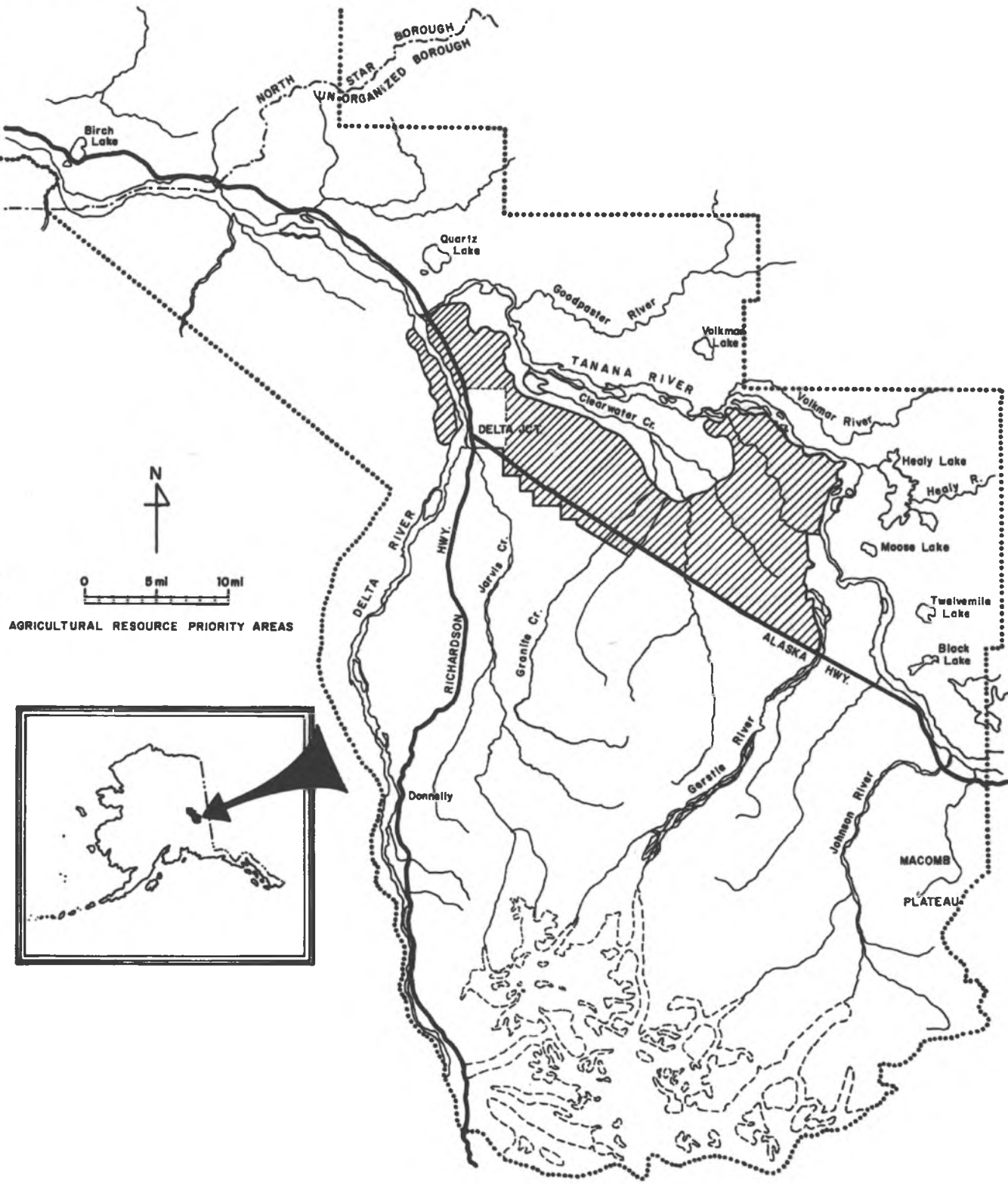
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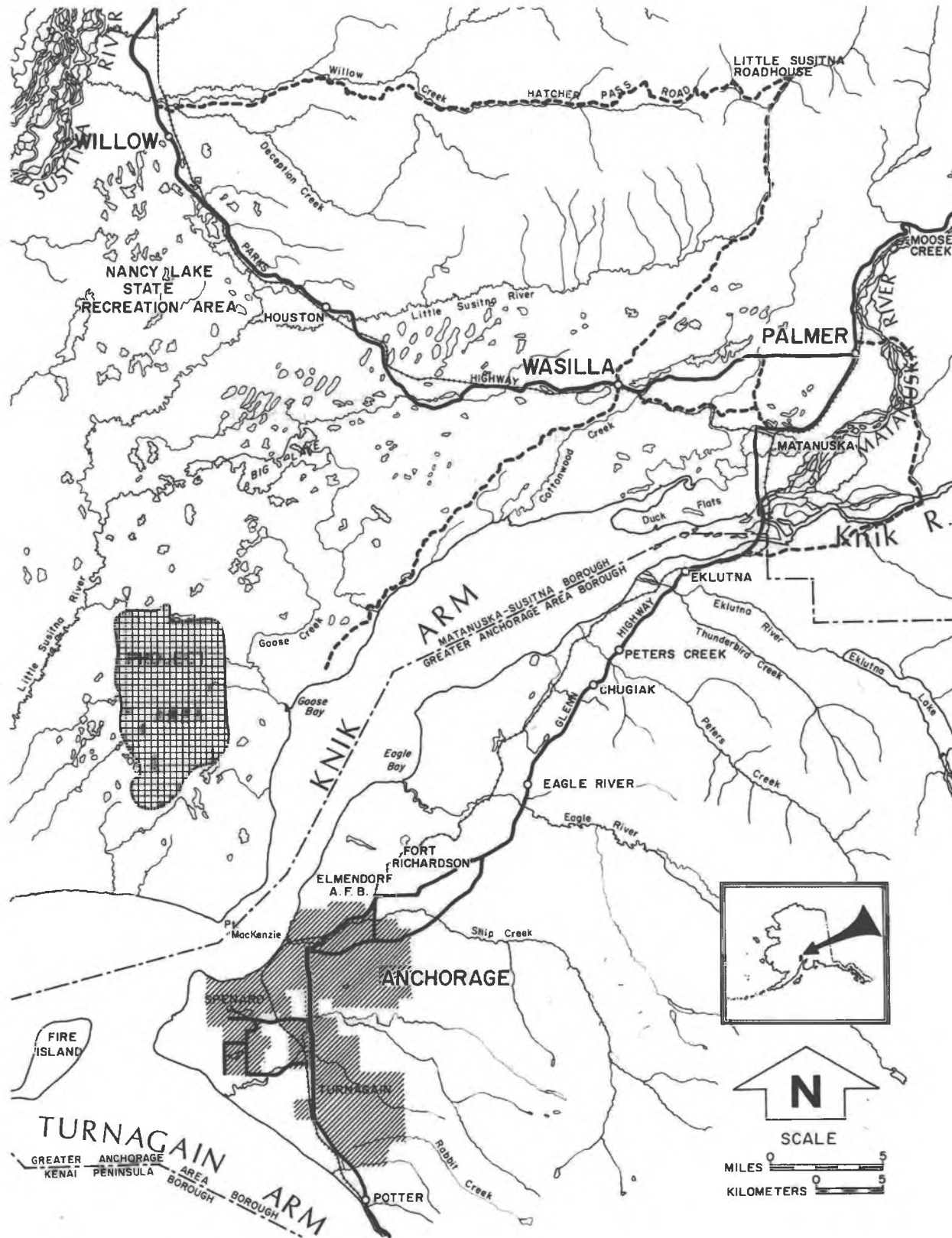
APPENDIX A: MAPS OF PROJECT AREAS

Delta



Lewis, C.E. and F.J. Wooding. 1978. Barley production in the Delta-Clearwater area of interior Alaska. University of Alaska Agricultural Experiment Station Bull. 49.

Point MacKenzie



Lewis, C.E., J.M. Harker, E.L. Arobio, and W.C. Thomas. 1980. Potential milk production in the Point MacKenzie area of southcentral Alaska. University of Alaska Agricultural Experiment Station Bull. 58.

APPENDIX B: RAW DATA

Table 1. Direct appropriations made by the Alaska Legislature 1978-1982

Project	Year					Total
	1978	1979	1980	1981	1982	
Delta I	4,793,000	7,089,900	2,000,000	949,000	0	14,831,900
Delta II	0	0	0	9,001,900	0	9,001,900
Point MacKenzie	0	0	5,025,000	0	238,000	5,263,000
Nenana-Totchaket	0	0	500,000	500,000	0	1,000,000
Infrastructure*	0	0	0	11,150,000	0	11,150,000
					TOTAL:	41,246,800

*includes processing facilities, export terminal, rail hopper cars, and marketing

Source: Teal, D. 1982. Financing agricultural projects in Alaska. Juneau: State of Alaska, House Research Agency report 81-5

Figure 1. Alaska Cropland Utilization, 1976–2005

year	acres
1976	19017
1977	19005
1978	20181
1979	20432
1980	30484
1981	36881
1982	25284
1983	34671
1984	41503
1985	36351
1986	30040
1987	29134
1988	26344
1989	22422
1990	24200
1991	25653
1992	23016
1993	27758
1994	28940
1995	30726
1996	31322
1997	31064
1998	34184
1999	31340
2000	28256
2001	33903
2002	31095
2003	31807
2004	31312
2005	29895

Figure 2. Alaska Acreage Planted in Barley, years 1975–2005

year	acres planted
1975	1,600
1976	1,400
1977	3,100
1978	4,300
1979	6,500
1980	14,000
1981	16,500
1982	8,500
1983	16,000
1984	17,500
1985	13,000
1986	8,000
1987	6,000
1988	5,300
1989	5,100
1990	5,700
1991	5,200
1992	3,500
1993	4,700
1994	6,600
1995	7,500
1996	7,200
1997	7,200
1998	7,100
1999	5,400
2000	5,300
2001	5,800
2002	4,200
2003	4,000
2004	4,600
2005	4,600

Figure 5. Alaska Milk Production, years 1975–2005

year	lbs (1,000)
1975	16,800
1976	16,000
1977	16,400
1978	14,800
1979	13,000
1980	12,500
1981	13,400
1982	13,800
1983	13,500
1984	13,900
1985	22,200
1986	31,500
1987	34,800
1988	30,700
1989	23,300
1990	16,800
1991	13,300
1992	12,200
1993	11,900
1994	12,600
1995	11,900
1996	13,500
1997	15,000
1998	14,300
1999	13,600
2000	13,050
2001	14,360
2002	17,680
2003	16,700
2004	14,600
2005	13,500

Figure 3. Alaska Cash Receipts for Barley, 1977–2005. PPI (all commodities), not seasonally adjusted, normalized to 2006.

year	barley cash receipts	PPI	2006 \$
1976	217,000	0.3708	585,221
1977	364,000	0.3935	925,032
1978	496,000	0.4243	1,168,984
1979	783,000	0.4776	1,639,447
1980	886,000	0.5448	1,626,285
1981	869,000	0.5947	1,461,241
1982	997,000	0.6067	1,643,316
1983	1,059,000	0.6142	1,724,194
1984	1,409,000	0.6289	2,240,420
1985	557,000	0.6257	890,203
1986	373,000	0.6077	613,790
1987	442,000	0.6237	708,674
1988	581,000	0.6487	895,637
1989	636,000	0.6809	934,058
1990	264,000	0.7055	374,203
1991	634,000	0.7069	896,874
1992	362,000	0.7109	509,214
1993	419,000	0.7214	580,815
1994	509,000	0.7307	696,592
1995	951,000	0.7569	1,256,441
1996	646,000	0.7746	833,979
1997	465,000	0.7741	600,698
1998	301,000	0.7548	398,781
1999	459,000	0.7612	602,995
2000	325,000	0.8053	403,576
2001	602,000	0.8141	739,467
2002	455,000	0.7954	572,039
2003	437,000	0.838	521,480
2004	450,000	0.8898	505,732
2005	660,000	0.9549	691,172

Figure 4. Barley Prices for the United States, ND, and AK. \$/bushel, 1970–2006. PPI (all commodities), not seasonally adjusted, normalized to 2006.

		\$/bu	\$/bu	\$/bu
PPI**	Year	US	ND	AK
0.223874	1970	\$4.35	\$3.75	\$8.49
0.231205	1971	\$4.29	\$3.37	\$8.00
0.241418	1972	\$5.01	\$4.31	\$8.08
0.273169	1973	\$7.83	\$7.65	\$13.18
0.324486	1974	\$8.66	\$9.55	\$12.79
0.354416	1975	\$6.83	\$7.19	\$11.57
0.370898	1976	\$6.07	\$6.04	\$10.52
0.393599	1977	\$4.52	\$3.91	\$9.65
0.424339	1978	\$4.52	\$4.19	\$8.96
0.477628	1979	\$4.75	\$4.40	\$6.28
0.544871	1980	\$5.12	\$4.92	\$5.51
0.594772	1981	\$4.17	\$3.70	\$6.89
0.606805	1982	\$3.59	\$2.90	\$5.93
0.614288	1983	\$4.02	\$3.58	\$5.37
0.629	1984	\$3.64	\$3.08	\$4.85
0.625815	1985	\$3.16	\$2.56	\$4.63
0.607715	1986	\$2.65	\$2.25	\$4.11
0.623742	1987	\$2.90	\$2.73	\$4.49
0.648819	1988	\$4.32	\$4.58	\$5.24
0.680975	1989	\$3.55	\$3.16	\$4.99
0.705546	1990	\$3.03	\$2.66	\$4.68
0.707012	1991	\$2.97	\$2.50	\$4.74
0.711007	1992	\$2.87	\$2.45	\$4.71
0.721422	1993	\$2.76	\$2.34	\$0.00
0.730775	1994	\$2.78	\$2.56	\$0.00
0.756914	1995	\$3.82	\$3.86	\$0.00
0.77466	1996	\$3.54	\$3.12	\$0.00
0.774154	1997	\$3.07	\$2.53	\$4.13
0.754942	1998	\$2.62	\$2.21	\$4.77
0.761262	1999	\$2.80	\$2.51	\$4.93
0.805349	2000	\$2.62	\$2.02	\$4.47
0.814146	2001	\$2.73	\$2.10	\$4.18
0.79549	2002	\$3.42	\$3.22	\$4.46
0.83801	2003	\$3.38	\$3.09	\$4.24
0.889883	2004	\$2.79	\$2.38	\$3.88
0.954952	2005	\$2.65	\$2.08	\$3.82
1	2006	\$2.85	\$2.60	\$3.55

** PPI (all commodities), not seasonally adjusted, normalized on 2006

ABOUT THE AGRICULTURAL AND FORESTRY EXPERIMENT STATION

The federal Hatch Act of 1887 authorized establishment of agricultural experiment stations in the U.S. and its territories to provide science-based research information to farmers. There are agricultural experiment stations in each of the 50 states, Puerto Rico, and Guam. All but one are part of the land-grant college system. The Morrill Act established the land-grant colleges in 1862. While the experiment stations perform agricultural research, the land-grant colleges provide education in the science and economics of agriculture.

The Alaska Agricultural Experiment Station was established in Sitka in 1898, also the site of the first experiment farm in Alaska. Subsequent stations were opened at Kodiak, Kenai, Rampart, Copper Center, Fairbanks, and Matanuska. The latter two remain. The Alaska station was not originally part of the Alaska land-grant college system. The Alaska Agricultural College and School of Mines was established by the Morrill Act in 1922. It became the University of Alaska in 1935. The Fairbanks and Matanuska farms are part the Agricultural and Forestry Experiment Station of the University of Alaska Fairbanks, which also includes the Palmer Research Center.

Early experiment station researchers developed adapted cultivars of grains, grasses, potatoes, and berries, and introduced many vegetable cultivars appropriate to Alaska. Animal and poultry management was also important. This work continues, as does research in soils and revegetation, forest ecology and management, and rural and economic development. Change has been constant as the Agricultural and Forestry Experiment Station continues to bring state-of-the-art research information to its clientele.

Agricultural and Forestry Experiment Station

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[print](#)

Securing Alaska's insecure food supply: With some help, Alaska could produce more

by Carol E. Lewis and Fred Schlutt Jr., Community Perspective

03.19.11 - 11:00 pm

Community Perspective

Thought about food lately? Maybe three times a day (or more)?

Thought about what would happen if our food supply was interrupted?

Benjamin Franklin said "When the well is dry, we know the worth of water." We would paraphrase: "When the food is gone, we will know the worth of food."

Alaska's food supply is not secure.

Food security includes not only availability of locally produced foods but also a mix of imported and exported food products. Most states and regions in the U.S. have a reasonable balance of locally produced, imported and exported foods. Alaska imports nearly all its food and is increasingly dependent on imported food. If this trend continues, Alaska's expanding population will require increased food imports during a time when energy plays an ever-increasing role in their cost.

Producing more food in Alaska is possible with help from university research, the Cooperative Extension Service and university-business partnerships. While Alaska currently does not depend on in-state production, there is no reason why it cannot. Lands are productive for crops and livestock, and the growing season can be extended with modern technologies.

State funding for a special project could make a world of difference in the state's dismal food security outlook. This joint project between UAF School of Natural Resources and Agricultural Sciences, the Agricultural and Forestry Experiment Station and UAF Cooperative Extension Service addresses food security by focusing on animal agriculture (reindeer, elk, bison, muskoxen, yaks, cattle, sheep, goats, hogs and poultry) and controlled environment vegetable production (controlling the length of the growing seasons and using local materials to manufacture soil). The proposal, which is before the Alaska Legislature via the University of Alaska budget, includes \$300,000 per year during a five-year period for research, education and outreach.

We will focus on community development of local food production, including food science, food technologies, processing and human nutrition as well as production technologies, food preservation, and processing and storage for year-round consumption. Cultural considerations of food self-reliance, nutrition and appropriate crops and livestock for Alaska's diverse climate and geography will also be addressed.

The close linkage of the extension service, the experiment station and the school

will give us the opportunity to look at ways to help our farmers produce high-quality products to take the place of imported fresh, frozen and canned supplies, will potentially provide business opportunities for processing and distribution and will train students who, when they graduate, will be expert in bringing research and technology to users.

Why should you care? This type of important research and outreach affects the very food that will appear on your plate tonight.

While many people proclaim the virtues of local food via T-shirts or bumper stickers, are they willing to truly support a project that will make Alaska-grown food more abundant and accessible? Food insecurity for Alaskans is a grave concern but can only be addressed if we choose to make it a priority.

Alaska needs locally grown food. Are you willing to help by letting your legislators know you support this important project?

Carol E. Lewis is dean of the UAF School of Natural Resources and Agricultural Sciences and director of the Agricultural and Forestry Experiment Station. Fred Schlutt Jr. is director of the UAF Cooperative Extension Service and UAF vice provost for outreach.

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Anthony "Tony" Nakazawa, Ph.D.
Professor of Economics

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March 7, 2012

To the State of Alaska - House Resource Committee

Re: **Hearing on HB 191: An Act Establishing a State Department of Agriculture and Food**

I am writing to voice my support for the reinstatement of a Department of Agriculture and Food within the Cabinet of the Governor of Alaska. I support Alaska Farm Bureau President Bryce Wrigley and the Alaska Farm Bureau (AFB) and their members in their support of this important issue.

A past Legislative Audit, in addressing the interests of *future Alaska*, made a recommendation that the current DNR Division of Agriculture would be better suited to serving *future Alaska* if it had the status of a Department of Agriculture.

Alaska is evolving.....individual Alaskans are now more than ever focusing on local food for local communities.....the efforts of the recent Alaska Food Policy Council and their focus on *Alaska Grown*....the awareness that food security is an issue of growing concern given the singular points of entry from the lower-48 – a prolonged closure of the Port of Anchorage and the Ted Stevens International Airport as well as road access would leave the majority of Alaska at significant peril.....and other concerns suggest *that the time has come!*

AFB President Wrigley says it best, "...we continue to see little progress because DNR is preoccupied with oil and gas. Meanwhile, our food production capability languishes for lack of support. It takes time to develop a local food system to support our state - time that is surely and steadily slipping away. Not only are we in danger of losing our agriculture, we are about to lose the farming resources needed by the next generation of farmers."

I very much concur with AFB President Wrigley in his above summary of the issue. The cost to establish another seat at the Governor's cabinet would be minor in consideration of the opportunity cost to all Alaskans of the "**do nothing alternative**" which I most definitely do not support.

Thank you for considering my comments on this vital matter.

Sincerely,

Anthony "Tony" Nakazawa



HB 191 Support

Thursday, March 22, 2012 1:32 PM

From: "Cater Alaska" <info@cateralaska.com>

To: janehamilton99737@yahoo.com

Mr. Bryce Wrigley;

I support this bill and would like to see the reinstatement of a Division of Agriculture here in Alaska. For the best interest of all of our local sustainability and complete farming and agriculture needs, this bill is well supported by myself and my family. Please consider my name as a true advocate for this request.

Thank you,
Kirsten Pedersen, Wasilla

--

**Re: HB-191 Hearing Monday**

Thursday, March 22, 2012 11:59 PM

From: "sandi schultz" <sandischultz@starband.net>**To:** "Jane Hamilton" <janehamilton99737@yahoo.com>

I support HB 191. We need a Department of Agriculture to benefit farmers and consumers. This bill would bring all ag-related services together to better serve the producer and the consumer. sandi

Dare to be imperfect and one day there will tug at your sleeve a soulmate.
~Robert Brault

From: [Jane Hamilton](mailto:janehamilton99737@yahoo.com)**Sent:** Thursday, March 22, 2012 1:06 PM**To:** undisclosed recipients:**Subject:** HB-191 Hearing Monday

Alaska State Farm Bureau President Bryce Wrigley will be testifying during the House Resources committee hearing on Monday, March 26th. The hearing is scheduled for 1:00 P.M.

If you'd like to support the bill, please send an e-mail to the Farm Bureau executive director at janehamilton99737@yahoo.com by noon this Saturday if you have not already done so. Your statement need not be lengthy, a sentence or two will make a significant difference.

If you'd like to testify before the committee on Monday, please contact your local LIO Office. It's best to let them know that you'd like to testify ahead of time so they will be set up for you.

HB-191, establishing a Department of Agriculture and Food, was introduced by Representative Steve Thompson and is co-sponsored by Reps. Kerttula, Tuck, Lynn, Dick, Miller and Wilson. Currently, statutes and regulations that govern food, food products, land sales, loans land development and livestock are in multiple Departments. HB-191 would bring them together in one department. It's interesting to note that in 1947, the Territory of Alaska had a Department of Agriculture. Agriculture was later made a Division and put in the Department of Natural Resources. This bill would actually be re-instating what we used to have. Alaska and Rhode Island are now the only two states that do not have a Department of Agriculture.


Courses from France for AG degree via Quentin Idrac

Friday, March 16, 2012 11:08 AM

From: "Ruby Peck-Hollembaek" <rhubarb99737@gmail.com>

To: "Carol Lewis" <celewis@alaska.edu>, "Jan Rowell" <Jan.Rowell@alaska.edu>, "Craig Gerlach" <scgerlach@alaska.edu>, "Milan Shipka" <mpshipka@alaska.edu>, "CES Delta" <cmroden@alaska.edu>

Cc: "Coghill, John (LAA)" <senator_john_coghil@legis.state.ak.us>, "Rep_Reggie_Joule" <Rep_Reggie_Joule@legis.state.ak.us>, "Senator_Joe_Paskvan" <Senator_Joe_Paskvan@legis.state.ak.us>, "Senator_Joe_Thomas" <Senator_Joe_Thomas@legis.state.ak.us>, Rep_Alain_Dick@legis.state.ak.us, Rep_Eric_Fiege@legis.state.ak.us, "Rep_David_Guttenberg" <Rep_David_Guttenberg@legis.state.ak.us>, "Rep_Scott_Kawasaki" <Rep_Scott_Kawasaki@legis.state.ak.us>, "rep_bob_miller" <rep_bob_miller@legis.state.ak.us>, Rep_Bill_Stoltze@legis.state.ak.us, Rep_Steve_Thompson@legis.state.ak.us, Rep_Tammie_Wilson@legis.state.ak.us

Bcc: janehamilton99737@yahoo.com

1 File (40KB)



courses.ppt

I was able to retrieve our exchange student, Quentin's course schedule.
I would love to see UAF be the university in Alaska that would offer such.
Thanks again.
Go UAF!

1. I would also envision that coursework and lectures might be available online for students. The tv channel 360 North often has lectures presented from UAS. I would hope that UAF could offer the same in regards to Alaska ag, afterall UAF is a lands grant college as we all know.
2. On another note, I see that TCC presenter gave an excellent grower school presentation. This might be incorporated too along with the CES Master Gardener's Course Curriculum. What great sources we already have, blueberry study from Pat Holloway, etc.
3. Here is the link <https://www.facebook.com/StoreOutside> in regards to Alaska's Intertribal Health...Gary Ferguson.
4. Also: Kineen's site:<http://fresh49.com/>
5. I envision a 30 minute weekly segment called something like "Sow Alaska"....not like a hog ;), but rather what we reap and sow.This 30 min. program would feature harvests of grown and wild food from around the state and "how to prepare it". Gary's is already doing segments in regards to traditional foods. KUAC would be a great station to present this.

Great to see everyone and I like that SARE has movement with their grassroots endeavors such as availability of land for people who want to farm but can't afford to buy a piece of land, greenhouse productions, community gardens, farmers' markets, barley flour, arctic chamomile, legislative interest in agriculture/food-again. We are only 1 of 2 states who do not have a cabinet level department of agriculture. Very sad considering everything. I promote the reinstatement of a cabinet level Department of Agriculture. HB 24 is a good initiative. Thank you. Ruby



Scott and Ruby Hollembaek
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E-mail: produce@att.net

**House Natural Resources Committee
HB191 DEPARTMENT of Agriculture Hearing
Paul A. Huppert Testimony Statement**

As a matter of introduction to my agricultural experience, after farming in Yakima Valley Washington, I moved with my family to Alaska and homesteaded in the MatSu Valley. We have farmed potatoes, vegetables and hay. We established Palmer Produce for our product whole sale marketing, as well as for other Producer's products. We have dealt with various facets of Alaskan agricultural production and marketing for over 50 years.

I. Comprehensive Plan for Alaskan Agriculture Development

There isn't one and there hasn't been one for years and years under the Department of Natural Resources (DNR). No industry can achieve progress without a viable plan in place.

A. Agriculture Industry Participation

It is imperative that the agriculture industry be thoroughly involved in any planning for Alaskan agricultural development. Additionally, planning should include the development of the applicable budget requirements.

The planning process is never complete. Any plan must be flexible and on-going to meet ever-changing needs. Once a plan is developed, the industry must continue to be involved through an open door policy. The Division of Agriculture under DNR has shut out the very industry they are supposed to serve.

B. Legislative Participation

Legislative participation is important so that they can be well informed as to the industry's input. Alaskan agriculture needs a "Department" of its own that is focused on a viable plan to actually develop Alaskan agriculture's potential.

II. Agricultural Revolving Loan Fund (ARLF)

The ARLF is critical to the funding of any development of agriculture as Private Banks do not give a high priority to Ag lending. DNR and the Division of Agriculture have essentially ignored the ARLF for years with no forward planning whatsoever.

A. Recapitalization

With essentially no more capital assets to liquidate, the ARLF funds are depleting. The fund needs reorganization that includes professional financial management prior to any recapitalization.

B. Loan Authority

I don't believe that the Board of Agriculture & Conservation (BAC) should sit as the ARLF Loan Committee. My experience on Bank Boards and as past Chairman of Commercial Fishing & Agriculture Bank (CFAB) is that there must be a Loan Committee as an independent unit made up of professional personnel within the organization who follow Statutory and Regulatory requirements. Additionally, regularly scheduled audits should be mandatory.

III. Agricultural Lands

Agriculture is not a priority for DNR and they have stymied ag land sales and development for years and years. We need a "Department" level of priority with a long term vision and focus for the future of Alaskan agriculture.

A. Agriculture Land Covenants

Public lands, both State and Federal, that could be classified as agricultural in Alaska is a very small percentage. Lands that meet ag classification should be classified for future needs. It is of primary importance to retain agricultural covenants on these ag lands for future generations.

Agriculture lands everywhere, not just in Alaska, had a rough time in their beginning development years. The Great Plains and the large irrigation projects, which I was involved in after WW II, had their detractors. Everyone who eats is fortunate that they still progressed forward through those tough times. Today, with our population, we need that continued production. In looking back, the next one hundred years will go by in the blink of an eye.

B. Agriculture Land Sales

There should be a review of current ag land inventory and it be made available to those interested in farming. Additionally, there should be a plan for future ag land inventory with surveys, appraisals, proper access, plus applicable budget support.

IV. Research

There isn't any, at least not any research that actually applies to truly developing Alaskan agriculture. There has been a disconnect between the Division of Agriculture Plant Material Center (PMC) and the University of Alaska for years under DNR.

A. New Crops

We are in desperate need of continued research for the future development of Alaskan agriculture. This is more critical than ever before with the loss of the Federal Arctic Research Services (ARS).

Vegetable seed production is a very high value crop. As an example, spinach seed sells for \$1,800.00 per lb. in the lower 48 States. They have developed strains so they won't bolt; consequently, they have a problem getting seed. We had Harris Moran Seed Co. run trials on our farm. They discovered that due to our summer's long light, spinach would bolt and yield high quantities of seed. Our problem was getting it dry at the time of harvest; however, I believe we could use dryers.

Another example is that we can raise a gourmet product with fresh frozen peas but it takes 15,000 acres to put in a pea processing plant. I firmly believe Peas could be raised in the Delta area. The good part of this is that peas can be mechanically harvested and processed. We have already done the research on Peas. We just need a plan and progress forward.

V. Plant Material Center (PMC)

The Division of Agriculture's Plant Material Center is stuck in a 30-year time warp based on its origination. It's only priority seems to be re-vegetation. It is not responsive and is shut off from the agricultural industry's true development needs as a result of lack of direction and leadership under DNR.

A. Seed Potato Program

The Division of Agriculture has been aware of the most dreaded of potato diseases bacterial ring rot (BRR) in the MatSu Valley since at least 2008 when it was identified on the State's own Department of Corrections Pt. Mackenzie farm. However, the Division of Agriculture has taken no measures to eradicate the disease. There is zero tolerance for this potato disease in the lower 48 and the rest of the world.

The Division's Seed Potato Program promotes and suggests the use of Alaska certified potato seed, rather than imported seed, as a means to avoid introducing disease to Alaska. First, there is insufficient quantity of certified seed potatoes available in Alaska for commercial potato producers and retailers. Second, the credibility of Alaska's own potato seed certification program is a concern if the Division of Agriculture has known of the potato ring rot disease incidents for years and appears to have taken no measures to address it.

What is the State going to do about encouraging production of sufficient quantities of *quality* certified seed potatoes for Alaskan potato producers? What is the State going to do about eradicating the bacterial potato ring rot disease in Alaska? What is the State going to do about instilling confidence in the Alaska Potato Seed Certification Program? This is another example of the low priority given the Alaskan agriculture industry under DNR and the desperate need for a “Department” management level.

B. Export Crops

Alaska is the only State that is able to export seed potatoes to China. However, this is in jeopardy when we have potato bacterial ring rot in our own back yard.

It is Nationally a standard responsibility for a “Department” of Agriculture to protect the health of food produced and to protect the reputation of what we produce.

Alaska can produce high value vegetable seed and compete on the world market with a “Department” of Agriculture leading the way.

VI. Ethics/Opens Meetings Act/Conflict of Interest

It is important that current laws regarding Ethics, Open Meetings Act and Conflicts of Interest be adhered to and enforced by State Department of Law. DNR has been invisible and silent in this regard when it comes to providing leadership and oversight of the Division of Agriculture and the Board of Agriculture.

VII. Conclusion

There have been several audits, followed by several promises, for changes by a number of DNR Commissioners & Deputy Commissioners, along with Division of Agriculture Directors, that have never come to pass. The 2002 Legislative Division of Agriculture Audit Conclusion still applies today and supports HB191 creating an Alaska DEPARTMENT of Agriculture.

“Since our last audit, the division has made very little progress in advancing agriculture. In fact, we found that the lack of innovative leadership is actually hindering the expansion of Alaska agriculture. The Legislature should statutorily restructure services to agriculture for a more aggressive pursuit of distinctive Alaskan opportunities.”

I support HB191 that creates a “Department” of Agriculture to raise it to a cabinet level that is necessary for Alaskan agriculture’s development. A “Department” of Agriculture’s qualified Commissioner’s #1 priority will be to address Alaskan agriculture issues that have mentioned and many, many more. DNR and the Division of Agriculture have had over 50 years, and failed, to bring Alaskan agriculture to a successful level.



HB-191 Hearing

Thursday, March 22, 2012 9:51 PM

From: "Charlotte Brady" <charlotwilb9@aol.com>

To: "janehamilton99737@yahoo.com" <janehamilton99737@yahoo.com>

Ms. Hamilton,

I support this bill and would like to see the reinstatement of a Division of Agriculture here in Alaska. For the best interest of all of our local sustainability and complete farming and agriculture needs, this bill is well supported by myself and my family. Please consider my name as a true advocate for this request.

Thank you,
Charlotte Brady, Wasilla, AK

**Re: AK Farm Bureau Requesting Your Support**

Tuesday, March 6, 2012 3:56 PM

From: "Rita Jo" <ritajo@alaskahardy.com>**To:** "Jane Hamilton" <janehamilton99737@yahoo.com>

Jane here's my 2 cents on this issue

Bryce Wrigley, President
Alaska Farm Bureau

Dear Mr. Wrigley

I appreciate any work you do that furthers the option and or successful action that produces a Department of Agriculture. It is quite the trend now to grow your own food, and with over 150 high tunnels constructed in the last 3 years in our area, folks are very serious about increasing their production to feed themselves and extended families. They are all new growers in need of guidance in farming. Many of these new growers are anticipating have produce for Farmer's Market and for local grocery stores as well as local restaurants.

The newest industry to hit Alaska, growing peony for the cut flower market, is much further along than any of us ever thought would happen this quickly. Just this past month Fairbanks had their second session to help new growers and had over 40 attend. This offering was as a result of the close out of a New Growers session at the Alaska Peony Growers Conference in January where many were turned down due to room capacity and fire marshal rules. The conference itself was attended by 120 folks. The summer conference also had great attendance.

The Matanuska Valley peony growers are forming a regional group and have again over 40 folks getting together at different times to discuss possibilities.

Here on the Kenai Peninsula, we have over 50,000 cuts for this year's market at a minimum and probably triple that for next year. All these new growers are in need of advice. I am in support of HB 191 and would be more than willing to talk and answer questions about the peony industry to anyone interested.

Rita Jo Shultz
907 235-4969
Fritz Creek Gardens
ritaio@alaskahardy.com
www.alaskahardv.com
Alaska Hardy Peony LLC
ritajo@alaskahardvpeony.com
www.alaskahardvpeony.com
Box 15226, Fritz Creek, AK 99603

----- Original Message -----

From: Jane Hamilton

To: undisclosed recipients:

Sent: Tuesday, March 06, 2012 10:35 AM

Subject: AK Farm Bureau Requesting Your Support

--- On Tue, 3/6/12, Jane Hamilton <janehamilton99737@yahoo.com> wrote:

6 March 2012

In reference to HB 191,

The general public in the Alaskan interior see agriculture as a boutique industry. Most people do not know the capabilities of local agriculture is capable of going far beyond an urban farmers market. The Alaska DNR has done very little to change or enhance agriculture's image or capabilities.

The current situation awareness and danger of a local food and fuel supply slipping away is evident. HB 191 could change the stagnation or decline of agriculture in the state of Alaska.

Thanks,

Gar Blackledge
Delta Junction, Alaska



Re: AK Farm Bureau Requesting Your Support

Tuesday, March 6, 2012 11:14 AM

From: "geobk@mtaonline.net" <geobk@mtaonline.net>

To: "Jane Hamilton" <janehamilton99737@yahoo.com>

Jane-I am in favor of a Department of Agriculture. I worked there for 12 years. George Crowther

--- janehamilton99737@yahoo.com wrote:

From: Jane Hamilton <janehamilton99737@yahoo.com>

To: undisclosed recipients: ;

Subject: AK Farm Bureau Requesting Your Support

Date: Tue, 6 Mar 2012 11:36:46 -0800 (PST)

--- On Tue, 3/6/12, Jane Hamilton <janehamilton99737@yahoo.com> wrote:

From: Jane Hamilton <janehamilton99737@yahoo.com>

Subject: AK Farm Bureau Requesting Your Support

To: "Jane Hamilton" <janehamilton99737@yahoo.com>

Date: Tuesday, March 6, 2012, 9:51 AM

Below you will find a letter from Alaska Farm Bureau State President Bryce Wrigley. He is requesting a statement, comments, or even a one line comment in support of the passage of HB 191 which will reinstate a Department of Agriculture. Please send them to the Alaska Farm Bureau Office at PO Box 760 Delta Junction, AK 99737 or to me at my e-mail address - janehamilton99737@yahoo.com

We encourage you to forward this to others who may not be Farm Bureau members.

Please send your comments or statements as soon as possible. Thanks.

Hello Farm Bureau Members-

It has long been the priority of the Alaska Farm Bureau to promote and develop a dynamic agriculture industry in Alaska. HB 191, the bill to reinstate a Department of Agriculture, is the vehicle we are supporting to accomplish this because it will elevate agriculture to a higher level within government and allow for better coordination and development of our food production.



Re: AK Farm Bureau Requesting Your Support

Tuesday, March 6, 2012 6:40 PM

From: "gaylewind@juno.com" <gaylewind@juno.com>
To: janehamilton99737@yahoo.com

Jane,
Both Jim and I are very much in support of the Department of Agriculture. We totally concur with Bryce's comments.

Jim and Gayle Eastwood

53 Year Old Mom Looks 33
The Stunning Results of Her Wrinkle Trick Has Botox Doctors Worried
<http://thirdpartyoffers.iuno.com/TGL3131/4f56d8ec4ccb1accf9fst04vuc>



Re: Fw: HB-191 correction

Thursday, March 8, 2012 11:39 AM

From: "jbbush@mtaonline.net" <jbbush@mtaonline.net>
To: "Jane Hamilton" <janehamilton99737@yahoo.com>

Bushes Bunches Farm is very much in support of HB191. Alaska's agriculture is finally beginning to be noticed worldwide, and we need to develop an organization that promotes agriculture to the enth degree. Not unlike the Copper River Salmon. Focus on agriculture. We need a Department of Agriculture ASAP. Had no idea it had been since territorial days. And I lived here when it was still a territory, so I know how long its been.

Sincerely,
Victoria Bush

--- janehamilton99737@yahoo.com wrote:

From: Jane Hamilton <janehamilton99737@yahoo.com>
To: Jane Hamilton <janehamilton99737@yahoo.com>
Subject: Fw: HB-191 correction
Date: Tue, 6 Mar 2012 20:10:47 -0800 (PST)

--- On Tue, 3/6/12, Jane Hamilton <janehamilton99737@yahoo.com> wrote:

From: Jane Hamilton <janehamilton99737@yahoo.com>
Subject: HB-191 correction
To: "Jane Hamilton" <janehamilton99737@yahoo.com>
Date: Tuesday, March 6, 2012, 7:09 PM

Thanks to those of you who have sent in your comments and letters in support for HB 191.

I'd like to regretfully point out that I spelled my own name incorrectly when I gave you my e-mail address earlier today. The correct address is:

janehamilton99737@yahoo.com

We are hopeful that we will be hearing from more of you soon!



Re: AK Farm Bureau Requesting Your Support

Wednesday, March 7, 2012 7:18 PM

From: "Marlene or John Wenger" <marwen@cvinternet.net>
To: "Jane Hamilton" <janehamilton99737@yahoo.com>

As a farmer and business owner, I am in support of HB 191 which will
reinstate a Dept
of agriculture.
John Wenger

YAHOO! MAIL
Classic**HB 191**

Wednesday, March 7, 2012 7:08 PM

From: "Shirlene Wrigley" <swrigley@alaska.net>**To:** "Jane Hamilton" <janehamilton99737@yahoo.com>

Dear Jane,

I do support HB 191 in reinstating the Department of Agriculture. I feel the time has come to support our food source in the state of Alaska. Considering the economy of our country the local food supply to sustain ourselves is very important to consider and plan for.

I do believe that we would have better results guiding our own industry through the Department of Agriculture from the prospect of the farmers than going through the DNR. Our goal is to grow enough food in our state to sustain ourselves and not totally rely on the transportation system from the lower 48.

Sincerely,

Rex Wrigley

Re: HB 191, Establishing a State Department of Agriculture and Food

I herewith extend my full support of HB 191. It is deeply disappointing to see that this important legislation, that enjoys considerable Legislative support, has never been heard in House Resources this year. It was sent to Resources last year.

In the dramatic growth of all forms of agriculture in Alaska, not least the promising and lucrative Peony business, it is high time, that Agriculture receive the state support it so desperately needs.

Please support HB 191.

Thank you,

Milli Martin
P.O. Box 2652
Homer, AK 99603
907-235-6652
Email: millimom@xyz.net



Support of Dept. of Agriculture

Wednesday, March 7, 2012 12:09 PM

From: "John Dart" <jdart@alaska.com>
To: janehamilton99737@yahoo.com

Dear Ms. Hamilton:

As a farmer and Farm Bureau member, I support the establishment of a Alaska Department of Agriculture. We are at a crossroad to expanding agriculture in the State and need a better separate system. Our needs will always fall to the wayside, as DNR simply doesn't have the time, funding, or expertise to fulfill all of the needs of a diversified agriculture here in our vast State.

Sincerely,

John Robert Dart
Farmer
Dart-AM Farms, LLC
P.O. Box 84
Manley Hot Springs, Alaska 99756

**HB 191**

Tuesday, March 6, 2012 7:52 PM

From: "Craig and Kathy Baker" <grayowl@mtaonline.net>**To:** janehamilton99737@yahoo.com

Craig and Kathy Baker own and operate Gray Owl Farm, a greenhouse and sod business in the Mat-Su Valley. We were honored as the 2011 State Fair Farm Family of the Year. We have been associated with Alaskan agriculture since the Point MacKenzie Dairy Project in 1984 where Craig was a farm manager. We completely support the reinstatement of the Department of Agriculture in the State of Alaska. The Governor's recent programs to promote disaster preparedness is in perfect keeping with the promotin of a local food supply and self sufficiency. A department within the government would help insure that great ideas for Alaska's food supply are heard. Agriculture is a stand-alone, important industry that needs to be independent of the Department of Natural Resources. We appreciate your consideration and actively support HB 191.

Sincerely,

Craig & Kathy Baker

Gray Owl Farm

PO Box 2976

Palmer, Alaska 99645

907-745-0353

**Re: AK Farm Bureau Requesting Your Support**

Thursday, March 8, 2012 10:22 AM

From: "Viola Amberg" <alaska.aitc@gmail.com>**To:** "Jane Hamilton" <janehamilton99737@yahoo.com>

President Bryce,

Alaskans cannot eat crude oil - nor do we mine for food.

My name is Viola Amberg, and I live at 1335 Skyline Drive, Fairbanks, AK 99712 and we own a 400 acre farm parcel in the Copper Center area. I would like to voice my support for House Bill 191.

In March of 2011, Rep. Steve Thompson sponsored HB 191, a bill that would allow Alaskan residents to focus appropriate state resources on food production and security. HB 191 is good for all Alaskans.

The Department of Natural Resources has served its purpose; DNR has successfully fostered the growth of Alaskan agriculture; however, Alaska is now in a position to manage a dedicated department - specifically designed to further advance our state's agriculture potential.

At one time, DNR's Division of Agriculture made sense; however, on July 15, 1957 - Alaska's first major, commercial oil discovery took place... and a lot has changed since then. "Oil and Gas" have consumed the forefront of DNR's attention, leaving Alaskan Agriculture in its wake.

The dynamics of our state has changed, and Alaska's administration is obligated to change along with it.

Alaska is ready for the Agriculture "sub" Division to become what it was intentionally designed to be - the Alaska Department of Agriculture. Let's look to the future and secure Alaska's next generation's resources.

Sincerely,

Viola L. Amberg
violaamberg@gmail.com

On Tue, Mar 6, 2012 at 10:36 AM, Jane Hamilton <janehamilton99737@yahoo.com> wrote:

--- On Tue, 3/6/12, Jane Hamilton <janehamilton99737@yahoo.com> wrote:

From: Jane Hamilton <janehamilton99737@yahoo.com>
Subject: AK Farm Bureau Requesting Your Support
To: "Jane Hamilton" <janehamilton99737@yahoo.com>
Date: Tuesday, March 6, 2012, 9:51 AM

Below you will find a letter from Alaska Farm Bureau State President Bryce Wrigley. He is requesting a statement, comments, or even a one line comment in support of the passage of HB 191 which will reinstate a Department of Agriculture. Please send them to the Alaska Farm Bureau Office at PO Box 760 Delta Junction, AK 99737 or to me at my e-mail address - janehamilton99737@yahoo.com

**HB 191**

Thursday, March 8, 2012 8:38 PM

From: "Charles Knight" <cknight.alaska@gmail.com>**To:** "Jane Hamilton" <janehamilton99737@yahoo.com>

Alaska Farm Bureau

I support HB 191 to reinstate a Department of Agriculture. It is interesting to live in a country that has vast reserves of gas and oil, yet much of our fuel is imported from foreign countries (we blame that on Federal restrictions). At the same time, we live in a state with millions of acres of land with agricultural potential, and we import over 95% of our food. That is not due to Federal restrictions, but due to the fact that the Department of Natural Resources is much more interested in exporting gas and oil than they are in building communities and providing a secure food supply for Alaska residents. We need a Department of Agriculture to champion the development of renewable resources through agricultural production and processing.

Charles Knight
Farm Bureau Member



Re: HB 191 Letters of Support

Monday, March 19, 2012 2:39 PM

From: "Carmen DeVilbiss" <windyriverfarm@gmail.com>
To: "Jane Hamilton" <janehamilton99737@yahoo.com>

I would like to send a note of support for HB 191 and encourage the passage of this bill to further benefit the people of the state of Alaska and help our state to become more food independent. We as farmers need help removing the hurdles of bureaucracy that impede our industry and I think re-instating a Department of Agriculture would give us a voice with some influence in making that happen.
Sincerely, Gerald DeVilbiss

On Mon, Mar 12, 2012 at 2:43 PM, Jane Hamilton <janehamilton99737@yahoo.com> wrote:

Just a reminder to send in your letters or a one line sentence of support for HB 191 which will re-instate a Department of Agriculture.

We have received quite a few letters and comments from our membership. Marlene Wenger and Rex Wrigley are the only two Board members who have sent them to date.

Bryce's letter outlining the reasons for the request is attached. Please remind your members to send their comments as well. The more we have, the better the impact we will have during the House Resource Committee hearing.



HB 191

Thursday, March 22, 2012 7:58 AM

From: "Ruby Peck-Hollembaek" <rhubarb99737@gmail.com>**Bcc:** janehamilton99737@yahoo.com

It's time to ask the other 48 states to restructure their departments of agriculture and lower them to a division. If Alaska doesn't have a cabinet level department of agriculture and the politicians don't think we need it, other states must not need theirs' either. Do I believe this? Heck no! Up until the 1960's, we had a cabinet level department. Change happened then and the department was made into a division under the Department of Natural Resources. I believe this was just prior to pushing the pipeline through. We have to think of Alaska as an agricultural state, not just an oil, mining, timber and fishing state. Less than 1% of Alaska land is in private hands. We are special, not having a cabinet level department of agriculture, is not a good way to be special. Rhode Island and Alaska don't have a cabinet level, all other states do.

My opinion. Regards, Ruby

--

Scott and Ruby Hollembaek**907/895-4715 (shop)****907/895-9810 (fax)**Game Ranch: www.bisonandelk.comCommunity Gardens: www.wecangrowit.blogspot.comRhubarb: www.akrhubarb.blogspot.com



Re: AK Farm Bureau Requesting Your Support

Wednesday, March 7, 2012 7:13 PM

From: "Marlene or John Wenger" <marwen@cvinternet.net>

To: "Jane Hamilton" <janehamilton99737@yahoo.com>

As the Director for the Copper River Valley Farm Bureau I am in support of HB 191 which will reinstate a Dept of Agriculture.
Marlene Wenger



ALASKA FARM BUREAU, INC.

Bryce Wrigley, President
bjwrigley@gmail.com

Jane Hamilton, Executive Director
janehamilton99737@yahoo.com

December 22, 2010

Representative Steve Thompson
PO Box 70843
Fairbanks, Alaska 99709

Dear Representative Thompson

The Alaska Farm Bureau respectfully requests your support as we pursue the creation of a Department of Agriculture in the next legislative session.

A Department of Agriculture would replace the Division of Agriculture that is currently in the Department of Natural Resources (DNR) where time and attention are focused on oil and gas.

A Department of Agriculture is not a new concept. In fact, the Alaska Territorial Legislature originally created a Department of Agriculture in 1945 and Governor Ernest Gruening named George Gasser as the first Commissioner of Agriculture. His appointment was readily confirmed by the legislature, praised by Alaska newspapers and widely welcomed by Alaskans.

We envision a streamlined Department that would be funded at about the same level that the Division of Agriculture currently is. The Department should focus on development of agriculture as the best way to achieve food security. We need a department that is focused on, and is supportive of the industry. Alaska's citizens deserve one. Alaska's farmers and ranchers must have one to survive.

Food production and food security should be the number one priority in Alaska. There is approximately a 3-5 day supply of food in the state. The majority of all of our food comes from the Lower 48. We are dependent on a food distribution system that has been disrupted several times due to natural disasters as well as those created by man such as longshoremen's strikes and of course, September 11th.

PO Box 760 Delta Junction, Alaska 99737 Telephone: (907) 895-4752

Farmers and ranchers are thwarted by regulations that prohibit the growth of the industry, preventing us from resolving the food security dilemma. Inspection services for farm products, veterinary services, and farmland issues are currently functions of several different agencies and would be more efficient if located in a single department - a Department of Agriculture.

The phrase "If you eat, you are involved in agriculture" is not just a catchy tagline. It is a truism that all of us need to pay better attention to. We look forward to working together to improve Alaska's food security by increasing food production and ensuring that our citizens have access to an abundant, safe and healthy food supply grown in Alaska.

Over the next few weeks we will be providing you with additional information, which will serve to brief you more fully on this issue. If you have any questions, please don't hesitate to contact us. We look forward to working with you on this very important issue.

Sincerely,

Bryce Wrigley,
President,
Alaska Farm Bureau
bjwrigley@gmail.com
907-687-9924



ALASKA FARM BUREAU, INC.

Bryce Wrigley, President
biwrigley@wildak.net

Jane Hamilton, Executive Director
janehamilton99737@yahoo.com

To Whom it May Concern:

The Alaska Farm Bureau represents 350 farm families throughout the state of Alaska. At our Annual Meeting in November, we voted to pursue creation of a Department of Agriculture for Alaska. The motion passed unanimously.

For almost 30 years, agriculture has struggled to survive in the shadow of oil and gas. We do not resent or regret the attention that those natural resources receive, for we agree that at this time they drive the economic engine of the state. Unfortunately, after adequate attention has been focused on those resources, there is simply no more time in the day for DNR managers to address the vital importance of agriculture in Alaska.

We import almost all our food and as a result our food supply is in a precarious state in the event of any number of possible disruptions to transportation. We believe agriculture can do much to increase our food security – not only on the road system, but in remote rural communities as well.

A strong agricultural base is absolutely vital to Alaska for several reasons. Enhancing food security is just one. Improving rural communities by creating jobs and work allows rural residents to remain in their communities. Many secondary jobs are created when there is a strong agriculture industry, including jobs in transportation, processing, and marketing.

Most dollars from the sale of agricultural products stay in the community and state. Economists use a multiplier of 8 for such sales compared with about 2 or 3 for oil and gas. The result of this turnover is a stronger economic engine.

I could continue with the social benefit to remote rural villages, beset with alcohol, drugs, and violence. Millions of dollars are spent for intervention programs that treat the symptoms, but do not address the cause. I believe agriculture establishes a connection with the land and gives people a reason to live and work, and builds pride by providing for themselves.

The end result is that given the importance of agriculture to the social and economic health of Alaskans, there must be a more streamlined method of charting the course and accomplishing the mission of feeding Alaskans, than under the current system. The multiple layers of bureaucracy through wich plans,

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budget, and initiatives must pass under the current structure provides too many opportunities to sideline critical functions because while they may meet the needs of the agriculture industry, they do not meet the priorities of DNR. Consequently, valuable resources to the state never make it to the cabinet level where agricultural resources can be coordinated among agencies to meet socio-economic needs.

Many are concerned about the cost of creating a new department. We believe that properly structured, the cost of a Department of Agriculture need not be significantly more than the current division. The discussion we should be having is whether the value of the new department, in efficiency, purpose, and widespread benefits to urban and rural residents alike, will make it a bargain for Alaska.

We believe it can.

Sincerely,

Bryce Wrigley,
President, Alaska Farm Bureau



ALASKA FARM BUREAU, INC.

SMJ

Bryce Wrigley, President
bjwrigley@gmail.com

Jane Hamilton, Executive Director
janehamilton99737@yahoo.com

January 5, 2011

ALASKA NEEDS A DEPARTMENT OF AGRICULTURE – REASON #1

As explained in our last letter, the Alaska Farm Bureau is pursuing creating a Department of Agriculture. There are many significant reasons for this – benefiting the Alaskan consumer as well as the Alaskan farmer. In the next few weeks we will address some of them.

Agricultural Inspections need to be consistent, reliable and conducted by the same department.

The Division of Agriculture is currently responsible for inspecting crops and shell eggs (poultry), elk fencing and farming licenses and beehive registrations. Seed potato inspections are made in the field during the growing season as well as the crops after harvest. The Division of Agriculture administers seed potato and tomato plant regulations for nurseries and garden centers.

Producers participating in the Alaska Grown program are also subject to inspections to ensure produce meets the Alaska Grown quality requirements.

The Office of the State Veterinarian is responsible for the surveillance and control of animal diseases as well as the inspection of sanitary conditions of dairy farms, milk, cheese and ice cream processing equipment and facilities and the issuance of their permits.

There are specific regulations regarding the export and importation of both pets and domestic livestock. Wild bird flocks as well as domestic poultry are tested for H1N1 (Swine Flu). Domestic livestock are inspected and tested for several diseases such as Brucellosis, Johannes Disease, TB, etc.

The Office of the State Veterinarian is currently under the umbrella of the Department of Environmental Conservation. This separation from agriculture

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coupled with the intense regulatory mindset of DEC results in disenfranchisement of the agriculture industry from one of the most important offices that should support development of a healthy local food production industry.

The Office of State Veterinarian used to be located in the Division of Agriculture and was viewed as a resource by the agriculture community. We propose returning the State Veterinarian to the Division of Agriculture because we believe it will serve the industry better by improving the working relationship between the State Veterinarian and agriculture.

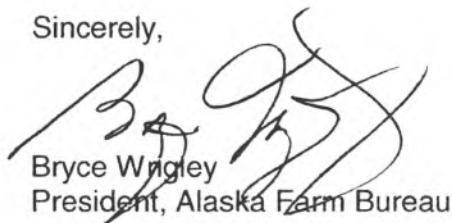
We also propose transferring the inspection services of all local agricultural products to the new Department of Agriculture. There is a different mindset in the Division of Agriculture than what exists in the strict regulatory mentality of DEC. The Division of Agriculture has a mission to work with producers to accomplish food production. The Division of Agriculture already performs many inspections of agricultural products and when problems are found, their approach is to work with the producer to correct the problem.

This is not the policy of DEC, whose stance is to rigidly enforce regulations and ignore the calls of legislative oversight committees to modify overly strict rules that obstruct local food production. Regulations that ensure a safe food supply need not be a barrier to local food production systems if there is a willingness for the state and the industry to work together. However, that goal can best be achieved by inspections being housed in a Department of Agriculture with the goal of increasing our food security through increased local production and reasonable inspection standards.

In closing, we need to create a more business-friendly climate for food production and processing. Alaska needs to produce more of our own food to supply in-state needs in times of emergency. The importance of developing our food producing resources cannot be overstated. It will take time to increase our production and processing, so that it is available when it is needed. This process can best be accomplished with a Department of Agriculture that houses all the state services that affect agriculture.

Please contact us if you would like further clarification or additional information regarding this letter. We will be happy to provide documentation and examples of how the state agencies can participate in the development of a more secure food supply.

Sincerely,



Bryce Wingley
President, Alaska Farm Bureau

Key Provisions of Dept. of Agriculture
from the Alaska Farm Bureau, Inc.

Using the current budget for the Division of Agriculture, we propose forming a Dept. of Agriculture for Alaska to more effectively guide agricultural policy during this critical time. Alaska is far too reliant on importation of food. When a disruption of the transportation occurs, which happens all too regularly, Alaskans suffer. This is especially obvious in the remote rural areas, but the major impacts would be felt in the urban centers, simply because the majority of Alaskans live there.

The state suffers from the lack of attention to agriculture. Let us consider that with agricultural products on the farms, storage barns, and feedlots of Alaskans, we become more able to weather the effects of natural disasters or widespread pandemic. Alaskan farms can produce the variety of food needed to provide a balanced diet.

What we lack is a focused agency that houses the needed services that government can and should provide. Inspection of locally produced food and processing is currently under DEC, as is the state veterinary. We believe moving both these functions back to Agriculture would greatly facilitate the development of agriculture and the attendant processing needs. There is a simple, but powerful difference the attitudes of facilitation and regulation exert on the business climate.

To this end, we suggest the following adjustments:

Creation of a Department of Agriculture – DNR is rightfully absorbed with oil, gas, and mining. There is no time and very little support for agriculture in the shadow of these topics. Yet feeding our citizens healthy, nutritious food and securing its supply for Alaska is important enough to warrant a higher level of support from the administration.

1. Under the Dept. of Agriculture, inspection services of all agricultural products and State Veterinary services would be transferred from DEC along with the budgets for those services.
2. ARLF would remain with the Dept. of Agriculture. This is important because banks will not lend on land subject to ag covenants. Therefore, lending options for ag producers are limited. Not only does the ARLF lend on farm enterprises, because it is housed under agriculture, there is a better understanding for the ag of the risks and opportunities relating to agriculture than other state loan programs have.
3. Plant Material Center (PMC) functions would continue with the new Department of Agriculture to develop and propagate seed for agriculture.
4. Oversight of all land classified for agricultural development will be moved to the Dept. of Agriculture. Alaska has a limited amount of land suitable for agriculture, much of which has been designated as such. When a borough, municipality, or the University receives land, those ag covenants do not transfer with the land. This reduces the amount of land available for growing agriculture. The state land

designated for ag development that currently remains, must be protected from losing those covenants. The Dept. of Agriculture is the logical entity to identify land for disposal to the private sector for development. They need to have funding to survey it, put in pioneer access to it, and dispose of it to people interested in farming and ranching.

5. Budget

- a. Recapitalize ARLF and stop funding operations from the loan fund. The fund was set up to revolve, however some operational cost are drawn from the loan fund, resulting in a gradual decline of money available for lending to farming operations.
- b. Fund all Dept of Agriculture functions from budget, including Mt. McKinley Meats, the loan officer positions, and any other expenditures currently being drawn from the ARLF. This legitimizes the functions performed by the Dept. of Agriculture with a budget, and preserves the corpus of the revolving loan fund.
- c. Include agriculture education in budget. This might be funded from a percentage of the sale agricultural land, but it is important that the next generation be informed about where their food comes from and what they can do to participate in that process or else food production in Alaska will only last for one generation.
- d. Statutory regulations regarding loan policies.

6. Develop a Food Safety plan for Alaska. The Department of Agriculture will develop a plan to address food security in Alaska by providing for the expansion of local production. There is no other method of ensuring our food security because all other sources depend on the same transportation system we currently depend on. Food produced in Alaska and stored in the vegetable barns and cellars, grain bins, feedlots, dairies, and ranges of Alaska are 2500 miles closer to their end user, greatly facilitating access to food in the event of a transportation disruption. Several aspects of this plan need to be put in place while there is time including:

- a. The scheduled sale of ag land. State owned land is not producing land. It must be put into the hands of farmers who are determined to work it and produce on it.
- b. Regulations need to be designed to encourage a cottage industry for food production and processing. Small scale operations will provide the pool from which larger operations will emerge as they see growth in their markets. One model for accomplishing this is in Oregon, which allows a small producer to sell to neighbors.
- c. The Dept. of Agriculture can play an important role in facilitating small scale infrastructure development including mobile processing, inspections, land disposal, village food production projects, and farm financing. It is critical that through it all, the Dept. of Agriculture stay focused on improving our food security by facilitating growth of agriculture.
- d. The Department of Agriculture must proactively renew expiring livestock leases in a timely manner. Livestock leases are integral to the red meat industry, which is vital to our food security. Some producers have been

waiting years to get their leases renewed while the state determines what the wisest and best use of the land is and whether the lease cost need to be raised. Boiled down to the essentials, the Dept. of Agriculture will recognize that:

- Grazing leases are indicative of Agricultural land, therefore it has already been determined that agriculture is the highest and best use for it.
- Improvements made by the leaseholder should be credited toward the lease price, not charged extra for. In other words, when a rancher has put in livestock wells or working facilities, he should not be charged extra for them by the state when the lease comes up for renewal since the state had no part in making the improvements. Instead, the improvements should weigh in favor of the rancher as evidence that he is a good risk.
- Preference rights should be allowed if the current leaseholder continues to raise animals. This encourages the rancher to invest in improvements because the expenses can be amortized over a longer period of time.
- New leases should be for a minimum of 20 years to allow reasonable stability for financing improvements and making management decisions such as increasing his herd.

The History of Agriculture in Alaska and Support for a Department of Agriculture and Food (DAF)

In 1945 the Territorial Legislature created the Alaska Department of Agriculture for the purpose of promotion and development of agriculture. Agriculture is specifically identified in the State constitution. Prior to statehood, there was a Territorial Commissioner of Agriculture (George W. Gasser) who headed the Alaska Department of Agriculture. (<http://www.litsite.org/index.cfm?section=Digital-Archives&page=Industry&cat=Agriculture&viewpost=2&ContentId=2710>) **Certain functions in agriculture were established prior to statehood, such as a creation of the Agricultural Revolving Load Fund in 1953 with a \$1 million authorization.**

“The funds have dwindled because ARLF was set up to revolve, but it hasn’t. **It has not received general funding since 1986 and \$12 million total has been siphoned from the coffers to supply the Alaska Division of Agriculture’s operating expenses since 2004.**”¹ It should also be noted that funds have been siphoned off for other purposes other than funding the Division of Agriculture. There was a sizeable amount taken out for fire fighting. I believe that may have been in the \$2 million mark.

“In Alaska in 1987 there were 1,026,732 acres of agriculture land in production, in 2007 there were 881,585 acres of land in production, a decrease of 15%. When looking at the agriculture we produce here as compared to the rest of the United States **we rank 50th in almost all areas.** (<http://www.agcensus.usda.gov/>). This is not because of lack of producible land, lack of water or acceptable growing season. There needs to be a change in the political outlook for agriculture in Alaska.”²

It has been reported by a speaker at our **Alaska Farm Bureau** annual meeting held in November of 2010 that Indiana recently created a cabinet level Department of Agriculture and Food. Prior to this, I believe that there were only a few states (one of which is Alaska) who did not have a cabinet level department of agriculture. Vermont was another; they (in the last decade) were also successful in creating an Agency of Agriculture which is at the cabinet level. Upon review of the agricultural agencies in the United States, it appears that Rhode Island and Alaska may share the distinction of not having a cabinet level agency or department. I believe that Rhode Island and Anchorage may be the same size.

In a 147 page **Ten-Year Plan for Alaska’s Agricultural Development** submitted by a committee in 1983, **Alaska Agricultural Action Council (AAAC)** members (Richard Lyon, Chairman Commissioner of the Department of Commerce and Economic Development; Richard Neve, Commissioner of Department of Environmental Conservation; Peter McDowell, Director Division of Budget and Management; Paul Huppert, Palmer farmer; and Steve Hamilton, Palmer Farmer; James Drew, UAF Dean School of Agriculture and Land Resources Management; and Weymeth E. Long, State Conservationist, USDA; for Governor Bill Sheffield sited that “The responsibilities of the AAAC and the Division of Agriculture either frequently overlap or fail to provide a necessary service. The AAAC was responsible for the Delta Project and for subsequent projects and has taken advocacy positions on behalf of the Alaska agricultural

¹ Alaska Business Monthly, March 2011 “Banking on Agriculture” p.64

² <http://www.adlinc.blogspot.com>

industry. Because the Division of Agriculture is a part of a large department (DNR), it has been unable to devote its complete attention to planning or administering projects.”

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“Several options for administrative reorganization should be considered. These include combining the functions of both groups into one agency or the other, are combining the functions of both groups, along with other functions, into a Department of Agriculture. “

“At the very least, more coordination between the AAAC and the Division of Agriculture will be required as agricultural development continues. This would become easier if both were in a single organization. Ultimately, if the State of Alaska is to have a relatively larger agricultural industry, a Department of Agriculture should be considered. “

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1. **Promote self-sufficiency and to decrease dependency on imported foods;**
2. **Provide opportunities for Alaskan to produce their own food individually and collectively;**
3. **Provide employment for Alaska;**
4. **Provide nutritional food products from local sources for Alaska;**
5. **Develop a self-supporting agriculture industry in Alaska;**
6. **Encourage the export of surplus agricultural products; and**
7. **Ensure that agricultural development proceeds with sound environmental practices and energy efficiency;”³**

The Alaska Farm Bureau 2010 Resolution Platform was approved by those voting members (delegates) attending the annual meeting where they unanimously supported a cabinet level Department of Agriculture. The Alaska Farm Bureau submits Alaska’s Long-Range Plans on a regular basis. These include agricultural entities of transportation, standards, marketing, land sales, tax issues, renewable energy, etc. Testifying for HB 191 in support of a Department of Agriculture and Food was Alaska Farm Bureau President, Bryce Wrigley; Lyall Brasier, Delta Farm Bureau President; Ruby Hollembaek , President Alaska Diversified Livestock Association, Inc.; and several producers from around the state one of which was Paul Huppert who was also an AAAC member with the 10 year report submitted in 1983. Another testimony was from a rancher who remembered when the transition happened from a Department of Agriculture and moved to a division under the Department of Natural Resources. I believe she was from Kodiak and if my memory serves me correctly, Kodiak Game Rancher, Bill Burton, read her testimony.

³ Ten Year Plan for Alaska’s Agricultural Development, p.108-114

“In a report prepared for President Barack Obama and Secretary of the US Department of Agriculture, **Tom Vilsack**, and based on forums conducted by State USDA Alaska Farm Service Agency Danny Consenstein and Alaska State Direction USDA Rural Development Jim Nordlund the following facts were derived from meetings held across Alaska (Fairbanks, Kotzebue, Juneau and Anchorage) to provide input on what works and what does not work when it comes to job creation and retention, especially in rural Alaska. Three areas for potential job growth emerged from all four meetings:

- Food Systems
- Renewable energy/energy efficiency
- Rural Infrastructure”

“Even in Alaska’s urban areas, most purchased food has to travel thousands of miles just out reach grocery store shelves. To arrive in Alaska’s remote communities, the journey is even farther. Spoilage rates and prices are both high, especially in rural villages. This challenge provides opportunities for innovation in developing methods for growing, processing and transporting food more locally and efficiently. These opportunities tie in directly to energy costs, training and infrastructure.”⁴

In an open letter to all Alaska Farmers, Bryce Wrigley says it best when he states:

“Farmers and ranchers are thwarted by regulations that prohibit the growth and expansion of the industry. Agencies providing inspection services, veterinary services and the oversight of land issues are currently functions of several different agencies. **Locating these basic agricultural services in a single Department of Agriculture will increase efficiency by focusing all the resources on the mission of providing food for Alaska.**”

As the former Department of Natural Resources retired land director, Glen Franklin, walked by my table at the Delta Farm Forum this last February, he asked who was behind the move to create a Department of Agriculture. I explained that I supported such a move. He stated, “It’s about time.” After dialogue, he said a commissioner would probably be paid half again as much as the division director is paid but he didn’t see where the extra cost would be in creating such a move back to the original intentions of our state founding fathers. After all, DNR is housed in Fairbanks so a DOAF could be located as is in Palmer.

When asked what the legislature and Governors’ office can do for Alaskan agriculture, my answer is: “The same thing you do for oil, gas, fisheries, and other resources in our land. We want to sit at the table with and conduct business about our product and available food, fiber and fuel for all Alaskans. We simply want a seat. **We want a cabinet level seat.** We don’t want to be a division under a department. It hasn’t worked. Nearly every state in the union has a cabinet level department or agency. With our unique geographical location, it is paramount that we return to the original Department of Agriculture that was in our first State constitution in 1945.”

⁴ Alaska Forums on Jobs and Economic Development, February 15, 2010 USDA, Rural Development Farm Service Agency, pgs.4-5

Support Documentation for an Alaska Department of Agriculture and Food
From Ruby Hollembaek 04/07/2011

Respectfully and with high regards I submit this plea to continue with the movement of HB 191 for a Department of Agriculture and Food. Thank you for supporting Alaskan agriculture and regards to all who care.

From: Katrina Skidmore
Sent: Monday, March 26, 2012 8:46 AM
To: Louie Flora; Linda Hay
Subject: FW: Indiana's State Department of Agriculture's site

Katrina Skidmore

Legislative Information Officer
Delta Junction LIO
907.895.4236

From: Ruby Peck-Hollembaek [<mailto:rhubarb99737@gmail.com>]
Sent: Sunday, March 25, 2012 3:03 PM
To: Katrina Skidmore
Subject: Indiana's State Department of Agriculture's site

<http://www.in.gov/isda/files/2009StrategicUpdate.pdf>

Please include this on the bottom of my letter as a reference to Indiana's State Department of Agriculture.

Thank you. Ruby

--

Scott and Ruby Hollembaek
907/895-4715 (shop)
907/895-9810 (fax)

Game Ranch: www.bisonandelk.com
Community Gardens: www.wecangrowit.blogspot.com
Rhubarb: www.akrhubarb.blogspot.com

Testimony March 26, 2012 re: HB191 Ruby Hollembaek HC 62 Box 5580 Delta Jct., AK 99737

The Alaska Department of Agriculture and Food would work with officials on the local, state and federal level to benefit all Alaskans involved in the agriculture industry. The Department's function would be to educate and serve those who have the power to improve the direction of the agriculture industry in Alaska. The Department would work with state agencies, rural communities, consumers, producers, and agricultural organizations to ensure that Alaska has laws and regulations that are based in science and do not impede economic development in agriculture.

The department would serve as a regulatory department by assisting agricultural businesses with the permit process required to conduct business in Alaska. They would promote the growth of agricultural businesses by serving as a liaison between agricultural businesses, state agencies, and local units of government.

By reinstating the Department of Agriculture, the department would ensure that agriculture remains a central part of the Alaskan economy.

When Alaska regains their Department of Agriculture, they would regain control of their own budget. At this time, the budget is small and lies beneath the Department of Natural Resources. No industry can be supported as an afterthought. That is what Alaskan agriculture has become over the last 2.5 decades, an afterthought.

"In a report prepared (February 15, 2010) for President Barack Obama and Secretary of the US Department of Agriculture, Tom Vilsack, and based on forums conducted by State USDA Alaska Farm Service Agency Danny Consenstein and Alaska State Director USDA Rural Development Jim Nordlund the following facts were derived from meetings held across Alaska (Fairbanks, Kotzebue, Juneau and Anchorage) to provide input on what works and what does not work when it comes to job creation and retention, especially in rural Alaska. Three areas for potential job growth emerged from all four meetings:

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“Farmers and ranchers are thwarted by regulations that prohibit the growth and expansion of the industry. Agencies providing inspection services, veterinary services and the oversight of land issues are currently functions of several different agencies. **Locating these basic agricultural services in a single Department of Agriculture will increase efficiency by focusing all the resources on the mission of providing food for Alaska.**”

I see an Alaska Department of Agriculture and Food being able to provide economic growth in food and agriculture for our state in jobs with money being reinvested in Alaska. I see it working closely with the Department of Economic and Community Development with efforts of increasing the industry, not for industry sake but for making our state stronger by providing agricultural endeavors that look at food, fiber and fuel. My husband and I operate a game ranch with bison and elk. We have no problem selling our bison or elk. We sell as farm/gate sales off our ranches. A Department of Agriculture would work with ranches such as ours, to increase the red meat industry for our state. A reinstatement of a Department of Agriculture would promote a revitalization for Alaska's livestock industry. Not only would producers provide red meat, they would also provide jobs for Alaskans. Alaskan agriculture would head up endeavors such as alternative fuels like barley burner stoves, straw pellet stoves and biomass possibilities. This department would define and nurture economic opportunity, including technology development, in the food, fuel and fiber sectors. A department would support growth in Alaskan agriculture by serving as an advocate at the local, state and federal level; defining and nurturing economic opportunity and enhancing the stewardship of natural resources on agricultural land. We are truly a renewable resource.

It's also about food security. Maybe a person walking around Alaska wearing an FAA (Future Farmers of America) jacket doesn't get the same head turning as a jacket from a petroleum based company, but it should. It should be a real head-turner. Agricultural producers for our state would influence job creation, security and economic development. It would increase regional and local food security. It would support economically efficient and ecologically sustainable agriculture. Family friendly farming are not dirty words. We might get dirty farming but we are very friendly.

All other states except the largest and smallest (Alaska & Rhode Island), have a cabinet level department for agriculture. We had one too until, I believe the early 1960's, just prior to the oil pipeline. We are special, not having a cabinet level department of agriculture is not a good way to be special. North Dakota now surpasses us as an oil producing state, the boom has come and gone once again. It is time to apologize to farmers, ranchers, producers and agriculture operators around the state for putting them on the back burner as an economical viability, for taking their industry out of a cabinet level status and placing them as a division under DNR. Our forefathers never intended that. They knew that Alaska needed agriculture. They knew it was imperative as a state, to be able to feed, clothe and keep themselves warm was just as important as any gold that was sought after.

It is time to reinstate the Alaska Department of Agriculture. It is time to support the Alaska Department of Agriculture and Food, HB 191. Thank you. *Ruby Peck-Hollembaek*

Ronald S. Klein
3316 Knik Ave
Anchorage, Alaska 99517

March 26, 2012

Representative Eric Feige
Representative Paul Seaton
Co-Chairs, House Resources Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Subject: Comments on House Bill 191 "An Act establishing a state department of agriculture and food and relating to its powers and duties; relating to the powers and duties of the Department of Environmental Conservation and the Department of Natural Resources; and providing for an effective date.

Dear Representatives Feige and Seaton:

I am commenting on HB 191 which is the subject of a House Resources Committee meeting scheduled for March 26, 2012. Please include my comments in the hearing record. I am traveling today and unable provide verbal testimony. I have strong interest in growing Alaska's food industry through the development of markets for local food and enhancing Alaska's food security. I believe Alaska's foods can also attract be attractive in the national and global market, as is the case with our seafood.

I retired in October as the State's Food Safety and Sanitation Program Manager. I am Past-President of the Association of Food and Drug Officials which represents state agricultural and health department food safety directors and program managers on a national level to promote uniform, safe food systems in the United States. Nationally, I am a food safety and emergency preparedness subject matter expert for academia and an international food protection training institute. I am also a management consultant working toward state and federal implementation of the federal Food Safety Management Act of 2011 (FSMA). Locally, I volunteer my time as a member of the Governing Board of the Alaska Food Policy Council and part of the effort to help develop a market for safe, healthy, local foods.

My comments are my own and do not represent my clients, employers or any organization I am associated with.

I caution against carving off food safety responsibilities which reside within the Department of Environmental Conservation and moving them to a new Department.

In January 2011, Congress passed the Food Safety Modernization Act, which has a significant impact on local, state, and federal food safety programs. HB 191 does not take into account changes at the federal level which have an impact on state regulatory programs and producers. The Act is fostering the development of an Integrated Safety System comprised of state and federal food and public health

laboratories, epidemiologists, inspectors and first responders. This integrated system is designed to leverage local, state and federal resources in order to provide for the development of preventive controls from farm to fork and to facilitate quick, coordinated response to foodborne outbreaks. State, local, and federal partners are developing unified work plans, coordinating inspections and developing program standards to assure uniformity and consistency across the nation for manufactured food, feed, dairy, shellfish and retail food programs.

National program standards require significant training investments to ensure that staff has the scientific, technical, and communication skills necessary to work with industry. Industry, having been bit by recalls and foodborne disease associated with products that include strawberries, leafy greens, sprouts, red meat, peppers, has been re-examining its preventive controls and is taking steps to work with regulators to beef-up preventive controls through alliances that focus on specific products, such as produce, and processes, such as low acid and acidified canning.

Alaska is ahead of the curve nationally because it already has an integrated food safety system. Alaska does not have the problem that the federal government has where you have one agency looking at meat products and another looking at seafood products which are being produced in the same plant. Alaska is fortunate to have the State Veterinarian, Environmental Health Laboratory, and the Food Safety and Sanitation Program in one division. By having an integrated system, Alaska is able to efficiently train staff, develop unified work plans, and manage field travel for inspections in rural Alaska to effectively use resources. For example, when a dairy sample needs to be taken in Delta, the Food Safety and Sanitation Program can send a food safety inspection officer to Delta to take the sample for the dairy program, rather than having the dairy program send someone from Wasilla to take the sample. Communication is also streamlined for effective food borne illness surveillance and effective response in the event of foodborne illness outbreak.

Creating a new department and moving some food safety responsibilities will not change regulatory requirements. In addition to creating unnecessary costs to the state to develop a new regulatory program, it will result in increased expenses and confusion for operators whose activities fall within the purview of DEC and the new department. Alaska and producers would be better off if additional resources are provided to UAF Cooperative Extension for technical assistance to help farmers and producers develop the ability to build their businesses.

Please feel free to contact me at 907-351-4184 or ron.klein@gci.net if you have any questions or would like additional information.

Sincerely,

Ronald S. Klein

From: House Resources
Subject: FW: Comment in re: HB 191

From: Louie Flora
Sent: Thursday, March 22, 2012 8:58 AM
To: House Resources
Subject: FW: Comment in re: HB 191

From: LIO Delta Junction
Sent: Thursday, March 22, 2012 8:44 AM
To: Rep. Alan Dick; Rep. Berta Gardner; Rep. Bob Herron; Rep. Cathy Munoz; Rep. Eric Feige; Rep. Neal Foster; Rep. Paul Seaton; Rep. Peggy Wilson; Rep. Scott Kawasaki
Subject: Comment in re: HB 191

I was asked to forward these comments to the House Resources Committee. Thanks, Katrina

Katrina Skidmore

Legislative Information Officer
Delta Junction LIO
895.4236

It's time to ask the other 48 states to restructure their departments of agriculture and lower them to a division. If Alaska doesn't have a cabinet level department of agriculture and the politicians don't think we need it, other states must not need theirs' either. Do I believe this? Heck no! Up until the 1960's, we had a cabinet level department. Change happened then and the department was made into a division under the Department of Natural Resources. I believe this was just prior to pushing the pipeline through. We have to think of Alaska as an agricultural state, not just an oil, mining, timber and fishing state. Less than 1% of Alaska land is in private hands. We are special, not having a cabinet level department of agriculture, is not a good way to be special. Rhode Island and Alaska don't have a cabinet level, all other states do.

My opinion. Regards, Ruby

tt and Ruby Hollembaek

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Food production and food security must become a top priority of the state. There is approximately a 3-9 day supply of food in the state. We ship in almost all the food we consume. We are dependent and vulnerable on a food distribution system that has been disrupted numerous times due to natural and man caused disasters

Alaska must prepare for future events, including the possibility of a widespread pandemic in the lower 48 that could bring transportation to a halt. The farmers of Alaska can provide a basic food supply capable of sustaining life during a prolonged disaster.

Farmers and ranchers are thwarted by regulations that prohibit the growth and expansion of the industry. Agencies providing inspection services, veterinary services and the oversight of land issues are currently functions of several different agencies. Locating these basic agricultural services in a single Department of Agriculture would increase efficiency by focusing resources on the mission of providing food for Alaska.

We propose a 10-year goal for the new Department of Agriculture to increase local food production to a level that will provide a basic, balanced, life sustaining diet for 90 days. We think that properly constituted, the new Department of Agriculture could be funded at about the same level that the Division of Agriculture currently is. Critical functions such as the inspection of agricultural products would be moved from DEC, where there has been little effort to address the onerous and unreasonable burdens of basic processing, to the new department which would conduct inspections, but with a focus on helping processors of agricultural products succeed so that new markets can be opened.

There is a lot of assistance that we who are on the ground can provide as this department is designed. All agencies become entrenched in bureaucracy and red tape that builds up over time. Sometimes it needs to be tipped upside down and empty the trash so the important things can be refocused on.

For nearly 3 decades, the morass of bureaucratic levels through which the Division of Agriculture must presently work has stonewalled budgets, needs, policies, and plans that could have worked to increase our food security. At all of those levels, initiatives have been ignored, not because they were not good initiatives, but because they did not meet the priorities of a larger DNR. The large and important responsibilities with which DNR must occupy itself simply do not allow an appropriate level of management for such a critical need as our food security.

We should have been growing our own food for the last 20 years, at least enough to insure that we could provide for ourselves when the barge didn't come in. Instead, we look back at 3 decades during which agriculture has consistently taken a back seat to other resource development. A dynamic agriculture industry

benefits Alaska in many more ways than just growing food. A vigorous agricultural policy could help resolve many of the social ills that exist in rural and remote Alaska. Agriculture connects people with the land and in the process, re-enthrones pride and industry and self-reliance. Would you rather entrust the future security of this state to a generation who had been raised to get up in the morning and do chores and work together or to a generation who spent the day with their pants around their knees and their hat on backward walking the malls because they had nothing to do? The decisions we make today determine where we will be in the future.

We wouldn't even be having this discussion of food security if we had stayed the course laid out 30 years ago. Ten years will pass whether or not we create this new department. But 10 years from now we will certainly look back and say either, "We wish we had done something," or "We sure are glad we did something".

I urge you to support the creation of a Dept of Agriculture, but let's do it right. We want it to be efficient to a level that doesn't currently exist in state agencies. We want it to be responsive, proactive, and serve the need of all Alaskans to have a secure supply of food. We want it to be empowered to work with other agencies to address educating the next generation of farmers and ranchers. We expect it to help the Dept of Health and Social Services and the Dept of Community and Economic Development fix the social breakdown in rural Alaska so that rural Alaskans no longer need to leave their home for the cities because they cannot find work.

Bryce Wrigley

NELSON FARMS

Delta Junction, Alaska

PO Box 70888, Fairbanks, Alaska 99707
Ron Nelson
907-322-6877
rnelson@alaska.net



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Fairest Prices



Delivered via e-mail

March 24, 2012

Re: HB 191

Bryce Wrigley
Alaska State Farm Bureau President

Hello Bryce,

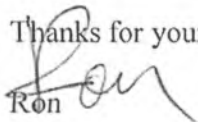
As you know, there have been considerable efforts by Private Industry, the Division of Agriculture, the University of Alaska and the Department of Commerce related to what is at this point a failed attempt to develop an export potato seed market with China.

This project might have been a success had a Department of Agriculture existed to better coordinate and manage this effort. This is a clear example of what happens without a clear lead agency....efforts gets splintered and money is wasted.

The Division of Agriculture employees are doing a good job....but I believe would be able to be more effective and do a better job as the clear lead agency for agriculture in Alaska.

I support your efforts related to establishing a Department of Agriculture.

Thanks for your hard work on this goal.


Ron

Ron Nelson
Nelson Farms
Delta Junction

Support Documentation for an Alaska Department of Agriculture and Food
From Ruby Hollembaek 04/07/2011

The History of Agriculture In Alaska and Support for a Department of Agriculture and Food (DAF)

In 1945 the Territorial Legislature created the Alaska Department of Agriculture for the purpose of promotion and development of agriculture. Agriculture is specifically identified in the State constitution. Prior to statehood, there was a Territorial Commissioner of Agriculture (George W. Gasser) who headed the Alaska Department of Agriculture. (<http://www.litsite.org/index.cfm?section=Digital-Archives&page=industry&cat=Agriculture&viewpost=2&ContentId=2710>) Certain functions in agriculture were established prior to statehood, such as a creation of the Agricultural Revolving Loan Fund in 1953 with a \$1 million authorization.

"The funds have dwindled because ARLF was set up to revolve, but it hasn't. It has not received general funding since 1986 and \$12 million total has been siphoned from the coffers to supply the Alaska Division of Agriculture's operating expenses since 2004."¹ It should also be noted that funds have been siphoned off for other purposes other than funding the Division of Agriculture. There was a sizeable amount taken out for fire fighting. I believe that may have been in the \$2 million mark.

"In Alaska in 1987 there were 1,026,732 acres of agriculture land in production, in 2007 there were 881,585 acres of land in production, a decrease of 15%. When looking at the agriculture we produce here as compared to the rest of the United States we rank 50th in almost all areas. (<http://www.agcensus.usda.gov/>). This is not because of lack of producible land, lack of water or acceptable growing season. There needs to be a change in the political outlook for agriculture in Alaska."²

It has been reported by a speaker at our Alaska Farm Bureau annual meeting held in November of 2010 that Indiana recently created a cabinet level Department of Agriculture and Food. Prior to this, I believe that there were only a few states (one of which is Alaska) who did not have a cabinet level department of agriculture. Vermont was another; they (in the last decade) were also successful in creating an Agency of Agriculture which is at the cabinet level. Upon review of the agricultural agencies in the United States, it appears that Rhode Island and Alaska may share the distinction of not having a cabinet level agency or department. I believe that Rhode Island and the Anchorage area are near the same size.

In a 147 page Ten-Year Plan for Alaska's Agricultural Development submitted by a committee in 1983, Alaska Agricultural Action Council (AAAC) members (Richard Lyon, Chairman Commissioner of the Department of Commerce and Economic Development; Richard Neve, Commissioner of Department of Environmental Conservation; Peter McDowell, Director Division of Budget and Management; Paul Huppert, Palmer farmer; and Steve Hamilton, Palmer Farmer; James Drew, UAF Dean School of Agriculture and Land Resources Management; and Weymeth E. Long, State Conservationist, USDA) for Governor Bill Sheffield cited that "The responsibilities of the AAAC and the Division of Agriculture either frequently overlap or fail to provide a necessary service. The AAAC was responsible for the Delta Project and for subsequent projects and has taken advocacy positions on behalf of the Alaska agricultural

¹ Alaska Business Monthly, March 2011 "Banking on Agriculture" p.64

² <http://www.adlinc.blogspot.com>

Support Documentation for an Alaska Department of Agriculture and Food
From Ruby Hollembaek 04/07/2011

industry. Because the Division of Agriculture is a part of a large department (DNR), it has been unable to devote its complete attention to planning or administering projects."

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³ Ten Year Plan for Alaska's Agricultural Development, p.108-114

Support Documentation for an Alaska Department of Agriculture and Food
From Ruby Hollembaek 04/07/2011

the transition from Department to Division occurred the early 1960's while changes were made in the state government system to ensure ANSCA and the expedience of the Alyeska Pipeline venture.

"In a report prepared for President Barack Obama and Secretary of the US Department of Agriculture, Tom Vilsack, and based on forums conducted by State USDA Alaska Farm Service Agency Danny Consenstein and Alaska State Direction USDA Rural Development Jim Nordlund the following facts were derived from meetings held across Alaska (Fairbanks, Kotzebue, Juneau and Anchorage) to provide input on what works and what does not work when it comes to job creation and retention, especially in rural Alaska. Three areas for potential job growth emerged from all four meetings:

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**Support Documentation for an Alaska Department of Agriculture and Food
From Ruby Hollembaek 04/07/2011**

agency. With our unique geographical location, it is paramount that we return to the original Department of Agriculture that was in our first State Constitution in 1945."

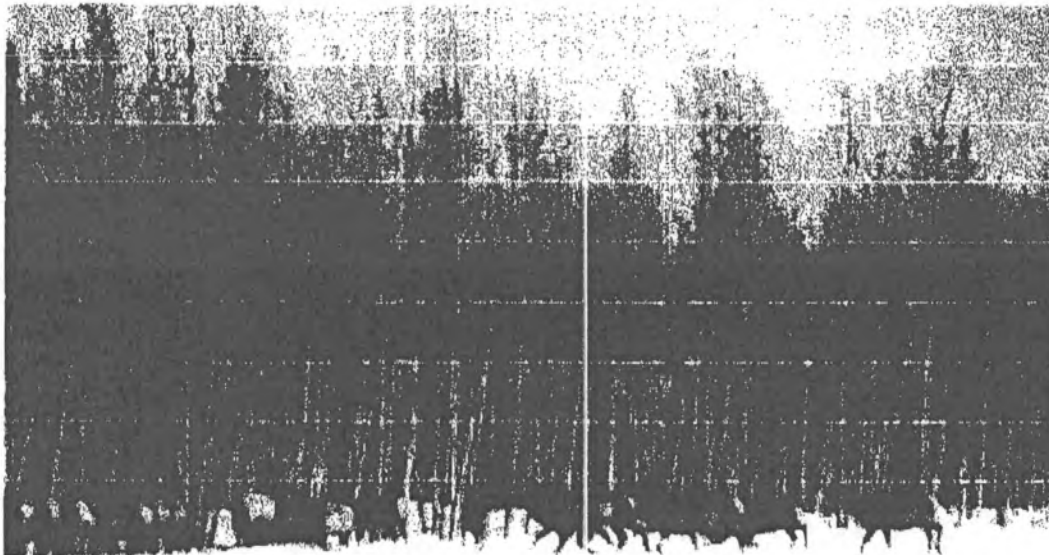
Respectfully and with high regards I submit this plea to continue with the movement of HB 191 for a Department of Agriculture and Food. Thank you for supporting Alaskan agriculture and regards to all who care.



Ruby Hollembaek

Alaska Diversified Livestock Association, Inc. President www.adlinc.blogspot.com

Alaska Interior Game Ranch, Owner-Operator www.bisonandelk.com



Brasier Farms

2 ½ Mile Tanana Loop road

Delta Junction, Alaska, 99737

907-895-4961

Honorable Representative Thompson

Honorable Representative Kerttula

Thank you for sponsoring HB 191 establishing a state department of agriculture and food.

We have been an Alaska producer of Potatoes, Livestock , Forage, and Grain for 38 years.

The people of Alaska need a Department of Agriculture in order establish a vital food source for the security of the state. Food security is even more evident in light of the current events in the world today.

The Agriculture industry of the state needs a cabinet level position to keep the Governor and Legislature advised of the needs of the industry with out Multi tiered process which is now in place.

Thank You

Lyll Brasier

Subject: Department of Agriculture Letter

Date:

Kodiak Game Ranch
Box 1608
Kodiak, Alaska 99615

March 14, 2011

Representative Steve Thompson
Representative Beth Kerttula

This letter is in support of developing and reinstating a Department of Agriculture in our state. A Department is needed especially to sustain Alaska's food supply. The fact is that in the event of a catastrophe, the food supply for our citizens would last at the most just a few days!

Whereas the DNR has higher priorities than agricultural programs, a Department of Ag. would concentrate on Alaska's food source.

We need to reinstate a Department of Agriculture as we had in the past. Thank you.

Sincerely,
Bill Burton
Kathy Burton
Buck Burton

Kodiak Game Ranch

Attn: Rep S. Thompson
Beth Kertula

Re: HB191

As a farmer in Point Mackenzie, I would like to go on record in support of HB 191. I believe the attention to agriculture in this state has been sadly lacking. In fairness I attribute this to DNR having so many responsibilities, that by the time agriculture is looked at, there is little leadership and direction from the top. We need to ALL be moving in the same direction.

This lack of attention can be seen from a lack of a true plan for the needs of Alaskans and its farmers. I think there are things in this bill that I do NOT agree with, but the one thing that this bill does, is address the inattention to Agriculture and allows agriculture to have a "seat at the table".

Sincerely,

Lynn Gattis
Gattis Farms
907-373-0300

PS I plan on testifying tomorrow on this bill

To Whom It May Concern:

I have been involved with the agriculture community in Kodiak since 1963 when we purchased a cattle ranch at Kalsin Bay. We took a big hit in the 1964 tidal wave loosing many of our purebred Scottish Highland cattle we had shipped all the way from Colorado. We revived and added a large lease and cattle from the adjoining ranch a few years later that resulted in a cattle ranch encompassing 50,000 acres of lease and we ran nearly 1000 head of cattle. At that time agriculture was at it's peak with seven large cattle operations on the road system on Kodiak.

I remember when the transition was made from the Department of Agriculture to the Division of Agriculture and the great concern the ranchers had about that change. The fear at that time was that the emphasis on support for agriculture in Alaska would be greatly diminished. The timing of this was also coupled with the Native Land Claim Settlement Act that allowed for native selection of lands that encroached on some of the lease hold interests.

Those fears have come to reality in the place agriculture has been able to hold in the state.

I strongly support the switch back to the Department of Agriculture. Agriculture in our state needs renewed emphasis and support if we are to increase the level of production to serve our needs. I recently saw a statistic that said we produce 3% of our food. I have recently taken part in the USDA hoop house project which is very exciting in trying to increase local production of vegetables. Please support the move to the Department of Agriculture.

Sincerely,

Marie Rice
10746 Bells Flats Road
Kodiak, Alaska 99615
(907) 487-2589
marierice@gmail.com

Alaska Diversified Livestock, Association
8850 North Simineo Circle
Palmer, Alaska 99645
Website: www.adlinc.blogspot.com
January 31, 2011

Dear Legislature and Governor's Office,

Please note that I was directed in our last Alaska Diversified Livestock Association meeting to write a letter of support in creating an Alaska Department of Agriculture. From our territorial history, it was apparent that Alaska form a department for agriculture. It was created under the territorial constitution. Things changed along the lines of this department when statehood was developed. This was an unfortunate step and we would like to see us reinstate a Department of Agriculture to supply resources for Alaskans for food, fiber and fuel using the truest renewable resources, farm products. Why is this change important you might ask. In Alaska in 1987 there were 1026732 acres of agriculture land in production. In 2007 there were 881585 acres of land in production, a decrease of 15% or > 145,000 acres. When looking at the agriculture we produce here as compared to the rest of the United States we rank 50th in almost all areas. (<http://www.agcensus.usda.gov/>) This is not because of lack of producible land, lack of water or acceptable growing season. There needs to be a change in the political outlook for agriculture in Alaska.

The Alaska Diversified Livestock Association has been in creation since 2001 when we felt it was imperative to form such a group to bring unity and a voice from livestock producers such as ourselves. We are encouraged with the public's interest in Alaska in regards to eating locally, alternative energy projects and Alaskan-made fiber. Our businesses are thriving although the prices of fuel have drastically affected our profit. The cost of fertilizer and fuel are challenging aspects of our raising feed for our livestock. However, we have faith and preserver. We continue to be a strong organization and meet twice annually to discuss our livestock business needs.

When asked what the legislature and Governor's Office can do for Alaskan agriculture, our answer is: "The same thing you do for oil, gas, fisheries, and other resources in our land. We want to sit at the table with and conduct business about our product and available food, fiber and fuel for all Alaskans. We simply want a seat. We want a cabinet level seat. We don't want to be a division under a department. Nearly every state in the union has a cabinet level department or agency. With our unique geographical location, it is paramount that we return to the original Department of Agriculture that was in our first State Constitution in 1945."

Should you need further information from us, feel free to contact us anytime. Thank you for supporting Alaskan agriculture.

Regards to all of us who eat Alaskan food, wear Alaskan fiber and fuel with Alaskan products,



Ruby Hollembaek, President, ADLA, Inc.

Jane Pierson

From: [REDACTED]
Sent: Monday, March 14, 2011 3:15 PM
To: Jane Pierson

I have been involved in Agriculture all my life and in Alaska for the last fifty years. I was appointed to various Ag Councils and Boards. It became very apparent early on that Agriculture was about the fifth step child of DNR. Food production and the necessary research for the Northern latitude that is required will never happen as it should without a Department attention.

I own Palmer Produce, Inc. which wholesales Alaskan produce. Additionally, my family are involved in commercial production of vegetables and potatoes. HB191 is a very important bill for everyone who eats and works in Alaska.

Palmer Produce, Inc.

Paul A. Huppert

While I am not averse to essentially separating the Div. of Ag into its own department to improve efficiencies, I do have some concerns. Foremost, in my mind, is who is on the slate to chair this new Department? As it stands right now, there is a razor thin line between government and the commercial producer when it comes to Ag (and all its programs, grants, loans, leases, etc) in the state. The key being: Commercial farms and producers. Nowhere do I see an avenue for a home gardener, hobbyist, small greenhouse, herbalist or any small operation considered or even contacted for input on this bill. And no expectation that the concerns of the "small farm" or home gardener would ever be included.

A defined mission or goal for a new Department would go a long way toward gaining support for the bill as it stands now.

Regards-

T Heider
Su Valley Farm
Wasilla

**March 15, 2011 Testimony on HB 191: Dept of Agriculture & Food
before the House Economic Development, Trade and Tourism Comte**

I am Gayle Eastwood. My husband and I have been importing different species of trees, to see what species would live here in Southeast. After the trees survive for a number of years, we would sell the trees. In Delta Junction, we have a ranch where we farm Hay, specifically Brome and Timothy, for sale. We can sell Alaskan Grown hay cheaper than we can buy and import that hay which is grown in either Canada or the Lower 48.

Thank you for listening to everyone and also to me.

I am here to testify on behalf of HB 191. In 1945, the Territorial Legislature created a Department of Agriculture. It was headed by a Territorial Commissioner, and was created to promote and develop agriculture here in Alaska. In 1953, they, further, authorized One Million Dollars to create the Agriculture Revolving Loan Fund (ARLF), which continues today, with a maximum cap of one million Dollars per loan. The ARLF was created to assist farmers in controlling animal diseases, plant pests, and other agricultural endeavors.

Alaska is only one of two states, Rhode Island being the other, in which there is not a Cabinet level Department of Agriculture. We DO have agriculture, and not just garden grown vegetables. In the Barley Project of Delta Junction, we have farmers who grow barley, wheat, oats, canola and potatoes. These are grown on a commercial scale. We also have farmers who raise sheep, cattle, yaks, bison, and other animals for commercial sale.

In Southeast Alaska, we also have farmers, on a smaller scale, who raise sheep and cattle, to name a few. We have nurseries where flowers and vegetable starts are started for others to have in their home vegetable gardens. Juneau and Petersburg have Farmers Markets during the summer.

A Department of Agriculture will benefit all these farmers and consumers, by assisting the farmers to improve their products thus providing a locally produced product reducing the freight costs of importing food stuffs from outside and increasing the vitamin content of fresher food.

If the Division of Agriculture remains in the Department of Natural Resources, the above would be greatly reduced. Being the "poor relation",

with oil and gas, coal, and other "natural" resources taking the majority of the time and money, designated by the legislature in the budget, agriculture would be on the "short end of the stick" for allocations.

Please approve the Department of Agriculture.

Gayle Eastwood
P.O. Box 1185
Petersburg, Alaska 99833
907-772-4307 or cell 907-518-4244
gaylewind@juno.com

Or

HC 62 Box 5312
Delta Junction, Alaska 99737
907-723-1132

Jane Pierson

From: Rep. Steve Thompson
Sent: Monday, March 21, 2011 12:33 PM
To: Jane Pierson
Subject: FW: HB 191

Follow Up Flag: Follow up
Flag Status: Flagged

From: Leslie Seddon [<mailto:seddon5@mtaonline.net>]
Sent: Friday, March 18, 2011 3:49 PM
To: Rep. Steve Thompson
Cc: Rep. Beth Kerttula; Rep. Chris Tuck; Rep. Bob Lynn; Rep. Alan Dick; [Representative Bob-Miller@legis.state.ak.us](mailto:Representative_Bob-Miller@legis.state.ak.us);
Rep. Tammie Wilson
Subject: HB 191

Dear Representative Steve Thompson and other supporting Representatives,

House Bill 191 has recently come to the attention of many small, personal and/or family farmers in Alaska. I have spent three days reading the bill in its entirety and tracing it back to its roots. After much debate and discussion with two farming groups, we have come to the conclusion that this bill is exactly as stated to streamline the existing powers and duties of the DEC and DNR into one Department of Agriculture and Food.

It was pleasing to review the existing duties of educating the public about agriculture since we feel it is imperative that non food producing residents of our state share in the burden of providing for themselves. Even the city dwellers (no longer in the school system) would benefit from revisiting the skills of victory gardening. More emphasis on this education would increase self-reliance and decrease the dependency on government.

Unfortunately, it also adds verbiage that we cannot support as new legislation on page 2, lines 24 through 26 in regard to inventorying and reporting of stored food for the sake of food security. As you must have anticipated, we are against any such infringement of personal rights. The language in which the bill is currently written does not exclude the small, personal or family farm from government scrutiny. (I was not able to locate any definition of 'farm' in Alaska state law.) We would like to see these lines removed from this bill as they are objectionable and are not a part of the efforts to create (recreate) the Department of Agriculture & Food.

Finally, we are questioning the overall purpose of forming this department. Other than opening a final link in the chain of command for Federal intrusion, what benefit will it serve more than a few Alaskans?

I would appreciate any enlightenment on the above in regards to the proposed HB 191. I will be sharing your responses with the farming groups and am looking forward to hearing from you.

Thank you for your time,

Leslie Seddon
Vasilla, AK

Mat-Su/Alaska Farm Bureau

1100 South Colony Way, Palmer, Alaska 99645 746-0044 Fax 907-357-6777

May 9, 2007

Governor Sarah Palin
Office of the Governor
Sent via Fax to 907/465-3532
Juneau, AK 99811

Dear Gov. Palin:

The Mat-Su Chapter of the Alaska Farm Bureau watched with alarm as Alaska agriculture was forced to the brink of irrelevance by the Murkowski Administration's missteps. So far, the overreach and mistakes of that Administration seem to have been stemmed in Alaska's other industries.

Not so, however, with agriculture. Within the secret confines of what I truly hope are the most dysfunctional parts of state government, the Division of Agriculture, the Board of Agriculture and Conservation, and the Creamery Corporation Board continue as if an election hadn't occurred.

We are disappointed that our small industry has not yet experienced a change in leadership and approach. Perhaps after May 16, some small attention can be turned to the problems of an industry that, without a fast course correction, is poised to lose entire sectors.

The State of Alaska's agriculture leadership under the Murkowski Administration went about "helping" farmers by putting them out of business, suing them for trying to help themselves in marketing, presiding over the final failures of publicly owned processors, and dividing a weak industry against itself.

The late Earl Clabo, one of our most stalwart members and one of your most enthusiastic supporters, spearheaded the circulation of a "white paper for change" before the last election. It was signed by representatives not only of this organization, but of all the organizations involved in Alaska farming production. We thought it was a reasoned, thoughtful and restrained call for action. We submitted it to you in October, in a productive discussion with John Bitney. Please take another look at it.

Below, I will briefly outline the broad areas where the Mat-Su Chapter's initiatives and concerns over the past three years have been ignored or attacked.

1. Alaska Grown.

Reams of paper and hundreds of thousands in legal fees have been needlessly expended. Since the Agricultural Revolving Loan Fund pays the state's expenses in suing our chapter over this issue and Alaska Grown is not an ARLF asset, we believe these fees have been illegally expended as well.

To win its anti-farmer point of view, the Division has resorted to two rounds of personal attacks and attempts to instigate changes in leadership within the chapter. It has threatened and misrepresented and unethically called on others within the farming community to lobby against the chapter and marketing self-rule. Now, it is backtracking from a negotiated settlement agreement.

What is this issue that commands so much in state money and state employee ethical lapses?

Simply, the state feels it must own and micro-control every aspect of the Alaska Grown program, down to the tee-shirt sales that our group has slowly built up with our own work for over 21 years.

The state acknowledges that the program and its logo were developed together with the farmers. The state acknowledges that its own function is to certify that the farm products so stamped are of good quality and are grown here in Alaska. So why interfere with our promotional efforts?

Every other industry in this state is given the courtesy of a belief that industry representatives can best run an industrywide marketing program. Only farmers are considered too infantile for this.

A survey of other "Grown" programs across the nation shows that the only ones which can be said to work are the ones where the industry runs the program.

It is the farmers who make such programs work, and it is we who have made the tee-shirts work.

Our recommendation: This suit should end immediately, while the state and the farmers begin an industry relationship like that with the Alaska Travel Industry Association.

2. Dairy Concerns.

Here the present Division leadership was not originally to blame; it is only their response to a long-standing problem that gave them ownership over the current debacle.

The mistake that triggered the decline of the dairy industry in Alaska was made in the 1980s. The state refused to sell the creamery back to a farm cooperative. Instead, it chose to retain ownership and control over Matanuska Maid.

Then, Matanuska Maid compounded the mistake by steadfastly holding to an industrial milk sales model, in a state where there is no industrial milk production.

Predictably, this model resulted in a steady decline of local milk production. It is now just a small fraction of the amount it was 20 years ago.

We have monitored and cajoled about this situation for the past several years, with increasing frustration in the last two years.

The current director pledged to us before his selection that he would see that the balance between processor and producer was redressed. He has broken this pledge.

His and the Board of Agriculture's response has ranged from the silly to the sinister. The silly was to advocate the dairy "industry" go back to one- and two-cow "farms" selling raw milk; never mind that that happens to be illegal. More sinister were the successful destruction of the two most recent attempts to dairy at Point MacKenzie, through targeted adverse loan actions and unfair pricing.

Just a week ago we learned that while the farmers have been stonewalled and blamed relentlessly, Matanuska Maid has secretly run up \$700,000 in losses over the past two years. Its industrial model of importing milk and starving the locals is at last revealed as a failure.

The state was warned over and over that a policy of favoring a processor while starving the farmer was wrong, and contrary to its fiduciary responsibilities of preserving ARLF farm collateral.

Once again, the farmers were ignored and the concerns of our chapter ridiculed. Once again, the state chose to stick by state control over private production.

Our recommendation: Dairy industry policy in this state must be based on the necessities facing the actual dairy farmers in this state. Matanuska Maid has had over 20 years to try this, and has failed. Solutions to the problem of inadequate farmgate milk prices must be sought in the private sector, where the U.S. Department of Agriculture has recently invested in two innovative approaches.

3. Slaughterhouse.

Here, the current leadership simply decided to abruptly abandon the processing business after more than 20 years of state ownership. This decision was, commendably, modified to take proposals for private ownership of the plant.

Then, the one bidder was rejected. The stated reason for the rejection was that the person could not get non-ARLF operating funds to run the plant, and the plant could not be used as collateral.

Since we are not privy to the details, we cannot say whether this is the real reason or not. However, we note that the U.S. Department of Agriculture has a method of releasing grant assets for use in securing operating loans, without losing its interest in ensuring that projects are completed.

It seems to us that wise management might have adopted this approach.

Instead, the plant is still being operated by the state, but the meat prices to the producer have been lowered even further and the charges to the producer raised.

Once again, the farmer is blamed and penalized, while the industry becomes more miniscule.

Not only were we as a chapter and farmers ignored, but even farmer members of the Board of Agriculture were restrained from speaking freely on the slaughterhouse issue or voting on it.

Our recommendation: The slaughterhouse, just like sustainable dairy processors, must base its pricing policies on the needs of the farmers it serves. The current unstable, farmer-punitive system will never work. Either the privatization of the plant through gradual conversion to cooperative farmer marketing should begin, and/or the Department of Corrections should contribute added training dollars to the operation.

There are other missteps and lapses, and corresponding future opportunities, many of them discussed in the "white paper for change" previously mentioned.

Two of the examples given above heavily impact the Southcentral dairy and meat industries, and the third denies all farmers in the state a share in their own collective marketing symbol.

The rigid, secretive, dictated ways of the present have reached their logical conclusion: Failure.

It is past time for a fresh, farmer-centered approach to the business of farming in this state.

Please help.

Sincerely,

Karen Olson,
Executive Director

Representatives,

Here is my take on this bill:

You may have heard of the National Animal Identification System (NAIS). Here is a link to explain the overview of the program:

http://en.wikipedia.org/wiki/National_Animal_Identification_System

This proposed program met with serious opposition from the agricultural community and in 2010 the USDA decided to drop the program:

<http://www.avma.org/onlnews/javma/mar10/x100315a.asp>

Our clever federal government decided not to let it die quietly and through Executive Order, our president redirected this battle. Through executive order the USDA expanded the powers of one of its departments called Animal and Plant Health Inspection Service (APHIS).

APHIS is aligned in the following "chain of command"

WTO/EU

To

Codex Standards

To

OIE

To

United States

To

Executive Orders

To

Department of

Homeland Security

To

USDA

To

APHIS

To

The States (Alaska)

To

(Proposed Creation) of Department of Agriculture

Here is a link to USDA/APHIS where you can click and view their "Strategic Plan".

http://www.aphis.usda.gov/about_aphis/strategic_plan.shtml

As you can see in their plan, they have been given the authority of "surveillance and enforcement" with the full power of Homeland security. What bothers me most are the statements concerning "international exports", "respond to conflicts between humans and wildlife", "APHIS also gives funding through user fees".

APHIS has been directed to respond to a wider range of emergencies in partnership with FEMA. This includes identifying available resources during emergency response (Where the food is and how they do they have).

APHIS is expected to lead emergency response efforts related to animal and plant pest and disease outbreaks, as well as animal and plant health aspects of natural disasters and bioterrorism risks. APHIS is also expected to support a wide range of other (unspecified) emergency response efforts.

Proponents of HB191 say that it will consolidate all of Alaska's agricultural statutes under one department and simplify addressing agriculture issues. This part is true but it works two ways. It also

es it easier for federal directives and policies to be implemented also. This is the main reason that I
against this bill. When NAIS was being fought by farmers the states that had active Departments of
culture were the first ones to start involuntary implementation of USDA directives.

In summary, I see passing HB191 will help facilitate the control over Alaska by the federal
government.

Thank You Representatives for your time,

Cameron Seddon

Sent via e-mail:

There is no "food security" for Alaska at this time. Well over 90 percent of what we consume is barged up weekly from the L48. Years ago, stores used to manage a large reserve inventory of groceries, mostly due to shipping uncertainties. With the advent of increased competition and the "JIT" inventory management (so successful for WalMart) most stores these days have under a weeks' worth on hand, and less for items which are delivered more frequently. Add in the challenges of slide into a depression (shrinking economy, inflation, etc) most of these stores operate on a razor thin margin and they are all fighting for the consumer dollars still available.

The state has done nothing to address this either. The disasters of the Delta and Pt MacKenzie projects should teach us that government has no business being in business. Yet, the state spends (or makes available loans) millions of dollars in what can only be called subsidies for....well, basically the dairies. It sounded great in theory-grow the barley and oats in Delta, ship down to Southcentral to feed the dairy cows and everyone would benefit. Of course, their terms were beyond stupid-expecting a return in a few short years was impossible. In the L48, family farms were built over decades and sometimes centuries, as each generation cleared land and made improvements. It was set up to fail and I am pretty sure that some folks got what they wanted: 1000s of acres available for Anchorage's future expansion, right across the Inlet. But that's another subject altogether, lol

As our productive lands are gobbled up by developers who then go on to populate the landscape with cookie cutter subdivisions, there is no effort to expand Ag whatever. Yes, there are occasional lease sales, property sales, but most are not suitable for agriculture. And it comes with strings. Lots and lots of strings. A person only has "fee simple" (an equivalent, actually) to about five acres, the rest-only ag rights. In practical terms, the farmer pays only ag taxes on that land, not the "going rate" for residential. Can you imagine a farmer with 600 acres being able to pay the taxes at, say, the \$38,000 per acre that is the norm here?

In fact, there is no unified program to provide food security in the state. There are no programs or support for small operations whatever. Someone who wishes to start a small herb farm has no resources, and neither do greenhouses, or truck farms, etc. Only those who have larger farms can get funding (loans).

If the new Ag Dept had a goal, a mission, to improve Alaska's food security and worked with people and farms (large AND small) to make it happen, then I would be behind it. But that is not the case. Most of the people involved in Ag right now at the state level, are folks who have failed at farming here already, and who now control the purse strings.

Support an Alaska Department of Agriculture and Food REINSTATE an Alaska Department of Agriculture

- <http://www.thepetitionsite.com/2/support-an-alaska-department-of-agriculture/>



- **Target:** Alaskans and State Legislature Body
- **Sponsored by:** Ruby Hollembaek, Farmer/Rancher

We are one of 2 states, Rhode Island and Alaska, who share the distinction of NOT having a cabinet level department or agency of agriculture.

Reinstate the Department of Agriculture.

In 1945, the Alaska Territorial Legislature created the Alaska Department of Agriculture for the purpose of promotion and development of agriculture. Agriculture is specifically identified in the State Constitution. Prior to statehood, there was a Territorial Commissioner of Agriculture who headed the Alaska Department of Agriculture. Certain functions in Agriculture were established prior to statehood, such as creation of the Agricultural Revolving Loan Fund in 1953 with a \$1 million authorization.

In 1953, major direction for the department was similar to what it is today - regulatory work including animal disease control, plant pest control and grading of produce, promotion of a larger and more stable agriculture industry by seeking larger markets and improving marketing techniques and providing financing of viable agricultural endeavors.

Alaska became a state in 1959, and statutory authorizations for agriculture were established in Title 03.

Regulations were rapidly developed with adoption of the first regulations in July 1960 addressing surface sales, leases, homesteading (including auctions for amount of high bid and improvement of credits of up to 90% of the purchase price), as well as leasehold locations. Effective 5/23/64, regulations were amended so that timber sales, material sales and other uses were also allowed if consistent with public interest. Grazing leases were initiated in April 1970 as short-term leases only. Disposals of agricultural land were restricted to agricultural interest sales and leases effective August 1976, and amended in 1978 to clarify that disposal of leasable minerals could still take place. No exception was made for locatable minerals, non-agricultural surface leases, etc.

SUPPORT an Alaska Department of Agriculture and Food

An Act establishing a state department of agriculture and food and relating to its powers and duties; relating to the powers and duties of the Department of Environmental Conservation and the Department of Natural Resources; and providing for an effective date.

HB 191 was introduced at the request of the state-wide Alaska Farm Bureau. HB 191 establishes a new state Department of Agriculture and Food with the intent of using the current Division of Agriculture's budget. Currently, statutes and regulations that govern food, food products, land sales, loans, land development, and animals are spread between the Department of Natural Resources (DNR), and the Department of Environmental Conservation (DEC). HB 191 is an effort to stream-line government by bringing agriculture and agricultural foods products under the purview of one department.

A Department of Agriculture and Food would allow for a singular focus that would enhance agriculture and food security in Alaska. Agricultural policy has been inconsistent and prone to changes with new administrations, retirements, or economic changes. This ever-changing policy has hampered the development of a strong agricultural economy.

In 1974, Governor Hammond stated that "the state needed a renewable resource economic base to sustain Alaska after the oil was depleted." In 1976, Governor Hammond in an effort to develop renewable sources in the state established the following goals:

- Broaden the economic base of the state through agriculture production;
- Stabilize real food cost by increasing local food;
- Provided alternative job opportunities through expanded agriculture;
- Improve rural life by developing an economic base through agriculture.

Today people want to know where their food is coming from, they want to feel the security of having a farmer growing and storing food close by, they want to be at the farmers market on Saturday buying food from their neighbor.

Under a Department of Agriculture and Food, farming can expand to meet the needs of Alaska's residents, providing meat, milk, vegetables and grains for the table. Alaska's biomass can be used to heat homes and power cars, and fiber can be used to manufacture goods. Agriculture is a renewable resource that provides independence and industry into the future for the State of Alaska

**we signed "Support an Alaska Department of Agriculture and Food
REINSTATE an Alaska Department of Agriculture"**

150

09:21, Nov 06, Mr. Scott Hollembaek, AK

149

11:33, Oct 27, Flora Deacon, AK

148

02:56, Oct 23, Mr. William Johnson, AK

147

14:29, Oct 22, Mr. David Poppe, AK

146

20:18, Oct 20, carrie sisson, AK

Yes

145

15:28, Oct 18, Mr. Cody Beus, AK

144

14:37, Oct 11, Mr. Brian Bourne, NJ

143

10:48, Oct 07, Name not displayed, AK

142

08:04, Oct 07, cheri dean, AK

yes

141

15:25, Sep 30, Ruth Edwards, AK

140

17:44, Sep 28, Leslie Bobo, AK

yesYES

139

08:29, Sep 24, Ms. Aimee Hollembaek, WA

138

11:15, Sep 22, Mr. Bill Burton, AK

Yes, we need to promote more Agriculture in Alaska to be able to take care of all the people in Ak. in case of some natural disastor, loss of outside transportation, or man made diastors.

137

17:36, Sep 18, Suzanne Taylor, AK

136

15:40, Sep 17, annie messer, AK

Thank you for caring about supporting citizens in the prospect of utilizing the resources we have in Alaska to promote agriculture. Do you care about where your food, fiber and fuel comes from? I DO, and am extremely worried about the influence of mega companies like monsnato has on agricultural and related legislastion.

135

10:29, Sep 16, Mrs. Bessie Meyer, AK

134

13:08, Sep 13, Ms. Diane Claassen, AK

133

14:28, Sep 10, Mrs. Kathleen Fields, AK

WE so need this.. and have for a long long time.

132

08:20, Sep 10, Brenda Peterson, AK

131

21:29, Sep 06, Jeannie Pinkelman, AK

130

13:55, Sep 06, Victoria Naegele, AK

A Department of Agriculture with more autonomy ought also to put more effort into educating young Alaskans on the sources of their food and fabric. This educational effort shouldn't be on the backs of Alaska farmers but part of a complete education promoted by the state for its students.

129

09:47, Sep 05, Mr. Stuart Davies, AK

I serve on the BAC. I care about Alaska being able to feed itself. Unfortunately, this topic has become a political football with many who previously supported this initiative changing sides and who are now not supporting it. I feel the Div. of Agriculture should support 100% local food production. I invite you to review the operations at Mount McKinley Meat and Sausage in Palmer and draw your own conclusions.

128

14:30, Sep 03, Mr. Scott McCasland, AK

127

19:41, Sep 02, Mr. Harold Moore, AK

126

06:26, Aug 19, Greg Kuijper, AK

Alaska is in a very unique situation when it comes to growing our own. The cost of shipping everything to AK is about to jump bigtime. When all our ships switch to low sulfur diesel from heavy fuel. Call your elected representative. Ask them what they're doing about this.

125

14:45, Aug 16, Mr. PAUL HUPPERT, AK

124

20:38, Aug 03, Ray Lasley, AK

123

13:12, Aug 03, Mr. Tom Aklestad, AK

Local ALASKA GROWN ALL THE WAY !ALASKA GROWN!! YOU HAVE NOT ENJOYED A GOOD FOOD ITEM UNLESS IT CAME FROM THE GREAT LAND!! ALASKA # 1.

122

14:41, Aug 02, Chet Chambers, AK

121

16:48, Aug 01, Chris DuBois, AK

120

22:56, Jul 26, Brian Olson, AK

119

23:28, Jul 19, Ms. Charlotte Jewell, AK

I support local business including agriculture & food production.

118

11:17, Jul 14, Dr. Patricia Holloway, AK

117

08:03, Jul 08, Roy Stamey, AK

116

17:39, Jul 05, Name not displayed, AK

115

21:38, Jul 03, Mr. Dale Gardner, AK

114

18:24, Jul 03, Margaret Wilson, AK

Yes, I live in the heart of the Matanuska Valley in Palmer, AK.

113

10:11, Jul 02, Mr. Thomas Aklestad, AK

Come on let Alaska in on all the funding and be recognized as part of the rest of the USA. Just look at ALL the resources we have here. It's a MEGA Bounty of natural resources here and it's not going any time soon. YES, It should be from our LOCAL RESOURCES! ALASKA all the way!! It can be done..

112

17:52, Jun 30, Sharon Walluk, AK

111

12:25, Jun 30, Aleks Pfaffe, AK

Absolutely. I want my food and supplies to come from as close to home as possible to support my community and reduce my carbon footprint.

110

12:15, Jun 29, Mr. kenneth blatchford, AK

kenneth e. blatchfordabsolutely

109

11:28, Jun 29, Mr. Brian Lyke, AK

I do! I wish there was more infrastructure for farmers in this state. A food processing facility would go a long way for agricultural sustainability in Alaska.

108

10:01, Jun 29, Mr. James Eastwood, AK

107

09:09, Jun 29, Mrs. Rebecca Radey, AK

YES!

106

09:07, Jun 29, Mr. LOWELL NOORLUN, MN

105

08:47, Jun 29, Ms. Pam Rule, AK

104

22:02, Jun 27, Mr. Deanna Cooper, AK

Shortest supply route the better

103

11:46, Jun 27, Lisa Sadleir-Hart, AK

102

14:08, Jun 26, Larry Marsh, AK

There is nothing more basic, more vital than food production. As a young state, we should be doing much, much more to ensure that the future of agriculture and food production in our state is a vital and sustainable economic component for all residents. Local and regional food production is the foundation for a more efficient and sustainable agricultural economy.

101

09:00, Jun 26, Name not displayed, AK

100

01:03, Jun 26, Tom Paragi, AK

I am also on the Board of Directors for Fairbanks Community Cooperative Market. Our goal is to open a full service grocery that will buy quality local products first, purchasing from outside of Alaska only when a quality local option is not available.

99

23:43, Jun 25, Dr. Bob Johnson, AK

98

23:21, Jun 25, Mr. Joe Want, AK

97

23:18, Jun 25, Ms. Sara Stoops, AK

96

17:09, Jun 25, Enke Gendendorj, AK

yes highly

95

06:05, Jun 25, Elinor Poll Ramos, AK

94

23:45, Jun 24, Randy Bozelle, AK

93

20:40, Jun 24, Neil Wagner, AK

92

20:17, Jun 24, Eli Fleischer, AK

91

15:50, Jun 24, Edda Mutter, AK

90

11:44, Jun 24, Deirdre Helfferich, AK

Local food production is more popular and more important an issue than ever. We cannot go on focusing on only one or two sectors in the Alaska economy; local agriculture production produces jobs, improves health, creates community, and makes Alaska more secure.

89

10:56, Jun 24, Ms. E Roderick, AK

88

10:24, Jun 24, Paula Williams, AK

Not only will this make Alaskans more food secure, but it will support a stronger and more diverse economy.yes.

87

08:45, Jun 24, Mrs. Chris Ford, AK

Yes! I have been struggling with raising Poultry as organic as possible in the town that I live in. It has been very challenging. I prefer to buy local when I can but no one farms grains here. I have resorted to feeding my birds wild greens in the summer and fish through out the year along with the organic grains I get at the local feed store.

86

07:23, Jun 24, Jane Eisemann, AK

We have barely scratched the surface of what we can do here in Alaska with regards to food and self reliance.Yes I care about where my food, fiber and fuel comes from. Of course the closer to home the better!

85

06:41, Jun 24, Susan Cable, AK

84

04:12, Jun 24, Mrs. Kate Veh, AK

Yes.

83

02:03, Jun 24, Mr. Maxwell Hobson, AK

82

01:57, Jun 24, Mrs. Diane Gustafson, AK

We need this to enable our state to not rely on outside interests to provide for our peoples life needs.Yes, I want to enable our state to provide for its own constituents as well as create jobs for our people.

81

00:31, Jun 24, Mr. Brian Roberts, AK

80

00:29, Jun 24, Mr. Christopher Crews, AK

AK needs HUGE Ag investments right now. In 20 or 30 years It's going to be one of the only places in the US that shouldn't be in a perpetual drought condition and will have temps that allow food to grow.Absolutely!!

79

23:15, Jun 23, Dr. karl monetti, AK

78

21:14, Jun 23, Ms. Rosemary Froese, AK

77

20:50, Jun 23, Heather Preece, AK

It is so important that our food, fiber and fuel comes from as close to home as possible.

76

20:37, Jun 23, Sharon Ferguson, AK

75

19:54, Jun 23, Mrs. Joette Storm, AK

It is our personal responsibility to take action in securing our own food supply and protecting agricultural land and resources.

74

16:54, Jun 23, Ethan Stoops, AK

Thank you for caring about supporting citizens in the prospect of utilizing the resources we have in Alaska to promote agriculture.

73

16:53, Jun 23, Mrs. Anya Van Hoecke, AK

72

16:45, Jun 23, Mrs. Dawn Stoops, AK

71

16:12, Jun 23, Rhonda Hubbard, AK

Absolutely, and so should everyone else.

70

15:54, Jun 23, Ms. Martha Shaddy, AK

69

15:34, Jun 23, Ms. Shaun Lott, AK

68

15:16, Jun 23, Ms. Cindee Karns, AK

This is absolutely VITAL to Alaska's survival, but it also needs to go hand in hand with a small farm bill. I'm sure we want big corporate farms here planting franken corn. Yes, all Alaskans should care.

67

15:07, Jun 23, Terri Pauls, AK

66

15:05, Jun 23, Dora Wainwright, AK

Alaska Grown is very important for our state.

65

14:45, Jun 23, Dr. Craig Gerlach, AK

I support Alaskan agriculture, Alaskan farmers, and a strong local livestock and horticultural system, one that will produce local food for regional and statewide consumption. Yes I do care, and I prefer for food, fiber and fuel to be Alaska grown, Alaska produced.

64

14:05, Jun 23, Ms. Doris Robbins, AK

63

14:01, Jun 23, Ms. Catherine Whitney, AK

62

13:35, Jun 23, Frederick Vahl, AK

61

12:59, Jun 23, Ms. Debra Gritman, AK

Absolutely, it would be nice to have the US support itself. Maybe someday.

60

12:53, Jun 23, Susan Sommer, AK

59

12:52, Jun 23, Mrs. Donna Jones, AK

58

12:42, Jun 23, terrisa kercher, AK

57

12:33, Jun 23, Mr. Richard Seifert, AK

This is very important to all of us, and i am a member of the Board of the Fairbanks community Cooperative Market in order to help support and further such efforts through marketing and merchandising of local food, as well and educating about food security and healthy eating.

56

12:28, Jun 23, Mr. Greg Obeso, AK

55

11:56, Jun 23, Julie Smith, AK

54

11:54, Jun 23, Barbara Rowland, AK

See need to push NON-GMO AGRICULTURE IN ALASKA as we do this.YES!

53

11:52, Jun 23, Sue Singler, AK

52

09:33, Jun 23, Mr. Bryce Wrigley, AK

There is a great need for a more focused and proactive approach to increasing our food security. That cannot happen without a more autonomous agency. As currently constituted, any goal or initiative for developing agriculture must pass scrutiny of DNR, who evaluates agriculture's role with how it fits the overall goals of DNR.To direct the development of this critical resource long-term, it is vital to have a dynamic, forward thinking Department of Agriculture and Food that is not subservient to the vagaries of a much larger agency whose main focus is non-renewable resources development.

51

07:38, Jun 23, Shelley Rainwater, AK

50

07:36, Jun 23, Chris Johnson, AK

49

00:21, Jun 23, Mr. Ronald Illingworth, AK

48

23:41, Jun 22, Mr. David Johnson, AK

47

22:35, Jun 22, Mr. Charles Bingham, AK

46

13:48, Jun 10, Ms. Deb Blaylock, AK

45

19:03, Apr 14, Mrs. Patricia McMurren, AK

44

10:26, Apr 14, Mrs. cathleen melbostad, AK

43

14:39, Apr 11, Mrs. Robin Korte, AK

42

15:50, Apr 05, Ms. Janet Vanairsdale, AK

41

15:08, Apr 04, Ms. Heather McCausland, AK

40

15:58, Apr 01, Mr. Ed Laurson, CO

39

19:16, Mar 30, Mrs. Saskia Esslinger, AK

38

14:17, Mar 22, Jimmie Ellison, AK

You betca, this needs to be brought to the attention of ever Man, Woman and child in Alaska.

37

17:00, Mar 17, Dr. David lanson, AK

36

17:28, Mar 07, Mr. David Selmser, AK

35

17:16, Feb 28, Nancy Richmond-Bentley, AK

Everything is local including food. Alaskans should have more support in their agricultural endeavors.

34

22:11, Feb 27, Edward Gagnon, AK

33

17:53, Feb 21, Holly Sheldon Lee, AK

32

13:33, Feb 18, Mrs. Anna Denis, AK

31

18:23, Feb 15, Ms. Anne-Corinne Kell, AK

30

16:17, Feb 15, Ms. Trisha Costello, AK
29
01:06, Feb 12, Ms. Mary Ernsberger, AK
28
14:57, Jan 31, Mr. Kevin Irvin, AK
27
16:30, Jan 29, Mrs. Doris Ethier,
26
01:15, Jan 21, Ms. Triena Slatter, AK
25
12:24, Jan 04, Mr. david lendrum, AK
24
04:44, Dec 29, Mr. STEVE KLEIN, VA
23
01:10, Dec 28, Mrs. Nina Stone, AK
22
03:53, Dec 26, Mrs. Petra Haisam, Egypt
21
22:19, Dec 25, Julie Luke, AK
20
09:13, Dec 18, Name not displayed, NJ
19
17:30, Dec 15, Ms. deboorah hayes, AK
18
17:15, Dec 15, Mr. Wes Hamrick, AK
17
15:58, Dec 15, Name not displayed, AK
16
15:02, Dec 15, Mrs. Jamie Woodside, AK
15
08:32, Dec 10, Mr. David N Moore, CT
14
20:25, Dec 07, Ms. Tahajra Worrell, Barbados
13
06:20, Dec 04, Ms. Emily Smith, PA
12
18:34, Dec 02, Mr. Chris Enders, MI
11
00:40, Dec 02, Mr. charles mclachlan, United Kingdom

10

08:13, Nov 30, Ms. Andrea Oefinger, CT

9

21:09, Nov 29, Mrs. Pam Boland, GA

8

20:01, Nov 29, Ms. Sacred Space, AB

7

16:49, Nov 29, Mr. David Dunkleberger, PA

6

14:34, Nov 29, Mrs. Jo Coelho, New Zealand
yes=the economy

5

14:30, Nov 29, Name not displayed, ON

4

13:19, Nov 29, Ms. Jacquie Bridonneau, France

3

11:58, Nov 29, Mr. mike barbieri, NV

2

11:15, Nov 29, Mr. Steve Fields, AK

I advocated this back in the early 90's when I sat on the SWCD Board. I was thought of as a pariah. Glad this is moving forward.

1

11:05, Nov 29, Ms. Ruby Hollembaek, AK

Let's make the next decade in Alaska's economic structure really count!



ALASKA FARM BUREAU, INC.

Bryce Wrigley, President
bjwrigley@gmail.com

Jane Hamilton, Executive Director
janehamilton99737@yahoo.com

March 15, 2011

Representative Steve Thompson
Alaska State Legislature
120 4th Street
State Capitol, Room 3
Juneau, Alaska 99801-1182

Dear Representative Thompson,

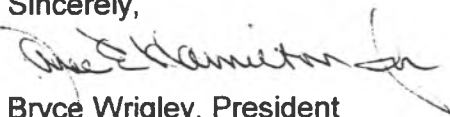
We wanted to take this opportunity to thank you for introducing HB 191 that creates a Department of Agriculture and Food. Agriculture has struggled to survive in the shadow of oil and gas for several decades. We understand the attention that oil and gas demand as they drive the economics of our state. This doesn't leave adequate attention to focus on agriculture and the importance of supplying a safe, secure and plentiful food supply to our citizens.

The Alaska Farm Bureau feels that this bill is important to every Alaskan citizen as well as the agricultural community. Since most of our food is imported, we are in a precarious position and vulnerable to the many disruptions to our transportation system that have occurred in the past and will, most likely, occur in the future. It is of the utmost importance that we produce our own safe and abundant source of food.

A Department of Agriculture and Food will give the industry the opportunity that is needed to ensure that locally grown food, - food produced in Alaska will be able to expand and develop to feed the citizens of Alaska.

If you have any questions about how HB 191 will improve and impact Alaska's agricultural industry, or if we can be of any assistance to you, please don't hesitate to contact me.

Sincerely,



Bryce Wrigley, President

PO Box 760 Delta Junction, Alaska 99737 Telephone: (907) 895-4752

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

MEMORANDUM

To: Chair Seaton, House Resource Committee

From: Representative Steve Thompson

Date: April 6, 2012

Re: House Resource Committee Members' Questions & the Answers regarding HB 191-
DOAF Hearing on 3/26/12

1. **Will DOAF issue licenses for elk farming?** Elk farming licenses would now be issued through DOAF, see page 5, lines 8-15. The DOAF Commissioner responsible for inspection of facilities; fencing standards. All provisions for elk farming will fall under DOAF.
2. **When DOAF provides elk licenses is there consultation with the Department of Fish & Game?**
There is agency cooperation between DOAF and DF&G in regard to elk farming. F&G reviews the standards proposed by DOAF (i.e. fencing and escapement standards). DOAF provides a copy to DF&G of each application for elk farming license received and issued.
3. **Where is the Board on Invasive Species located? How would it interface with DOAF? Currently aquatic invasive species are handled by DF&G. Why not put it under DOAF?**

(Response from DNR Legislative liaison, Esther Tempel via email- included and attached)

In response to the question during the HB 191 hearing as to which department would have oversight of invasive species, I offer the following. Currently, DF&G has oversight over invasive species such as Atlantic Salmon, D. Vex, Northern Pike, etc. (<http://www.adfg.alaska.gov/index.cfm?adfg=invasive.main>). However, DNR does have an invasive plants coordinator housed in the Plant Materials Center. DNR's role focuses on plants such as spotted knapweed or Canada thistle that may impact agriculture (<http://plants.alaska.gov/invasives/index.php>). DF&G and DNR's roles do somewhat cross over in regards to elodea, as it is an aquatic plant.

I am not sure about DF&G, but the noxious weed, invasive plant, and agricultural pest manager is created in AS 03.05.027 and in the text, it says the commissioner of natural resources shall employ this person.

It looks like in Sec. 7 of your bill (Version A), you repealed AS 03.05.027 and changed it so that the commissioner of Agriculture oversees invasive plants. I don't think you have amended F&G's statutes, but I would imagine it would be best to keep their invasive species coordinator there in fish & game as really only invasive plants would directly affect Agriculture.

(Response from Alaska Farm Bureau): Currently the plant and insect invasive species is housed in Division of Ag. I don't believe there is an all invasive species board yet, although it is being discussed. Fish and Game should retain other invasive species. The aquatic invasive species we have been discussing for the last several years are marine species except for Spartina. My suggestion would simply be to put all plants and insects in DOAF and keep aquatics in Fish and Game.

4. **List of statutes that are being repealed and what they include:**

All of Title 3 will now fall under DOAF. All highlighted areas have been changed to Department of Agriculture.

Title 3. Agriculture, Animals, and Food

Chapter 05. Powers and Duties of Commissioners of Natural Resources and Environmental Conservation.

AS 03.05.011(e). **Powers of commissioner of environmental conservation-** (e) In this section, (1) "commissioner" means the commissioner of environmental conservation; (2) "department" means the Department of Environmental Conservation.

AS 03.05.040(b)- **Inspection-** (b) In this section, "commissioner" means commissioner of natural resources with respect to those products over which the commissioner of natural resources has jurisdiction under this title, and the commissioner of environmental conservation with respect to those products over which the commissioner of environmental conservation has jurisdiction under this title.

AS 03.05.050(b)- **Products in violation of regulations.** (b) In this section, "commissioner" means commissioner of natural resources with respect to those products over which the commissioner of natural resources has jurisdiction under this title, and the commissioner of environmental conservation with respect to those

products over which the commissioner of environmental conservation has jurisdiction under this title.

Chapter 47. Bees and Beekeeping Equipment.

AS 03.47.040(2)- Sec. 47. Bees and Beekeeping Equipment. **Definitions.** (2) "division" means the division of agriculture, Department of Natural Resources;

Chapter 55. Care of Animals; Control of Dogs.

AS 03.55.190(3)-**Definitions.** (3) "department" means the Department of Environmental Conservation.

Title 17. Food and Drugs. Chapter 20. Alaska Food, Drug, Cosmetic Act. Article 2. Food and Aquatic Farm Products.

AS 17.20.075- (1) "commissioner" means the commissioner of environmental conservation; (2) "department" means the Department of Environmental Conservation.

Title 44. State Government. Chapter 37. Department of Natural Resources.

AS 44.37.030- The Department of Natural Resources shall

- (1) get and distribute information on subjects connected with agriculture;
- (2) control and regulate the entry and transportation of seeds, plants, and other horticultural products;
- (3) control and eradicate the spread of pests injurious to plants, trees, vegetables, livestock, poultry;
- (4) aid in developing used and unused agricultural resources; and
- (5) experiment and determine practical methods of growing, processing, soil analysis, eradication of obnoxious weeds, control of insects, and cheaper and more satisfactory methods of land clearing.

AS 44.62.330(a)(34) (a) The procedure of the state boards, commissions, and officers listed in this subsection or of their successors by reorganization under the constitution shall be conducted under AS 44.62.330 - 44.62.630.

(34) Department of Natural Resources concerning the Alaska grain reserve program under former AS 03.12; conducted under AS 44.62.330 - 44.62.630 is limited to named functions of the agency.

5. **Sec. 35-36 Check for responsibilities between DOAF and DEC.**
KRISTIN RYAN, DEC-report attached

6. **Does Section 51 of the bill add new authority to DOAF and then take it away from either DNR or DEC ?**

The new subsection, AS 17.20.230 (c), adds the authority for DOAF to have this same duty of enforcement with respect to an agricultural food product

Title 17. Alaska Food, Drug, and Cosmetic Act. Article 6. Enforcement. Detention or embargo of foods.

AS 17.20.230 (b) The Commissioners of Health & Social Services and Environmental Conservation retain their same duties.

Currently, the Commissioner of DEC has the authority over a food or cosmetic. **The amended version of (a) limits that Commissioner's authority to a nonagricultural food product or cosmetic. The Commissioner of DOAF will have the authority over agricultural foods or products.**

AS 17.20.230. Detention or Embargo of Goods.

(a) Whenever the commissioner of environmental conservation finds or has probable cause to believe that a food or cosmetic is adulterated, or so misbranded as to be dangerous or fraudulent within the meaning of this chapter, the commissioner shall affix to it a tag or other appropriate marking, giving notice that it is or is suspected of being adulterated or misbranded and has been detained or embargoed, and warning all persons not to remove or dispose of it by sale or otherwise until permission for removal or disposal is given by the commissioner or the court. A person may not remove or dispose of a detained or embargoed article by sale or otherwise without this permission.

(b) The commissioner of health and social services has the same duty with respect to drugs and devices as the commissioner of environmental conservation has with respect to food and cosmetics under (a) of this section.

AS 17.20.230 *Adding a new subsection*

(c) Whenever the commissioner of agriculture and food finds or has probable cause to believe than an agricultural food product is adulterated, or so misbranded as to be dangerous or fraudulent within the meaning of this chapter, the commissioner shall affix to it a tag or other appropriate marking, giving notice that it is or is suspected of being adulterated or misbranded and has been detained or embargoed, and warning all persons not to remove or dispose of it by sale or otherwise until permission for removal or disposal is given by the commissioner or the court. A person may not remove or dispose of a detained or embargoed article by sale or otherwise without this permission.

7. **Soil & water Conservation Districts**

The Soil & Water Conservation Districts will stay under the Commissioner of DNR.

8. **Sec. 42 DEC responsibility over fish?**

Fish will be left with DEC and DF&G.

9. **Summary of fiscal notes for the committee.** Hard copies of Fiscal Notes have been numbered to coordinate with the following table:

	ALLOCATION	DEPARTMENT RESPONSIBILITY	DNR (In thousands)	DOAF (In thousands)
1.	Agricultural Revolving Loan Program	DNR (Div. of Ag) to DOAF	(2,526.1) 1a.	2,526.1/yr FYI 15-18 1b.
2.	Facilities (Lease costs)	DNR (Div. of Ag) to DOAF	(54.0) 2.	
3.	North Latitude Plant Material Center-	DNR (Div. of Ag) to DOAF	(2,686.2) 3a.	2,686.2/yr FY 15-18 3b.
4.	Interdepartmental Chargebacks Human Resources and IT	DNR (Div. of Ag) to DOAF	(52.8) 4.	
5.	Administrative Services Salaries for support staff (13 positions) OMB	DNR (Div. of Ag) to DOAF		1,366.7/yr * FY 15-18 5.
6.	Office of the Commissioner (5 positions) OMB	DEC & DNR to DOAF		775.0 /yr * FY 15-18 6.
7.	Agricultural Development	DNR (Div. of Ag) to DOAF	(2,511.0) FY15 7a.	2,511.0/yr FY15-FY18 7b.
8.	Laboratory Services Food Safety	DEC to DOAF	Indeterminate 8a.	Indeterminate 8b.
9.	Administration & Support OMB	DNR (Div. of Ag) to DOAF		106.8 9.
			(7830.1)	9971.8

*Representative Thompson does not believe that there would need to be such a large staff in Administrative Services or in the Commissioner's Office in the DOAF.

Lynette Bergh

From: Tempel, Esther (DNR) <esther.tempel@alaska.gov>
Sent: Thursday, April 05, 2012 8:26 AM
To: Lynette Bergh
Subject: HB 191

Hi Lynette,

In response to the question during the HB 191 hearing as to which department would have oversight of invasive species, I offer the following. Currently, DF&G has oversight over invasive species such as Atlantic Salmon, D. Vex, Northern Pike, etc. (<http://www.adfg.alaska.gov/index.cfm?adfg=invasive.main>). However, DNR does have an invasive plants coordinator housed in the Plant Materials Center. DNR's role focuses on plants such as spotted knapweed or Canada thistle that may impact agriculture (<http://plants.alaska.gov/invasives/index.php>). DF&G and DNR's roles do somewhat cross over in regards to elodea, as it is an aquatic plant.

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It looks like in Sec. 7 of your bill (Version A), you repealed AS 03.05.027 and changed it so that the commissioner of Agriculture oversees invasive plants. I don't think you have amended F&G's statutes, but I would imagine it would be best to keep their invasive species coordinator there in fish & game as really only invasive plants would directly affect Agriculture.

I hope this helps,
Esther

Esther Cha Tempel
Legislative Liaison
Office of the Commissioner
Department of Natural Resources
(907) 465-4730
esther.tempel@alaska.gov

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF ENVIRONMENTAL HEALTH**

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FAX: (907) 269-7654
<http://www.dec.state.ak.us/>

March 30, 2012

The Honorable Paul Seaton
House of Representatives
Alaska State Capitol, Room 102
Juneau, Alaska 99801-1182

Dear Representative Seaton,

During a hearing of the House Resources Committee on March 26th, 2012 the committee heard testimony on House Bill 191 which creates a new Agriculture and Food Department. During the hearing you asked if the Department of Environmental Conservation (DEC) had any recommendations for improvements for the draft legislation.

DEC has been working to offer more support to Alaska's agricultural community over the last two years. An essential part of a viable agricultural industry in Alaska is safe food. We have formed a working group with the Department of Natural Resources (DNR), Division of Agriculture, and the University of Fairbanks, Cooperative Extension Service to identify ways we can work together and improve the support we provide Alaska's growing industry.

During my testimony, I mentioned an unintended consequence of separating the state's food safety regulatory authority across two agencies. DEC currently permits approximately 170 food processors that are not seafood related. These operators are preparing jams, jellies, bottled water, sandwiches, tortillas, salsa, cakes, cookies, BBQ sauce and many other things. As CS HB 191(RES) is written, it is difficult to determine what food products are considered agricultural and would be regulated by the new department and which would stay under DEC's purview.

While this issue can be resolved through edits to the legislation, it is representative of the larger problem of dividing food safety responsibilities across two agencies. It is problematic on a national level and in other states that are organized this way.

Thirty years ago, the Alaska seafood inspection program, State Veterinarian's office, and retail food inspection program were in three different agencies. It

was inefficient and confusing causing a reorganization and centralization of all food safety programs within one agency.

Food safety principles are consistent throughout the industry. The inspectors require the same training and perform the same tasks. Alaska struggles to achieve adequate inspection frequencies as is, further dividing these responsibilities across two agencies will increase the State of Alaska's challenges of ensuring safe food products.

Past experiences in Alaska have confirmed it is better to locate all food safety programs in one agency. Please let me know if you need any additional information.

Respectfully,



Kristin Ryan
Director

Cc: Representative Eric Feige
Representative Peggy Wilson
Representative Alan Dick
Representative Neal Foster
Representative Bob Herron
Representative Cathy Munoz
Representative Berta Gardner
Representative Scott Kawasaki
Representative Steve Thompson

Attached is additional back-up information for HB 191
from the Alaska Farm Bureau

Plan for agriculture

Goal: Provide enough local food to meet basic diet requirements for Alaskans for a period of 3 months within 10 years.

How

1. Put more ag land into private ownership.
 - a. Look at smaller parcels, especially adjacent to population centers (1000 acres in 50 parcels in 2012)
 - b. Homesteading program for ag land with food production incentives (2013)
 - c. Develop mechanism for offering preference rights to purchasers of ag land who have ag experience. (2012)
 - d. Look at agricultural land as a strategic resource needed for the security of Alaskans rather than a natural resource available to all residents equally
 - e. Support a strong 4H and FFA program in the schools and gift 10 acres of agricultural land to each graduating senior who has gone through FFA and submits a business plan to farm the land. (2012)
 - f. Aggressively promote food production enterprises in the remote rural areas based on available resources including arable land, climate, grazing potential, geothermal, or waste heat recovery (1 village in 2013, 3 in 2014, 10 in 2014, 20 in 2015)
2. Develop incentives for production of targeted food items
 - a. Discover quantities grown, required, and needed to meet goal (end of 2011)
 - b. Determine target food items critical to provide for basic nutritional needs (end of 2011)
 - c. Production credit program to reduce taxes, interest rate, or forgive a portion of development costs (program rollout 2012)
 - d. Grain reserve for animal production stability (1000 tons per year starting 2012)
3. Identify and assist with scalable processing alternatives to make food available year round
 - a. Mobile slaughter facilities (2012)
 - b. Farm business incubator model (2012)
 - c. Provide inspection of agriculture products as a function of state government at no charge (2013)
 - d. Design a plan template for an approved, inspected, low cost community kitchen for processing milk, vegetable, and fruit products (2012)
4. Fund research to develop more productive crop varieties
 - a. Plant breeding program at UAF (2013)
 - b. Vegetable seed development at PMC (2012)
 - c. Some functions of state government should not have to be fully reimbursed if they provide a strategic value to our food security.
5. Develop in-state sources of fertilizer production
 - a. Urea from an instate gas line (2017)
 - b. Phosphate mine development (2015)
 - c. Develop a source of agricultural lime (2014)
 - d. Potash mine development (2015)
6. Regulation Review
 - a. Develop Alaska regulations for inspection of food that will not be sold interstate (2012)
 - b. Ease regulations that inhibit processing especially those related to paperwork (2012)

- c. Develop easier application process for small start up processors similar to requirements for Farmer's Markets (2012)
 - d. Allow non-regulated face to face sales between the farmer and the public when gross receipts are less than \$100,000 and the product was grown by the seller (2012)
7. Marketing
- a. Promote consumer use of Alaska grown foods for different reasons
 - i. Developing rural communities
 - ii. Lower carbon footprint
 - iii. Increasing Alaska's food security
 - iv. Fresher and longer shelf life
 - v. Fewer crop diseases
 - vi. Healthier
 - vii. Economic value to keeping dollars in Alaska
8. Support
- a. Farm planning assistance
 - b. FFA, 4H, and Ag in the Classroom
 - c. Advocate with Dep. of Ed, DNR, DEC, legislature
 - d. Agriculture advisory board

Main thrusts

1. Enhance communities
2. Ag development needs to be practical based on a goal of private ownership and self-sustaining communities
3. Agriculture needs to be compatible with resource conservation
4. State is committed to making ag land available for farming and to help develop and maintain incentives for ag investment and production.

Constraints

1. Widespread availability of farmland
2. Production costs
3. Marketing
 - a. Cost
 - b. Variability of quality
 - c. Processing
 - d. Transportation and marketing infrastructure
4. Incentives to produce food

Development strategy

1. Increase production efficiency

- a. Reduce costs of farming by providing credit on favorable terms
 - b. Plan for a broad range of farms with a core of commercial farms large enough to produce at lower costs
 - c. Enable farmers to buy fertilizer, fuel, etc on favorable terms
 - d. Build efficient marketing and transportation system for crops and livestock
 - e. Provide research and technical assistance to increase yields and reduce operating costs
2. Market development

Questions

1. What future do you see for agriculture in Alaska?
2. Why should the state support an agricultural industry?
3. What are the primary reasons agriculture is struggling in Alaska?
4. What is the Division of Ag doing to address those problems?
5. With the loss of Agricultural Research service from Alaska, how does the division propose to provide research for new varieties of crops?
6. Have you made recommendations for selling more agricultural land and what has been the result of those recommendations?
7. What is Division of Ag's plan to increase our food security for Alaska?
8. What role should the Division of Ag have in the development of a viable agriculture industry in Alaska?
9. What restructuring changes do you recommend for the Division of Agriculture to meet the future needs of farmers and ranchers?
10. Explain how the Division of Ag allowed Bacterial Ring Rot to threaten the viability of the potato industry and what has been done to correct that?
11. How has DNR been responsive to your requests for support for agriculture?

Alaska Farm Bill Discussion

Increased awareness of Alaska's precarious situation relating to food security requires us to look at the current structure of the Division of Agriculture because it is the state agency whose mission it is to support the development of agriculture. A look at the ag statistics shows a gain of 70 farms in Alaska since 2002. They also show a loss of 20,000 acres during the same period. Cash receipts from agriculture from 2003 to the present are basically flat when not adjusted for inflation. When adjusted, agriculture receipts lost \$4.8 million dollars or a loss of 15%. Clearly, agriculture is not developing as our opportunities would suggest we could. I believe that is in large part due to the lack of vision, direction, and support from the administration.

Developing agriculture is not a stand-alone goal, but should be part of a larger development process that involves most of the state agencies including DNR, Commerce and Economic Development, Public Safety, Health and Human Services, Energy, Transportation, Education, and the University of Alaska, Fairbanks.

The following outline identifies a few of the opportunities to work between agencies to not only expand agriculture, but also to improve overall the state's economic and social issues. Without a specified coordinator, such interagency collaboration will be impossible therefore, the governor's support is vital.

Energy

- Support development of alternative energy sources that can be grown and harvested from farms
 - Barley
 - Wood
 - Grass
 - Oil seed
- Instate development of natural gas industries
 - Urea for use in state as well as for export (Urea is a fertilizer)
 - Available natural gas for heating, food processing, greenhouse operations
 - Development of new industries utilizing Alaska natural gas

Research

- Research is desperately needed to develop and improve short season varieties that can be grown in Alaska. Today we are growing the same variety of barley developed over 30 years ago. Early maturing, frost-resistant cereal grain development cannot occur in a different climate zone.
- Disease-free potato seed
- Earlier maturing oilseed varieties for use as food and biodiesel
- Develop vegetable and fruit varieties for Alaska
- Targeted funding for crop research at university level to replace ARS research capabilities recently lost

Marketing

- Develop in-state markets of vegetables, meat, and dairy products
- Develop a sustained marketing campaign to reconnect consumers with locally grown produce
- Connect users of bio-energy with producers of bio-energy
- Vegetable processing facilities to extend marketing season for crops
- Focus on local marketing of farm products
- Alternative Fuel credits, grants, low interest loans to spur alternative fuel development from agriculture
- Expand the state's Alternative Energy grant program to include all forms of alternative energy, not just electricity generation
- Develop a food independence campaign to raise awareness among Alaskans.

Development

- Preservation of land suitable for agriculture
- Long term leases for grazing with credit for improvements to the lease.
- Timely grazing lease renewals for ranchers who are grazing animals and following a range management plan
- Offer more non-ag ground for housing development to relieve pressure on farmable ground.
- Open up land with pioneer access to speed development of farm ground.
- Mobile USDA-inspected slaughter facilities to promote sales of meat to regional markets
- Develop in-state emergency warehouse system for use during natural disasters
- Clarify that the wisest and best use for ag ground is for agriculture development
- Reinstate a Dept of Agriculture to oversee agriculture development geared toward food security. This is important because it requires involvement of higher levels of the administration.
- Board of Agriculture and Conservation should be an advisory board without loan authority, allow appointments from a larger pool of farmers, and include recommending policy development for agriculture, land disposal, new market and infrastructure development.
- Develop in-state resources for fertilizer including use of abundant natural gas to produce Urea, develop phosphate, potassium, and lime deposits to reduce fertilizer cost and increase yields.
- Use production credits to incentivize production of targeted crops needed to provide food security

Transportation

- Backhaul rates for agriculture on Alaska Railroad and State Ferry System.
- Improved loading/unloading facilities for farm products at railheads.
- Railroad spur to Alaska Farmer's Cooperative in Delta allowing shipment of fertilizers, grain, and hay.
- Consider subsidizing transportation of fertilizer until state sources can be developed.

Taxes

- Farmland that is producing at certain levels should be tax exempt or have a graduated tax reduction based on level of food production
- Farm buildings should be taxed at lowest rate
- Use a production credit program to encourage production of certain crops

Education

- Support ag education k-12 by requiring ag related instruction in the curriculum.
- Support for FFA in high school to encourage the new generation of food producers.
- Increase emphasis on agriculture at university level.

State of Alaska
Department of Natural Resources
Division of Agriculture

Director

This Director is the Division leadership position and is a Governor appointee that is not required any qualifications. There is no Deputy Director position resulting in the Director position being heavily involved in day to day office operations rather than budget, policy, planning, interagency contacts, etc. There has been 9 Directors in the last 16 years contributing to lack of administrative continuity. Alaskan agriculture requires a long term plan with a long term State commitment. It is understood that with new Administrations there may be new appointees; however, continuity can be preserved with a viable long term plan and management positions such as Deputies and Program Managers.

The Division's entire \$7,000,000 budget process, including the Division, Plant Material Center (PMC) and the Agricultural Revolving Loan Fund (ARLF), is completed secretly by the Director with absolutely no input from the industry it is suppose to serve. The industry gets its budget decision news after-the-fact when they then have no opportunity to give input to the industry's budget needs or to lobby for support. Pursuant Regulation, the BAC is to review and approve the ARLF Budget before it is submitted to DNR. This has been ignored and circumvented by DNR and the Division of Agriculture for years.

A DEPARTMENT of Agriculture would require a Commissioner appointee with qualifications and Legislative confirmation, plus a Deputy to assist in carrying out the Departmental goals, including being accessible to the industry it serves. There are only two States in the Union, Alaska and Rhode Island, which do not have a Department of Agriculture. As a Department, there will be doors opened to Federal Programs and support that can help move Alaskan agriculture forward. As a Department, Alaskan agriculture issues will be brought forward at a cabinet level. A Department Commissioner will be dedicated full time to working with the Producers and the USDA to develop and promote Alaskan agriculture.

Board of Agriculture & Conservation (BAC)

The Governor appoints the Board members requiring essentially no qualifications and requires no Legislative confirmation. The BAC's primary purpose is to consider and take action on the Agricultural Revolving Loan Fund (ARLF) loans and real & personal assets. This has been problematic since the Board members generally lack the expertise to best manage the ARLF \$23,000,000 portfolio.

The BAC has operated in more of a "closed door" arena the past few years and does not welcome statewide ag industry input on ag issues. The BAC has had issues related to ignoring Open Meetings Act & Ethics Laws and have been counseled by State attorneys on numerous occasions, along with given training. For lack of DNR leadership participation and a defined Division of Agriculture

State direction, they appear to be running amuck with inconsistent credit decisions and irresponsible ARLF asset management. Additionally, the BAC has improperly drawn themselves in to Division operations, including State personnel issues.

The BAC should not be involved in State management operations. They should be statutorily re-defined as an Advisory Board with qualifications, representing the Alaskan agricultural industry, reporting to a DEPARTMENT of Agriculture with an annual report to the Legislature.

Agricultural Revolving Loan Fund (ARLF)

The ARLF is critical to the funding of both existing operations and any future development of agriculture as Private Banks are not interested in high risk Ag lending. There are essentially only three farm loan programs in Alaska with the ARLF being the primary. The ARLF has no manager and presently has one loan officer in place to service the \$23,000,000 portfolio including loans, real & personal assets. The ARLF has the potential to expand its services to include such programs as home loan participation with Alaska Housing Finance Corporation, Federal Farm Loan Guaranties, Production Credits, etc.

The ARLF has essentially been abandoned without a plan to just allow economics to claim its fate. DNR supported siphoning off over \$12,000,000 from the ARLF for Division general fund operating expenses 1989-2008 - until industry demands stopped it. AS 38.05.059 Sale of Agricultural Land. provides for ag money from ag land sales to be separately accounted for and may be appropriated to the ARLF. This was done as a back door means to support and recapitalize the ARLF. The ARLF has never received any of these funds; rather, DNR has approved using these funds for some ag land expenses and for personnel salaries & benefits.

The ARLF is not truly "revolving" since it has survived by liquidation of its capital assets such as the recent Matanuska Maid real estate and corporate shares. Its funds have dwindled to approximately \$5,000,000 with essentially no more assets to liquidate. There is evidence, including Legislative Audits, that statutory and regulatory review and updates are sorely needed. The ARLF is not responsibly managed and should be recapitalized only after reorganization.

Mt McKinley Meat & Sausage (MMM&S)

MMM&S has been an ARLF asset for more than 20 years and was received as result of bad debt recovery. This livestock slaughter facility located in Palmer operates in an old facility with deteriorating equipment and has consistently annual income loss. MMM&S operates within the ARLF budget; therefore, draws down on the fund. Unfortunately, ARLF assets fall under the Board of Agriculture authority where the BAC has no plan for it, except status quo. Again, the BAC should not be involved in State management operations.

MMM&S is the only south-central USDA approved slaughter facility and its issues have been ignored for years. It needs a viable short term and long term plan for the operation. Sporadic efforts have been made by the Division of Agriculture and the BAC over years for more cooperative working arrangements with the Department of Corrections (DOC) that provides MMM&S inmate labor. DOC receives the benefit of inmate training, yet the ARLF pays all the expense for the inmate labor. At one time there was a suggestion of building a new smaller efficient facility at the new Pt Mackenzie correctional facility.

A DEPARTMENT of Agriculture's concentrated effort with a same level Department of Corrections is necessary to move this off the mark.

The ARLF and its assets would be better managed under a DEPARTMENT of Agriculture that would provide professional level financial management and proper asset management. There must be a Loan Committee as an independent unit made up of professional personnel within the organization who follow Statutory and Regulatory requirements. Department level would open up higher agency cooperative efforts with Alaska Housing Corporation, USDA loan, emergency loan and grant programs.

Plant Material Center (PMC)

The PMC is a sizeable, but little known, research facility located outside of Palmer. The Statutory objective of the PMC are, in cooperation with the University of Alaska responsible for the Agricultural and Forestry Experiment Station, to assemble, evaluate, select, and increase plant materials needed in soil and water conservation, agriculture, and industry. They are to increase promising plant materials for field scale testing; maintain and provide for increase of basic seed stocks of plant materials for agricultural and conservation interests; and encourage the development of a seed industry.

The PMC's work for years has only been focused on re-vegetation seed, with the exception of seed for potatoes and a few older grain seed stocks; the PMC has made very little efforts in agricultural seed crop field trials and research. The agriculture industry is in desperate need of continued research for the future development of Alaskan agriculture.

Vegetable seed production is a very high value crop. As an example, spinach seed sells for \$1,800.00 per lb. in the lower 48 States. They have developed strains so they won't bolt; consequently, they have a problem getting seed. Harris Moran Seed Co. ran trials on an Alaskan farm years ago and discovered that due to our summer's long light, spinach would bolt and yield high quantities of seed.

Another example is that we can raise gourmet products such as fresh frozen peas and broccoli. It would take 15,000 acres to put in a pea processing plant. Peas could be raised in the Delta area and can be mechanically harvested and processed.

Despite the statutory direction to work with other agencies, the PMC is disconnected from other research agencies. Research with genuine value for the agricultural industry would be best promoted by an establishment of a DEPARTMENT of Agriculture that would facilitate cooperative efforts between the PMC and other agencies such as State Forestry, the University of Alaska and their Extension Services.

The impressive PMC facilities, labs, equipment and fields are not being fully utilized. A Department re-organization should include reviewing the PMC's purpose to include serious research for agricultural seed crop field trials. This is now even more critical with the loss of the Federal Arctic Research Services (ARS). Without Research, there is no future for Alaskan agriculture.

Seed Potato Program

The seed potato program under the PMC is suffering infectious potato ring rot disease incidence in the Mat Su Valley that jeopardizes Alaska's commercial potato production and potato seed export. There is zero tolerance for this, the most dreaded of potato diseases, in the lower 48 states and the world. The Division of Agriculture has been aware of this serious disease in the Mat Su Valley since at least 2008 when it was identified by PMC staff on the State Pt Mackenzie Corrections farm.

Alaska is the only State in the Union cleared to export certified seed potatoes to China. Significant State funds have been invested in the Virus Free Seed Potato Project since 1994. This project is currently under a Legislative Audit and is in serious jeopardy with bacterial potato ring rot disease in our own back yard.

There is insufficient quantity of certified seed potatoes available in Alaska for commercial potato producers and retailers. The credibility of the State's potato seed certification program is a concern when they have been aware of potato ring rot disease and have taken no measures to eradicate.

There needs to be DEPARTMENT level leadership to encourage increased production of quality certified seed potatoes, eradicate bacterial potato ring rot disease and instill new confidence in the Alaska Potato Seed Certification Program.

PMC Advisory Board

Members appointed by the Division Director meet twice a year to provide input to the Director and the Plant Material Center Manager. Though the Board appears on the Division's organization chart, member's names are not posted; meetings are not noticed, minutes not published. It's unclear what its purposes or accomplishments are since they seem to conduct the State's business in a vacuum. This Board is under-utilized, should meet at least quarterly with public and agricultural industry participation strongly encouraged.

Marketing Assistance

Efforts to market Alaskan farm products, while well intentioned, simply lack vision. Signs, hats, bumper stickers, trinkets and media ads are not effectively helping producers and expanding ag production. Though there has been some success in the Farmer Markets; there is a lack of "higher" level of contact with major stores, wholesalers, distributors, institutions, etc. There tends to be a defense to why it can't happen, rather than having a "make it happen" approach.

The Farm to School Program is a very positive program; however, Alaska's agriculture plan must come full circle. There is a disconnect when we are impress the importance of agriculture to our school children while Alaskan agricultural operations are struggling with no State viable plan in place.

Even the jewel of the Division of Agriculture, The Alaska Grown Program, has suffered for lack of proper administration. DNR & the Division of Agriculture ignored a 2002 Legislative Budget & Audit recommendation for years to register the Alaska Grown Trademark with the US

Trademark Office. This resulted in years of litigation at a cost of \$250,000 (\$50,000 from the ARLF) and ill will within the industry.

There should be standard procedures established and promoted that coordinate *all* the Division services. They should flow through the applicable sections, Lands Information/Purchase >ARLF Loans>PMC/UofA/Extension Services Information >Marketing Information/Grants >Inspections Information, etc. Additionally, information should be provided that directs public to other agencies such as Soil & Water Conservations > USDA >Grants, etc. The State's agency for agriculture should be "the" source for information and assistance, particularly for beginning farmers. As much information as possible should be provided that can help them succeed, rather than each section working separately with tunnel vision without a scope of the bigger mission.

Marketing under a DEPARTMENT of Agriculture would most certainly have the contact benefits to encourage more institutional Alaskan products purchase. Department level communications and efforts with the State Department of Commerce would prove beneficial. Additionally, a Department level leadership would be more closely accountable to the Governor and Legislature for specific goals with measures to monitor its effectiveness.

Inspection Services

The Inspection Services Section has a narrow focus with no genuine consumer orientation. Although inspections are identified with consumer protection, inspections are actually limited to a few interested parties with some routine inspections of retail business that sell directly to Alaska consumers. Inspection services are provided for federal purchase contracts in accordance with a federal agreement.

This section presently employs 1 Inspector Manager, 3 Inspectors and an Office Assistant full time. They report for FY2011 544 inspections + 70 Federal Phytosanitary certificates issued + 12 Country of Origin Labeling Audits. These divided among 4 Inspectors is less than 1 per each work day. It seems that this section could be more effectively utilized to promote Alaskan agricultural products with a DEPARTMENT level of goals and mandates.

Agriculture Land Sales/Management

History tells us it all starts with the land. The Division has sold 10,000 acres in the last 10 years. 1,200 acres of that ag land was sold within the past 5 years with only 202 acres sold 2011. Keep in mind that grain farms require units of 1000 acres, not 100 acres to operate. Additionally, it is 3-5 years start up time for Alaskan farms before you can market a product. It can be much longer depending on road access, water access, clearing of virgin ground, and of course, capital available for start up expenses such as equipment, fuel, labor, buildings, seed fertilizer, etc. Land is the long term investment in Alaskan agriculture. DNR and the Division are dragging their feet in selling land and are not providing support assistance in getting it in to production.

There is consistent public demand for the State to free up more ag lands. A DEPARTMENT of Agriculture would be a force that could bring more efforts to address this. A Department could give direct attention to any necessary legislative changes, such as seeking less restrictive ways to develop and promote ag land purchases, including smaller scale units more easily started in to

production. Legislature approved Production Credits is used in many States as an incentive to ag producers. DNR has no interest whatsoever at working on statutory or regulatory changes related to agriculture. Without a Department to take the lead for change and development, Alaskan agriculture is going nowhere.

Statutory and/or Regulatory changes may be necessary to ease up burdensome restrictions. Cooperative efforts are needed with Federal, State, Boroughs, BIA, Mental Health Land Trust, etc. on land issues such as land trades, permits/leases, access, easements, etc. DNR and Division of Agriculture tend to take a defensive stance with excuses that there will be no change, for anything.

Agriculture lands everywhere, not just in Alaska, had a rough time in their beginning development years. The great plains and the large irrigation projects had their detractors. Everyone who eats is fortunate that they still progressed forward through those tough times. Today, with our population, we need that continued production.

Public lands, both State and Federal, that could be classified as agricultural in Alaska is a very small percentage. Lands that meet ag classification should be classified for future needs. There should be a review of current ag land inventory and it be made available to those interested in farming. Additionally, there should be a plan for future ag land inventory with surveys, appraisals and proper access and applicable budget support.

Northern Region Office

There is essentially no visible State agriculture representation in the Northern Region. There is just no direction, no goals, and no plan for a Northern Region Office to implement, to monitor, to support and report on. It's as if the 2 staff members and a vacant manager position are just observers but it's not even clear for what.

This office is critical to support the large northern region agricultural areas; however, only with a DEPARTMENT of Agriculture level plan that can coordinate budget, land, water, transport, access, etc. issues with the other applicable Departments.

Examples of agricultural issues not being addressed by a Division

The Horticulture industry generates more than 40% of the Alaskan agriculture cash receipts; however, they don't appear to be a priority for the Division of Agriculture. Commercial greenhouses have had approximately a 50% increase of utility gas expense in the last five years, plus huge increase in freight expense to ship up soil, peat, pots, materials, etc. This minimizes their net cash flow that could go toward more jobs and expansion. They struggle finding sufficient labor during their peak season that work programs could be of assistance. They need a DEPARTMENT of Agriculture that can help facilitate cooperative efforts with agencies for such things as matching energy grants, alternative energy grants for more efficient heat systems, real estate property relief and even "go green" programs that promote recycling.

The Point Mackenzie Ag land soils are generally shallow and the only crop realistically suitable is hay production. At least one third of a producer's revenue goes toward fertilizer, the cost of

which has tripled in the last ten years. The sale price of hay has certainly not increased in kind. The closing of the Kenai Fertilizer Plant had a significant impact on farmers. The Producer's cost of fuel, fertilizer and equipment are the highest in the nation. That, coupled with Alaska's short growing season, makes a coordinated plan by the State and the Producers imperative.

Alaska only meets approximately 50% of its hay demand. There are innovative ways, such as reasonable off peak gas hay dryers, to increase quality hay production to better meet the demand. There should be support in marketing producer's hay by informing the public of availability. Alaska's transportation systems are limited and come with a high fuel price. The Producer's need coordinated assistance with programs that address their rising cost of fuel.

The Division of Agriculture focuses on protecting occupational preferences of a handful of rail belt commodity farmers, with the rest of Alaska, particularly the bush, largely ignored. They have no one serving as the entire ag industry's liaison. A DEPARTMENT level could coordinate funding with the State Denali Commission which provides millions of dollars in federal grants for the benefit of rural Alaska.

[REDACTED]

[REDACTED]

Conclusion

The Division of Agriculture's structure has become so strongly identified with the status quo that it is incapable of addressing what is required for the redirection of the future of Alaskan agriculture. The Division is broken both internally within its own sections and externally with the industry it is suppose to serve. Even as small as the Division is, sections and staff don't know what each other are doing and appear to work independently instead of as a teamwork unit. Externally, the industry has essentially given up after repeatedly faced with the Division's and the BAC's closed door mentality. DNR either does not have the time or does not have the inclination to provide the necessary leadership direction to the Division.

“DNR asserts that agricultural leadership and innovation are simply not its responsibility. We disagree, though, believing that public resources must now be refocused on those programs with the most promise to significantly advance the State's economy. In short, responsible public choices are part of DNR's job.” Pat Davidson, Legislative Auditor
January 13, 2003

The Division of Agriculture's “Alaska's Plan for Agriculture” is not a plan. Rather, it is a draft of ambiguous policy statements that includes the word “must” at least twelve times without explanation of why or how. It repeatedly makes statements that the State is not responsible to direct the agriculture industry and is not the leader. This is proven with the continuing decline of commercial agriculture production in Alaska, lack of agriculture land sales, lack of crop research and lack of funding support for Alaskan agriculture. It states, “A comprehensive and strategic

plan for the Alaskan agriculture industry is needed....”; however, it is State direction and leadership that it so desperately needs to accomplish that.

With appreciation for the volunteer members of the “Agriculture Advisory Panel” and their efforts, they are not professional planners, not economists. There needs to be a professional facilitator to lead a group of professional individuals with a bigger vision for a viable plan to develop Alaskan agriculture. A group, such as the previous State Agriculture Action Council, would work with the DEPARTMENT of Agriculture and seek input from the industry; however, this council would make their recommendations to the Governor and the Legislature followed then by approved direction and applicable funding support.

The Division’s mission and priority is supposed to promote and encourage the development of an agriculture industry in the State. However, lacking DNR leadership to set the goals and lacking Division management to carry them out has resulted in steps backward, not forward. There have been several audits, followed by several promises, for changes by a number of DNR Commissioners & Deputy Commissioners, along with Division of Agriculture Directors, that have never come to pass. The 2002 Legislative Division of Agriculture Audit Conclusion still applies today. That Audit conclusion was:

“Since our last audit, the division has made very little progress in advancing agriculture. In fact, we found that the lack of innovative leadership is actually hindering the expansion of Alaska agriculture. The Legislature should statutorily restructure services to agriculture for a more aggressive pursuit of distinctive Alaskan opportunities.”

DNR and a Division of Agriculture have had over 50 years, and failed, to bring Alaskan agriculture to a successful level. HB191 creates a DEPARTMENT of Agriculture to raise it to a cabinet level that is required for its development. A Department of Agriculture qualified Commissioner’s #1 priority will be to address Alaskan agriculture issues that have been mentioned, along with so many more. We must have “a seat at the table” as a Department of Agriculture to open doors for leadership with greater visions.

Support an Alaska Department of Agriculture and Food REINSTATE an Alaska Department of Agriculture

- <http://www.thepetitionsite.com/2/support-an-alaska-department-of-agriculture/>



- **Target:** Alaskans and State Legislature Body
- **Sponsored by:** Ruby Hollembaek, Farmer/Rancher

We are one of 2 states, Rhode Island and Alaska, who share the distinction of NOT having a cabinet level department or agency of agriculture.

Reinstate the Department of Agriculture.

In 1945, the Alaska Territorial Legislature created the Alaska Department of Agriculture for the purpose of promotion and development of agriculture. Agriculture is specifically identified in the State Constitution. Prior to statehood, there was a Territorial Commissioner of Agriculture who headed the Alaska Department of Agriculture. Certain functions in Agriculture were established prior to statehood, such as creation of the Agricultural Revolving Loan Fund in 1953 with a \$1 million authorization.

In 1953, major direction for the department was similar to what it is today - regulatory work including animal disease control, plant pest control and grading of produce, promotion of a larger and more stable agriculture industry by seeking larger markets and improving marketing techniques and providing financing of viable agricultural endeavors.

Alaska became a state in 1959, and statutory authorizations for agriculture were established in Title 03. Regulations were rapidly developed with adoption of the first regulations in July 1960 addressing surface sales, leases, homesteading (including auctions for amount of high bid and improvement of credits of up to 90% of the purchase price), as well as leasehold locations. Effective 5/23/64, regulations were amended so that timber sales, material sales and other uses were also allowed if consistent with public interest. Grazing leases were initiated in April 1970 as short-term leases only. Disposals of agricultural land were restricted to agricultural interest sales and leases effective August 1976, and amended in 1978 to clarify that disposal of leasable minerals could still take place. No exception was made for locatable minerals, non-agricultural surface leases, etc.

SUPPORT an Alaska Department of Agriculture and Food

An Act establishing a state department of agriculture and food and relating to its powers and duties; relating to the powers and duties of the Department of Environmental Conservation and the Department of Natural Resources; and providing for an effective date.

HB 191 was introduced at the request of the state-wide Alaska Farm Bureau. HB 191 establishes a new state Department of Agriculture and Food with the intent of using the current Division of Agriculture's budget. Currently, statutes and regulations that govern food, food products, land sales, loans, land development, and animals are spread between the Department of Natural Resources (DNR), and the Department of Environmental Conservation (DEC). HB 191 is an effort to stream-line government by bringing agriculture and agricultural foods products under the purview of one department.

A Department of Agriculture and Food would allow for a singular focus that would enhance agriculture and food security in Alaska. Agricultural policy has been inconsistent and prone to changes with new administrations, retirements, or economic changes. This ever-changing policy has hampered the development of a strong agricultural economy.

In 1974, Governor Hammond stated that "the state needed a renewable resource economic base to sustain Alaska after the oil was depleted." In 1976, Governor Hammond in an effort to develop renewable sources in the state established the following goals:

- Broaden the economic base of the state through agriculture production;

- Stabilize real food cost by increasing local food;

- Provided alternative job opportunities through expanded agriculture;

- Improve rural life by developing an economic base through agriculture.

Today people want to know where their food is coming from, they want to feel the security of having a farmer growing and storing food close by, they want to be at the farmers market on Saturday buying food from their neighbor.

Under a Department of Agriculture and Food, farming can expand to meet the needs of Alaska's residents, providing meat, milk, vegetables and grains for the table. Alaska's biomass can be used to heat homes and power cars, and fiber can be used to manufacture goods. Agriculture is a renewable resource that provides independence and industry into the future for the State of Alaska

**we signed "Support an Alaska Department of Agriculture and Food
REINSTATE an Alaska Department of Agriculture"**

10

08:13, Nov 30, Ms. Andrea Oefinger, CT

9

21:09, Nov 29, Mrs. Pam Boland, GA

8

20:01, Nov 29, Ms. Sacred Space, AB

7

16:49, Nov 29, Mr. David Dunkleberger, PA

6

**14:34, Nov 29, Mrs. Jo Coelho, New Zealand
yes=the economy**

5

14:30, Nov 29, Name not displayed, ON

4

13:19, Nov 29, Ms. Jacquie Bridonneau, France

3

11:58, Nov 29, Mr. mike barbieri, NV

2

11:15, Nov 29, Mr. Steve Fields, AK

I advocated this back in the early 90's when I sat on the SWCD Board. I was thought of as a pariah. Glad this is moving forward.

1

11:05, Nov 29, Ms. Ruby Hollembaek, AK

Let's make the next decade in Alaska's economic structure really count!

16:17, Feb 15, Ms. Trisha Costello, AK
29
01:06, Feb 12, Ms. Mary Ernsberger, AK
28
14:57, Jan 31, Mr. Kevin Irvin, AK
27
16:30, Jan 29, Mrs. Doris Ethier,
26
01:15, Jan 21, Ms. Triena Slatter, AK
25
12:24, Jan 04, Mr. david lendrum, AK
24
04:44, Dec 29, Mr. STEVE KLEIN, VA
23
01:10, Dec 28, Mrs. Nina Stone, AK
22
03:53, Dec 26, Mrs. Petra Haisam, Egypt
21
22:19, Dec 25, Julie Luke, AK
20
09:13, Dec 18, Name not displayed, NJ
19
17:30, Dec 15, Ms. deboorah hayes, AK
18
17:15, Dec 15, Mr. Wes Hamrick, AK
17
15:58, Dec 15, Name not displayed, AK
16
15:02, Dec 15, Mrs. Jamie Woodside, AK
15
08:32, Dec 10, Mr. David N Moore, CT
14
20:25, Dec 07, Ms. Tahajra Worrell, Barbados
13
06:20, Dec 04, Ms. Emily Smith, PA
12
18:34, Dec 02, Mr. Chris Enders, MI
11
00:40, Dec 02, Mr. charles mclachlan, United Kingdom

48

23:41, Jun 22, Mr. David Johnson, AK

47

22:35, Jun 22, Mr. Charles Bingham, AK

46

13:48, Jun 10, Ms. Deb Blaylock, AK

45

19:03, Apr 14, Mrs. Patricia McMurren, AK

44

10:26, Apr 14, Mrs. cathleen melbostad, AK

43

14:39, Apr 11, Mrs. Robin Korte, AK

42

15:50, Apr 05, Ms. Janet Vanairsdale, AK

41

15:08, Apr 04, Ms. Heather McCausland, AK

40

15:58, Apr 01, Mr. Ed Laurson, CO

39

19:16, Mar 30, Mrs. Saskia Esslinger, AK

38

14:17, Mar 22, Jimmie Ellison, AK

You betca, this needs to be brought to the attention of ever Man, Woman and child in Alaska.

37

17:00, Mar 17, Dr. David lanson, AK

36

17:28, Mar 07, Mr. David Seimser, AK

35

17:16, Feb 28, Nancy Richmond-Bentley, AK

Everything is local including food. Alaskans should have more support in their agricultural endeavors.

34

22:11, Feb 27, Edward Gagnon, AK

33

17:53, Feb 21, Holly Sheldon Lee, AK

32

13:33, Feb 18, Mrs. Anna Denis, AK

31

18:23, Feb 15, Ms. Anne-Corinne Kell, AK

30

14:01, Jun 23, Ms. Catherine Whitney, AK

62

13:35, Jun 23, Frederick Vahl, AK

61

12:59, Jun 23, Ms. Debra Gritman, AK

Absolutely, it would be nice to have the US support itself. Maybe someday.

60

12:53, Jun 23, Susan Sommer, AK

59

12:52, Jun 23, Mrs. Donna Jones, AK

58

12:42, Jun 23, terrisa kercher, AK

57

12:33, Jun 23, Mr. Richard Seifert, AK

This is very important to all of us, and i am a member of the Board of the Fairbanks community Cooperative Market in order to help support and further such efforts through marketing and merchandising of local food, as well and educating about food security and healthy eating.

56

12:28, Jun 23, Mr. Greg Obeso, AK

55

11:56, Jun 23, Julie Smith, AK

54

11:54, Jun 23, Barbara Rowland, AK

See need to push NON-GMO AGRICULTURE IN ALASKA as we do this.YESI

53

11:52, Jun 23, Sue Singler, AK

52

09:33, Jun 23, Mr. Bryce Wrigley, AK

There is a great need for a more focused and proactive approach to increasing our food security. That cannot happen without a more autonomous agency. As currently constituted, any goal or initiative for developing agriculture must pass scrutiny of DNR, who evaluates agriculture's role with how it fits the overall goals of DNR. To direct the development of this critical resource long-term, it is vital to have a dynamic, forward thinking Department of Agriculture and Food that is not subservient to the vagaries of a much larger agency whose main focus is non-renewable resources development.

51

07:38, Jun 23, Shelley Rainwater, AK

50

07:36, Jun 23, Chris Johnson, AK

49

00:21, Jun 23, Mr. Ronald Illingworth, AK

77

20:50, Jun 23, Heather Preece, AK

It is so important that our food, fiber and fuel comes from as close to home as possible.

76

20:37, Jun 23, Sharon Ferguson, AK

75

19:54, Jun 23, Mrs. Joette Storm, AK

It is our personal responsibility to take action in securing our own food supply and protecting agricultural land and resources.

74

16:54, Jun 23, Ethan Stoops, AK

Thank you for caring about supporting citizens in the prospect of utilizing the resources we have in Alaska to promote agriculture.

73

16:53, Jun 23, Mrs. Anya Van Hoecke, AK

72

16:45, Jun 23, Mrs. Dawn Stoops, AK

71

16:12, Jun 23, Rhonda Hubbard, AK

Absolutely, and so should everyone else.

70

15:54, Jun 23, Ms. Martha Shaddy, AK

69

15:34, Jun 23, Ms. Shaun Lott, AK

68

15:16, Jun 23, Ms. Cindee Karns, AK

This is absolutely VITAL to Alaska's survival, but it also needs to go hand in hand with a small farm bill. I'm sure we want big corporate farms here planting Franken corn. Yes, all Alaskans should care.

67

15:07, Jun 23, Terri Pauls, AK

66

15:05, Jun 23, Dora Wainwright, AK

Alaska Grown is very important for our state.

65

14:45, Jun 23, Dr. Craig Gerlach, AK

I support Alaskan agriculture, Alaskan farmers, and a strong local livestock and horticultural system, one that will produce local food for regional and statewide consumption. Yes I do care, and I prefer for food, fiber and fuel to be Alaska grown, Alaska produced.

64

14:05, Jun 23, Ms. Doris Robbins, AK

63

15:50, Jun 24, Edda Mutter, AK

90

11:44, Jun 24, Deirdre Heifferich, AK

Local food production is more popular and more important an issue than ever. We cannot go on focusing on only one or two sectors in the Alaska economy; local agriculture production produces jobs, improves health, creates community, and makes Alaska more secure.

89

10:56, Jun 24, Ms. E Roderick, AK

88

10:24, Jun 24, Paula Williams, AK

Not only will this make Alaskans more food secure, but it will support a stronger and more diverse economy.yes.

87

08:45, Jun 24, Mrs. Chris Ford, AK

Yes! I have been struggling with raising Poultry as organic as possible in the town that I live in. It has been very challenging. I I prefer to by local when I can but no one farms grains here. I have resorted to feeding my birds wild greens in the summer and fish through out the year along with the organic grains I get at the local feed store.

86

07:23, Jun 24, Jane Eisemann, AK

We have barely scratched the surface of what we can do here in Alaska with regards to food and self reliance.Yes I care about where my food, fiber and fuel comes from. Of course the closer to home the better!

85

06:41, Jun 24, Susan Cable, AK

84

04:12, Jun 24, Mrs. Kate Veh, AK

Yes.

83

02:03, Jun 24, Mr. Maxwell Hobson, AK

82

01:57, Jun 24, Mrs. Diane Gustafson`, AK

We need this to enable our state to not rely on outside interests to provide for our peoples life needs.Yes, I want to enable our state to provide for its own constituents as well as create jobs for our people.

81

00:31, Jun 24, Mr. Brian Roberts, AK

80

00:29, Jun 24, Mr. Christopher Crews, AK

AK needs HUGE Ag investments right now. In 20 or 30 years It's going to be one of the only places in the US that shouldn't be in a perpetual drought condition and will have temps that allow food to grow.Absolutely!!

79

23:15, Jun 23, Dr. karl monetti, AK

78

21:14, Jun 23, Ms. Rosemary Froese, AK

106

09:07, Jun 29, Mr. LOWELL NOORLUN, MN

105

08:47, Jun 29, Ms. Pam Rule, AK

104

22:02, Jun 27, Mr. Deanna Cooper, AK

Shortest supply route the better

103

11:46, Jun 27, Lisa Sadleir-Hart, AK

102

14:08, Jun 26, Larry Marsh, AK

There is nothing more basic, more vital than food production. As a young state, we should be doing much, much more to ensure that the future of agriculture and food production in our state is a vital and sustainable economic component for all residents. Local and regional food production is the foundation for a more efficient and sustainable agricultural economy.

101

09:00, Jun 26, Name not displayed, AK

100

01:03, Jun 26, Tom Paragi, AK

I am also on the Board of Directors for Fairbanks Community Cooperative Market. Our goal is to open a full service grocery that will buy quality local products first, purchasing from outside of Alaska only when a quality local option is not available.

99

23:43, Jun 25, Dr. Bob Johnson, AK

98

23:21, Jun 25, Mr. Joe Want, AK

97

23:18, Jun 25, Ms. Sara Stoops, AK

96

17:09, Jun 25, Enke Gendendorj, AK

yes highly

95

06:05, Jun 25, Elinor Poll Ramos, AK

94

23:45, Jun 24, Randy Bozelle, AK

93

20:40, Jun 24, Neil Wagner, AK

92

20:17, Jun 24, Eli Fleischer, AK

91

16:48, Aug 01, Chris DuBois, AK

120

22:56, Jul 26, Brian Olson, AK

119

23:28, Jul 19, Ms. Charlotte Jewell, AK

I support local business including agriculture & food production.

118

11:17, Jul 14, Dr. Patricia Holloway, AK

117

08:03, Jul 08, Roy Stamey, AK

116

17:39, Jul 05, Name not displayed, AK

115

21:38, Jul 03, Mr. Dale Gardner, AK

114

18:24, Jul 03, Margaret Wilson, AK

Yes, I live in the heart of the Matanuska Valley In Palmer, AK.

113

10:11, Jul 02, Mr. Thomas Aklestad, AK

Come on let Alaska in on all the funding and be recognized as part of the rest of the USA. Just look at ALL the resources we have here. It's a MEGA Bounty of natural resources here and it's not going any time soon.YES, It should be from our LOCAL RESOURCES! ALASKA all the way!! It can be done..

112

17:52, Jun 30, Sharon Walluk, AK

111

12:25, Jun 30, Aleks Pfaffe, AK

Absolutely. I want my food and supplies to come from as close to home as possible to support my community and reduce my carbon footprint.

110

12:15, Jun 29, Mr. kenneth blatchford, AK

kenneth e. blatchfordabsolutely

109

11:28, Jun 29, Mr. Brian Lyke, AK

I do! I wish there was more infrastructure for farmers in this state. A food processing facility would go a long way for agricultural sustainability in Alaska.

108

10:01, Jun 29, Mr. James Eastwood, AK

107

09:09, Jun 29, Mrs. Rebecca Radey, AK

YES!

10:29, Sep 16, Mrs. Bessie Meyer, AK

134

13:08, Sep 13, Ms. Diane Claassen, AK

133

14:28, Sep 10, Mrs. Kathleen Fields, AK

WE so need this.. and have for a long long time.

132

08:20, Sep 10, Brenda Peterson, AK

131

21:29, Sep 06, Jeannie Pinkelman, AK

130

13:55, Sep 06, Victoria Naegele, AK

A Department of Agriculture with more autonomy ought also to put more effort into educating young Alaskans on the sources of their food and fabric. This educational effort shouldn't be on the backs of Alaska farmers but part of a complete education promoted by the state for its students.

129

09:47, Sep 05, Mr. Stuart Davies, AK

I serve on the BAC. I care about Alaska being able to feed itself. Unfortunately, this topic has become a political football with many who previously supported this initiative changing sides and who are now not supporting it. I feel the Div. of Agriculture should support 100% local food production. I invite you to review the operations at Mount McKinley Meat and Sausage in Palmer and draw your own conclusions.

128

14:30, Sep 03, Mr. Scott McCasland, AK

127

19:41, Sep 02, Mr. Harold Moore, AK

126

06:26, Aug 19, Greg Kuijper, AK

Alaska is in a very unique situation when it comes to growing our own. The cost of shipping everything to AK is about to jump bigtime. When all our ships switch to low sulfur diesel from heavy fuel. Call your elected representative. Ask them what they're doing about this.

125

14:45, Aug 16, Mr. PAUL HUPPERT, AK

124

20:38, Aug 03, Ray Lasley, AK

123

13:12, Aug 03, Mr. Tom Aklestad, AK

Local ALASKA GROWN ALL THE WAY !ALASKA GROWN!! YOU HAVE NOT ENJOYED A GOOD FOOD ITEM UNLESS IT CAME FROM THE GREAT LAND!! ALASKA # 1.

122

14:41, Aug 02, Chet Chambers, AK

121

150

09:21, Nov 06, Mr. Scott Hollembaek, AK

149

11:33, Oct 27, Flora Deacon, AK

148

02:56, Oct 23, Mr. William Johnson, AK

147

14:29, Oct 22, Mr. David Poppe, AK

146

20:18, Oct 20, carrie sisson, AK

Yes

145

15:28, Oct 18, Mr. Cody Beus, AK

144

14:37, Oct 11, Mr. Brian Bourne, NJ

143

10:48, Oct 07, Name not displayed, AK

142

08:04, Oct 07, cheri dean, AK

yes

141

15:25, Sep 30, Ruth Edwards, AK

140

17:44, Sep 28, Leslie Bobo, AK

yesYES

139

08:29, Sep 24, Ms. Aimee Hollembaek, WA

138

11:15, Sep 22, Mr. Bill Burton, AK

Yes, we need to promote more Agriculture in Alaska to be able to take care of all the people in Ak. in case of some natural disastor, loss of outside transportation, or man made diastors.

137

17:36, Sep 18, Suzanne Taylor, AK

136

15:40, Sep 17, annie messer, AK

Thank you for caring about supporting citizens in the prospect of utilizing the resources we have in Alaska to promote agriculture. Do you care about where your food, fiber and fuel comes from? I DO, and am extremely worried about the influence of mega companies like monsnato has on agricultural and related legislastion.

135

**DIVISION
OF
AGRICULTURE
DIRECTOR'S OFFICE**

**PLANT MATERIALS CENTER
ADVISORY BOARD**

BOARD OF AGRICULTURE AND CONSERVATION	
Toy Sheldon	2012
A Poindexter	2013
Chris Flickinger	2012
Ben Vanderweele	2014
John Schirack	2014
Deidre Berberich	2012
Stuart Davies	2013

Franci Havemeister
Director
R27 ECF XE PCN 10-3001

**Administrative
Management**

Curt Sandvik
Administrative Officer II
R19 ECF SS PCN 10-3047

Connie Cannon
Office Assistant II
R10 ECF GP PCN 10-3052

Lora Haralson
Administrative Officer I
R17 ECF SS PCN 10-3002

**NORTH LATITUDE
PLANT MATERIAL
CENTER**
PMC Manager

**SOUTHCENTRAL REGION
OFFICE**

**NORTHERN REGION
OFFICE**

Stoney Wright
Agronomist III
R20 ECF SS PCN 10-3059

Amy Pettit
Development Specialist I
R20 ECF GP PCN 10-3072

Douglas Warner
Development Specialist II
R20 ECF SS PCN 10-3048

Vacant FY12
Natural Resource Mgr. I
R18 JBA SS PCN 10-3058

Kathi VanZant
Maintenance Generalist F
R52 ECF LL PCN 10-3034

Lubomir Mahiev
Agronomist II
R18 ECF SS PCN 10-3092

Ron Cotterman
Administrative Asst. II
R14 ECF GP PCN 10-3027

Marketing, Alaska Grown
Farm to School

**ARLF
& Assets**

**Inspection
Services**

**Plant Pests & Weeds
Ag Land Management**

Michael Keen
Equipment Operator J II
R53 ECF LL PCN 10-3051

Robert Carter
Nat Resource Specialist II
R16 ECF GP PCN 10-3025

Vacant FY12
Publication Specialist II
R16 ECF GP PCN 10-3074

Johanna Herron
Development Specialist I
R18 JBA GP PCN 10-3128

Amanda Swanson
Loan/Collection Officer I
R16 ECF GP PCN 10-1727

Barbara Hanson
Agricultural Inspector I
R16 ECF GP PCN 10-3060

Dan Proulx
Nat. Resource Specialist II
R16 JBA GP PCN 10-1388

Vacant FY12
Mechanic Automotive J
R54 ECF LL PCN 10-3066S

Daniel Coleman
Nat Resource Specialist II
R16 ECF GP PCN 10N10002

Brianne Blackburn
Nat Resource Specialist II
R16 ECF GP PCN 10-3127

Kristi Krueger
Project Assistant
R16 ECF GP PCN 10-3130

C Easley Special Project
Loan/Collection Officer I
R16 ECF GP PCN 10-3064

Mia Kirk
Agricultural Inspector I
R16 ECF GP PCN 10-3075

Curtis Knight
Nat. Resource Specialist II
R16 JBA GP PCN 10-3031

John Lemay
Maintenance Generalist J
R54 ECF LL PCN 10-3026S

Susan Twitty-Lincoln
Agronomist I
R16 ECF GP PCN 10N10003

Peggy Hunt
Agronomist II
R18 ECF SS PCN 10-3076

Mt. McKinley
Meat Plant

Frank Huffman
Production Manager II
R18 ECF GP PCN 20-6122

**Phytosanitary
Inspection**

Leo Kazeck
Development Specialist I
R18 ECF GP PCN 10-3129

Linda Byers
Maintenance Generalist II
R55 ECF LL PCN 10-3039S

William Campbell
Agronomist II
R18 ECF SS PCN 10-3084

Casey Dnkle
Agronomist I
R16 ECF GP PCN 10-3126

Jim Crigger
Production Manager I
R16 ECF GP PCN 20-6169

Leo Kazeck
Development Specialist I
R18 ECF GP PCN 10-3129

Kirk Brown
Office Assistant II
R10 ECF GP PCN 10-3056

Teresa Nix
Maintenance Generalist I
R58 ECF LL PCN 10-3079S

Cindy Gallagher
Nat Resource Tech II
R12 ECF GP PCN 10-3082S

Phil Czaplak
Agronomist I
R16 ECF GP PCN 10-3061

Nate Hamelink
Production Manager I
R16 ECF GP PCN 20-6425

**Ag Land
Management & Sales**

**Phytosanitary
Inspection**

**Phytosanitary
Inspection**

Gary Antoni
Maintenance Generalist I
R58 ECF LL PCN 10-3035S

Diann Caswell
Maintenance Generalist I
R58 ECF LL PCN 10-3055S

**Ag Land
Management & Sales**

Erik Johnson
Nat. Resource Specialist II
R16 ECF GP PCN 10-1795

**Ag Land
Management & Sales**

**Phytosanitary
Inspection**

**Phytosanitary
Inspection**

Gary Baldwin
Maintenance Generalist I
R58 ECF LL PCN 10-3040S

Vacant FY12
Maintenance Generalist I
R58 ECF LL PCN 10-3054S

**Ag Land
Management & Sales**

**Ag Land
Management & Sales**

**Ag Land
Management & Sales**

**Phytosanitary
Inspection**

**Phytosanitary
Inspection**

Damitry Mozalevskiy
Maintenance Generalist I
R58 ECF LL PCN 10-3081S

Maintenance Generalist I

**Ag Land
Management & Sales**

**Ag Land
Management & Sales**

**Ag Land
Management & Sales**

**Phytosanitary
Inspection**

**Phytosanitary
Inspection**

S Denotes Seasonal Employees

Franci Havemeister 1/6/2012
Date

December 10, 2002

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
SELECTED ISSUES

November 29, 2002

Audit Control Number

10-30017-03

The objectives of this audit were to evaluate: (1) the Division of Agriculture's human resource management; (2) the use of division assets, including expenditures for operations and management of physical resources; (3) the effectiveness of the working relationship among Division of Agriculture, the new Board of Agriculture and Conservation, and other entities involved in Alaska agriculture.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section.

Pat Davidson, CPA
Legislative Auditor

TABLE OF CONTENTS

	<u>Page</u>
Objectives, Scope, and Methodology	1
Organization and Function	3
Report Conclusions.....	5
Findings and Recommendations	17
Agency Response:	
Department of Natural Resources	19
Legislative Audit's Additional Comments	31

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 of the Alaska Statutes and a special request by the Legislative Budget and Audit Committee, we conducted an audit of the Department of Natural Resources, Division of Agriculture (DOAg).

Objectives

The objectives of the audit were as follows:

- To evaluate DOAg's human resource management.
- To evaluate the use of DOAg assets, including expenditures for operations and management of physical resources.
- To evaluate the effectiveness of the working relationship among DOAg, the new Board of Agriculture and Conservation (BAC), and other entities involved in Alaska agriculture.

Scope and Methodology

Field work for the audit included the following:

- Review of statutes, regulations, board activities, and DOAg documents since our prior audits.¹
- Interviews with state agencies,² federal agencies,³ and affected members of the public.
- Attendance at meetings of the BAC and the Creamery Corporation board of directors, as well as a review of selected minutes since our prior audits.
- Review of supporting documentation for 294 judgmentally-selected, high-risk DOAg expenditures in the time period of FY 00 through FY 02.
- Visits to various government supported agriculture projects.

¹ Special Audit of Agricultural Revolving Loan Fund, Audit Control No. 10-4557-98 (March 31, 1998); Special Audit of Matanuska Maid, Audit Control No. 10-4545-98 (September 30, 1998).

² DOAg staff (all offices and facilities); BAC board members; Creamery Corporation board members; personnel of DNR, Department of Law, Department of Administration, Department of Environmental Conservation, and the University of Alaska.

³ Farm Service Agency; Natural Resources Conservation Service; Agriculture Research Service; Cooperative State Research, Education, and Extension Service; and Agriculture Statistics Service.

(Intentionally left blank)

ORGANIZATION AND FUNCTION

The Division of Agriculture (DOAg) is organized within the Department of Natural Resources (DNR).

The division's FY 03 operating budget consists of three components: \$1,495,400 for agriculture development; \$2,527,200 for the plant materials center; and \$743,900 for Agriculture Revolving Loan Program administration. Approximately 43% of the division's operating budget is funded by federal receipts and 44% by the Agriculture Revolving Loan Fund. There are 31 permanent full-time and 24 permanent part-time budgeted positions.⁴ Except for two exempt positions, the employees are represented by three labor unions.

DOAg's main office is located in Palmer. The plant materials center (PMC) is an industrial/laboratory complex consisting of several buildings located on a tract in the rural Mat-Su Valley near Pioneer Peak. Also located in the rural Mat-Su Valley on Trunk Road is the division's nursery that consists of a building and two large greenhouses. DOAg also has a northern region satellite office located in a state office building in Fairbanks.

The functions of DOAg are divided as follows:

- Sales and leases of state land with agricultural covenants. The division is responsible for selling and administering Title 38 (Public Land) property with agricultural covenants.
- Institutional advertising. The division administers the Alaska Grown program and provides assistance to producers in getting their products sold.
- Inspections. This division provides inspections and grading of agriculture products. It also provides field inspections for seed certification and disease control.
- Alaska Natural Resource and Conservation & Development Board. The board's enabling legislation is codified in AS 41.10. The board represents the State for the Alaska Soil and Water Conservation District.
- Board of Agriculture and Conservation (BAC). Alaska Statutes 03.09 and 03.10 establishes the Board of Agriculture and Conservation and defines the powers of the board. This citizen board has seven members⁵ appointed by the governor who serve

⁴ Twenty-five permanent full-time positions and 17 permanent part-time positions were filled.

⁵ AS 03.10.050(b) provides, in pertinent part, as follows:

Members shall have the following qualifications: (1) one member shall have general business or financial experience; (2) one member shall be a member of a statewide agriculture promotion organization; (3) one member shall be a member of a soil and water conservation district established under AS 41.10.130(a) who is also engaged in commercial production agriculture; (4) four members shall be engaged in commercial production agriculture; each shall represent a different agriculture enterprise from the others, such as livestock production, dairy, vegetable production, grain production, horticultural production, and greenhouse and hydroponic production.

staggered three-year terms. The board currently is responsible for loan approvals, agriculture policy discussions, and overall oversight of state-owned agriculture facilities.

- Farm loans. The division currently processes and services Agriculture Revolving Loan Fund (ARLF) loans, which are approved by the BAC board. The servicing of ARLF loans includes collections and the sales of repossessed property and collateral.
- Oversight of farm-related industrial facilities. The division owns farm-related industrial facilities that are the aftermath of failed private sector projects. Some of these are operated by the division while others are made available to the private sector under various arrangements.
- Applied research. PMC's enabling legislation is codified in AS 03.22. PMC is to provide for the production and development of plant materials. PMC is basically the state repository for Alaska seed and is responsible for encouraging the development of the seed industry.
- Miscellaneous. Two specialized functions of the division are livestock identification branding and game farming regulation (e.g., elk).

REPORT CONCLUSIONS

Since our last audit, the Division of Agriculture (DOAg) has made very little progress in advancing agriculture. In fact, we found that the lack of innovative leadership is actually hindering the expansion of Alaska agriculture. We also found problems with the management of human resources and physical resources at the division.

Our detailed conclusions follow.

Lack of innovative leadership hinders Alaska agriculture expansion

Top DOAg management

Our previous audits⁶ reported on the need for DOAg to refocus its strategy from dairy farming to the discovery of specialties (niches) that capitalize on the distinctive Alaska strengths. These strengths and others we list in Exhibit 1. There has been no significant progress in these areas.

In fact, DOAg views its primary role as to emulate the commodity farming of the Lower 48 (dairy, red meat, grain).⁷ Under a philosophy of "import substitution," the current director considers his major accomplishment to be the substantial sales of state land for further experimentation with Alaskan "meat and potatoes" farming.

The placement of land in the private sector is treated as an end in itself. There is no vision as to how this would translate into profitable farm businesses, versus mere expansion of government benefits,⁸ subsidies, entitlements, and litigation from those who claim DNR has failed them.⁹

EXHIBIT 1 DISTINCTIVE ALASKA STRENGTHS NEGLECTED BY DOAg's CURRENT STRATEGY
<ul style="list-style-type: none">• Tourism (European, Asian, Lower 48)• Air cargo (world's fifth busiest)• Worldwide mystique and image of Alaska• Federal financial support (nation's highest per capita)• Alaska Native heritage• Extensive in-state military presence• Key military logistics position for Pacific Rim readiness• Cultural diversity (second only to Hawaii)• Major portion of the nation's freshwater supply• Availability of federal Denali Commission funding for programs that benefit Rural Alaska

⁶ Special Audit of Agricultural Revolving Loan Fund, Audit Control No. 10-4557-98 (March 31, 1998); Special Audit of Matanuska Maid, Audit Control No. 10-4545-98 (September 30, 1998).

⁷ In the case of dairy farming, there is little genuine economic justification for the State to perpetuate this tradition. See Special Audit of Agricultural Revolving Loan Fund, Audit Control No. 10-4557-98 (March 31, 1998); Special Audit of Matanuska Maid, Audit Control No. 10-4545-98 (September 30, 1998).

⁸ Those favoring further projects traditionally expect that the State will hand out the costly infrastructure that a private subdivider would include in the price of the lot. See S.J. Komarnitsky, "State looks at opening more land for farming projects: Thousands of acres in Mat-Su among areas considered," *Anchorage Daily News*, Dec. 2, 2002, pp. A-1, A-6.

In short, DOAg's unfocused approach simply emphasizes the volume of "farmland" that has been re-privatized. Such nearsightedness is reminiscent of the unquestioned "jungle" in the popular business leadership example of Exhibit 2.

The lack of innovation is particularly troubling since small-scale commodity farms are no longer considered viable even in the Lower 48. Even the academicians that, decades ago, advocated Alaska dairy and grain farming have retreated to espouse "differentiated" specialties (distinctive niches).¹⁰ Though the reaction of DOAg since our last audit has been continued efforts to protect the occupational preferences of a handful of Railbelt commodity farmers, the rest of Alaska, particularly the "bush," still continues to be largely ignored.

EXHIBIT 2

EXCERPT FROM MICHIGAN DAIRY REVIEW

Consider this analogy from Stephen Covey's "The 7 Habits of Highly Effective People." Envision a group of people cutting their way through the jungle with machetes. They're the producers, the problem solvers. They're cutting through the undergrowth, clearing it out.

The managers are behind them, sharpening their machetes, writing policy, and bringing in improved technology.

The leader is the one who climbs the tallest tree, surveys the entire situation, and yells, "Wrong jungle!"

But how do the busy, efficient producers and managers often respond? "Shut up! We're making progress."

Source: Michigan State University, *Michigan Dairy Review*, May 1999, p. 1.

However, whether the strategy is the status quo or untried niches,¹¹ DOAg has failed to actively pursue a substantial potential source of federal funding. The Denali Commission,

⁹ The State has no obligation to provide every service to every location in Alaska. However, an expectation of expanded state services would accompany another "Point MacKenzie" type project in an inaccessible area. Once DNR agrees to extend a service to an area, the State assumes liability for negligence in providing that service. See *Angabooguk v. State Dept. of Natural Resources*, 26 P.3d 447 (Alaska 2001) (homeowners claiming that DNR was negligent in fighting the Big Lake fire).

¹⁰ See Carol E. Lewis and Roger W. Pearson, "Alaska's agricultural industry," *Agroborealis* (summer/fall 1996), p. 23 ("*Alaska must penetrate national and international niche markets. Entering the commodity markets is unlikely.*"); James V. Drew, *A Tale of Two Agricultures*, plenary lecture to Fourth Conference of the Circumpolar Agricultural Association, Aug. 27-29, 2001, Akureyri, Iceland ("*[T]he near term success of agricultural development in Alaska . . . will depend on the ability of Alaska farmers to develop and supply specialty markets.*"); Carol E. Lewis, Roger W. Pearson, and Charles W. Knight, "Agriculture in Alaska," report for the Alaska Science and Technology Foundation, 1998, pp. 2, 13 ("*[There] has been expanding interest by [Alaska] producers in products that can add value or be sold in niche markets*"; "*Premium prices can be obtained . . . in specialty markets where products are differentiated.*").

¹¹ Potential niches have not been adequately explored due to the lack of collaboration among researchers. For instance, the popular national market for herbal remedies could recognize the contributions of Alaska's Native heritage. See Ann Garibaldi, *Medicinal Flora of the Alaska Natives* (University of Alaska, 1999). Neglected linkages among DNR, Native organizations, and rural Alaska would, of course, need to be pursued. Another potential niche could be distinctive products added to the military logistics flights that pass through Alaska en route to Pacific Rim readiness forces. DNR may wish to consult the University for assistance, given its new business logistics program and the recently retired generals now serving as university president and business school dean. A third little-explored niche is the development of brewing hops that capitalize on the mystique of Alaska. Some niches may profit from partnerships with major agribusiness in the Lower 48. For instance, such businesses may contract with farmers for production of specialized seeds not found elsewhere.

Unlike the large scale production of generic commodities, profitable niche products can be supplied from a wide diversity of small "alternative" farms (farms with orientations that are organic, lifestyle, commuter, hobby, religious, or therapeutic). We agree with a recent Oregon extension service publication in which a faculty member opines that such alternative farms "*bring an awareness of agriculture and land management to urban life*" and that "*there is room for everyone in [his state's] agriculture today.*"

which serves Alaska exclusively, provides millions of dollars in federal grants for projects that benefit rural Alaska. While each year the commission plans its funding around a particular rural need, DOAg has not aggressively sought a year dedicated to farming projects or even offered the commission an individual to serve as the agricultural industry's liaison.

DOAg's efforts to "market" Alaska farm products, while well-intentioned, have similarly lacked vision. Signs, hats, bumper stickers, and media ads are intended to convince consumers to purchase available Alaska products. With a few successful exceptions, Alaska farmers simply wait to see what is actually available for harvest and then offer it to a local outlet, an extremely basic, small-scale approach.

Under the true consumer-driven "marketing" strategy that drives mainstream America, DOAg would take a different approach. DOAg would spend less time networking with other states' officials and more time discovering new products that major distributors¹² would like Alaskans to start supplying for the rest of the world.¹³

Once again, the disappointing performance is in DOAg's failure to find new products that distributors want and Alaska producers can readily produce. The growth-stunting assumption is that Alaskans will buy whatever local farmers produce.

Further evidence of the lack of a genuine consumer orientation is found in the narrow focus of DOAg inspection programs. Although inspections are identified with consumer protection, inspections are actually limited to a few interested parties. For example, DOAg is to provide inspection of fresh fruits and vegetables in accordance with a federal agreement. These inspections are mainly provided for federal purchase contracts, and upon request for a service charge, to distributors, wholesalers, or retailers that usually question shipments. There are no routine inspections of retail businesses that sell directly to Alaska consumers.

We see no reason why inspection services, including inspecting potatoes for quality and disease, cannot be performed within the context of the more routine Department of Environmental Conservation's (DEC) health inspections to protect consumers. Thus, in Recommendation No. 1 we suggest refocusing agriculture inspections to better protect retail consumers by moving the function to DEC.


The State of Alaska can no longer afford to subsidize a perceived "right to farm." Affluent corporate farmers need to coordinate their annual cash flow, like other successful businesses,

¹² When approaching the marketing executives of major distributors, state officials should think beyond the handful of existing distributors that currently service Alaska grocery stores. For instance, profitable Alaska niches may be found through contact with major Lower 48 chains that manufacture and retail specialty items to the gourmet, health food, physical fitness, and alternative remedy markets. An example would be the Wild Oats Markets, a publicly-traded corporation with 102 natural food grocery stores in 23 states and Canada (see www.naturesnorthwest.com). In short, under a true modern "marketing" approach, a feasible market is discovered before the item is produced.

¹³ Iowa State University has reported that the average U.S. grocery store now stocks items from over 100 countries. For this reason, we recommend that the more aggressive discovery of new farm products for export be entrusted to the Department of Commerce and Economic Development's Division of International Trade.

through a visit to their local banker. Perpetually failing farmers need to be weaned from the entitlement culture and find something else to do. True entrepreneurs with a vision for promising niches should be encouraged in accountable ways.

Unfortunately, the current DOAg structure has become so strongly identified with the status quo that it is incapable of the leadership required for the redirection of Alaska agriculture over the coming decades, see Exhibit 3. There is a meaningful role for Alaska agriculture, but the current structure is unlikely to ever find it. To reverse this trend, a major reassignment of DOAg functions is necessary. This reassignment will be consistent with Governor Murkowski's recently-issued Administrative Order No. 202, which encourages performance audit recommendations "for consolidation and reorganization of departments, divisions, and duties." See Recommendation No. 1.

EXHIBIT 3 OUTMODED ASSUMPTIONS THAT HINDER AGRICULTURAL PROGRESS	
<ul style="list-style-type: none"> • Farmers need the government to take care of them • Government can run a business better than the private sector • Customers need to buy whatever farmers grow • Real farmers serve generic commodity markets (not niches) • Waste byproducts are someone else's problem • Waste byproducts are some other agency's problem • Produce it now, worry about "marketing" later • Rules are for private businesses; government businesses are free to do whatever they want 	

Fragmented, disjointed research facilities

Despite agriculture's minor presence in Alaska, a considerable variety of researchers of the subject are stationed in various agencies around the state, see Exhibit 7, page 16. Also, as we observed with DOAg's management, the efforts of these individual scientists have so far not resulted in any profitable niches that have prevailed as a fixture in the Alaska economy.

In states with major agribusiness, the federally-funded cooperative extension service has historically been the vital link between theoretical research and farmers that need to earn a living. However, unlike in the Lower 48, neither DOAg nor the University (current organizational home of cooperative extension) has actively sought to focus Alaska's extension agents on traditional problems like dairy herds, crop diseases, and failing farm waste treatment systems.

In fact, unlike other states, Alaska's cooperative extension service is not even associated with an agricultural school or an agricultural agency. Rather, it continues to reside in the university's College of Rural Alaska, where its handful of well-meaning agents service Railbelt hobby gardeners more than working farms.

DOAg itself has a sizeable, but little-known, research facility known as the Plant Materials Center (PMC). Despite the statutory direction to work with other agencies, we found the scientists at this laboratory to be conscientious but disconnected from other research agencies within even the same community. The losers from all of this fragmented research are those who farm for a living today, as well as those who might do it tomorrow if profitable niches were discovered. Even the statute's requirement for a joint DOAg-University appointment of the PMC's administrator has been circumvented by DOAg over the past decade.

This lack of collaboration among agencies is certainly not the norm for scientists from state agencies, the university, or the federal government. Researchers from all three have successfully worked together for years in Alaskan consortiums that directly benefit the public in tangible ways. Six examples would be the Alaska Volcano Observatory, Alaska Earthquake Information Center, Tsunami Warning Network, Geologic Materials Center, Moose Research Center, and ARLIS¹⁴ reference library. While participating agencies share facilities, projects, and personnel in such consortiums, all agencies retain their individual identities.

Research with genuine value to the public would be best promoted by establishment of an Alaskan Agriculture Research Consortium that consists of mandatory participation by all state-funded researchers and negotiated memoranda of understanding with federal agencies, see Recommendation No. 1. To assure maximum utility of the consortium's work-product, it is essential that Alaska's cooperative extension service be directly administered by the new consortium rather than the College of Rural Alaska.

Despite the long-term benefit to Alaska agriculture, it is not realistic to expect, after decades of separatism, that the existing personalities from autonomous groups such as DOAg and the university will ever voluntarily initiate such a consortium.¹⁵ Therefore, the legislature needs to directly, formally, and explicitly mandate it through amendments to the statutes that govern the PMC and the university system.

*A more meaningful role for the
new Board of Agriculture and Conservation*

Monitoring the consortium's research would be a more significant role for the new Board of Agriculture and Conservation (BAC) than being enmeshed like a bankers' loan committee in the minutia of ever-dwindling DOAg loans. As we note in Recommendation No. 1, the details of approving and servicing loans belong, not with an agricultural policy board, but rather with the financial specialists that administer other state loans to businesses.

More specifically, the BAC should on a regular basis review the consortium's proposed research projects and the progress on existing ones. In an advisory capacity to consortium scientists, the

¹⁴ Alaska Resources Library and Information Services.

¹⁵ Governor Murkowski, in his recently-issued Administrative Order No. 202, encourages performance audit recommendations "for consolidation and reorganization of departments, divisions, and duties."

BAC should prioritize proposals based on their anticipated utility to Alaska farmers and the potential for discovering profitable niches. The consortium's annual budget request should include a BAC report to the legislature on the following: (1) progress on research projects that the board considers to have direct value to existing farmers; (2) progress on research projects that are exploring potential new niches that capitalize on particular Alaskan strengths; and (3) new niches that have been profitably implemented by Alaskan farmers as a result of consortium research.

Human resources mismanaged

Although there are noteworthy accomplishments,¹⁶ overall we found that human resource management at DOAg is plagued by numerous problems, see Exhibit 4.

The commissioner's office acknowledges there is a general problem, but attributes it to a lack of strong decisive leadership at the division level and to inherent diseconomies of scale for a small division. We note however, the division director is an appointed executive and subject to direction by the commissioner and the governor. There is authority to remedy the leadership void at the division if the commissioner or governor so chooses to direct their efforts to this situation.

¹⁶ In 2001, the Plant Materials Center staff asked Occupational Safety and Health to conduct a safety and health evaluation of its program and facilities. Although the inspection found numerous safety and health hazards, PMC staff not only worked diligently to fix the hazards, but held safety meetings and trainings to address the concerns.

EXHIBIT 4

PROBLEMS IN HUMAN RESOURCE MANAGEMENT THAT DEGRADE DOAg's ADVANCEMENT OF ALASKA AGRICULTURE

- Uncertainty as to employer expectations for performance and professional behavior (sporadic formal evaluations, infrequent coaching and mentoring, no action plans to correct specific deficiencies, no use of progressive discipline system)
- Careless screening of job applicants for any criminal background or dangerous driving records (incomplete applications, little verification, lax follow-up of disclosures to assess risk to public and coworkers)
- Inadequate safeguards for accurate communication of pay rates and benefits to hirees
- Ambiguity as to employee accountability and chain of command
- Employee confusion over Ethics Act boundaries between official and private behavior
- Neglect of escalating reclassification disputes (duties have expanded to do more with less)
- Lack of routine positive "one-on-one" feedback for employee achievement and innovation
- No professional development plans to inspire senior career employees
- Frustrated career advancement for long-timers (few promotions due to small division size)
- Lack of continuing, proactive professional intervention in the publicly-embarrassing office "civil war"
- No referrals of troubled workers to the Employee Assistance Program (festering personal issues that risk stress-related workers' compensation claims, hostile workplace disputes, OSHA complaints, and labor grievances)
- Neglected personal safety of employees with custody of cash
- Work assignments hindered by unresolved personal safety issues about toxic substances (reasonable use of pesticides)
- Continuous drain of DOAg resources to ongoing employment disputes

Physical resources mismanaged

We found several deficiencies in the management of assets. We placed these deficiencies into the following four categories.

1. Environmental stewardship

Responsible planning for waste is an important aspect of every industry. Here in Alaska, the State does not hesitate in holding local industries such as mining, petroleum extraction, and cruise ships responsible for unpleasant byproducts of their successes. The obvious byproduct of the livestock industry is manure, which is heavily monitored by the federal Environmental Protection Agency in the Lower 48. In Alaska, there is very little animal waste monitoring. Exhibit 5 explains why animal waste is of concern.

Despite claims Alaska is the land of “*eco-friendly agricultural practices*,”¹⁷ we found otherwise. We observed, and had confirmed by DEC’s professionals, extensive, uncontained¹⁸ stockpiling of manure that threatens the area’s watershed. In fact, neglected manure at one Mat-Su dairy compelled the state’s veterinarian to suspend the dairy’s operating permit out of fear of local water contamination.

DOAg and BAC’s approach to developing agriculture is placing state agriculture lands into the private sector and granting loans and leases for agriculture purposes. Planning for animal waste management is not treated as an integral part of this promotion. Environmental concerns involving animal waste apparently are regarded as someone else’s or some other agency’s problem, which is inconsistent with the governor’s overall position concerning the environment.¹⁹ Additionally, we note that the State as a landlord may be liable for uncorrected hazards such as pollution that harms neighbors.


Although technically called the Board of Agriculture and Conservation, the board’s potential in conservation matters has so far been unrealized. Since DOAg and its board have neglected the waste treatment aspect of environmental stewardship, DEC with the assistance of the cooperative extension service will need to spearhead the responsibility²⁰ in

EXHIBIT 5

LIVESTOCK WASTE: A WATER QUALITY CONCERN

- *Runoff from livestock operations enters water bodies when poor maintenance of waste lagoons, improper design of storage structures, improper storage of animal waste, and excessive rainfall result in spills and leaks of manure-laden water.*
- *Overapplication of manure to cropland is another source of animal waste runoff.*
- *When livestock manure and other animal waste spills or leaks into surface or ground water, it can create an immediate threat to public health and water resources.*

- *This runoff has nutrients, such as nitrogen and phosphorus, that in excess cause algae and other microorganisms*



to reproduce in waterways, creating unsightly and possibly harmful algae blooms. Explosive algae populations can lower the level of dissolved oxygen, which can cause fish and other aquatic organisms to die.

- *Spills from ruptured waste lagoons and other faulty storage facilities have killed tens of thousands of fish.*
- *Animal waste runoff can also be a threat to the health of people who come into contact with affected waters because some of the microbes (bacteria, protozoa, and viruses) in animal waste can cause disease.*

Source: U.S. Environmental Protection Agency, Proposed Regulations to Address Water Pollution from Concentrated Animal Feeding Operations, publication no. 833-F-00-016 (March 2001).

¹⁷ This claim was made in a state-funded, full-page color advertisement that was printed in the Anchorage Daily News on November 15, 2002.

¹⁸ For example, the auditor saw an unlined, unfenced manure pit as large as an Olympic-size swimming pool. Persons interviewed estimated it to be somewhere between 12 to 30 feet deep.

¹⁹ Governor Knowles stated in Administrative Order No. 200 that “*Alaska must step up and focus its efforts to assess the health of our waters and to maintain vigilant stewardship, as well as act to restore polluted waters.*”

²⁰ We commend the Department of Environmental Conservation’s Division of Air and Water Quality for taking corrective action to address the immediate manure problems at Point MacKenzie.

addressing animal waste management practices. As an essential part of this regulatory responsibility, the State should not enter into sales, loans, leases, or dairy permits unless the agreement's terms provide a feasible plan for waste disposal.

A farm conservation plan is a regulatory requirement for any Title 38 sale of state agricultural land.²¹ Such a plan includes the buyer's proposed arrangements for water conservation which, of course, reasonably includes the protection of the area's watershed from waste and contamination. We believe that DNR should also require a farm conservation plan as a condition in leases of state agricultural land and as a condition of farm projects financed with ARLF loans. More specifically, DNR should ensure a rigorous review of the capability of a potential buyer or tenant to deal with the inevitable issue of animal waste. This technical review will benefit from assistance as necessary from specialists at DEC and the cooperative extension service.

Potential resources so far unutilized by DOAg include the following: (1) cooperative extension agents from Lower 48 universities who specialize in livestock waste management; (2) civil engineering faculty from the University of Alaska; (3) extensive online technical information from agencies both Outside and in Canada; and (4) National Guard training exercises to prepare for the realities of damaged waste treatment facilities from warfare or natural disasters.²²

Finally, we note the recent, well-publicized demands by the governor and Alaska's congressional delegation for disclosure of the adequacy of military cleanups from experiments with chemical and biological weapons that were conducted along the Gerstle River near Delta Junction. Since some state land placed in agricultural projects is found along the Gerstle River, the Department of Natural Resources should be sure to assess the significance, if any, to area farms as the disclosures come forth.

2. Oversight over major state-owned facilities

The state owns five major agricultural facilities. They include:

- The old feed mill in Palmer, currently used by Matanuska Maid to mold containers and service trucks.
- The Mt. McKinley Meat & Sausage plant, currently used to process dairy farm byproducts and other surplus livestock.
- The former Delta granary building, currently used by local farmers.

²¹ See 11 AAC 67.177.

²² The Alaska National Guard has a long history of adapting its training in ways that assist state and local agencies with community service, ranging from disasters (Big Lake forest fire, 1964 earthquake) to law enforcement (protection of local police during dangerous raids) to education (helicopter retrieval of remote fossils) to community celebrations (air delivery of Fairbanks-bound statue from Seattle) to the environment (disposal of junk cars near Palmer). Construction assistance with Point MacKenzie farm systems could provide realistic training for events when the Guard would be dispatched to address larger public treatment systems damaged by natural disaster or warfare.

- The former Fairbanks meat plant, now being used as a private fish plant.
- The Matanuska Maid dairy processing plant in Anchorage.

We encountered a variety of problems in DOAg's handling of these largely obsolete assets. The state-owned feed mill building in downtown Palmer is occupied by Matanuska Maid under a very informal unwritten, rent-free "courtesy" lease. The continued operation of the Mt. McKinley Meat & Sausage plant is uncertain since the Department of Corrections declines to operate it further with prison labor.²³ The former granary in Delta Junction is essentially provided rent free (\$1 per year) to a group of individuals. The lease to the Fairbanks fish plant has expired and is now a month-to-month arrangement. Finally, the State has lost meaningful control over the Matanuska Maid dairy, see Recommendation No. 2.

Since the division and the board have failed to provide adequate oversight of its operational assets, the State would be best served by placing these assets with an agency that can provide the expertise and experience. We believe that agency is the Alaska Industrial Development and Export Authority (AIDEA). The legislature should direct AIDEA to develop a plan in getting these assets into the private sector, and report back to the legislature on its status.

Additionally, the current volume of ARLF loans no longer warrants a separate loan servicing function. The ARLF fund would benefit from economies of scale and a professional banking environment by transferring this function to the Department of Commerce and Economic Development's Division of Investments. See Recommendation No. 1.

3. Traditional safeguards over public funds and equipment

Due to legislative concern as to the proper use of DOAg funds, we selected approximately 300 risk-based expenditures. Overall, we found DOAg's purchasing and payment controls acceptable. However, due to the diseconomies of scale inherent in a small division, DOAg was not able to implement some standard safeguards to protect state money and equipment.

We found the traditional safeguards listed in Exhibit 6 were not in effect at the time of the audit, though a few have since been remedied.²⁴ This diseconomy of scale can be remedied by the restructuring in Recommendation No. 1.

²³ Like the Mat Maid dairy plant, DOAg acquired this asset when the private owner defaulted on a state loan. DOAg recently issued an RFP that solicited private operation of the meat plant. Even with a lease of only \$1 per year, there was no interest by Alaska businesses.

²⁴ DNR's financial services reportedly has taken action to address and monitor the federal tax reporting requirement. Department of Administration, Division of Finance will also be adding information into the state's administrative manual. Additionally, arrangements are being completed to improve the personal safety of cash custodians.

4. Integrity of the state-owned "Alaska Grown" trademark

The "Alaska Grown" symbol is a trademark owned by DNR. According to DOAg's website, those who grow or process farm products are permitted to use the "Alaska Grown" trademark with the understanding that (1) food products are 100% locally grown or (2) processed products have 75% of contents produced in Alaska. Though a valuable asset, we find DOAg neglecting to protect the integrity of this trademark.

Although the trademark is registered with DCED and thus has protection within Alaska, it is not registered with the U.S. trademark office. Particularly in view of the Internet, persons in other states and countries may potentially dilute it by using it in a deceptive fashion. Additionally, the absence of control over the use of the trademark may ultimately relegate it to the nation's public domain (like the term "aspirin"). A symbol of respect can even be degraded into an object of ridicule.²⁵

DNR should work with DCED to proactively preserve this "Alaska Grown" trademark.



EXHIBIT 6
MISSING SAFEGUARDS
OVER PUBLIC FUNDS AND EQUIPMENT

- Separation of job functions to maximize the security of cash
- Missing accountability tags on expensive equipment
- Inconsistent, ambiguous tracking of Alaska Grown expenditures
- Neglect of mandatory federal tax reporting of customer payments with large amounts of currency
- Unresolved insurance responsibility when outside parties use DOAg machinery
- Lax custody of currency from informal sales
- Compromised personal safety of cash custodians

²⁵ A parody of the symbol already appears on a T-shirt with an image of an illicit cash crop.

EXHIBIT 7

**RECOMMENDED STATUTORY RESTRUCTURING TO REDIRECT AND REVITALIZE
INNOVATIVE ALASKAN AGRICULTURAL DEVELOPMENT**

<u>Function</u>	<u>Current Placement</u>	<u>Most Feasible Reassignment</u>
State's top agricultural official <i>Currently responsible for a "micro-division" of less than 30 permanent full-time employees</i>	DOAg director	DNR deputy commissioner <i>Niche discovery and promotion, corporate relations, regulations, Alaska Grown program, Lower 48 publicity, industry liaison to Denali Commission</i>
Inspection of farms and farm products to protect consumers (quality) and public health (disease) (including federal contracts)	DOAg	DEC Environmental Health
Sales and leases of state land with agricultural covenants (AS 38)	DOAg	DNR Mining, Land and Water
Farm loans	DOAg (BAC)	DCED Investments <i>Approval and servicing of ARLF loans, management and custody of ARLF funds</i>
Oversight of farm-related industrial facilities (non-research)	DOAg (BAC)	AIDEA board of directors and staff
Agricultural research	DOAg Plant Materials Center Cooperative Extension Service (UAF College of Rural Alaska) UAF School of Agriculture (including experiment stations) Alaska Science & Tech. Found. Federal agencies: NRCS, ARS, FSA	Plant Materials Center statutorily reconstituted under DNR as the Alaska Agricultural Research Consortium (AARC) Cooperative Extension Service statutorily moved into AARC Applied research work statutorily linked to AARC, consultation with BAC for all agricultural research projects MOUs negotiated with federal agencies for consortium participation
Farmer participation in state agricultural policies	DOAg (BAC)	BAC statutorily redefined as an advisory board to the Alaska Agricultural Research Consortium and the DNR's deputy commissioner for agriculture <i>No BAC role in operations (loan approvals, land sales, or facilities oversight)</i>
Export niche discovery	DOAg	DCED International Trade and Market Development
Game farming regulation	DOAg	DF&G Wildlife Conservation
Livestock identification branding	DOAg	DNR State Recorder's Office

Abbreviations: DCED = Department of Community and Economic Development; BAC = Board of Agriculture and Conservation; MOU = memorandum of understanding; UAF = University of Alaska Fairbanks; DEC = Department of Environmental Conservation; AIDEA = Alaska Industrial Development and Export Authority; ARLF = Agricultural Revolving Loan Fund; NRCS = Natural Resource Conservation Service; ARS = Agricultural Research Service; FSA = Farm Service Agency

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The legislature should statutorily restructure services to agriculture for a more aggressive pursuit of distinctive Alaskan opportunities.

Our conclusions above detail a wide spectrum of specific problems, such as the continuing lack of profitable niches, disjointed research efforts, human resources mismanagement, and deficiencies in the use of physical assets. We find that the current structure of a small division is both perpetuating these problems and actually hindering the advancement of Alaskan agriculture development, rather than facilitating it. The inherent limitations of this small division will continue to narrow the vision of Alaska agriculture to extinction, rather than invigorate it.

We recommend that the legislature take aggressive action to redirect Alaska agriculture. We find no existing services expendable. These services simply need to be redistributed where they can benefit from the economies of scale, teamwork, and breadth of vision found in more innovative corners of the state and federal systems, see Exhibit 7.

Recommendation No. 2

The Department of Natural Resources (DNR) should consult the attorney general concerning state oversight of Mat Maid.

Just before the new Board of Agriculture and Conservation (BAC) assumed oversight of the Division of Agriculture (DOAg) facilities, the DOAg director surrendered meaningful control over the Matanuska Maid dairy and, in effect, gave its top management and board of directors the freedoms of private ownership while unconditionally immunizing them from any liabilities (even those arising out of crimes).

The Mat Maid dairy is organized as a corporation with DNR owning 100% of its stock, although there has been some public confusion.²⁶ When the legislature by statute created the BAC effective July 1, 2000, the DOAg director perceived that the new board, rather than himself, would exercise the oversight votes as DNR's shareholder "proxy." There was also a fear that the new board would eliminate the corporation's separate board of directors and directly supervise the dairy's business operations.

Thus, in the two weeks before the new BAC board took effect, the DOAg director took dramatic steps to cement and protect the autonomy of Mat Maid's top management and board

²⁶ For example, a recent newspaper editorial erroneously implied that Mat Maid is now in private ownership. See "Agriculture in Alaska? More state farm assistance won't make this dog hunt," *Anchorage Daily News*, Dec. 3, 2002, p. B-4.

of directors. This was accomplished through unilateral changes to the articles of incorporation that were sought by Mat Maid and signed by DOAg's director as proxy. Those changes, which were arranged in secrecy, occurred without notice to the public, without a public shareholder meeting, and without review by the Department of Law or the DNR commissioner. Three days later, the changes were promptly reinforced after a two-hour, unrecorded, executive session of Mat Maid's board, a closed meeting that culminated in the board's immediate adoption of amended bylaws.

If the incoming governor's administration wishes to reestablish public accountability and control over Mat Maid, the attorney general can advise as to the options.

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New folder

Quick views

Flagged

Office docs (28)

Photos (99)

Shipping updates

New category

Messenger

Search contacts

Your friends are offline right now.

Sign out of Messenger

Home

Contacts

Calendar



To pete fellman

1/31/12

Reply ▾

Hi Peter,

Another suggestion.

if you have time give the Legislative audit another review. The problems are essentially the same and Legislative Audit recommended that it be re-organized because it was not achieving its purpose.

The Division of Ag is still not achieving its purpose. The key might be to use some of the audit's same points to defend the re-organization to being a DEPARTMENT, rather than splitting it up. We have to make the case that elevating it, will allow it to meet its purpose.



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legislative packet

From: [REDACTED]
Sent: Tue 1/31/12 3:58 PM
To: pete fellman (petefellman@hotmail.com)

Hi Peter,

I suggest that you provide the Division of Agriculture Organizational Chart to the Resources Committee with any packet, or at least have it available.

It is going to be easier to speak to them about the current organization versus a new organization. If they can see it, you can better illustrate the effective changes. Even if we decide the Dept is not going to make it, you can use this to encourage some positive change.

If you take each section of the Division and describe what its purpose is then how it could be better if elevated with department leadership, it might be clearer how lopsided it is in some areas and understaffed in others. Correcting that balance would help.

Bryce

Fw: Alaska Potato Ring Rot - "Not to worry" says Director Havemeister

From: [REDACTED]
Sent: Tue 1/31/12 11:21 AM
To: [REDACTED]

--- Begin forwarded message:

From: [REDACTED]
To: "Bill Stoltze Rep." <Rep_Bill_Stoltze@legis.state.ak.us>
Subject: Fw: Alaska PotatoRing Rot - "Not to worry" says Director Havemeister
Date: Tue, 31 Jan 2012 11:53:11 -0800 (PST)

Director Franci Havemeister's response when asked at the Board of Agriculture & Conservation January 30, 2012 meeting about a rumor about potato ring rot.

"Dont worry, it wasn't seed stock. It was from one of the table grower's stock". No further discussion.

We all know that Director Havemeister loves dairy cows but does she know anything at all about potato production? Seed potatoes are the source of market potatoes. And it appears the source of the ring rot is seed potatoes certified by the State Seed Potato Program. And if the highly infectious bacterial ring rot is not eradicated, it will devastate the Alaska potato industry in short time.

Keep in mind that that the State Division of Agriculture, the State Board of Agriculture and the State Division of Agriculture Director Havemeister all were fully aware of bacterial potato ring rot at the State Pt MacKenzie Corrections Farm 2008 and kept quiet.

Alaska is the only State in the Union cleared to export certified seed potatoes to China with significant funds invested in the Alaska Seed Potato Export Project. However, this in in jeopardy with infectious bacterial potato ring rot in our own back yard.

This, the most dreaded potato disease, will not just go away by pretending it is trivial. There is zero tolerance for this potato disease in the lower 48 and rest of the World. There is lots to be worried about.

We need someone in authority to worry about this.

Resource Committee meeting 01-18-2012 - Division of Agriculture

From: [REDACTED]

Sent: Mon 1/30/12 5:18 PM

To: petefellman@hotmail.com

Questions from the Resources Committee members to Division of Agriculture Director Franci Havemeister:

"What was the distribution of the 18 ARLF loans that you made last year, by area, industry, etc. Franci said" I don't know".

We are only talking 18 loans and the ARLF monthly reports track this information.

"Why are we waiting for private industry to tell us how to address the Governor's initiative on Food Security?" Franci's response was, "We can't grow more than we can use."

We are not even close to growing what we can use and how could you begin to make the response when you don't know the actual stats.

"What are your measures?" Franci said, "Provide core services".

Good bureaucratic response.

"Are you working with any new innovations?" Franci said, " We are working with the University on a root crop"

The answer was really just no.

"What about the Federal ARS absence?" Franci's response, "We hope to take up some services"

Like what, when and the cost....a plan.

"Are you working with the stores on displacing imported products with Alaska Grown Products?" Franci said, "We try but we have no control on what stores bring in"

"Are you successful?" Franci said, "Somewhat"

Okay, that's like saying we try a little, accomplish a little and that's all we are going to do.

"Are you working with the University on antioxidants & Blueberries?" Franci's response, "Blueberries are not an ag product"

So, your answer is no and I don't intend to work with the University on them.

"Are you working on promoting Alaska Grown products in Alaska SE stores?" Franci said, "No, because its cheaper to barge product from Seattle to the SE".

It's called marketing for a reason. Get on it.

"Are your working on any export marketing efforts" Franci, "No, no surplus to sell"

Back to square one - Your own mission statement is to promote the development of agriculture. Get on that too.

"How are you promoting new farmers? We do not see it in your presentation. There is no coordinated effort with the State or the University. Have you made any budgetary request for that?" Franci, "No.

Good grief.

Fw: See history AK Dept of Ag - 1945

From: [REDACTED]

Sent: Tue 1/10/12 4:56 PM

To: Pete Fellman (PeteFellman@hotmail.com); Bryce Wrigley (deltaswcd@wildak.net)

Pete-

The AK Farm Bureau Board of Directors discussed whether the bill's wording should be changed from "create" a Department of Agriculture to "reinstate" a Department of Agriculture. Have you and Bryce discussed this for the session yet?

Good information about it in the e-mail below as well as the link.

--- On Fri, 11/12/10, Milan Shipka <mpshipka@alaska.edu> wrote:

From: Milan Shipka <mpshipka@alaska.edu>

Subject: See history AK Dept of Ag - 1945

To: "Bill & Kathy Burton" <billkathybuckburton@hotmail.com>, "Ruby Hollembaek" <buffalogal@wildak.net>, "Jane Hamilton" <janehamilton99737@yahoo.com>

Date: Friday, November 12, 2010, 11:31 AM

<http://www.litsite.org/index.cfm?section=Digital-Archives&page=Industry&cat=Agriculture&viewpost=2&ContentId=2710>

Look down to 1945; Here is the paragraph;

Just before the war ended, the Alaska Territorial Legislature in 1945 created an Alaska Department of Agriculture, and Gov. Ernest Gruening named George Gasser Alaska's first Commissioner of Agriculture. His appointment was readily confirmed by the legislature, praised by Alaska newspapers, and widely welcomed by Alaskans. In accepting the appointment, "Doc" Gasser resigned his position on the University of Alaska faculty, a position he'd held since 1928.

Hope this helps,
Milan

--

Milan P Shipka, PhD
Professor of Animal Science and Extension Livestock Specialist
Program Chair; Agriculture and Horticulture Extension
Associate Director; Agricultural and Forestry Experiment Station
School of Natural Resources and Agricultural Sciences
Cooperative Extension Service
University of Alaska Fairbanks

"We need more ag land sales. Why is there so little? What's the problem? Franci's response, "Not a problem. It's just a process. And there is ag land out there now that is not in production".
Poor defensive response.

"Recommends looking at more favorable lease terms to encourage new farmers" Franci's response
"You are looking at a PERMIT form, not a lease. Leases are more favorable."
Ouch. Way to go, correcting a Legislator.

Surprised at the interest in the Ak Peony Growers Association comments. They appear to be requesting \$500,000 annually for 5 years for research. When the gentleman said that one acre of peonies would bring in \$100,000 someone needed to point out that was gross sales, not net.
We still seem to be missing the priority of farming for FOOD.

Indiana's Successful Movement to Move their Ag Dept. to a Cabinet Level

From [REDACTED]
 Sent: Tue 1/31/12 6:22 AM
 To: pete fellman (petefellman@hotmail.com); Bryce Wrigley (bjwrigley@gmail.com)

i believe this is as a good as a place to start to push for the reinstatement of a Department of Agriculture for the state. To our advantage, we have a history of having a cabinet level department prior to the push for the Alaska pipeline in the 1960's. I was directed to this site by the Indiana Ag Dept. I am not a policy maker, legislative guru, etc. but I think reviewing this along with Vermont's would be so beneficial. I know, as if we all don't have enough to do. Until we get at the cabinet level, Alaska ag and food will always be below natural resources...we are different, we are truly a renewable resource. Ruby ☿

Legislative Development

IMPORTANT NOTICE: This version of the Indiana Code is current through the 2011 Regular Session of the Indiana General Assembly. To determine if a section of the Indiana Code was added, amended, or repealed in the 2011 Regular Session, click on the TABLE OF CITATIONS AFFECTED hyperlink below. The text of the Public Laws (P.L.) enacted in the 2011 Regular Session of the General Assembly can be found by clicking on the 2011 ENROLLED ACTS hyperlink below.
<http://www.in.gov/legislative/ic/code/title15/index.html>

Policy Development

ISDA works with elected officials on the local, state and federal level to benefit all Hoosiers involved in the agriculture industry. The Department's function is to educate and to serve those who have the power to improve the direction of the agriculture industry in Indiana. The Department works with state agencies, rural communities, consumers, producers, and agricultural organizations to ensure Indiana has laws and regulations that are based in science and do not impede economic development in agriculture. <http://www.in.gov/isda/2337.htm>

Ag Advocacy

From our fields to our farmer's markets to our barns to our vineyards and orchards, Indiana producers and farmers are committed to growing the very best in food products for Hoosier families every day. Our dedication to our families, animals and environment uphold a proud Hoosier tradition of meeting the nutritional needs of the world through the meats, milk, fruits, vegetables and more produced from one corner of the state to the other, all the while, fueling our local economy.
<http://www.in.gov/isda/2542.htm>

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ISDA > Policy Development

Policy Development

ISDA works with elected officials on the local, state and federal level to benefit all Hoosiers involved in the agriculture industry. The Department's function is to educate and to serve those who have the power to improve the direction of the agriculture industry in Indiana. The Department works with state agencies, rural communities, consumers, producers, and agricultural organizations to ensure Indiana has laws and regulations that are based in science and do not impede economic development in agriculture.

For more on Legislative Issues, please contact [Sarah Simpson](#), Director of Agricultural Policy.

State Legislation

[Contact Your Legislator](#)[2011 Legislative Summary](#)[2010 Legislation](#)[2009 Legislation](#)[State Agriculture Statutes](#)

State Regulatory

CFR/CAFO Rules: The [Indiana Department of Environmental Management \(IDEM\)](#) has completed the rulemaking process for the promulgation of new confined feeding operation (CFO) and concentrated animal feeding operation (CAFO) regulations. On 11/9/11, the [Water Pollution Control Board](#) approved new CFO and new CAFO regulations, which will go into effect on July 1, 2012.

The Office of the Indiana State Chemist will hold a public hearing on December 6th regarding new requirements for fertilizer application. [Learn more](#)

Federal Legislation

[2012 Farm Bill Information](#)

--

Scott and Ruby

- [Forms IN.gov](#)
- [Hoosier Homestead Award Application Form](#)
- [Indiana AgTourism and Farmer's Market Online Directory](#)
- [Indiana Conservation Partnership Reports](#)
- [Indiana Forest Products Community](#)
- [Indiana MarketMaker](#)
- [Soil & Water Conservation Districts Online Directory](#)

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Top FAQs I Want To...

- 1 Does ISDA have a grant so I can start a farm?
- 2 Who do I speak with regarding the Hoosier Homestead Award?
- 3 My Indiana farm has been in my family for over 100 years. How can I obtain the Hoosier Homestead Award?
- 4 What is a flex fuel vehicle and where can I buy E85?



Federal Regulatory

[ISDA Comments on Department of Labor Proposed Child Labor Rules](#)

The US Department of Labor is currently accepting comments on proposed changes to the child labor regulations to strengthen the safety requirements for young workers employed in agriculture. [Click here](#) for information on how to submit comments.

Hollembaek
907/895-4715 (shop)
907/895-9810 (fax)

- 5. How do I reach my local soil and water conservation district?
- 6. How do I contact my local extension office?

[More FAQs »](#)



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 - IN.gov User Survey
 - Web Awards
 - 1-317-232-8770

-  Elected Officials
-  Legislative
-  Judicial

Game Ranch: www.bisonand elk.com
 Community Gardens: www.wecangrowit.blogspot.com
 Rhubarb: www.akrhubarb.blogspot.com

Today's BAC meeting

From: [REDACTED]
Sent: Mon 1/30/12 8:42 PM
To: Pete Fellman (petefellman@hotmail.com)

Franci reported that the Division of Ag 2 hour meeting with the Resources Committee went very, very, very well. She "mentioned" that Bryce Wrigley gave testimony and then went on about the wonderful peony testimony. She gave no description at all of the Wrigley testimony.

Alaska's Plan for Agriculture - DRAFT

From: [REDACTED]
Sent: Mon 1/30/12 5:20 PM
To: petefellman@hotmail.com
1 attachment
Jan272012AgPlanDRAFT.pdf (710.9 KB)

Pete,

You may share this with whoever you want to, including the Resources Committee. [REDACTED] is willing to testify at future hearings if needed.

m [REDACTED]

----- Original Message -----

From: [REDACTED]
To: Bill Stoltze Rep. ; Beth Kertulla
Sent: Friday, January 27, 2012 6:38 PM
Subject: Alaska's Plan for Agriculture DRAFT

First, this is not a plan. Rather, it is a draft of ambiguous policy statements that includes the word "must" at least twelve times without explanation of why or how.

It repeatedly makes statements that the State is not responsible to direct the agricultural industry and is not the leader. This is proven with the continuing decline of commercial ag production in Alaska, lack of ag land sales, lack of crop research and lack of funding support for Alaskan agriculture. It states, "A comprehensive and strategic plan for the Alaskan agriculture industry is needed...."; however, it is State direction and leadership that is so desperately needed to accomplish that.

It states shellfish farming holds promising opportunity; however, is not under the authority of the Division of Agriculture. They should read their own regulations that provide the definition of agriculture that includes "fish". Instead of shutting doors to support opportunity, they should be opening them.

The statement that the ARLF needs recapitalized when available cash drops below two million in itself is admittance of no long term commitment for agricultural plans. If the ARLF annual budget is approximately \$1 million and you loan an average of \$2 million a year with insufficient income and assets to liquidate to revolve....then, of course, there is no long term State commitment when the industry cannot depend on the ARLF to fund their long term farm plans.

"The primary purpose of the Plant Material Center (PMC) is the production of high quality, disease tested seed stocks to be used in production agriculture in Alaska." Really, because their historical stats indicate their primary purpose is re vegetation seed with no crop research for the future. Additionally, the Potato Seed Program under the PMC is suffering infectious potato ring rot disease that jeopardizes commercial potato production and potato seed export.

With appreciation for the volunteer members of the "Agriculture Advisory Panel" and their efforts, they are not professional planners, not economists. You need a professional facilitator to lead a group of professional individuals with a bigger vision for a viable plan to develop Alaskan agriculture. A group, such as the previous State Agriculture Action Council, would seek input from the industry; however, would make their recommendations to the Governor and the Legislature. This then has a better chance of credibility followed by funding support and maybe, just maybe, a long term commitment.

questions

From: [REDACTED]
Sent: Tue 1/17/12 9:34 PM
To: pete fellman (petefellman@hotmail.com)
1 attachment
Doc1.docx (11.5 KB)

Hi Peter. I would like to discuss these attached questions with you as soon as you can call me tomorrow. Some might be better left alone, but I wanted to make sure we are on the same page.

Thanks,

[REDACTED]

----- Forwarded message -----

From: [REDACTED]
Date: Tue, Jan 17, 2012 at 4:25 PM
Subject: Document1
To: petefellman@hotmail.com
Cc: [REDACTED]

Division of Agriculture Organization Chart

From: [REDACTED]
Sent: Tue 1/31/12 1:35 PM
To: [REDACTED] petefellman@hotmail.com
1 attachment
Document.pdf (291.0 KB)

I recommend that you provide the Division of Agriculture Organizational Chart to the Resources Committee with any packet, or at least have it available.

It is going to be easier to speak to them about the current organization versus a new organization, whether a DEPARTMENT or a re-organization. If they can see it, you can better illustrate the effective changes. Even without a Department success, you can use this to encourage some positive change.

My first thought is to take each section of the Division and describe what it's purpose is then how it could be better if elevated with department leadership. I will try to put together some comments with that outline in mind, forward it to you [REDACTED] and let you and Pete discuss what you want to do with it.

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pet

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BAC meeting - DEPARTMENT of Ag comments [Back to messages](#) |



1/31/12

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I spoke with someone that attended the BAC 01/30/2012 meeting and I asked about the DEPARTMENT of Agriculture comments in the second public session.

I was told that BAC Chair Vanderweele made a statement that he was opposed to creating a DEPARTMENT of Agriculture because it would just create more bureacracy, more rules , more expense and would not help the farmers.

BAC member Stu Davies spoke in favor of a DEPARTMENT because DNR has not been supportive of agriculture and it would get agricultural issues to the Governor's level.

Another BAC Board member (maybe Berberich) commented we could try a DEPARTMENT and then if it didn't work go back to being a Division.

That's pretty much the comments that were made.

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Dept of Ag

From: [REDACTED]
Sent: Thu 2/02/12 1:51 PM
To: 'pete fellman' (petefellman@hotmail.com)

Hi Peter,

I am working with someone on a document that should be helpful in laying out how a Dept of Ag would be able to advance agriculture better. I hope it will be what the legislators need to see in order to convince them to stop looking at it as growing government and look at it as adapting to benefit Alaska with rural jobs, increased food security, and increasing our economic strength.. I will be in Anchorage meeting with the Dep. Commissioner for DCCED, but I will send this to you as soon as it is done, which should be pretty soon.

[REDACTED]

Re:

From: [REDACTED]
 Sent: Wed 2/01/12 12:33 PM
 To: pete fellman (petefellman@hotmail.com)

It's true he will not be our senator next year, but he still has agriculture in his District doesn't he? It might be that Huggins would be willing to put one up to get the discussion, but judging from the support we have had for 191 from the Democrats, is there one of them that would put it up from a food security standpoint. I wonder about Lyman Hoffman, who undoubtedly knows about Tim Meyers in Bethel. Franci's comment about southeast getting their food from Washington is irritating and if I was a senator from there, and had picked up on that comment, I would be rethinking what kind of support the Division of Ag has been to developing Alaskan agriculture. The fact that it is cheaper to get it from Washington has nothing to do with whether we should make Alaska Grown available there. Some, maybe many, will buy it because it is Alaskan.

Maybe you could visit with some of the co sponsors in the house and see if they have a working relationship with any Senators who they think might sponsor a companion bill to get the discussion out there. We really have to elevate the discussion or we will not see any improvement in the food security down the road. There has to be someone who can see the value of that.

I appreciate all your work Peter. This is near and dear to both our hearts so we invest a lot of ourselves in it. Thank you for your dedication.

[REDACTED]

On Wed, Feb 1, 2012 at 8:46 AM, pete fellman <petefellman@hotmail.com> wrote:

[REDACTED] I thinking I will take a shot at the Senate and a companion bill, at least prime the pump. The problem is we dont have a Senator that has to run for office next year. Coghill is our Senator now, but he will not be next year and the seat is open.

Reinstating an Alaska Department of Agriculture. Merry Christmas and Happy Holidays from Alaska Interior Game Ranch, Inc.

From: Ruby Peck-Hollembaek [REDACTED]

Sent: Fri 12/23/11 8:09 AM

To: Bryce Wrigley (deltaswcd@wildak.net); Jane Hamilton (janehamilton99737@yahoo.com); Rep_Wes_Keller@legis.state.ak.us; Rep_Bob_Herron (Rep_Bob_Herron@legis.state.ak.us); Rep_Kurt_Olson@legis.state.ak.us; Rep_Cathy_Munoz@legis.state.ak.us; Rep_Neal_Foster@legis.state.ak.us; Rep_Steve_Thompson@legis.state.ak.us; Rep_Berta_Gardner@legis.state.ak.us; Rep_Chris_Tuck (Rep_Chris_Tuck@legis.state.ak.us); Rep_Reggie_Joule (Rep_Reggie_Joule@legis.state.ak.us); Rep_Bill_Stoltze@legis.state.ak.us; Coghill, John (LAA) (senator_john_coghill@legis.state.ak.us)

2 attachments

DOA Petition.docx (50.1 KB) , WantAPieceOfMe1.jpg (120.0 KB)

I believe we have the verbiage wrong when we request to CREATE an Alaska Department of Agriculture, the correct verb should be REINSTATE. History proves it. It is my understanding that it was not reorganized into a division until the 1960's prior to pushing the Alaska pipeline through.
Ruby Hollembaek

Sites below reference a Department of Agriculture. Please feel free to use any information that I provide for distribution. Again, according to my research, we are only 1 of 2 states, us and Rhode Island (ironically the largest and smallest of the US) who do not have a cabinet level Department of Agriculture.

1. http://books.google.com/books?id=z0MEAAAAMBAJ&pg=PA62&lpq=PA62&dq=Alaska+Commissioner+of+Department+of+Agriculture+Gasser&source=bl&ots=FI1UAy2fMS&sig=d6MWxw9kKSicXcrQm6Vh10J7jwo&hl=en&sa=X&ei=Lqr0TurmBpSUtwfk_bnPBq&ved=0CCwO6AEwAw#v=onepage&q=Alaska%20Commissioner%20of%20Department%20of%20Agriculture%20Gasser&f=false
2. http://books.google.com/books?id=vj8ZAAAAYAAJ&pg=PA284&lpq=PA284&dq=Alaska+Commissioner+of+Department+of+Agriculture+Gasser&source=bl&ots=rR4Z6Mhhz5&sig=31m9tDDud7n5cS7vNgY3WBV-E60&hl=en&sa=X&ei=Lqr0TurmBpSUtwfk_bnPBq&ved=0CDkO6AEwBq#v=anepaq&q=Alaska%20Commissioner%20of%20Department%20of%20Agriculture%20Gasser&f=false
3. <http://www.litsite.org/index.cfm?section=Digital-Archives&page=Industry&cat=Agriculture&viewpost=2&ContentId=2710>
4. <http://www.uaf.edu/files/snras/Agro%2030-1.pdf>
5. <http://www.alaska.edu/uaiournev/history-and-trivia/ces-outreach-began-in-mat/>
6. <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=11&ved=0CB0QFiAAOAO&url=http%3A%2F%2Fscience-in-farming.library4farming.org%2FGrass-Range-Weeds%2FGrasslands-in-Alaska%2FAGRICULTURE-IN-VARIOUS-LOCALITIES-1.html&ei=Aaz0TsfIOcWEtaeO3oXOBa&usq=AFOjCnFn30eITkG4FmqO3Iv3IMAzKKDkpg&sig2=UudLkK52YPV6uqRtJd3AA>

7. <http://ttip.tuzzy.org/collect/ttimes/index/assoc/HASH0639.dir/doc21.pdf#xml=http://ttip.tuzzy.org:80/cgi-bin/ttimes.exe?a=pdfh&pdfxml=1&qbare=&d=HASH0639cc22e7d4ecc185ef6c.4.4>

8. <http://astheysawit.com/2310-1945-alaska.html>

PS. Congratulations to Representative Stoltze for Alaska Farm Bureau 2012 Legislature of the Year. Rightly deserved, thank you for your tireless effort in ensuring Alaska has agriculture as an entity for this and future generations.

--

Scott and Ruby Hollembaek
907/895-4715 (shop)
907/895-9810 (fax)

Game Ranch: www.bisonandelk.com
Artwork: www.akmosaic.com
Community Gardens: www.wecangrowit.blogspot.com
Rhubarb: www.akrhubarb.blogspot.com

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Palmer, Alaska

99645-9708

Phone (907) 745-3875 Office (907) 232-8253 Cell

E-mail: produce@att.net

February 1, 2012

State of Alaska
Department of Natural Resources
Division of Agriculture
1800 Glenn Highway, Suite 12
Palmer, Alaska 99645-6736

Attention: Douglas Warner
Manager, Regulatory and Inspection Programs

Re: January 17, 2012 Retailer Notice regarding seed potato sales

Dear Mr. Warner:

Your notice properly advises retailers of the importance of preventing potato late blight disease and sudden oak death; however, it makes no mention of infectious potato ring rot disease. There is zero tolerance for this potato disease in the lower 48 and the rest of the world. The Division of Agriculture is fully aware of the high incidence of this, the most dreaded of potato diseases, in Alaska. The Division of Agriculture has been aware of this serious potato disease in the Mat Su Valley since at least 2008 and appears to be trying to hide it in hopes it will simply just go away.

Your program promotes and suggests the use of Alaska certified potato seed, rather than imported seed, as a means to avoid introducing disease to Alaska. First, there is insufficient quantity of certified seed potatoes available in Alaska for commercial potato producers and retailers. Second, the credibility of Alaska's own potato seed certification program is a concern if you have known of the potato ring rot disease incidents for years and appear to have taken no measures to eradicate it.

Alaska is the only State in the Union cleared to export certified seed potatoes to China and significant funds have been invested in the Alaska Seed Potato Export Project. However, this is in jeopardy with bacterial potato ring rot in our own back yard.

What is the State going to do about encouraging production of sufficient quantities of *quality* certified seed potatoes for Alaskan potato producers? What is the State going to do about eradicating the bacterial potato ring rot disease in Alaska? What is the State going to do about instilling confidence in the Alaska Potato Seed Certification Program? I understand at the Board of Ag. Meeting the Director informed a member of the board that this was not anything to be concerned about. It was only in table stock. Table Stock comes from certified seed..I hope someone gets concerned about it.

Sincerely,

PALMER PRODUCE, INC.

A handwritten signature in cursive script that reads "Paul A. Huppert". The signature is written in dark ink and is positioned above the printed name.

Paul A. Huppert, President

cc: Governor Sean Parnell
DNR Commissioner Daniel Sullivan
Division of Agriculture Director Franci Havemeister
Representative Beth Kerttula
Representative Bill Stoltze
Alaska Farm Bureau President Bryce Wrigley

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

- 400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FAX: (907) 465-3886
- 550 WEST 7TH AVENUE, SUITE 1400
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8431
FAX: (907) 269-8918

January 8, 2003

Ms. Pat Davidson, Legislative Auditor
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Re: Preliminary Report – Audit Control # 10-30017-03 a Special Report on the Department of Natural Resources, Division of Agriculture, November 29, 2002

The Department of Natural Resources (DNR) received your Preliminary Report regarding the Division of Agriculture (DOAg) Audit and appreciates the time and effort you and your organization put into this audit. The following provides background information regarding how and why DOAg performed their functions. You will also find DNR's comments in relation to the report's Conclusions, Findings and Recommendations:

Background:

The purpose of the audit was to review DOAg's human resource management; use of assets; and the effectiveness of the working relationship among DOAg, the new Board of Agriculture and Conservation (BAC), and other entities involved in Alaska agriculture. The timeframe used for this evaluation is roughly 1998 – 2002, a period during which the Legislature renewed interest in the operations and budgets of the DOAg and mandated a shift in focus. From 1998-2000 DNR worked with the Legislature to establish the BAC. From the implementation of the BAC in 2000 through 2002 DNR assisted the newly appointed BAC to become fully functioning as directed by the Legislature. In this same time frame the DOAg's budget changed as follows:

	<u>FY1998</u>	<u>FY2002</u>
Federal	\$ 445.4	\$1,676.9
GF/PR	\$ 229.0	\$ 16.0
LDIF	\$ 0.0	\$ 174.7
CIP	\$ 0.0	\$ 156.5
ARLF, I/A, & SDPR	<u>\$1,476.0</u>	<u>\$2,046.9</u>
Total Budget:	\$2,150.4	\$4,071.0

“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans.”

The reductions in state GF support forced DNR to look for alternative funding sources in an effort to extend the life of the ARLF. DNR successfully expanded the use of federal receipts authority and deleted ARLF funding for the land disposal program (the legislature provides a separate funding source for this activity).

The change of direction and budgets, combined with some errors made by DOAg Management caused some staff unrest, to this we agree.

One of DOAg's goals during this time was to sell its repossessed agricultural properties to get them back into private hands. DOAg experienced success in this endeavor and continues its efforts to sell the "major" agriculture facilities. DNR, including the DOAg, firmly believes that the private sector can do a better job farming those assets than can state government.

Concurrent with the above mentioned shifts in funding and organizational structure, good management of the ARLF loan portfolio resulted in the lowest default rate (less than one percent) in the history of the ARLF.

DNR's response to your specific recommendations follow.

Recommendation No. 1

The legislature should statutorily restructure services to agriculture for more aggressive pursuit of distinctive Alaska opportunities.

DNR assumes the new administration will take this recommendation and its components under advisement. In 2000 the legislature created the BAC as a management and directing tool. This response does not attempt to support or rebut the suggested parsing out of DOAg functions. Rather than respond to each individual placement, DNR pledges to work with the legislature, the BAC, and the industry to successfully accomplish whatever is deemed appropriate.

Recently DNR evaluated transferring the responsibility of ARLF loan examination to the Division of Investments. DNR felt that preliminary activities, namely separation of the functions of loan examination and asset management, needed to occur prior to any transfer. This concept will be discussed further with the new Administration.

Recommendation No. 2

DNR should consult the attorney general concerning state oversight of Mat Maid.

We agree with this recommendation.

Report Conclusions:

The audit report concludes that the division has made very little progress in advancing agriculture; and, in fact, that the lack of innovative leadership is actually hindering the expansion of Alaska agriculture.

Agency position:

DNR does not agree with this conclusion and specifically objects to the statement that DOAg is hindering the expansion of Alaska agriculture! To measure progress there needs to be a standard to measure against.

The auditors attribute the lack of progress to:

#1 - Lack of innovative leadership hinders Alaska Agriculture expansion

DNR disagrees with this conclusion. It is a combination of market forces and resources dedicated to farming activities by the Legislature that impact the expansion of the Alaska agricultural industry. DNR and the Legislature measure the success of DOAg against its established Mission & Measures. Specifically, the Legislature measures the success of the DOAg as follows:

“The monetary value of agricultural products grown in the state that are sold domestically or exported”.

In 1998 this number was \$27,511,000. Three years later, the monetary value of agricultural products increased by 9.6%, to \$30,152,000. DNR considers \$2.6 million a very respectable increase. Using these criteria, DNR feels that DOAg has been successful despite limited resources.

The level of innovation suggested by this audit requires resources, in terms of staff and dollars, not currently available to the division. The day-to-day demands on state employees at DOAg are already substantial.

In addition, current state policy is purposely one of NOT directing agricultural development. Agriculture in Alaska is still routinely criticized for the state-sponsored projects of twenty-five years ago. We have moved beyond that and look to the future. The division is tasked to assist and support farmers as they innovate, not to direct their activities.

DOAg successfully provided support services for farmers entering niche markets or expanding production for traditional markets. The division pursued federal funding, sold repossessed agricultural land, and provided necessary inspection and marketing assistance. Following is a sampling of accomplishments during the past decade:

- ✓ Sold over 55,000 acres of agricultural covenant State of Alaska (State) lands (120 parcels), both ARLF and Title 38, bringing over \$12 million in return to the State. With only one exception, DOAg did not tell purchasers what to grow or how to farm. To encourage farmers to purchase and to discourage speculators, purchase requirements are generally limited to a minimal clearing requirement for Title 38 sale contracts. Recent media coverage of possible new disposal areas has generated dozens of inquiries from Alaskans.
- ✓ Specialty crops and products have been encouraged through loans, marketing efforts and direct staff support. These crops and products include but are not limited to: fresh cut vegetables, baby-peeled carrots, cheese curds, alternative livestock (elk, bison, yak, reindeer, llamas, and alpacas), organic crops, greenhouse production, and farmers' markets. Our modest financial contribution to USDA Farmers Markets, Women Infant and Children Program (WIC), and Senior coupon

- ✓ Programs has significantly helped small farmers seeking niches (jelly and jams, birch syrup products, organic farmers, etc.) to expand and become profitable.
- ✓ Developed and promoted several specialty niches, actively cooperated with and assisted in the development of six Farmers Markets throughout Alaska (Anchorage, Fairbanks, Homer, Kenai, Eagle River, and Wasilla) and DOAg is currently working on the development of a market in Southeast Alaska.
- ✓ The Cooperative Marketing Program (CMP) funded 19 producer driven promotional projects across Alaska, and 15 of the 19 contracts were for niche type markets. The Kenatzie tribe in Kenai has been a participant in the CMP. Some of the non-traditional products include: aquaculture through the Shellfish farmers, natural teas from rural and southeast Alaska, farmed game meats, organically grown grains and produce for human consumption, family owned greenhouses and nursery producers. Aquaculture shows potential and the division is working with growers, cooperatives, and associations to promote and define this market with the limited staff resources that are available at the division.
- ✓ New products for major distributors: Developed and found markets for Alaska Reindeer products. Product demand for this market continues to go unmet for several reasons, all of which are out of DOAg control.
- ✓ Routine inspection of retail businesses: DOAg staff inspects locally produced products at the shipping point and packing warehouses. This corrects problems with product quality before it enters the marketing chain and provides the efficiency of visiting one packing warehouse instead of several stores. Existing statutory authority only requires the inspection and labeling of potatoes for grade requirements. USDA Licensed Inspection staff does retail produce surveillance as time allows reviewing other produce that is labeled to a USDA grade. Current staffing limitations restrict the ability to conduct more inspections at the retail level.
- ✓ International Trade: DOAg staff cooperated with the Division of Community & Economic Development (DCED), Division of International Trade to develop and identify markets for Alaska Grown products. They also worked with DNR's Division of Forestry, DCED's, International Trade, and USDA to promote the international marketing of Alaskan logs. We welcome the continuation and expansion of these relationships to identify and develop international markets.
- ✓ DOAg supported, through marketing and infrastructure maintenance, "meat and potatoes" farming and commodity farmed dairy, red meat, and grain production. The following examples demonstrate DOAg's successes in this area. DOAg rebuilt the Mount McKinley Meat and Sausage Plant (MMMS) after a major fire in 1997. DOAg aggressively and successfully marketed a record potato crop in 2001 through the *Alaska Grown program*. The agricultural land disposal program resulted in additional Southcentral dairies (not a sale requirement) and a subsequent 40% increase in milk production between 1994 and 2002.

- ✓ The Director of DOAg approached USDA Rural Development leadership regarding Denali Commission funding for agriculture on two occasions. The focus of the Denali Commission at that time was to support “bush communities.” Again in 2001, the Northern Region office approached the Denali Commission concerning development projects at Delta Junction. The Denali Commission informed the regional office that projects in the rail belt were not being considered at that time. In recent months, focus shifted to more rural (road accessible) projects. The division continues to maintain contact with Denali Commission members and supports future efforts by the new administration to pursue similar contacts, including the concept of an agricultural industry liaison, and additional federal funding as envisioned by the audit report.
- ✓ The Division has worked with other federal funding agencies with great success. The Director estimates \$9-10 million in federal funding has been requested and received over the past five years. Much of this money has been in support of the Plant Material Center (PMC) projects (Seed Lab, Plant Quarantine Facility, Cold Regions Research, Germplasm Repository, and Native Plant Commercialization). Marketing and value-added grants have approached \$700,000. DOAg is successfully partnering with the Bureau of Indian Affairs (BIA) on a significant road project in the Delta area, and has language in the USDA appropriations bill for FY 2003 for significant grants or loans to Matanuska Maid Dairy.
- ✓ DOAg created the Cooperative Marketing Program (CMP). This matching small grant marketing program is driven by producers’ ideas and allows them to make their own decisions about marketing efforts. The CMP generated over \$70,000 in advertising for niche and mainstream agricultural products in its first year. Federal grants funded the program at \$50,000 for the past two years and the program generated in excess of \$100,000 in advertising efforts. Positive sales reflect industry support for this new project. The primary beneficiaries are the “niche growers.”
- ✓ Import Substitution does not just relate to “meat and potatoes” farming. It includes native plants, re-vegetation grass seed and vegetables. Since half of all vegetables and potatoes consumed by Alaskans are processed or frozen, the Division supports a federal grant award to the Mat-Su Farm Bureau Chapter to quantify the market for value-added vegetables in our institutional markets, e.g., school lunch programs, correctional facilities, pioneer homes, etc. If feasible, this could double the market for Alaska vegetable farmers growing carrots, potatoes, broccoli, peas, etc.; all are crops that do well here. There is potential for a shared use of a proposed Central Kitchen facility with the Matanuska–Susitna School District or partial utilization of the ASI Plant in Anchorage. This approach is exactly what is leading to successful, non-commodity small farms across the country.
- ✓ An analysis of the USDA statistics shows that contrary to what made up the product mix of ten to fifteen years ago; grain and milk production, while still important, has been overtaken by vegetable and greenhouse production. With State assistance, not direction, sustainable consumer-driven production is occurring. Alaska agriculture cash receipts have returned to the record level of cash receipts from the late 1980s without significant State investment.
- ✓ The PMC has been a national leader in the use and development of Native Seed as a regionally competitive crop for local farmers. Very few states have devoted as much resource to these new crops, as has Alaska through the PMC. Native plant seed is a crop adapted to our state and a crop that is not overly affected by commodity market prices and/or competition from other areas

in the nation. It is a crop that is developed, grown, marketed, priced and used in Alaska. No other crop can make this claim.

- ✓ Agriculture in Alaska is not driven by State developed marketing or product decisions. We sell agricultural lands, monitor contracts, assist with marketing, inspect agricultural product including raw logs and elk fences, make loans for agricultural development, service existing loans, assist the BAC, respond to public requests; all with a handful of staff in each section. The Division has done this knowing those services are being paid for from the corpus of the Agriculture Revolving Loan Fund (ARLF). To do more would require additional draws from the fund, or additional federal resources or an unlikely infusion of state general funds. Agriculture in Alaska is growing in a steady and responsible fashion. The statistics verify this.
- ✓ There are not any "affluent corporate farms in Alaska"; we have 500-700 relatively small family farms.

In summary, DOAg has been successful in many niche areas. They acquired new federal funding and inspections were aimed at areas supported by federal funds. The industry or the Legislature did not mandate pursuing the niches in Exhibit 1, nor has it been funded. All of DOAg's accomplishments were achieved in an environment of change and at a time when the objective was to get repossessed ARLF assets and other Agricultural properties back into the private sector. DNR feels DOAg has been successful in achieving this objective.

DNR takes exception to Exhibit 2 and the statement that "DOAg's unfocused approach simply emphasizes the volume of "farmland" that has been re-privatized". Are the auditors suggesting by their inclusion of Exhibit 2 that either the BAC or the Legislature is sending the DOAg into the wrong jungle? The DOAg inherited assets of a failed agriculture policy established during the early 80's. Current legislative direction is for the DOAg to be self-supporting with ARLF and federal funds. The disposal of repossessed properties is nearly complete. Disposal of state owned agricultural land has been highlighted as a primary action requested by the Alaskan agricultural community and is also a means of promoting agriculture and protecting the ARLF. The DOAg is now able to step out into new ventures, as determined appropriate by the Legislature and the BAC. However, accomplishments achieved in meeting the DOAg Mission and Measures deserve to be acknowledged. DNR and the BAC respectively recommend that Exhibit 2 and all reference to it be removed from the audit report.

Through Exhibit 3 the auditors assign assumptions to the DOAg that are not subscribed to by DOAg and DNR. DOAg's practices also do not conform to footnote 8, which implies the State is to provide the costly infrastructure. Our hope is to have the private sector operate without government assistance. DNR does not assume that government can run a business better than the private sector. However, when the private sector fails and their operation is financed with State funds, DOAg is responsible for protecting the State's financial interest.

The audit mentions the entitlement culture from which the farmers need to be weaned. Farmers are not provided subsidies. DOAg sells land and assets at appraised values. The recent land disposals are at appraised values and any additional infrastructure is at the cost of the buyer.

DOAg practices fiscal responsibility by appropriately managing the assets of the State; this requires repossessing properties when the borrower fails to comply with contractual obligations. DOAg

attempts to place that parcel back into the private sector, which in some instances, may require a lower than appraised value sale price. DOAg cannot increase the monetary value of agricultural products grown in the state that are sold domestically or exported if the division's repossessed property inventory remains out of production.

#2 - Fragmented, disjointed research facilities

DNR disagrees with the statement that the effort of our research failed to result in any profitable niches. Public research in itself cannot produce profit. It is the entrepreneur utilizing the results of research that will create profit. DOAg may have potentially profitable results from research but it is the private sector that must take the next step. There are examples of realized profits as a result of our research. New crop releases from the PMC have given some seed growers sustainable profit.

The comment that the PMC is, in our opinion, inaccurate. We believe that within its areas of specialization the PMC is well recognized and respected in Alaska, throughout the nation, and, to a degree, internationally. Unfortunately, the PMC staff are so specialized that they do not have the luxury of broad public visibility. The PMC is the primary scientific and technical information resource for several outside entities, including, but not limited to the: Alaska Department of Transportation and Public Facilities, Alaska Department of Fish and Game, U.S Air Force in Alaska, Corps of Engineers in Alaska, Department of Environmental Conservation, and the U.S. Public Health Service. These and a number of other state and federal agencies interact with the PMC concerning issues of re-vegetation, erosion control, land reclamation, and habitat enhancement/restoration. In addition to a large professional level customer base, the PMC staff fields a substantial number of requests from the public and is the primary resource for the seed growers in Alaska. The PMC is well known by those who need to know.

It is interesting to note that for a little known facility the PMC seems to bring in a great deal of funding from a broad-based federal agency pool. No agency is required to work with the PMC. Agencies seek out the PMC for assistance based on the PMC's reputation and abilities. The wide spread cooperative agreements and arrangements the PMC has with a multitude of agencies and private sector companies benefits not only the PMC; it is the primary means of marketing the seed grown by the Alaska Seed Growers.

The audit calls the PMC a research facility. In reality, most of what the PMC does is to provide support in the form of information and production of seed and potatoes. These are services, not research. The PMC does complete research in relation to production crops, as there is a critical need for this among producers.

While governmental coordination can always improve, the DOAg can only work cooperatively with those who wish to and have resources to do so. In recent years, Cooperative Extension Service (CES) has taken significant budget cuts. Yet they have been able to reestablish a half time extension position for livestock, and that individual has worked with dairy farmers and non-traditional livestock owners. Ever since late blight was found in the 1998 potato crop, CES, the University Experiment station, and the DOAg have funded a modest pest scout program. DOAg continues to work with USDA APHIS, most recently on pest and disease programs funded through homeland security. The PMC is actively working with USDA ARS through the Arctic Germplasm

repository. Though limited by the small nature of the industry, the various federal, University, and state agencies focused on agriculture in Alaska do cooperate extensively.

The conclusion includes a reference to the fact that the legislature needs to directly, formally, and explicitly mandate an Alaskan Agriculture Research Consortium through amendment of statutes for the PMC and the university system to work together. DNR welcomes a discussion regarding this with a focus to practical outcomes and adequacy of funding.

The BAC believes that attention must be given to the fact that the UAF is a land grant institution and the federal formula funding for agricultural research and extension can only go to the Land Grant University in each state. That university by law is obligated to teach agriculture. This could result in less federal monies being available.

#3 - A more meaningful role for the new Board of Agriculture and Conservation

The legislation that created the BAC has been in effect since July 1, 2000. Among the stated goals was continuity of agricultural policy between administrations, increased industry control of critical ARLF infrastructure assets, regulation promulgation authority, and management of the ARLF. The BAC has worked diligently since its formation two years ago to implement the legislation and adopt regulations that will further its mission. Additional involvement in research and development issues is a good idea. Only recently, having finished the arduous process of developing and implementing regulations, and faced with the Mt. McKinley Meat and Sausage (MMMS) disposal effort, has the BAC been afforded the luxury of entertaining long-range policy issues for agriculture in Alaska. DNR believes they are now well positioned to take on that task.

#4 - Human Resources (HR) Mismanaged

While the past Director of DOAg has acknowledge personal weaknesses in human resource management, over the course of his tenure he communicated the basic premise that professional behavior is expected.

The Department did address most of the bullets in Exhibit 4 and offers the following:

Careless screening of job applicants for any criminal background or dangerous driving records (incomplete applications, little verification, lax follow-up of disclosures to assess risk to public and co-workers)

This is an inaccurate statement. All applicant profiles and supporting documentation are thoroughly reviewed. If a conviction(s) is reported on an applicant profile and supporting documentation, the conviction(s) is evaluated in accordance with Personnel Rule 2 AAC 07.091 and with established Department of Administration, Standard Operating Procedures. The review and findings are in the central personnel files not in the Division's.

Inadequate safeguards for accurate communication of pay rates and benefits to hirees.

DNR's Human Resources staff consistently strive to provide accurate information regarding pay and benefits. Our systems are set up with a cross certification process. When errors are discovered, immediate steps are taken to correct the error.

Employee confusion over Ethics Act boundaries between official and private behavior.

DNR acknowledges some employees may have been confused. On June 6, 2002 a meeting was held with all the Palmer Agriculture employees (except the PMC staff) to distribute and review statewide policies and procedures. The meeting was conducted by the Human Resources Manager, Assistant Human Resources Manager, and the Special Assistant to the Commissioner. The Special Assistant to the Commissioner, as the designated Ethics Supervisor for the department, delivered a presentation on the statewide Ethics Act, distributed a copy of the Ethics handbook and conducted a question and answer session.

Recent reports from the Ethics investigator find no ethic violations occurred within the scope of review.

Neglect of escalating reclassification disputes (duties have expanded to do more with less).

All the collective bargaining units recognize that the Employer retains the right to manage its affairs, to determine the kind and nature of work to be performed and to direct the work force. The positions in the Division of Agriculture are correctly and appropriately classified. If an individual employee believes their position is inappropriately classified they may obtain a review of their position by utilizing their collective bargaining process.

#5 - Physical Resources Mismanaged**1. Environmental Stewardship**

The Division is committed to high agricultural environmental standards, and has taken proactive steps to ensure it. To compare us to the other natural resource industries is fair; to imply they have not had their own challenges is not realistic. In order to limit potential environmental problems, DOAg, as a condition of sale of agricultural lands, requires contact with the most capable government resource, the USDA Natural Resource Conservation Service (NRCS). State government has no budget to perform such services. DOAg requires a farm conservation plan before a contract is executed. While that does not ensure environmental compliance for a private property owner, it does establish an initial contact with professionals who can assist with the variety of issues involved in farm development, including animal waste management.

The DOAg website lists reference sites for farmers, both national and international. EPA and USDA are currently working on Concentrated Animal Feeding operation regulations. It is one of the biggest issues facing large corporate farms in the U.S. Alaska has no farms in that category. DOAg acknowledges challenges on a specific farm. Division personnel, including the loan officer, asset manager, and BAC representatives continue to monitor and work toward resolution of the problem. DOAg supported the DEC action referenced in the audit and communicated to the farmer the serious nature of the infraction. As a result of communications with other agencies, DOAg is

aware that an Environmental Quality Improvement Program (EQIP) grant had been secured and that construction of an adequate system is occurring.

The DEC is the responsible agency for dairy permits and DOAg is aware they conduct water sampling of farm wells. To our knowledge, there has been no violation of water quality. While DOAg acknowledges isolated problems, the division has dedicated resources to fix them. On Pt. MacKenzie, Tract 15 was the responsibility of BAC as an ARLF asset and was fixed. The situation has been corrected, with the exception of spreading stockpiled manure. This byproduct is valuable and applied correctly is no threat to the water resource and is an efficient and effective fertilizer source. The division and ARLF have sold these properties and do not entertain leases of farm facilities. Private property owners are urged to contact the appropriate regulatory and support agencies.

The reference to the test at Ft. Greeley / Gerstle River speaks to a much larger environmental issue which the division will track, regardless of responsibility. For several years DNR reviewed, and continues to review, the agricultural area along the Gerstle River for contamination. No contamination has been found.

The mischaracterization of an advertisement in the November 15, 2002 edition of the Anchorage Daily News suggests bias. DOAg agreed, based on our CMP program, to support an ad that was conceived largely by the Mat Valley vegetable growers through the local Farm Bureau Chapter. If the auditors question the amount of herbicides, pesticides and GMO products that were referred to, please provide documentation. Suggesting that one failed lagoon, recognized and with its problems being corrected, as evidence of some massive agricultural environmental problem in Alaska shows a lack of agricultural knowledge and expertise.

2. Oversight regarding major state owned facilities

Of the five facilities listed, the former **Fairbanks Meat Plant**, now serving as a fish processing plant, is under consideration for disposal. With the more disposable assets returned to private ownership, division staff will begin to investigate and propose strategies for disposal of this asset.

The other four assets are critical infrastructure assets for agriculture in Alaska. They are best suited to oversight by the BAC, with its agricultural expertise.

The Matanuska Maid dairy is running in the black. No public funds have been expended on this facility in more than a decade. Auditors may suggest that Alaskans do not support local milk production because of higher consumer prices, but customers continue to vote with their dollars everyday to keep this business in a profitable situation. USDA funding of new physical plant for Mat Maid remains a real possibility.

The Feed Mill facility in Palmer is managed as an asset of Mat Maid. Because of the shortage of space in Anchorage at the primary facility, this location performs critical functions, including bottle and jug making and vehicle maintenance. A new physical plant could make this a disposable asset.

The Mt. McKinley Meat and Sausage plant has been offered to the private sector twice in the past two years. The BAC has scheduled a public hearing on January 15, 2003 to discuss further attempts to dispose of the facility.

The **Alaska Farmers Coop facility** is a fertilizer blending facility, as well as a grain storage and grain drying facility that was constructed in the late 1970s. This facility provides a service to any interior farmer looking to either purchase bulk fertilizer or access grain facilities. This makes it an important infrastructure asset for interior farmers. This facility receives no State funding.

3. Traditional safeguards over public funds and equipment

DNR is pleased to note that after extensive review of over 300 risk-based transactions, the auditors found purchasing and payment controls acceptable. The division has addressed a number of the suggestions in Exhibit 6 and will continue to look at strengthening safeguards over public funds and equipment.

4. Integrity of the state owned "Alaska Grown" trademark

DNR agrees this trademark should be registered with the US trademark office. The DOAg has recently contacted users in an effort to develop an updated and proactive policy with regard to its use.

DNR appreciates the opportunity to respond and looks forward to working on implementation of the improvements suggested in this report.

Sincerely,

Marty Rutherford,
Acting Commissioner

Cc: Dean Brown, Acting Director, Division of Agriculture
Nico Bus, Acting Director, Support Services Division

January 13, 2003

Members of the Legislative Budget
and Audit Committee:

We have reviewed the response to our preliminary audit on the Department of Natural Resources (DNR), Division of Agriculture (DOAg). Nothing contained in this response gives us cause to reconsider our findings.

DNR's response underscores our concerns rather than refutes them. DNR persists in its defense of the status quo that benefits its small DOAg constituency.

First, DNR refuses to acknowledge that the State faces a serious fiscal crisis in which limited resources must be refocused on serious business opportunities. Despite a small division dedicated to "agriculture," federal farm statistics continue to show a small role for farming in the state's economy.¹

Second, the approach of the response demonstrates deference to existing beneficiaries more than decisive planning for the advancement of the state's agriculture. In fact, DNR asserts that agricultural leadership and innovation are simply not its responsibility. We disagree, though, believing that public resources must now be refocused on those programs with the most promise to significantly advance the state's economy. In short, responsible public choices are part of DNR's job.

¹ The 2001 production statistics cited by DNR demonstrate the small nature of Alaska agriculture, not its success. To begin with, the \$30.1 million in receipts from Alaska production represents the *gross* amount received rather than any indication of the *net* profitability of farms. The four main components of the \$30.1 million are commercial greenhouses (47%), potatoes (11%), hay (10%), and milk (9%).

The "record" potato crop for the entire state is actually harvested from a total of less than 1½ square miles. The harvested area of its hay crop ranks only above Delaware and Rhode Island in comparison to the Lower 48. Alaska has fewer milk cows than any other state. Despite all of DOAg's "Alaska Grown" publicity campaigns, federal statistics also show that the state's entire crops of carrots, lettuce, and cabbage are each harvested from total areas of less than *one-tenth* of a square mile.

DNR's assertion of "500-700 relatively small family farms" is based on surveys conducted by the U.S. Department of Agriculture (USDA). However, per the USDA statistician, the self-reporting threshold for the federal definition of an Alaskan "farm" is only actual or *potential* sales of at least \$1,000. Thus, the USDA statistics do not indicate the number of commercially viable farms. Even under USDA definitions Alaska is ranked last in the nation in terms of the number of farms.

Further, DNR's assertion that Alaska is devoid of any "affluent corporate farmers" is inconsistent with the department's own records and those of the Department of Community and Economic Development.

In summary, we reaffirm the findings and conclusions presented in the report.

Pat Davidson, CPA
Legislative Auditor