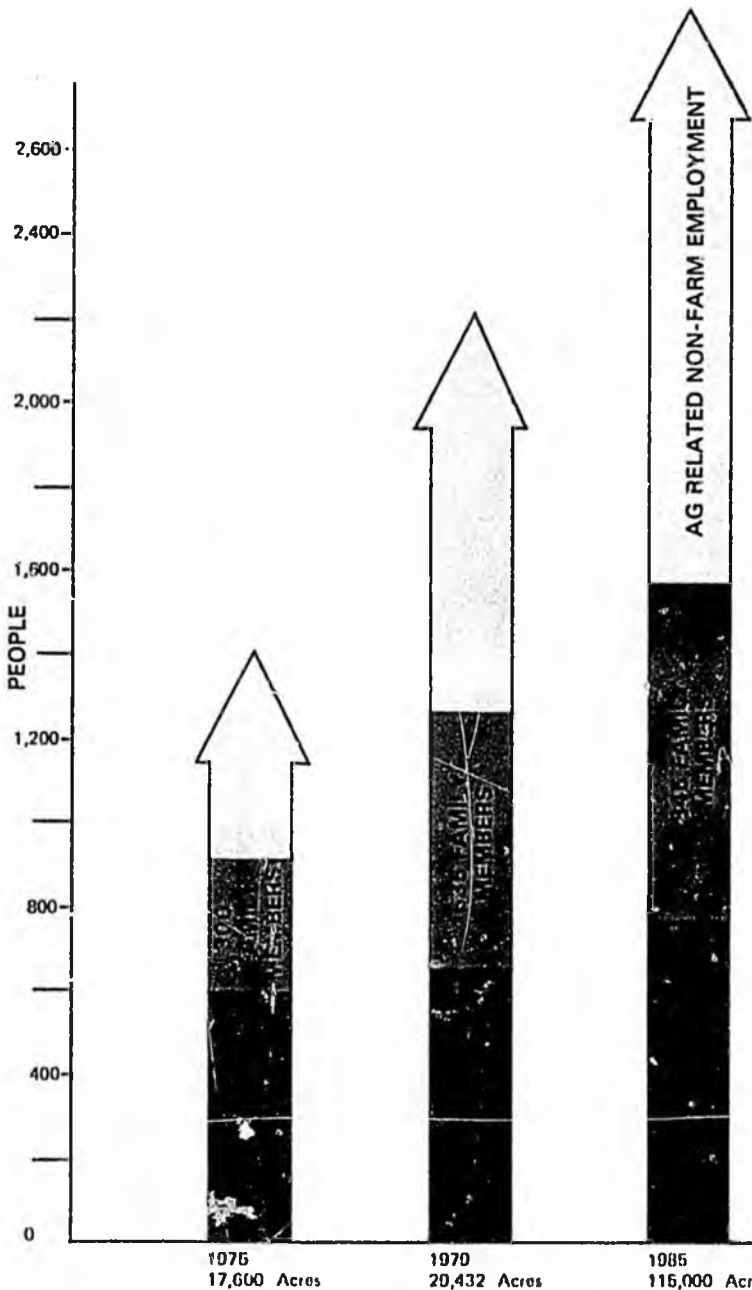


ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1813 HREFS AGRICULTURE 1 - AGRICULTURE 2

# ACTUAL AND PROJECTED JOBS DIRECTLY RESULTING FROM AGRICULTURAL DEVELOPMENT IN ALASKA



Employment figures for 1975 and 1979 obtained from USDA Statistical Reporting

## DELTA AGRICULTURAL PROJECT

In August, 1978, a lottery was held to distribute nearly 60,000 acres of land for agricultural production near Delta Junction.

The land was platted in 22 parcels averaging 2,560 acres each. Studies conducted by the University of Alaska determined that these sizes were necessary to provide the economies of scale necessary for small grain production in a semi-arid climate such as found in the interior region of Alaska.

Clearing of the land began during the first winter following the lottery. The progress made during the two years succeeding the lottery has been phenomenal. The actual work that has been accomplished totals nearly 60

percent of completion. Vegetation on approximately 55,000 acres has been knocked down and has been piled into berm rows on 35,000 of these acres. Crops were planted in 1980 on about 9,000 project acres and 4,000 acres on other lands. It is expected that 1981 will show a significant increase.

In 1979, 1.3 million dollars were loaned to the Alaska Farmers Cooperative, Inc., for the purchase and construction of a grain elevator. During 1980, an additional \$300,000 was used to expand their grain storage and handling capabilities. They now have secure storage for over 12,000 tons of grains.

It has become apparent, however, that an additional facility must be added in the very near future. This elevator likely will be in a location separate from the existing facilities and will receive grain from the eastern portion of the Delta Agricultural Project (Delta I), and also production from the newly planned Delta Expansion Project (Delta II). It is expected that construction will be started in 1981.

Grain harvested in 1980 totaled approximately 7,800 tons from the Delta Area. Due to severe weather conditions and predator (buffalo) damage, field losses ranged as high as 50 percent. Despite these problems and the fact that late seeding resulted in some acreage being abandoned, the total acreage planted averaged over 30 bushels per acre. Several operators averaged greater than 75 bushels per acre harvested.

Since 1980 was the first year of any significantly large acreage planted, it served as an educational period. Much was learned from this season and this knowledge will be incorporated into farming plans for succeeding years. We have the technology to overcome the problems encountered in this year's harvest.





With the opening of new agricultural lands in Delta Junction, the private business sector has stepped in to supply farmers with needed equipment, parts, and service. There are now three equipment dealers operating in the area. They represent the three major manufacturers of agricultural equipment in the U.S. The financial commitments of the dealers are indicative of the faith they have in the potential for agricultural development in interior Alaska.

## DELTA EXPANSION PROJECT (DELTA II)

A land sale by lottery is planned for September 1, 1981. Survey work is now underway to establish exact acreage, tract sizes, and layouts. The individual tract size will be 1,800 to 2,700 acres.

The project will encompass about 55,000 acres. Approximately 45,000 acres are located on the north and east boundaries of the existing Delta I project (Delta East). An additional 10,000 acres are west of Delta Junction and located on the west bank of the Delta River (Delta West).

In order to promote usage of existing resources, all potentially commercial timber stands will be sold with the farms to be managed privately. Proven timber stands will be assessed at a reasonable market value and that value added to the price of the tract. Farm development plans will allow adequate time for alternative uses of the timber resource.

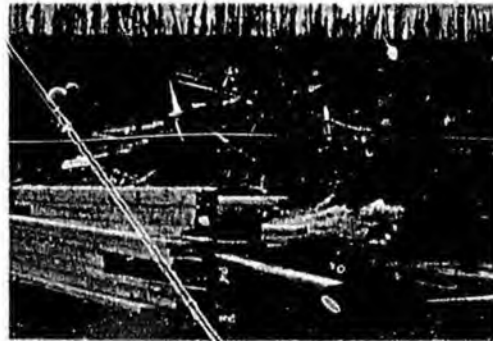
A road transportation network to service all the tracts is being designed. It will be in place when the land clearing process begins.

To provide a broader base of climatological data for the area, the Alaska Agricultural Action Council has undertaken the task of having weather recording stations installed in both Delta East and West areas. These stations will provide information that will be invaluable to the farm owners when they begin to lay out their cropping plans.

The prospective farmer, for this and other projects, will be required to submit a complete qualification package to determine his or her eligibility for the farms. The information will include proof of actual farming experience or a contract for farm management services and sufficient capital to insure adequate financing for a farm project of this scope, Alaskan residency, and a farm plan. This plan must contain a general schedule of clearing and production intentions as well as a five-year cash flow projection. This will insure that the prospective farmer knows the financial commitments required on a large scale farming operations.

Several areas in the Delta Expansion Project have been reserved for wildlife habitat. In Delta West, a greenbelt along the river has been set aside to insure that the salmon spawning grounds will not be affected by siltation or human encroachment.

On Delta East, the headwaters of the Clearwater Creek have been protected in the same manner. Also on Delta East, an historic Peregrine nesting grounds plus all lands within a one mile radius have been reserved.



## NENANA AGRICULTURAL PROJECT

Stalled in past years due to uncertainties regarding land ownership by State and Federal governments and Native Corporations, the planning process has gained significant momentum towards a major agricultural development near Nenana. The first phase of the Total Project, as it is called, is located in two townships directly west of the City of Nenana, 60 miles south of Fairbanks.

Long considered one of the State's prime agricultural areas, this project is located adjacent to the Alaska Railroad, connecting Fairbanks and the State's tidewater ports. In addition to the positive aspects of this transportation link, the area has the capability of expanding agriculture into the river valleys to the west.

The 1980 Legislature initiated the planning process with an appropriation to determine transportation access, feasibility of livestock and vegetative production, and analyze other developmental stages. Five contracts have been let to provide that information. Presently, the U.S.D.A. Soil Conservation Service has identified 175,000 acres of soils determined to have excellent potential. It is anticipated that, due to access problems and the need to finalize other segments of the industry, the actual disposal will not take place until 1982 or 1983.

## POINT MACKENZIE PROJECT

In 1980, the Alaska State Legislature appropriated funding to implement a 15,000 acre project designed mainly to revitalize the State's existing dairy industry. The tracts have been surveyed, roads have been built, and applications by prospective farmers have been analyzed prior to a lottery planned for March 8, 1981.

Prior to the initial funding, the University of Alaska Cooperative Extension Service and the Agricultural Experiment Station studied the local dairy industry. They concluded that the major reason the industry was declining was due to a lack of critical volume of milk to support modern and efficient processing and distribution facilities in addition to many other infrastructure components. A minimum of 19 dairies, within the Point MacKenzie Project are expected to begin milk production during the next three years, and some production may come from the project within one year.



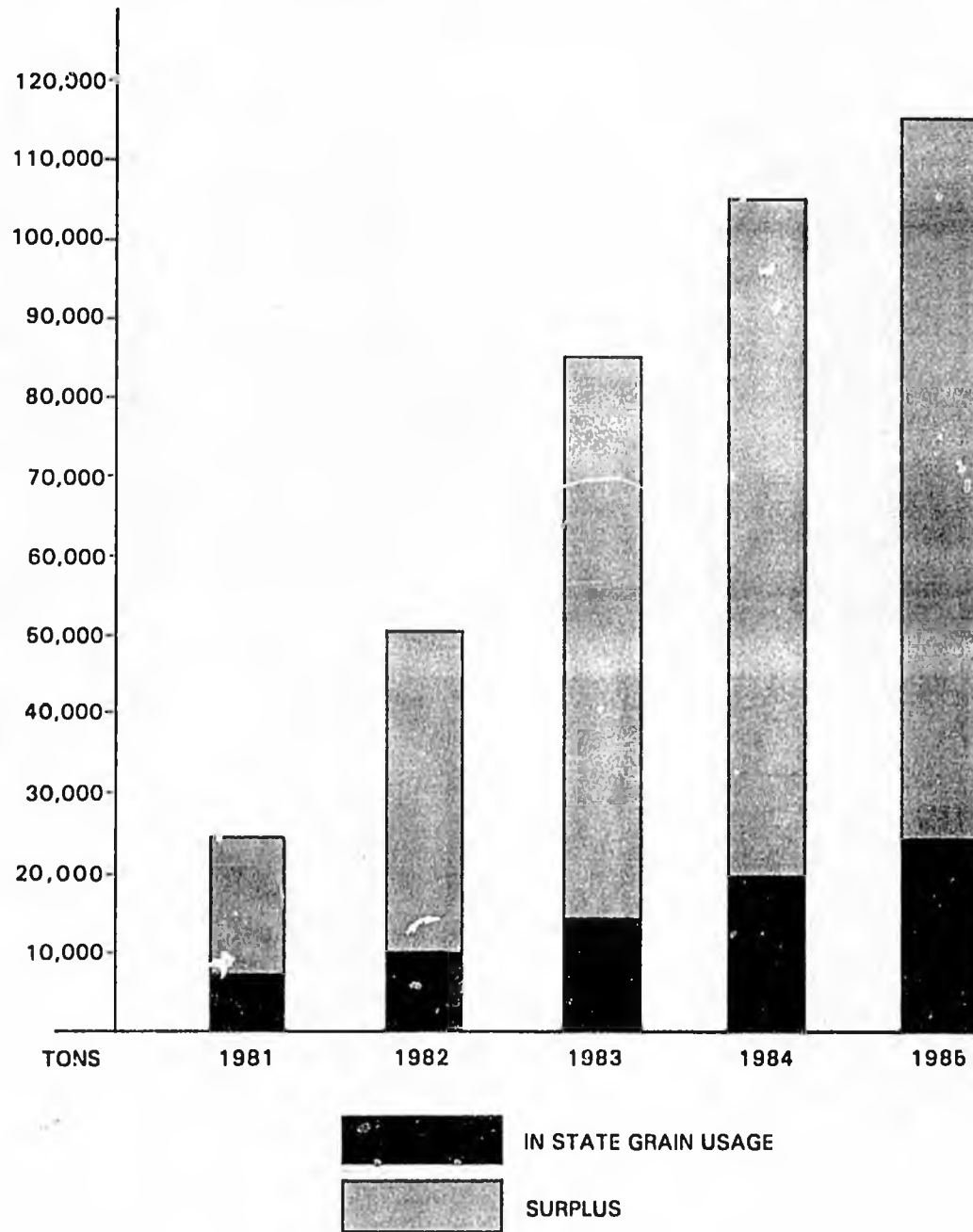
At Point MacKenzie, several of the new tracts are expected to concentrate on general farming and vegetable production. This industry has long been the mainstay of the Matanuska Valley, but has also suffered from scarcity of land and production to expand to more efficient marketing and processing facilities.

Milk and vegetables aren't the only products coming from Point MacKenzie. Dairy and beef animals will be produced to help support the very critical segment of the State's livestock industry—a modern and efficient meat processing facility.

Additional areas with agricultural potential for subsequent expansion have also been identified near the Point MacKenzie Project and will be discussed in the next report.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM  
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**Projected Production and Usage of Grain from Delta, Delta Expansion, and Nenana Projects  
(in tons)**



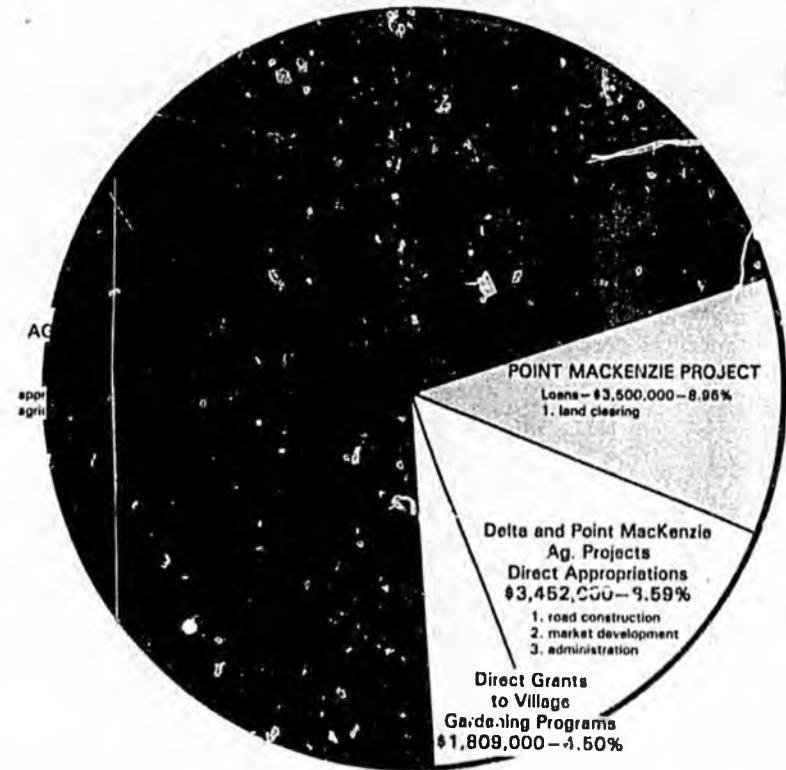
**FINANCIAL SECTION**

The primary source of development credit for Alaska's farmers continues to be the Agricultural Revolving Loan Fund (ARLF) administered by the Division of Agriculture. The fund ceiling and capitalization were increased from \$7.8 million to 20 million to fund the Delta Project, and other farm production enterprises of the State. Authorization limits for processing facilities were also increased in 1980, allowing processing loans up to \$2.5 million limit. Unfortunately, the increase in 1980 loan funds did not provide adequate monies for an expansion of the processing facilities in the state.

1980 also saw the new state-supported Commercial Fishing and Ag Bank become operational. However, given the restrictions under which commercial banks must operate and the lack of track records of the new farmers, this source has yet to make a significant contribution toward satisfying the financing needs.

If the Legislative and Administrative policy of expansion of the state's agricultural industry is to be successfully instituted, the state must continue to play the lead and major role of the industry. Alternative financing sources exist, but commercial sources of credit find it difficult or impossible to offer credit to enterprises in new areas of the State, to enterprises which are programmed to be in the development phase for up to three years, or to young farmers without an Alaskan track record.

In addition to the obvious need for additional loan funds, both the Council and the State Division of Agriculture are devoting considerable effort to look at the total spectrum of agricultural financing. This vital segment of the development effort merits a most thorough examination and analysis, and will require the full cooperation of all financial institutions. As the farmers become more financially stable, they will be turning to more commercial type sources of funding such as the Commercial Fishing and Agriculture Bank and the private financial sector.



Greater than 86% of agricultural appropriations, other than those grants to the village gardening program, have been in the form of loans for renewable resource development. All loans are adequately collateralized and will be repaid with interest to this state.

THE PRECEDING DOCUMENT(S) MAY NOT FILM  
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## MARKETING

One of the key components of any industry is marketing. The Alaska Agricultural Action Council together with other agencies has been very involved in not only identifying potential markets but actually providing marketing for the past three years. Three specific grain markets have been identified. They are:

**A. Instate Livestock Industry**—This primary objective of our agricultural development is expanding faster than most people expected. Various livestock specialists and the University of Alaska have been outlining the tremendous potential for this domestic industry for many years. In summary their conclusion is that beef, and especially swine operations, are very viable but dependent on these conditions:

1. Livestock producers have a dependable supply of feed (Sufficient land in grain production)
2. Livestock producers can buy feed at prices competitive with feed prices in the "lower 48" states. (Feed prices in general are a function of world export prices.)
3. Livestock producers have access to modern and efficient slaughter, processing, and marketing facilities.

**B. Export Markets**—Several foreign countries have indicated an immediate desire to purchase Alaskan grain. This is a large volume market that can potentially consume any conceivable amount of grain, assuming the following conditions:

1. Products are price competitive
2. Products are quality competitive
3. Transportation facilities (tidewater ports) are modern and efficient.

**C. In-State Alcohol Industry**—Based on several studies sponsored by the Division of Energy and the Alaska Agricultural Action Council, the production of ethanol and subsequent gasohol appears feasible in the future. Presently, these studies are being expanded with hopes of a pilot project within the near future. In addition to utilizing high or low quality grain to produce alcohol for fuel, one by product will be a high protein mash that can be used as a protein supplement in a ration for livestock.

## TRANSPORTATION

Transportation is a vital part of the agricultural industry in all parts of the world; so much so that the kinds of agricultural commodities produced, and where they are produced tend to be influenced by transportation costs. These costs include movement of goods into, as well as out of production areas.

Closely related to transportation of agricultural goods is the availability of facilities to transfer products from one form of carrier to another. In many cases, particularly in Alaska, an area is served by only one mode of transportation. It is therefore necessary to provide an efficient means to transfer goods between carriers.

Alaska is beginning to develop the production segment of its agricultural industry. It has begun by making land available largely for the production of small grains. In the early years, a major portion of the grain produced must be exported. However, as this grain base expands, it is reasonable to assume that the livestock and poultry industry will expand as well, allowing more of the grain to be used in-state. It is also expected that in the future more vegetables will be produced in the state, at least for the fresh, in-state market. Action must be taken now concerning the manner in which these agricultural products will be moved throughout the state as well as to tidewater ports for export.



Today the transportation system in Alaska is not designed to haul and handle agricultural products. Railroads and roads, two of the principal means to transport bulk goods, service only a very small portion of the state. Yet, much of the land with agricultural potential does not lie near one or the other of these services.

Many rural communities are serviced only by air or infrequent barge traffic. In many cases, this makes the cost prohibitive to transport fresh products as well as transporting bulk commodities needed for production. Further, the regulatory policy of the state has not favored movement of these goods, or upgrading and extending its present agricultural transportation system.



This latter consideration should include provisions for better links between rail, road, and waterways. Further it will be necessary to develop regional transportation system in areas remote from major agricultural production areas. In this manner, these regions will be able to rely on a supply of food products produced in Alaska. If Alaskans wish to consider expansion of the State's agricultural industry, its transportation system for agricultural production requirements and commodities must be improved.

## GRAIN HANDLING

During the 1979 Legislative session, \$1,300,000 was appropriated to be used as a loan to purchase and construct a country grain elevator to handle the feed grains produced in Delta. These monies provided drying, handling, and storage for approximately 300,000 bushels of grain. In 1980 an additional \$300,000 was used to expand the storage capacity to 500,000 bushels and add a second drying unit to this system to facilitate receiving and processing grain in a more timely manner.



This is only the first phase of a system for handling Alaskan grain. Production in 1982 from the Delta Agricultural Project alone will require three times the capacity that it now has available. In addition to storage, our export capabilities must be refined to provide the most economical method of moving grain to tide water. The two primary segments of this system will be a transfer facility to take grain trucked into Fairbanks from Delta and put it on rail for shipment to a port, and a dockside terminal to provide storage and loadout capabilities onto ocean going vessels.

This export elevator will be a key link in Alaska's future agricultural projects. Although the initial volume of grain will not fully utilize the export facility, it is a necessity at the early stages of development to complete the entire transportation network.

The additional volume of throughput resulting from the Delta Expansion and the Nenana area will enable the terminal facility to generate sufficient revenue to defray its operating expenses and service all debts.

## FERTILIZER



In 1980, two new fertilizer blending plants were added to Alaska's agricultural infrastructure.

Alaska Mill and Feed in Anchorage constructed a blending plant to service the South-Central region. This facility has 700 tons storage capacity with an 8 hour through-put capacity of 90 tons bulk and 30 tons bagged.

In Delta Junction, the Alaska Farmers Cooperative, Inc. has built a 6,000 ton plant to serve the needs of interior Alaskan farmers. This plant has an 8 hour capacity of 400 tons bulk and 80 tons bagged.

The final necessary link in the fertilizer supply line is a bulk materials handling and transfer facility to transfer incoming products from rail to truck for distribution to the final destinations.

## ALASKA MEAT PROCESSING FACILITIES; PRESENT AND FUTURE NEEDS

In order to fill the needs of an expanding livestock industry and take advantage of economies of scale, a modern facility capable of processing 100 head of cattle and 400 head of hogs per day is necessary. Construction of this facility would provide three major benefits:

1. Provide the marketing outlet for the present and future needs of the industry.
2. Provide long range stability necessary to encourage large scale feeder operations utilizing state agriculture and fisheries feed products.
3. Provide the Alaskan consumer a quality product, delivered fresh at a competitive price.

Perhaps the most significant benefit is that the facility would provide the catalyst needed to complete the feed grain-livestock cycle. Given the reality of a strong facility, the livestock producers can make the commitment to growth confident of the future.

It should be understood, the proposed new facility would augment the existing in-state facilities, not replace them.



## AGRICULTURAL RESEARCH AND EXTENSION

The Alaska Agricultural Experiment Station and the Cooperative Extension Service, University of Alaska, are important components of Alaska's agricultural system. The Experiment Station carries out research to increase the production of food and wood products in Alaska; the Extension Service transfers technology resulting from this research to farmers, ranchers and land managers.

Alaska, however, has a smaller research and extension program in agriculture than any other state. The success of current agricultural projects and the development of 500,000 acres of new land for crop production by 1990 will depend on how well agricultural research and extension in Alaska can be expanded to equal the effectiveness of these programs in other states.

In the absence of effective and continuing research, Alaska's agriculture cannot compete with the production of commodities in other states where strong programs in agricultural research are provided through the public sector. Specific gaps in Alaska's facilities and staff for research at the Experiment Station include plant breeding and genetics for interior Alaska, agricultural entomology, applied soil physics, plant physiology and biochemistry, soil classification and genesis, veterinary science, animal production on native rangeland, meat science, reindeer management, soil microbiology, forest management and human nutrition. Even in fully developed state Experiment Stations, agricultural scientists remain only about 8 to 10 years ahead of significant problems in plant and animal production; disease, insect and weed control; soil and water management; and changing economic and social conditions.

Much of the agricultural research and extension in Alaska will need to be done in the public sector. Researchers in the private sector rely on the Experiment Station to provide primary information for Alaskan agriculture. Investment through the public sector for agricultural research and extension will pay off in the formation of a successful and competitive agricultural industry for Alaska. Nationally, the annual rate of return on agricultural research expenditure in the public sector is on the order of 50 percent.

The following segments are recognized as vital components of the entire Alaskan agricultural development program. While it is necessary to consider these areas, it must be pointed out that they do not come under the legislative mandate of the Agricultural Action Council. We are therefore including these subjects for informational purposes.

## NON PROJECT FARMLANDS

During the past three years, sales of agricultural land by the State not included in major project-type disposals has occurred at a fairly rapid pace.

Since the fall of 1978, there have been 266 parcels offered for sale, totaling approximately 46,000 acres. These units range in size from 20 acres to 1,120 acres with the majority of the units within the 160-640 acre size range. Sale areas included Delta Junction, Fairbanks, Talkeetna, Copper Center, Homer, and Gustavus. Approximately 14,000 acres of these disposals in the Potlatch Ponds area near Fairbanks continue to be held from final conveyance to lottery winners by court action against the State.

The majority of the units have been disposed of via the lottery process and applicant interest has been high. The fall 1979 sales at Talkeetna and Delta Junction averaged 50 applications per parcel offered. Disposals at auction which included Tanana Loop, Four-Mile Hill and the Two Rivers sale showed considerable bidder interest and most parcels sold over minimum bid. The auction type sale is popular in areas where farming is currently going on since preference rights are allowed to local farmers to expand their present units.

The majority of the parcels are sold with some type of development schedule required. These vary in years and percent cleared from one area to the next. Development schedules are considered by local area farmers as a necessary requirement on all future sales. A number of the parcels do not have current access such as the Talkeetna and Potlatch Ponds sales. In all cases where access is not currently available, the development schedule does not begin until access occurs.

While many of the smaller size tracts are not considered economic units from a commercial agricultural standpoint, they are popular land disposal units. The small tracts allow the subsistence type resident and the part time farmer to try their efforts at agriculture in Alaska without large capital outlays. The major problem with small tracts without commercial potential and sufficient cash flow is the inability to acquire financing for farm development activities. These farmers must rely on non-farm income to pay for the farm development costs.

The estimated 25 percent of these units that are in the 200 acre size or larger may become viable farms as the marketing infrastructure is established for livestock-type activities in Alaska. The second major requirement will be the availability of farm financing, particularly for land clearing on the units with development schedules.

## SUBSISTENCE

As stated, there are many people who are farming small acreages in Alaska. They are farming for various reasons; subsistence, family income or just for pleasure. Whatever the reason, all contribute to the food supply for Alaskans. Yet, the State has no established policy which supports their efforts.

This lack of policy is particularly evident in the native communities. In the past several years, several millions of dollars have been spent in grant money to assist these communities in producing some of their own food products. This alone is not enough.

What is needed is assistance in producing the food products, assistance in using the products, and as efforts progress, assistance in marketing the products to those who are not involved in agricultural production but appreciate a fresh product. Evidence is very high that these services are desired.

Food production efforts have begun in the Galena, Kobuk and lower Yukon area with village gardens, on the Seward Peninsula with reindeer, and in the Kuskokwim River valley where a small commercial truck farm is operating. A coherent planning effort including loan programs, applied research and education with almost immediate application of the plan must be begun now to aid regional food producers.

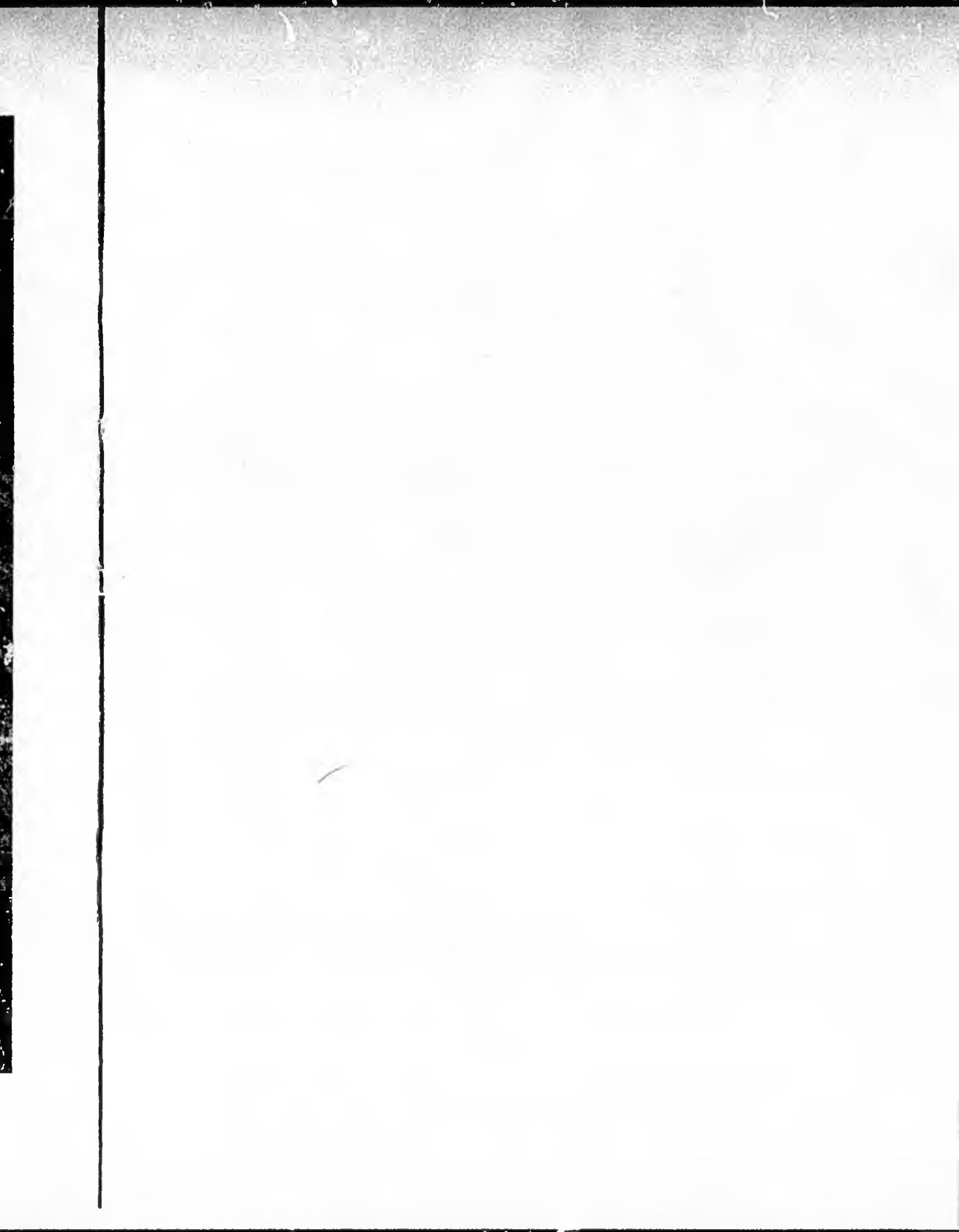
## REINDEER INDUSTRY

Reindeer herding is a major segment of Alaska's livestock industry. For 1980 it is estimated that 25,000 reindeer in 18 herds are grazing in Alaska. The majority of herds are on the Seward and Baldwin Peninsulas. Additional herds are located on Nunivak, St. Lawrence, and Hagemester Islands.

Through most of the history of reindeer in Alaska, herding has been largely a part of the subsistence economy. In the past few years, however, the industry has started to move into the modern business world. Increases in prices for reindeer products such as meat and velvet antler have given the industry renewed potential. Current reindeer herd owners are attempting to expand their herds while interest is being expressed in starting new herds. It is currently estimated that the Seward Peninsula could support at least 45,000 reindeer. This number is sure to be increased as the results of the current SCS range survey of the Seward Peninsula are translated into range management plans. It has been estimated that Alaska has 100,000,000 acres of rangelands that are currently, or have in the past, supported domestic reindeer grazing. These lands have been estimated as capable of supporting 400,000 reindeer.

It is probably unrealistic to believe that the Alaska reindeer industry has real potential to expand to the above numbers. Even in the absence of economic consideration, land use conflicts or other difficulties would prevent this from occurring. However, it is not unrealistic to believe that the industry has the potential to expand significantly in areas where it now exists, as well as in specific areas where it formerly existed. The lower Kuskokwim area is an example of the latter.

What would it take for the reindeer industry to expand? As with all livestock agriculture, it will take, above all, herd owners and herders versed in modern animal husbandry and business management. A start is being made through research and educational programs of the University of Alaska's Agricultural Experiment Station, Institute of Arctic Biology, and Cooperative Extension Service. Adequate financing will be required as herd owners attempt to expand their facilities.



**Sec. 44.33.410. Duties.** The Advisory Council on Cultural Facilities shall

(1) by regulation, establish criteria for ranking applications for grants to municipalities for the purpose of construction or development of cultural facilities under AS 43.18.500; the regulations shall provide for the assignment of priority among applications transmitted by the commissioner of commerce and economic development; the criteria for ranking applications shall include facility need and suitability, public support for construction or development and maintenance of a facility, availability of land, management capacity, alternatives to completion of the facility proposed, redevelopment or rehabilitation of a structure qualifying as an historic property or a building of historic value which is part of an historic district, and cost;

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

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

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

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

**Section**

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

**Section**

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

**Effective date.** — Section 5, ch. 75, SLA 1979, provides: "This Act takes effect July 1, 1979.

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

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

(b) The council may invite representatives from the United States Soil Conservation Service, the United States Forest Service, or from other

federal agencies to participate in the deliberations of the council in an advisory capacity.

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

*Editor's note.* — Section 2, ch. 75, SLA 1979, effective July 1, 1979, and terminating July 1, 1984, provides: "Notwithstanding the terms of office specified for members of the Alaska Agricultural Action Council in AS 44.33.400(c), enacted in sec. 1 of this Act, the terms of the first appointees shall be one member serving a term ending June 30, 1980, one member serving a term ending June 30, 1981, one member serving a term

ending June 30, 1982, one member serving a term ending June 30, 1983, and one member serving a term ending June 30, 1984."

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

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

**Sec. 44.33.455. Compensation of members.** (a) Members of the council who are not state officers or employees are entitled to per diem and travel expenses provided for boards and commissions under AS 39 30.

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

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

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

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

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

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

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

- (1) adopt and amend bylaws for the management and regulation of its affairs; and
- (2) maintain an office at any place or places in the state.
  - (b) The council has the duty to
    - (1) hold public hearings in areas of the state considered for agricultural development;
    - (2) evaluate the need for farm conservation plans for land under agricultural production in the state;
    - (3) serve as coordinator for gathering information and data relating to agriculture;
    - (4) recommend appropriate activities for the promotion of agriculture in the state;
    - (5) provide technical information and make recommendations to the commissioner of natural resources regarding the classification of state land having a potential for agricultural use;
    - (6) act as administrator of the Delta agricultural development project and any other agricultural development project authorized under AS 44.33.475;
    - (7) contract for the clearing, draining and breaking of agricultural land located in the Delta agricultural development project;
    - (8) contract with the owners of land prepared for agricultural use under (7) of this subsection for reimbursement to the state of the cost of the clearing, draining and breaking of the land;
    - (9) contract for the construction of access roads in the Delta agricultural development project;
    - (10) conduct studies and carry out experimental and pilot projects to develop markets for agricultural products produced in the state; and
    - (11) recommend legislation to the governor to improve agricultural development in the state. (§ 1 ch 75 SLA 1979)

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

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

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

(1) sets out the type of agricultural development to be accomplished and, if state land is to be developed for agricultural production, describes the boundaries of the land to be developed;

(2) defines specific tasks to be performed by appropriate state agencies to the extent the tasks are identifiable at that time; and

(3) grants to the council sufficient authority to insure cooperation of all state agencies involved in the implementation of the agricultural development project. (§ 1 ch 75 SLA 1979)

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

**Sec. 44.33.500. Definitions.** In AS 44.33.450 — 44.33.500,

(1) "council" means the Alaska Agricultural Action Council;

(2) "Delta agricultural development project" means the state funded program to develop agricultural land located in the Big Delta, Inana Loop region for the production of small grains and other related agricultural products. (§ 1 ch 75 SLA 1979)

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

**Chapter 42. Department of Transportation and Public Facilities.**

**Section**

- 10. Commissioner of transportation and public facilities
- 20. Powers and duties
- 30. Regulations
- 40. Departmental organization
- 50. State transportation plan

**Section**

- 55. State public facilities plan
- 60. Grants to the department
- 70. Limitation on transportation facilities
- 80. Capital projects funds
- 900. Definitions

Effective date of chapter. — Section 14 of Executive Order No. 39 (1977) provides: "This Order takes effect July 1, 1977."

Editor's note. — Section 1, Executive Order No. 39 (1977), effective July 1, 1977, provides: "FINDINGS AND PURPOSE. As governor, I find that the diverse transportation needs of the state would best be served by the creation of a single department for the planning, study, development, management and operation of integrated, intermodal transportation systems. The purpose of this department is to evaluate, plan, design, construct, manage, operate and maintain all state transportation modes and systems, relying on analysis of the relative advantages of different modes and systems and considering their social, economic, and environmental consequences."

Section 8, Executive Order No. 39 (1977), effective July 1, 1977, provides: "All litigation, hearings, investigations and other proceedings pending under a law amended or repealed by this Order, or in connection with functions transferred by this Order, continue in effect and may be continued and completed notwithstanding a transfer or amendment or repeal provided for in this Order. Certificates, orders, and regulations issued or adopted under authority of a law amended or repealed by this Order remain in effect for the term issued, until revoked, vacated, or otherwise modified under the provisions of this Order. All contracts, rights, liabilities, and obligations created by or under a law amended or repealed by this Order, and in effect on the effective date of this Order, remain in effect notwithstanding this

Order's taking and other powers whose functions Order shall with the pr

Section 9, effective July Department Facilities is powers form Public Works construction

transportation ferries, air facilities, and of building and specific duties form Public Works 30.15, AS 3

"(b) The and Public duties and Department planning, operation including s

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# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU 99831


AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

### MEMORANDUM

DATE: February 27, 1981

TO: Mary Hakala  
Administrative Assistant  
House Resources Committee

FROM: Elmer Lindstrom   
Fiscal Analyst  
Legislative Finance Division

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

#### Delta I

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

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

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

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

Mary Hakala  
February 27, 1981  
Page 2

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

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

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

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

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

Total	5,025.0
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Nenana/Totchaket

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

Totchaket Agricultural Project	500.0
--------------------------------	-------

Department of Natural Resources

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

Red Meat Project	113.1
------------------	-------

Sec. 286, Ch. 150, SLA 1980 (HB 60)

Plant Materials Center Lab Bldg	150.0
---------------------------------	-------

Sec. 53, Ch. 120, SLA 1980 (General Appropriations Act)

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

Total	495.7
-------	-------

University of Alaska

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

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

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

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

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

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

Total 1,094.3

Rural Agriculture

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

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

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

Dept/Natural Resources  
Koyukon Development Corp - Arctic  
Agriculture Training Program 117.0

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

Dept/Natural Resources	
Selawik Agricultural Project	412.0
Kuskokwim Native Assn -	
Agriculture	200.0
Koyukon Development Corp -	
Agriculture	200.0
Minto - Small Scale Agriculture	104.0
Dept/Community & Regional Affairs	
Mauneluk Garden Projects	61.0
Municipal Grant Account	
Bethel - Recreation/Agriculture	
Facility	<u>528.0</u>
Total	2,147.0

Agricultural Revolving Loan Fund (ARLF)

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

Governor's Proposed FY 82 Agriculture Capital Projects

Dept/Commerce & Economic Development	
Agricultural Action Council	
Point McKenzie	328.0
Delta I	949.0
Delta I - Bison Fencing	120.0
Delta II - Survey/Disposal	699.1
Delta II - Clearing Loans	4,000.0
Delta II - Roads	2,622.8
Delta II - Clearing Equipment	30.0
Delta II - Grain Storage Loan	1,650.0
Grain Export Facility Loan	4,425.0
Livestock Facility Loan	2,650.0
Dept/Natural Resources	
Economic Development	
Kenai Grazing	280.0
Interior - Plant Materials	
Center Bldg	177.0
Plant Materials Center Head	
House	25.0
Plant Materials Center Equip	85.0
Plant Materials Center Alarm	
System	11.5
Agriculture Revolving Loan Fund	
Capitalization	<u>23,085.0</u>
Total	41,137.4

Operating Budget Programs Related to Agriculture

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

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

Governor's Proposed FY 82 Agriculture Operating Budget

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

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

EL:vsw

Table BB. Total State Investment and Total Agricultural Sales, 1981-90 and 2000 (1981 dollars)\*

<u>Year</u>	<u>Total State Investment</u>	<u>Total Agricultural Sales</u>
1981	\$ 45,000,000	\$ 11,300,000
1982	102,600,000	15,500,000
1983	129,000,000	21,400,000
	78,500,000	31,300,000
	40,900,000	48,200,000
1984	28,200,000	63,900,000
1985	19,600,000	80,400,000
1986	14,200,000	99,800,000
1987	17,800,000	121,500,000
1988	12,100,000	145,100,000
Subtotal	\$487,900,000	\$ 638,400,000
Year 2000	<u>275,900,000</u>	<u>631,000,000</u>
TOTAL	<u>\$763,800,000</u>	<u>\$1,269,400,000</u>

\*Land area in 1990, 500,000 acres in production; in 2000, 1,000,000 acres in production.

From: Wayne Thomas (U.C.A.)

At: Davidson ENR

Feb. 1981

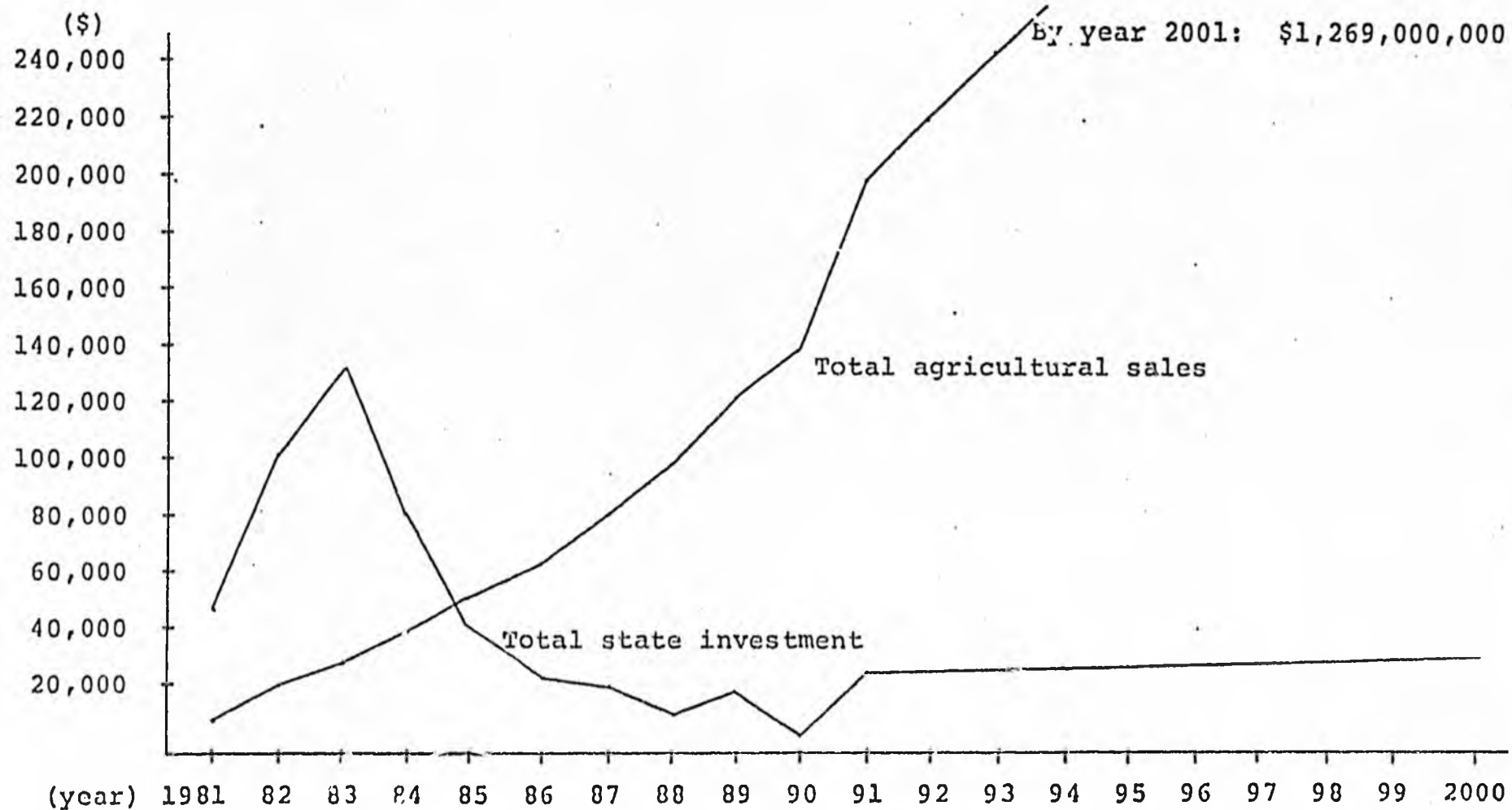


FIGURE A: Comparison of Total Agricultural Sales to Total State Investment: 1981-2000 AD,

AGRICULTURAL BRIEFING  
TO THE  
COMMITTEE ON NATURAL RESOURCES

February 23, 1981 .  
by the Department of  
Natural Resources

The purpose of this briefing is to delineate the cost and schedule of State investment in agricultural development through 1990. Three reports detail these costs and timetables:

1. Production Estimates for Planned Agricultural Development Projects

This report estimates agricultural production, development costs, employment generation, and other benefits.

2. Estimated Required State Funding for Ag Development Through 1990 by Task and Year.

3. Estimated Cash Flow for Various Infrastructure Investments

The Nenana Livestock Report, produced by Featherstone, Corporation on contract for the Alaska Agricultural Action Council, was heavily used to detail costs, production, and benefits for the Nenana barley-cattle industry project. Because of its length, it is not reproduced here.

The reports included in this briefing are based on the goal of developing an economy of scale agricultural industry, in which each component is self-sustaining and subsidy-free, that will produce, at equal or lower prices than those currently available:

1. The majority of milk consumed in the railbelt area;
2. The majority of red meat consumed in the railbelt area;
3. All feed grains needed to satisfy local demand;

4. Sufficient surplus feed grain to competitively enter the export grain trade.

In order to fulfill these goals by 1990, the following actions will be required:

1. Development of basic government programs to provide plant and animal inspection, research, extension services, and market assistance;
2. Disposals of net farmable acres, and construction of roads for the
  - A. Delta II disposal of 40,000 acres in 1981;
  - B. Nenana I disposal of 46,000 acres in 1982;
  - C. Nenana-Susitna disposal of 129,000 acres in 1983;
  - D. Nenana-Susitna II disposal of 45,000 acres in 1984;
  - E. Nenana-Susitna III disposal of 25,000 acres in 1985.
3. Completion of handling processing facilities by 1983.
4. Commitment to provide farm financing, capital costs for facilities, and facility operating subsidies as identified for specific periods of time.

This schedule is predicated on the majority of financing originating with the State and all costs are given in 1981 dollars. The disposal and development projections include the Point MacKenzie agricultural sale, but do not include small scale agricultural disposals scheduled by the Department of Natural Resources as part of the Land Disposal Program. These small disposals will total approximately 19,600 acres in 1981-82.

In summary the costs which will be incurred by the State to accomplish economy of scale agricultural development are:

1. Loans to individual farmers and for agricultural infrastructure capital projects such as grain elevators and processing plants:

A. Farm Development	\$195,448.6
B. Infrastructure Development	14,706.2
TOTAL	<u>\$210,194,800</u>

2. Subsidy payments for the market organization, for infrastructure developers, for rural agricultural grants, for small farm clearing, and for the loss of opportunity costs, reflect the difference between the loan rates offered and prevailing market interest rates:

A. Farm Development	\$19,811,500
B. Infrastructure Development	4,506,400
C. Market Subsidy	300,000
TOTAL	<u>\$24,617,900</u>

3. Non-recoverable government costs for plant and animal inspection, research, extension services, market assistance, administration, data collection and land disposal.

Cost \$141,090,300

Total Loans Subsidies & Government

Costs \$375,903,000

4. Multi-industry capital infrastructure, such as roads, rail spurs and railroad cars, which may be used for a wide variety of extractive and renewable resource development.

Cost \$86,930,000

Total Development Costs \$462,833,000

TABLE A

## PROJECTED AGRICULTURAL STATISTICS FOR ALASKA GRAIN AND LIVESTOCK AGRICULTURE, 1981-1987

BARLEY CROP (Tons Sold)	1981	1982	1983	1984	1985	1986	1987
In-State Use	7,000	9,750	14,725	21,200	28,500	36,400	43,500
Export	11,000	24,250	32,275	42,800	92,500	124,600	148,500
Total	18,000	35,000	47,000	64,000	121,000	161,000	192,000
<u>LIVESTOCK (NUMBER)</u>							
Hogs		7,000	17,500	28,000	42,000	56,000	70,000
Cattle (beef)		650	1,300	2,600	3,900	5,400	6,500
Cattle (dairy)	1,500	1,500	2,000	3,000	3,500	4,000	5,000
Reindeer	1,800	2,000	2,200	2,500	2,700	2,900	3,200
<u>LAND (ACRES)</u>							
Delta I	16,000	30,000	36,000	36,000	36,000	36,000	36,000
Delta II	-0-	-0-	5,000	15,000	27,000	27,000	27,000
Nenana I	-0-	-0-	-0-	5,000	27,000	27,000	27,000
Nenana II	-0-	-0-	-0-	-0-	15,000	50,000	77,000
Total	16,000	30,000	46,000	56,000	105,000	140,000	167,000

Table B

SUMMARY OF ESTIMATED STATE AGRICULTURAL DEVELOPMENT COSTS  
1982-1990

	82	83	84	85	86	87	88	89	90
<u>Loans</u>									
Farm Development	32,488.0	78,262.0	47,066.0	16,073.8	6158.8				
Infrastructure Dev.	11,532.1	1,807.1	165.0	345.0	357.0			3000.0	
Subtotal	44,020.1	80,069.1	47,271.0	16,418.8	7015.8			3000.0	
<u>Subsidy</u>									
Farm Development	3,441.2	5,604.1	3,636.3	1,785.0	1220.9	800.0	800.0	800.0	800.0
Infrastructure Dev.	440.0	437.8	910.5	778.0	579.1	315.1	334.8	340.2	310.6
Marketing Subsidy	300.0	-	-	-	-	-	-	-	-
Subtotal	4,181.2	6,041.9	4,546.8	2,563.0	1800.0	1,115.1	1,134.8	1140.2	1,110.6
<u>Non-Recoverable Govt. Cost</u>									
Land Base	3,191.8	3,883.4	3,454.6	1,914.7	1352.9	1,302.9	1,202.8	1102.9	902.9
Marketing Assistance	120.0	120.0	120.0	180.0	180.0	180.0	180.0	180.0	180.0
Research & Extension	26,069.5	15,526.5	7,425.0	7,476.9	8246.0	9,077.0	9,682.0	10,287.0	10,892.0
Adm. Ins. & Reg/	975.0	1,350.0	1,670.0	1,890.0	1960.0	1,960.0	2,040.0	2,040.0	2,040.0
Subtotal	30,356.9	18,879.9	12,669.8	12,791.6*	11,738.9	12,519.9	13,104.8	13,609.9	14,014.9
<u>Total Loans, Subsidy &amp; Govt.</u>	78,558.2	105,990.9	64,487.6	30,443.4	20,654.7	13,635.0	14,239.6	17,750.0	12,125.5
<u>Multi-Industry Capital</u>									
Infrastructure	24,000	24,000	13,980.0	10,450.0	7,500.0	6,000			
<u>Total Development Costs</u>	102,558.2	129,990.9	78,467.6	40,893.4	28,154.7	19,635.0	14,239.6	17,750.0	12,125.5

\* Corrected figure - not reflected in totals, adds 530.0 in survey costs.

Prepared by Department of Natural Resources 2/18/81

Table BB. Total State Investment and Total Agricultural Sales, 1981-90 and 2000 (1981 dollars)\*

<u>Year</u>	<u>Total State Investment</u>	<u>Total Agricultural Sales</u>
1981	\$ 45,000,000	\$ 11,300,000
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1987	19,600,000	80,400,000
1988	14,200,000	99,800,000
1989	17,800,000	121,500,000
1990	<u>12,100,000</u>	<u>145,100,000</u>
Subtotal	\$487,900,000	\$ 638,400,000
Year 2000	<u>275,900,000</u>	<u>631,000,000</u>
TOTAL	<u>\$763,800,000</u>	<u>\$1,269,400,000</u>

\*Land area in 1990, 500,000 acres in production; in 2000, 1,000,000 acres in production.

TABLE C

ESTIMATED EMPLOYMENT AND NUMBER OF BUSINESSES REQUIRED TO SERVE ALASKAN AGRICULTURE FOR EACH YEAR, 1981-1987

EMPLOYMENT (NUMBER OF WORKERS)

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
A. On Farm	266	403	507	689	1,196	1,501	1,859
B. Secondary Processing & Marketing	5	7	9	12	20	25	31
C. Tertiary							
General Business	53	81	101	140	239	300	372
Government	20	31	39	53	92	115	143
Total Employment	344	522	656	894	1,547	1,941	2,405

BUSINESSES (NUMBER OF)

A. Contract Construction	1	2	2	3	6	7	9
B. Manufacturing	1	1	2	2	4	5	6
C. Trans., Communications and Public Services	0	1	1	1	2	2	3
D. Wholesale and Retail Trade	6	9	11	16	28	35	43
E. Finance and Real Estate	1	1	2	2	4	5	6
F. Services	2	3	4	5	9	12	14
Total Businesses	11	17	22	29	53	66	81

## ASSUMPTIONS FOR TABLE C

1. Total acreage in Table A was increased by 17,000, which represents current Alaska production without any state agricultural development projects.
2. Starting in 1984 additional acreage was added to total in production. This represents various types of farming from the myriad of smaller state agricultural land sales. The additional acreage is as follows:  
1984 - 5,000 acres, 1985 - 10,000, 1986 - 15,000 acres and 1987 20,000 acres.
3. Method of forecast was to multiply total acreage for each year by estimates of secondary and tertiary employment and businesses per 10,000 acres as suggested in W.C. Thomas, Agriculture in Alaska: 1976-2000 AD. Alaska Review of Business and Economic Conditions. 13(2) June 1976, pp.21.
4. On farm employment was estimated by multiplying acreage per year by .0065 which is a composite of data provided in Thomas, 1976. pp. 20 and 24.

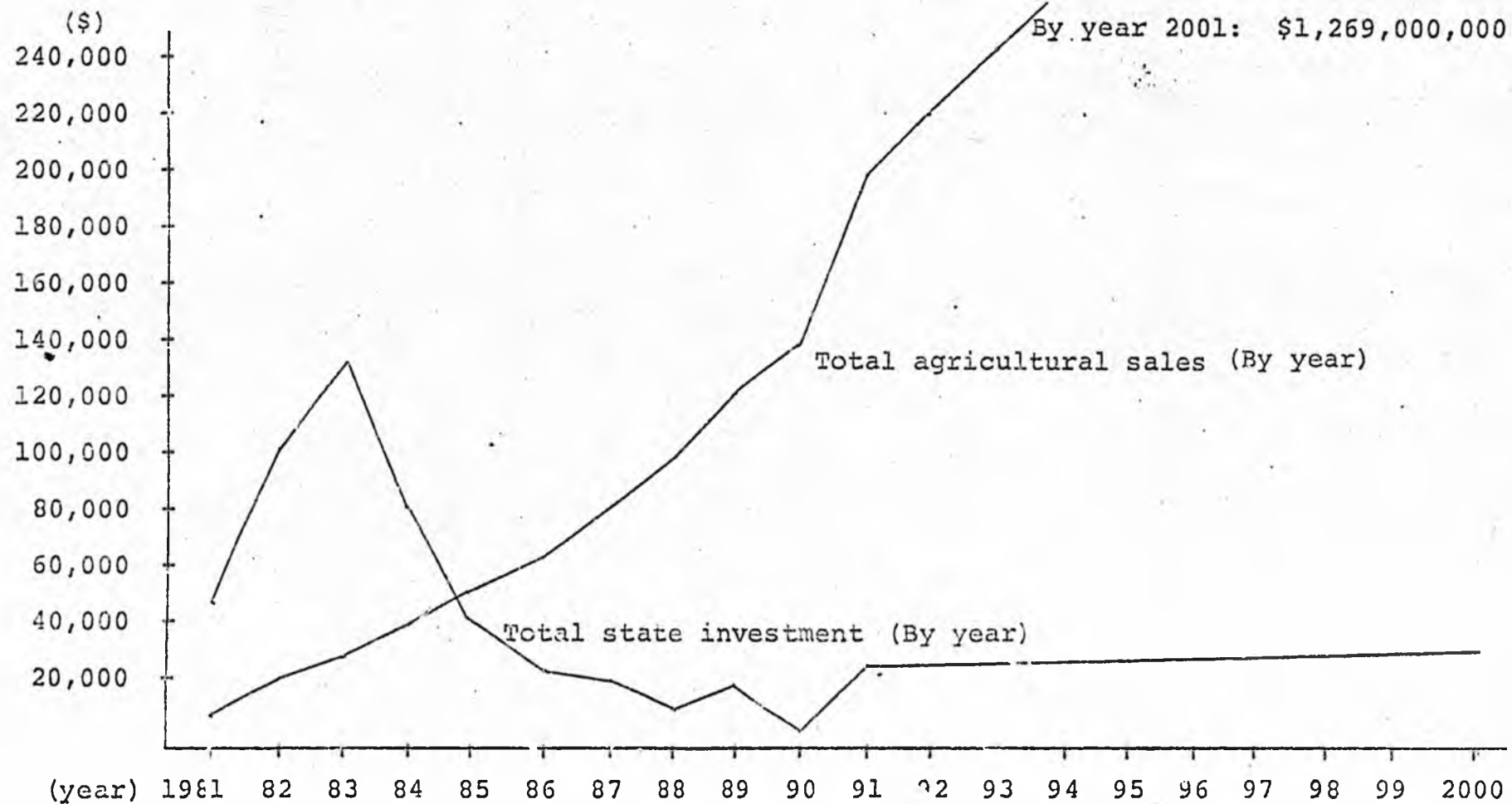


FIGURE A: Comparison of Total Agricultural Sales to Total State Investment: 1981-2000 AD.

TABLE G

PROJECTED GROWTH OF LIVESTOCK PRODUCTION  
AND CORRESPONDING INCREASE IN GRAIN CONSUMPTION

YEAR	HOGS % OF TOTAL	# OF HEAD	TONS OF FEED GRAIN	CATTLE %	# OF HEAD	TONS OF FEED GRAIN
1982	10%	7,000	2,450	2.5%	650	1,300
1983	25%	17,500	6,125	5 %	1,300	2,600
1984	40%	28,000	9,800	10 %	2,600	5,400
1985	60%	42,000	14,700	15 %	3,900	7,800
1986	80%	56,000	19,600	20 %	5,400	10,800
1987	100%	70,000	24,500	25 %	6,500	13,000

IN-STATE CONSUMPTION OF FEED GRAINS

ANTICIPATED INCREASE

YEAR	CURRENT USAGE LEVEL	HOGS	CATTLE	TOTAL
1982	6,000	2,450	1,300	9,750
1983	6,000	6,125	2,600	14,725
1984	6,000	9,800	5,400	21,200
1985	6,000	14,700	7,800	28,500
1986	6,000	19,600	10,800	36,400
1987	6,000	24,500	13,000	43,500

## ADMINISTRATIVE STRUCTURE AND RESPONSIBILITIES

During deliberations of this and other committees our analysis of and suggestions for improvement of the administrative structure and responsibilities for agricultural development has been requested. The Department of Natural Resources feels a redefinition of program responsibilities is needed and possible. At present, factors which will determine the success or failure of an industry such as availability of the base resource, developmental tools (financing, inspections), marketing programs, clearing programs, research, extension, and responsibility for construction of roads and infrastructure facilities are separated into a number of different agencies. We suggest the following realignment of responsibilities.

### Agricultural Action Council Objective and Duties

1. To develop the State's overall agricultural development program and to advise the Governor and line agencies as to overall development goals and objectives.
2. Serve as Governor's liaison with the industry and the legislature on the overall ag program.
3. Provide the legislative liaison between the industry and the legislature.

To accomplish objective #1, the council would contract for feasibility studies for new industries and areas, hold public hearings to determine public needs and interests, collect and publish data and materials to "sell" the agricultural story in Alaska, and provide the Governor, the line agencies, and the legislature with a framework upon which to base the detailed operational program.

The Department of Natural Resources, Division of Agriculture, is the line agency with the staff structure and legal authority to be the principal program administrator. Responsibilities would include:

1. Administration of Ag Development Project upon funding by legislature .
2. Platting of project and non-project Ag disposals
3. Supervision and inspection of disposed lands for compliance with conservation and development requirements
4. Operation of direct market assistance and inspection and grading programs
5. Administration of village ag and rural ag grant program
6. Develop and maintain plant and seed material
7. Farm and processing loan program administration
8. Regulation and inspection for insects, disease, and noxious substances.

The Department of Commerce would be responsible for

1. International market assistance and sales programs
2. Construction and operation, while State owned, of any infrastructure components such as elevators and processing plants
3. negotiating lease and sale of infrastructure components when desirable
4. Power and Communication network system development

5. Promotion and development of small supporting entrepreneurial enterprise in the private sector.

The Department of Transportation and Public Facilities would retain the responsibility for design and construction of access and project roads, under the development schedules and guidelines set by the Council, and on the routes selected by DNR as part of the planning and farm layout process.

The Department of Natural Resources, Division of Forest, Lands and Water Management would continue to be responsible for land disposals and in cooperation with the Department's Research and Development Division for the necessary area and regional plans in the areas to be impacted by agricultural development disposals.

The Department of Natural Resources, Division of Research and Development would continue to be responsible for the land planning that identifies the resource base and coordinates agricultural development planning with planning and development for other resources such as forestry, parts, minerals, etc.

The Department of Natural Resources, Division of Technical Services would continue to be responsible for the surveying required in agricultural land disposals.

The Department of Natural Resources, DGGS would be responsible for agricultural related data collection such as soil and vegetation surveys and climatic studies.

In effect, the AAAC would function as an advisory and coordinating board to the Departments, and its primary functions would be overall program development, selling that program to the legislature and the public and legislature, and obtaining funding from the legislature and other sources for the various programs. The line agencies would administer, within the framework of the Council's developed game plan, all programs.

The Council would also serve as the preliminary review agency for budgets for the line agencies, as well as for the relevant parts of the University of Alaska's budgets for research and extension. This review would allow total active support of the Council in obtaining funding, as well as providing the mechanism for coordination of programs, insuring that all facets are covered, yet eliminating any chance of duplication.

March 1, 1981

Dear:

*Rep. Smith,*

Your bill in the lounge through February is

*\$4.15*

You can enclose payment and return the bill to the lounge.

Thank you.

Sincerely,  
Legislative Lounge

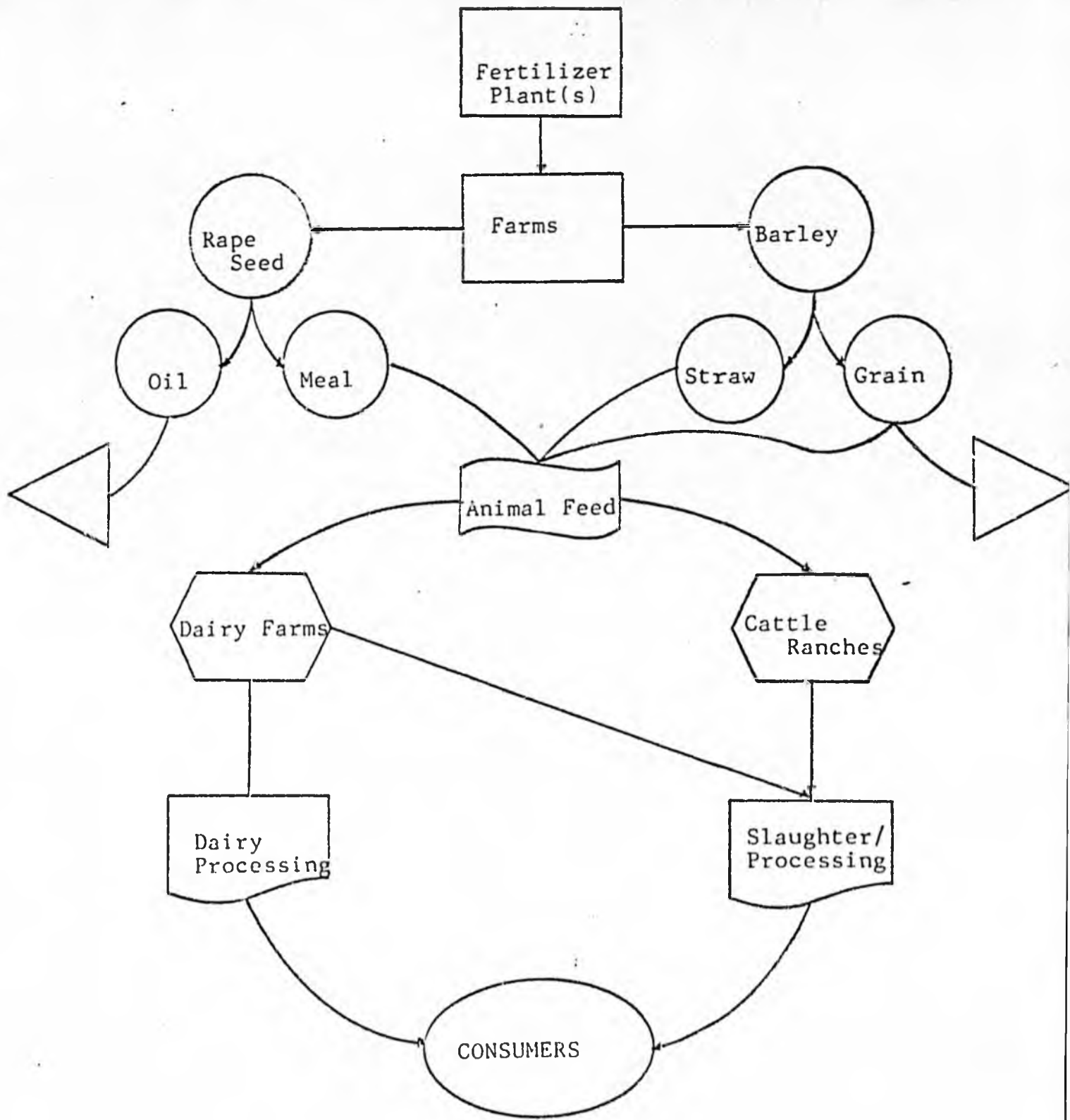
*Judi*

Tony and Judi

AGRICULTURE  
DAY 2

AGRICULTURE  
DISCUSSION PAPER

G. W. Anderson



## PREFACE

The following paper is submitted by the Commercial Fishing and Agriculture Bank for discussion purposes only. The figures presented are estimates and the policy points are recognized to be points of view.

It is hoped that the presentation will elicit discussion, suggestions, and refinement resulting in the finalization of an agricultural policy and a development plan. Establishment of such policy and a plan is essential to the successful development of Alaskan agriculture in the shortest time, at the lowest cost, with the least risk, and inflicting the minimum of displacement.

Finalized documents will provide:

- A. A uniform framework against which all those involved in agricultural development can work.
- B. The cost of the development which will, in turn, allow a financing plan to be created.
- C. A list of the non-financial requirements of development, such as the number and type of people needed to man farms, work in processing and distribution, provide professional services and administrative back-up; processing and distribution facilities needed; market and marketing planning required; and lead times necessary to a coordinated development effort.
- D. An understanding of the economic and non-economic benefits derived, as well as the distribution of those benefits.

- E. A communications media with which to obtain critical legislative, executive, and private financial support.
- F. A logical written document through which private industry can locate areas in which they can be involved.

## AGRICULTURE BENEFITS

The expenditure of the scarce resources of time and money must result in benefits at least equal to the expenditure. For private enterprise, that return must be monetary and come within a specific period of time.

Expenditures by public bodies must also result in returns. However, the returns can be social and non-monetary, accrue to the populus rather than the expending body, and be spread over a longer period.

The benefits accruing from agricultural development are more important in non-monetary terms. Monetary rewards are significant after a point in the development process. However, they do not occur early. The principle benefits are seen to be:

A. Self-sufficiency in the production of basic foodstuffs.

World demand for basic food is growing at a more rapid rate than production. Production costs are also increasing, along with marketing and distribution costs.

Being geographically isolated from the prime producing areas of the United States, Alaska is subjected to the vagaries of international market place competition for food. We are also dependent upon a single transportation link which is open to strike and other alteration of service.

Agriculture production is a primary strategic consideration in all developed countries.

In most of the Common Market and Scandanavian countries, it stands before military preparedness. In the United States, it rates a strong second, but far ahead of the third.

B. Price stability of primary feedstuffs.

Within its borders, Alaska has the ability to significantly influence the end cost of primary food items. With all the ingredients of production locally available, it can design the most efficient and effective production and distribution system. Removed are the high costs of imports and a significant amount of distribution expense.

Reduced and stabilized cost to the end consumer should be the result without continuing subsidy to either the producer or the consumer.

C. Orderly population growth and deployment.

Population growth resulting from agriculture is spread over a large area rather than concentrated in cities. Smaller communities develop, more in keeping with the current character of Alaska. This is opposed to the characteristic of industrial development.

D. The addition of stable citizens and stable communities.

Agriculture families are tied to the land by interest and investment. They tend to have close inter-family working relationships not characteristic of the urban dweller.

Farmers are geographically stable. In developed agriculture economies, they also have good incomes.

Support people are professional, such as veterinarians and management. Primary processing facilities provide stable employment and attractive work environments to both

blue and white collar workers. Seasonal work, requiring unskilled labor, provides summer employment opportunities for youth. The level of this employment is not so great as to disrupt employment or social patterns via requiring importation of transient work forces.

E. A high turnover of dollars resulting in an increased economic multiplier.

Agriculture dollars are spent in the community with a smaller portion exported than is the case with extractive industries or even the fisheries.

When importing foodstuffs, such as meat and milk products, Alaska is paying a small amount for the basic milk and meat and a tremendous amount for labor and materials. Those dollars do not benefit Alaska. They support the communities from which the labor comes. In turn, those dollars from Alaskan consumers flow directly to the suppliers, grocery stores, filling stations, veterinarians, truckers, and restaurants in the "Lower 48" -- not Alaskans.

F. Development of primary agriculture provides viable opportunities for smaller, secondary agricultural production.

Many items of agriculture production have a limited market or are conducted on such a relatively small scale as to make them economically unviable on their own. They cannot support needed sources of supply nor the infra-structure necessary. Examples are mink farming and rose growing. The

first demands a consistent supply of high quality, reasonably priced feed; the second heat and fertilizer. Neither is viable when dependent upon imports. However, when feed and fertilizer are produced locally on a large scale to support the primary agriculture segments, the smaller requirements of specialized, limited market items can be met at a reasonable cost.

- G. Support is given to fish meal development, thus alleviating a problem faced by the fish processors.

Fish meal is a primary feed supplement in dairy and animal production. Fish oil can be used as fertilizer. Increased animal production is dependent upon a stable source of quality protein, particularly for winter feed.

Fish meal has been an uneconomic venture in Alaska due to the high cost of outbound freight. With the development of an in-state market, this impediment is eliminated for at least a portion of production. Concurrently, the high cost of imported feedstuffs is reduced to levels competitive with the "Lower 48."

THE FOLLOWING IS A SUGGESTED FORMAT  
FOR AGRICULTURAL POLICY

## AGRICULTURAL POLICY

- A. Self-sufficiency in the production of basic meat and dairy products shall be the primary goal for agricultural development during the initial 10 year period, 1981 through 1991.
- B. The targeted consumption areas shall be those on and adjacent to the "railbelt."
- C. Export markets are recognized as being necessary to provide outlets for production over and above domestic needs. It is further recognized that those markets demand that Alaska be a consistent supplier of minimum quantities. Therefore, both domestic and export markets will be developed simultaneously during this period. However,
- D. Exports shall not be made at the expense of domestic needs despite larger returns available in the international market place.
- E. The highest and best use of grain and rape seed crops is determined to be for feedstuffs fed to locally produced animals.
- F. Export of agriculture products will be directed to the highest value added product possible, consistent with volume of production and processing capability.
- G. Rapid, concurrent development of production and infrastructure is deemed to provide the best risk/reward relationship at the lowest cost.
- H. State financial support shall be provided as a high priority item during the development

period, covering operating capital loans, transportation, power, communications, education, plant construction, and marketing.

This financial assistance shall be in diminished proportion beyond deployment of infrastructure necessary to provide basic foodstuffs.

- I. Financial assistance shall be structured in such a way as to involve the use of the private financial sources and imported, leverage capital.
- J. Displacement of existing processors, servicers, suppliers, and farmers shall be minimized to the greatest extent possible consistent with the economic viability of the entire agricultural project.
- K. Agriculture shall reach self-sufficiency and supports; for instance, subsidies shall be the responsibility of the farmers, producers, and marketers through internally generated funds after 1995.
- L. Quantities of domestically produced oil, gas and coal shall be provided in amounts sufficient to supply the needs of the agriculture industry at non-subsidized rates.
- M. Agricultural production will be encouraged on a large scale as a prime priority. Large scale production is recognized to provide necessary economies of scale on the farm and sufficient production to provide viability to required processing facilities.
- N. Smaller scale farming will receive secondary support until such time as production reaches viable levels, at which time these priorities

will lapse.

- O. Secondary agricultural production (such as rose growing, mink farming, etc.) will be encouraged only to the extent that it is complimentary to and not competitive with primary production.
- P. Farming ability will be emphasized over residency when qualifying individuals for farmland disposal.
- Q. Processing plants will be designed to handle production at maximum self-sufficiency levels to the sacrifice of immediate economic viability
- R. Cooperative ownership of production and distribution is believed to provide the most economical and flexible organizational structure.
- S. The Department of Agriculture shall have the responsibility for implementing agricultural development policy. The Department shall have the authority to consolidate cross department regulatory powers to minimize bureaucratic and regulatory impediments to agricultural development.



# Alaska State Legislature

## House of Representatives

### Committee on Resources

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

Pouch V  
State Capitol  
Juneau, Alaska 99811

#### AGRICULTURE HEARINGS

Tuesday; March 3 3PM  
House Resources Committee  
Room 118

Scheduled Speakers: Rep. Brian Rogers  
Jim Matthews

FINANCING: Wayne Littleton- Alaska Renewable  
Resources Corporation  
Chris Noah- Alaska Council on Science  
& Technology  
Gary Anderson- Alaska Commercial Fishing  
& Agriculture Bank  
Nick Carney- DNR Agriculture Revolving  
Loan Fund  
Gregg Engellant- Alaska Grain Exchange,  
farmer

RESEARCH & EDUCATION: Dr. James Drew- U of A  
Phil Gipson- U of A, Cooperative  
Wildlife Research Unit

RED MEAT INDUSTRY: Bill Ward- Kenai Stockgrower's Assoc.  
Bob Pollock- Alaska Agricultural  
Action Council  
Ted Smith- Director Div. of Forest,  
Land, & Water Resources, DNR  
Graze-land leasing

Wednesday; March 4 3PM  
House Resources Committee  
Room 118

Issues which will be addressed:

Delta 1 & 11  
Bison Problems in Delta  
Wildlife consideration in general  
Delta Fires  
Land clearing



# Alaska State Legislature

## House of Representatives

### Committee on Resources

Terry Gardiner, Co-Chairman  
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465-3715

Pouch V  
State Capitol  
Juneau, Alaska 99811

To: House Resources Committee  
From: M. <sup>M.H.</sup> Mikala, Aid to committee  
Date: March 3, 1981  
Re: Agriculture Info: Dairy feed

The following information was provided by Doug McClain of S & K Farm (a dairy operation) of Palmer, Alaska.

Feed utilized by S&K Dairy operation:

(2300 lb. batches, 14% protein)

2000 lb Delta Barley	
125 lb. Molasses	Mat-Maid, Palmer
25 lb. Dicalcium phosphate	AK Feed Mills, Anch.
25 lb. lime	Mat-Maid, Palmer
25 lb. manganese	Mat-Maid, Palmer
10 lb. salt	"
5 lb. vitamin pre-mix	"
<u>130 lb. fish meal</u>	Seward fisheries, or Kodiak (where available)

2300 lb. dairy feed  
Cost: \$190/ton

Barley, alone, if shipped from Seattle costs \$220/ton  
The same mix, as outlined above, if shipped from lower '48 would cost \$280-300/ton  
Thus,  
The cost saving from purchasing Alaskan-produced feed is \$90 to \$110/ton  
for S&K farms.

ing "uniform," inserted "standards of identity and composition of these food products and," deleted "and" preceding "transporting," and inserted "displaying and selling."

**Sec. 03.05.030. Rules for grading and classification of agricultural products.** The commissioner may make and promulgate rules, regulations and procedures requiring the classification, grading and inspection of agricultural products sold or offered for sale for general consumption before they are sold, and requiring the marking or labeling of any sack, box, carton or other container of agricultural products to show the kind, grade or other prescribed classification of the contents. (§ 33-1-2 ACLA 1949; am § 1 ch 121 SLA 1955)

Am. Jur., ALR and C.J.S. references.—2 Am. Jur., Agriculture, §§ 13, 14, 31 to 33, 35, 36, 43, 48, 49. Constitutionality of statutes relating to grading, packing or branding of farm products, 73 ALR 1445.

Federal Agricultural Marketing Act, 92 ALR 1492. 3 C.J.S. Agriculture § 2; 36 C.J.S. Food §§ 2, 4, 6 et seq.

**Sec. 03.05.040. Inspection.** On any business day during the usual hours of business the commissioner or his authorized inspector may, for the purpose of inspecting agricultural products subject to regulation, enter a storehouse, warehouse, cold storage plant, packing house, slaughterhouse, retail store or other building or place where those products are kept, stored, processed or sold. (§ 33-1-2 ACLA 1949; am § 1 ch 121 SLA 1955; am § 2 ch 25 SLA 1972)

Effect of amendment. — The 1972 amendment inserted "slaughterhouse, retail store," deleted "or" preceding "stored," and added "processed or sold."

Am. Jur. and C.J.S. references.—2 Am. Jur., Agriculture, §§ 13, 16, 33, 35 to 42. 3 C.J.S. Agriculture §§ 24 to 43.

**Sec. 03.05.050. Products in violation of regulations.** An agricultural product found by the commissioner, or his authorized inspector, to violate a rule or regulation is declared to be a public nuisance injurious to the public interest and shall not be moved by the person in whose possession it may be except upon the specific direction of the commissioner or inspector. (§ 33-1-2 ACLA 1949; am § 1 ch 121 SLA 1955)

**Sec. 03.05.060. Checking spread of contagious diseases.** The commissioner shall issue or cause to be issued by an authorized veterinarian, emergency orders designed to prevent the spread of contagious or infectious diseases among livestock and poultry inside designated areas or from one part of the state to another in cases of epidemic or threatened epidemic. The orders may cover care or extermination of afflicted stock and may prohibit the transportation of the stock and products derived from the stock, with

compensation to owners as authorized by law. (§ 33-1-2(d) ACLA 1949)

Am. Jur. and ALR references.—2 Am. Jur., Agriculture, §§ 13, 14, 30 to 33, 35 to 40; 22 Am. Jur., Food, § 1 et seq.

prohibiting or regulating keeping of livestock, 32 ALR 1372; 40 ALR 1395.

Constitutionality of statute or ordinance providing for destruction of diseased animal, 8 ALR 69; 56 ALR2d 1024.

Constitutionality of statute for control of diseases of livestock, 65 ALR 525.

Officer's liability for killing or injuring animals, while acting, or professing to act, under a statute in relation to the inspection or destruction of livestock, 12 ALR 734.

Constitutionality of prohibition against cattle entering state, in effort to control diseases of livestock, 65 ALR 534.

Validity of municipal ordinance

Constitutionality of statute as to liability of owner, 65 ALR 552.

Right to compensation for animals destroyed to prevent spread of disease or infection, 67 ALR 208.

**Sec. 03.05.070. Control of rabies.** The commissioner shall promulgate rules and regulations for the reporting of rabies cases occurring in dogs and other animals and providing for care and restraint of animals suspected of having rabies and for extermination and disposal of rabid animals. The commissioner shall use the services of peace officers and wildlife agents, who are authorized to assist in the protection of the public in accordance with the regulations of the commissioner. (§ 33-1-2(g) ACLA 1949)

**Sec. 03.05.080. Controlling exportation of animals.** The commissioner shall establish requirements and procedures for examination and certification of dogs, cats and other animals being shipped out of the state. (§ 33-1-2(h) ACLA 1949)

Am. Jur., ALR and C.J.S. references.—2 Am. Jur., Agriculture, §§ 30 to 33, 35 to 39; 2 Am. Jur., Animals, §§ 26 to 28.

facie evidence that animal belongs to owner of brand, 51 ALR 116; 86 ALR 179; 162 ALR 495.

Constitutionality of statute making presence of brand on animal prima

3 C.J.S. Agriculture §§ 2, 6; 3 C.J.S. Animals §§ 23, 24.

**Sec. 03.05.090. Penalty for violation.** Any person who violates this chapter or a rule, regulation, order or quarantine made under authority of this chapter, or sells seeds failing to meet the labeling requirements, standards and tests provided for by regulation of the commissioner is, upon conviction, punishable for each offense by a fine of not more than \$1,000, or by imprisonment for not more than one year, or by both. (§ 33-1-3 ACLA 1949)

### Chapter 10. Alaska Agricultural Loan Act.

- Section 10. Declaration of policy
- 20. Powers of the department
- 30. Limitations on loans
- 40. Creation of fund

- Section 50. Administration of fund
- 54. Sale or transfer of mortgages and notes
- 60. Short title

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

Am. Jur., ALR and C.J.S. references.—2 Am. Jur., Agriculture, §§ 4, 12 to 16, 20, 24, 30 to 33; 36 Am. Jur., Mortgages, § 1 et seq.; 43 Am. Jur., Public Funds, § 1 et seq. Power, under statute for stabilization of market for agricultural crops, in respect of crop loans by public agency and the security therefor, 157 ALR 338. 3 C.J.S. Agriculture §§ 7 to 9; 81 C.J.S. States §§ 132 to 190.

**Sec. 03.10.020. Powers of the department.** The department may

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

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

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

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

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

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

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

exceeding six per cent. It shall be secured by a real estate or chattel mortgage, or both. Loans and the real estate and chattel mortgage security on them for irrigation systems may be in amounts and for terms as determined by the commissioner.

(c) A short term loan, to be amortized within one year, not to exceed \$15,000 to any one borrower may be made for emergency purposes.

(d) Farm development and chattel loans for irrigation systems may be for terms as determined by the commissioner. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961; am § 1 ch 144 SLA 1966; am § 1 ch 78 SLA 1967; am § 1 ch 135 SLA 1970)

Legislative committee report.—For report on ch. 78, SLA 1967 (HB 274), see 1967 Senate Journal, pp. 513-514.

**Sec. 03.10.040. Creation of fund.** There is an agricultural revolving loan fund which shall not exceed \$5,000,000 to carry out the purpose of this chapter. (§ 5 ch 122 SLA 1953; am § 2 ch 41 SLA 1961; am § 1 ch 81 SLA 1970)

**Sec. 03.10.050. Administration of fund.** The commissioner shall administer the loan fund. (§ 6 ch 122 SLA 1953)

**Sec. 03.10.054. Sale or transfer of mortgages and notes.** The commissioner may sell or transfer at par value or at a premium or discount to the Department of Revenue or a bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Natural Resources as security for loans made under this chapter. (§ 1 ch 4 SLA 1964)

**Sec. 03.10.060. Short title.** This chapter may be cited as the Alaska Agricultural Loan Act. (§ 1 ch 122 SLA 1953)

## Chapter 15. Agriculture Pest and Disease Control Fund.

Section  
10. [Repealed]

Section  
20. Purpose of appropriations

**Sec. 03.15.010. Agriculture pest and disease control fund.**

Repealed by § 2 ch 34 SLA 1968.

Editor's note. — The repealed section derived from § 1, ch. 80, SLA 1956.

**Sec. 03.15.020. Purpose of appropriations.** Appropriations available to the department may be used

(1) to buy materials or equipment needed to control agricultural pests when the persons directly affected cannot bear the

**Effect of amendments.** — The first 1974 amendment added paragraph (6) to subsection (f).

The second 1974 amendment, in subsection (f), added "meat, fish and poultry" to the end of paragraph (3) and added paragraph (7).

The 1978 amendment, in the

introductory language of subsection (f), substituted "orders, regulations, quarantines and embargoes" for "rules, orders, regulations and quarantines."

As the rest of the section was not affected by the amendments, it is not set out.

**Sec. 03.05.020. Miscellaneous powers of commissioner.** The commissioner shall

(1) require routine inspection of food animals, fish, poultry and derivative food products, to protect the public against fraud, disease and spoilage, and in this connection he shall promulgate uniform regulations establishing standards of identity and composition of these food products and minimum standards of sanitation and handling methods as to all phases of slaughtering, processing, storing, transporting, displaying and selling of these food products; (am § 2 ch 58 SLA 1978)

**Effect of amendment.**

The 1978 amendment substituted "food animals, fish, poultry" for "animals and poultry" in paragraph (1).

As the rest of the section was not affected by the amendment, it is not set out.

**Sec. 03.05.035. Sale and labeling of frozen meat, fish and poultry.** (a) Meat, fish or poultry which has been frozen may not be sold, represented or advertised as a fresh food.

(b) Meat, fish and poultry which has been frozen must be labeled as a frozen food, under regulations.

(c) The commissioner shall promulgate regulations which

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

(2) provide for the examination and inspection of meat, fish and poultry to ascertain whether it has been frozen. (§ 5 ch 138 SLA 1974)

**Sec. 03.05.040. Inspection.** On any business day during the usual hours of business the commissioner or his authorized inspector may, for the purpose of inspecting agricultural or fisheries products subject to regulation, enter a storehouse, warehouse, cold storage plant, packing house, slaughterhouse, retail store or other building or place where those products are kept, stored, processed or sold. (§ 33-1-2 ACLA 1949; am § 1 ch 121 SLA 1955; am § 2 ch 25 SLA 1972; am § 3 ch 58 SLA 1978)

**Effect of amendment.**

The 1978 amendment inserted "or fisheries" near the middle of the section.

**Sec. 03.05.050. Products in violation of regulations.** An agricultural or fisheries product found by the commissioner, or his authorized inspector, to violate a regulation adopted under this chapter is declared to be a public nuisance injurious to the public interest and shall not be moved by the person in whose possession it may be except upon the specific direction of the commissioner or inspector. (§ 33-1-2 ACLA 1949; am § 1 ch 121 SLA 1955; am § 4 ch 58 SLA 1978)

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

**Sec. 03.05.100. Definitions.** In this chapter,

(1) "agricultural products" does not include fish or fisheries products;

(2) "fish or fisheries products" means any aquatic animal, including amphibians, or aquatic plants or parts of those plants, animals or amphibians that are usable as human food. (§ 5 ch 58 SLA 1978)

## Chapter 10. Alaska Agricultural Loan Act.

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

**Sec. 03.10.030. Limitations on loans.** (a) A farm development loan may not exceed \$500,000. The mortgage which secures a farm development loan may be of any priority if the total indebtedness on the real estate, including the secured farm development loan, does not exceed \$500,000. A farm development loan which, if granted, would raise the existing indebtedness on the real estate above \$500,000, or a farm development loan on real estate which has a prior existing indebtedness of \$500,000 or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm development loan which exceeds the \$500,000 indebtedness limit on the real estate. A loan may not run longer than 30 years nor bear interest exceeding six per cent, and it shall be secured by a real estate or chattel mortgage, or both.

(b) Except for loans for irrigation systems as provided in this subsection, a chattel loan may not exceed \$300,000 for each farm unit and may not run longer than seven years or the useful life of the chattel if more than seven years. It may not bear interest exceeding six per cent. It shall be secured by a real estate or chattel mortgage, or both. Loans and the real estate and chattel mortgage security on them for irrigation systems may be in amounts and for terms as determined by the commissioner.

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

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

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

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

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

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

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

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

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

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

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

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

(2) pays the outstanding principal balance for the remaining term of the loan at the prevailing rate of interest which is charged by commercial banks in the state during the calendar quarter in which the department receives notice of the change of use, sale, lease or other disposal of the farm land.

(b) In this section, "non-farm use" means a use of land other than for the production of domesticated plants and animals useful to man, including forage and sod crops, grain and feed crops, fruits, vegetables and livestock. (§ 5 ch 50 SLA 1979)

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

**Sec. 03.10.040. Creation of fund.** There is an agricultural revolving loan fund which shall not exceed \$20,000,000 to carry out the purpose of this chapter. (§ 5 ch 122 SLA 1953; am § 2 ch 41 SLA 1961; am § 1 ch 81 SLA 1970; am § 6 ch 50 SLA 1979)

*Effect of amendment.* — The 1979 amendment substituted "\$20,000,000" for "\$5,000,000."

**Sec. 03.10.050. Administration of fund.** (a) The commissioner shall administer the loan fund in conjunction with the agricultural revolving loan fund board. No loan in excess of \$25,000 may be made by the commissioner without the approval of a majority of the board.

(b) The board is composed of five members appointed by the governor and confirmed by the legislature in joint session. Three members shall be persons with background and experience in Alaska agriculture. Members of the board serve for overlapping three-year terms. Members of the board are not entitled to receive compensation for their services, but shall receive the same travel pay and per diem as provided by law for boards and commissions. (§ 6 ch 122 SLA 1953; am § 1 ch 119 SLA 1976)

*Effect of amendment.* — The 1976 amendment rewrote this section.

**Sec. 03.10.054. Sale or transfer of mortgages and notes.**

Repealed by § 14 ch 122 SLA 1980.

*Editor's note.* — The repealed section derived from § 1, ch. 4, SLA 1964.

ARRC FUNDING HISTORY

*Notes like this  
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I. FY-80 (8-79) \$11,150,000

Allocation by Resource Sector

Fisheries	\$3,300,000
Agriculture	800,000
Timber	6,650,000
Renewable Energy	400,000

II. FY-80 (6-80)

Special Fisheries Assistance \$15,000,000

III. FY-81 (7-80)

Allocation by Resource Sector

Fisheries	\$10,000,000
Agriculture	4,500,000
Timber	4,500,000
Renewable Energy	1,000,000

Total Allocation of Capital to Date \$46,150,000

By Resource Sector

Fisheries	\$28,300,000
Agriculture	5,300,000
Timber	11,150,000
Renewable Energy	1,400,000

*RR 05 64*

ALLOCATION OF CAPITAL TO-DATE

(1) <u>Resource Sector</u>	(2) <u>Capital Allocated To-Date</u>	(3) <u>Invested To-Date</u>	(4) <u>Committed</u>	(5) <u>Under Review</u>	(3+4+5) <u>Total</u>
Fisheries	\$28,300,000	\$20,451,500	\$4,200,000	\$6,571,600	\$31,223,100
Agriculture	5,300,000	260,000	-0-	3,493,000	3,753,000
Timber	11,150,000	867,000	5,100,000	767,500	6,734,500
Renewable Energy	<u>1,400,000</u>	<u>-0-</u>	<u>-0-</u>	<u>190,000</u>	<u>190,000</u>
	\$46,150,000	\$21,578,500	\$9,300,000	\$ 110,221	\$41,900,600

ACTIVITY REPORT ON AGRICULTURE

(as of 2-13-81)

<u>Applicant &amp; Address</u>	<u>Project</u>	<u>Date Rec.</u>	<u>Last Contract</u>	<u>Officer</u>	<u>Amount</u>	<u>Status</u>
Hugh Montgomery Alaska Golden Nugget 34-3 Tarwater Avenue Anchorage, AK 99501	Alaska potato processing	9-8-80	2-6-81	HM	\$342,000.00	Awaiting revised proposal
Alyeska Candy Kitchen 6407 Greenwood Street Anchorage, AK 99502	Wild berry candy	10-21-80	1-21-81	PJ	\$150,000.00	Awaiting further proposal
Phil Bungart P.O. Box 5281 North Pole, AK 99705	Farm & garden store	4-80	2-10-81	PJ	\$1.3 million	Awaiting feed mill study results. Expected April/May
Eugene Smith Peninsula Greenhouse Box 1450 Soldotna, AK 99669	Greenhouse & nursery	8-28-80	2-9-81	PJ	\$100,000.00	Awaiting info, PJ to visit within month
Terry Wighs SR Box 1061 Fairbanks, AK 99701	Livestock breeding	4-28-80	1-20-81	HM	\$101,000.00	Awaiting revised proposal
A. A. Devanney/Tyonek 2414 Susitna Drive Anchorage, AK 99504	Cattle ranch in Aleutians	2-1-81	2-13-81	PJ	\$1.5 million	Awaiting ad- ditional info

TOTAL AMOUNT UNDER REQUEST: \$3,493,000.00

ALASKA RENEWABLE RESOURCES CORPORATION

Balance Sheet  
As of January 31, 1981

ASSETS

Current Assets

Cash	\$ 3,697,845.14	
Accrued Interest Receivable	892,112.57	
	-----	-----
Subtotal - Current Assets		\$ 4,589,957.71

Long Term Assets

Loans Receivable - Fishing	3,515,538.46	
- Agriculture	207,948.77	
- Forest Products	517,500.00	
- Commercial Fish Processors Assistance	10,405,912.78	
	-----	-----
Subtotal - Loans Receivable		\$14,646,900.01

Investment in Capital Stock of Incorporated Concerns	\$ 2,381,601.06	
Licensing Agreement Pledged Assets (Flying Fish & Crab)	4,500.00 25,000.00	
	-----	-----
Subtotal - Investments		\$ 2,411,101.06

TOTAL ASSETS		\$21,647,958.78 =====
--------------	--	--------------------------

APPROPRIATIONS & NET LOSS

Accounts Payable	\$ 48.00	
State Appropriations	20,893,813.95	
Accumulated Deficit	( 235,633.64)	
Int tr to state	( 167,833.99)	
Net Income - excluding operations expenditures & technical assistance	1,157,564.46	
	-----	

TOTAL APPROPRIATIONS AND NET INCOME		\$21,647,958.78 =====
-------------------------------------	--	--------------------------

ALASKA RENEWABLE RESOURCES CORPORATION

Capital Stock Equity Investments  
In Incorporated Entities  
As of January 31, 1981

<u>Company</u>	<u>Amount</u>	<u>Percent Owned</u>	<u>Industry</u>
Alaska Bait Producers	\$ 85,000.00	49%	Fish
Alaska Food Co.	500,000.00	47%	Fish
Alaska Woods, Inc.	100,000.00	18%	Forest
Greatland Farms	50,000.00	38%	Agric.
Mastercraft	100,000.00	18%	Forest
Salamatof Seafoods, Inc.	316,111.06	50%	Fish
TEPA	200,000.00	30%	Fish
SeaWard	150,000.00	22%	Forest
Trinity Resources	255,000.00	32%	Fish
Kokechik	490.00	49%	Fish
Ball Brothers, Inc.	500,000.00	40%	Fish
Alaska FISH	125,000.00	13%	Fish
	-----		
TOTAL	\$2,381,601.06		
	=====		

AB  
~~4-31-81~~  
2-17

ALASKA RENEWABLE RESOURCES CORPORATION

Loans Receivable  
Commercial Fish Processors Assistance Fund  
As of January 31, 1981

<u>Company</u>	<u>Amount</u>
Alaska Food Company	\$ 1,000,000.00
Alaska Food Company	2,000,000.00
Ball Brothers, Inc.	55,873.06
Ball Brothers, Inc.	50,000.00
Ball Brothers, Inc.	60,000.00
Ball Brothers, Inc.	50,000.00
Ball Brothers, Inc.	3,000,000.00
Ball Brothers, Inc.	86,758.39
Ball Brothers, Inc.	35,000.00
Salamatof Seafoods, Inc.	2,100,822.39
Icicle Seafood	1,600,000.00
Martin Clark	273,332.00
Martin Clark	100,000.00
American Eagle	50,000.00
	-----
TOTAL LOANS RECEIVABLE - COMMERCIAL FISH PROCESSORS ASSISTANCE FUND	\$10,405,912.78 =====

AB  
~~1-31-81~~  
2-17

ALASKA RENEWABLE RESOURCES CORPORATION

Loans Receivable - Forest Products  
As of January 31, 1981

<u>Company</u>	<u>Amount</u>
Woodyard	\$ 51,000.00
Steik	7,500.00
Steik	20,000.00
SeaWard	100,000.00
Pine's Sawmill	24,000.00
Mastercraft	315,000.00
	-----
TOTAL LOANS RECEIVABLE - FOREST PRODUCTS	\$ 517,500.00 =====

AB  
~~1-31-81~~  
2-17

ALASKA RENEWABLE RESOURCES CORPORATION

Loans Receivable - Agriculture  
As of January 31, 1981

<u>Company</u>	<u>Amount</u>
Alyeska Candy Kitchens	\$ 36,824.45
Anchor Renewable Farms	119,124.32
Great Land Farms	52,000.00
	-----
TOTAL LOANS RECEIVABLE - AGRICULTURE	\$ 207,948.77 =====

AB  
2-17-81

ALASKA RENEWABLE RESOURCES CORPORATION

Loans Receivable - Fisheries  
As of January 31, 1981

<u>Company</u>	<u>Amount</u>
Kokechik	\$ 293,777.61
Pacific Barge	118,955.52
Sea Fisher	111,771.95
TEPA	335,000.00
SeaWard Shipyard	250,000.00
SeaWard Shipyard	210,000.00
SeaWard Shipyard	20,000.00
American Eagle	150,000.00
Martin's Seafood	450,000.00
Trinity Resources	175,000.00
Trinity Resources	61,048.38
Trinity Resources	60,000.00
ACT I (Alaska Fish Co.)	125,000.00
Alaska Bait Producers, Inc.	154,985.00
Robert & Jean Wyman	1,000,000.00
	-----
TOTAL LOANS RECEIVABLE - FISHERIES	\$ 3,515,538.46 =====

AB  
2-17-81

PROJECTED NEEDS FOR RESEARCH AND TEACHING  
STAFF, FACILITIES AND PROGRAMS TO SUPPORT  
AGRICULTURAL DEVELOPMENT OBJECTIVE OF  
500,000 ACRES IN CROP LAND IN ALASKA BY 1990

SCHOOL OF AGRICULTURE AND LAND RESOURCES MANAGEMENT

AGRICULTURAL EXPERIMENT STATION  
FAIRBANKS RESEARCH CENTER  
PALMER RESEARCH CENTER  
HOMER RESEARCH CENTER

AND

INSTRUCTIONAL PROGRAM

UNIVERSITY OF ALASKA, FAIRBANKS, ALASKA 99701

ALASKA AGRICULTURAL EXPERIMENT STATION (EXISTING STAFF, 1981)

<u>DISCIPLINE</u>	<u>SY</u>	<u>DISCIPLINE</u>	<u>SY</u>
-------------------	-----------	-------------------	-----------

STATE STAFF, FAIRBANKS RESEARCH CENTER

AGRICULTURAL ENGINEERING	1.0	FOREST HYDROLOGY	0.1
AGRICULTURAL ECONOMICS	1.0	HORTICULTURE	1.0
AGRONOMY (SMALL GRAINS)	1.0	LAND REHABILITATION	0.1
AGRONOMY (CONSERVATION TILLAGE)	1.0	PLANT PATHOLOGY	1.0
AGRONOMY (SOIL SCIENCE)	1.0	RECREATION MANAGEMENT	0.6
ANIMAL SCIENCE (SWINE, BEEF)	1.0	RESOURCE SYSTEMS	1.0
FOREST SOILS	1.0		

10.8

FEDERAL STAFF, FAIRBANKS RESEARCH CENTER

WEED SCIENCE	1.0		
--------------	-----	--	--

1.0

STATE STAFF, PALMER RESEARCH CENTER

AGRICULTURAL ENGINEERING	1.0	AGRONOMY (SOIL SCIENCE)	1.0
AGRONOMY (GRASSES)	1.0	ANIMAL SCIENCE	
AGRONOMY (RANCE SCIENCE)	1.0	(DAIRY GENETICS)	1.0

5.0

FEDERAL STAFF, PALMER RESEARCH CENTER

AGRONOMY (FORAGES)	1.0	AGRONOMY (SOIL SCIENCE)	1.0
AGRONOMY (PLANT BREEDING)	1.0	HORTICULTURE	1.0

4.0

STATE STAFF, HOMER RESEARCH CENTER

-0-

STATE 15.8
FEDERAL 5.0

AGRICULTURAL EXPERIMENT STATION RESEARCH STAFF NEEDS  
TO MEET SPECIFIC AGRICULTURAL GOALS

AGRICULTURAL GOALS (DNR)

PRODUCE SUFFICIENT GRAIN  
AND OILSEED TO MEET ALASKAN  
NEEDS AND TO COMPETE ON  
WORLD MARKET.

EXISTING RESEARCH STAFF AND  
NEW STAFF NEEDS

FAIRBANKS RESEARCH CENTER

AGRICULTURAL ENGINEERING  
AGRICULTURAL ECONOMICS  
AGRONOMY (SMALL GRAINS)  
AGRONOMY (CONSERVATION TILLAGE)  
AGRONOMY (SOIL SCIENCE)  
\*PLANT BREEDING  
PLANT PATHOLOGY  
RESOURCE SYSTEMS

PALMER RESEARCH CENTER

\*SOIL CLASSIFICATION AND SURVEY

\*STAFF ADDITIONS, FY 1982-1985

AGRICULTURAL EXPERIMENT STATION RESEARCH STAFF NEEDS  
TO MEET SPECIFIC AGRICULTURAL GOALS

AGRICULTURAL GOALS (DNR)

PROVIDE A MAJOR PORTION  
 OF BEEF AND PORK CONSUMED  
 BY ALASKANS, AND MILK  
 CONSUMED IN SOUTHCENTRAL  
 AND INTERIOR ALASKA.

EXISTING RESEARCH STAFF AND  
 NEW STAFF NEEDS

FAIRBANKS RESEARCH CENTER

ANIMAL SCIENCE (SWINE, BEEF)  
 \*RESOURCE ECONOMICS  
 \*VETERINARY SCIENCE

PALMER RESEARCH CENTER

AGRICULTURAL ENGINEERING  
 AGRONOMY (GRASSES)  
 AGRONOMY (RANGE SCIENCE)  
 ANIMAL SCIENCE (DAIRY GENETICS)  
 \*ANIMAL SCIENCE (DAIRY MANAGEMENT)  
 \*RANGE MANAGEMENT

HOMER RESEARCH CENTER

\*ANIMAL SCIENCE (BEEF)  
 \*AGRONOMY (RANGE SCIENCE)

KODIAK

\*ANIMAL SCIENCE (BEEF)  
 \*AGRONOMY (RANGE SCIENCE)

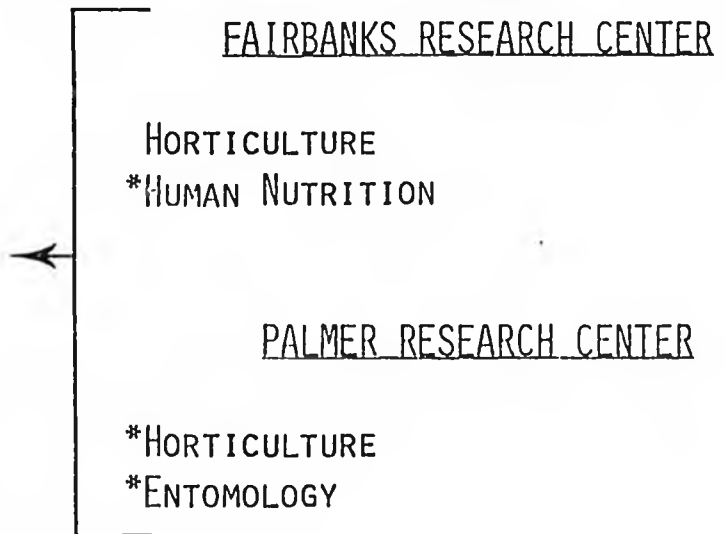
\*STAFF ADDITIONS, FY 1982-1985

AGRICULTURAL EXPERIMENT STATION RESEARCH STAFF NEEDS  
TO MEET SPECIFIC AGRICULTURAL GOALS

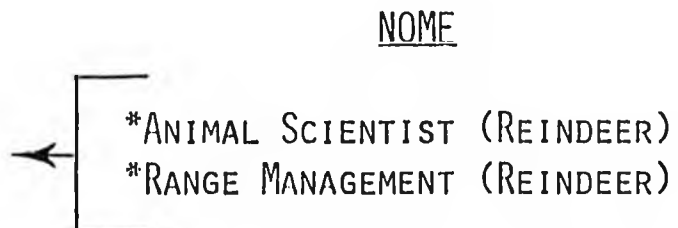
AGRICULTURAL GOALS (DNR)

EXISTING RESEARCH STAFF AND  
NEW STAFF NEEDS

ACHIEVE REGIONAL SELF  
SUFFICIENCY IN FRESH  
PRODUCE AND DEVELOP  
VIABLE VEGETABLE  
PROCESSING INDUSTRY



MEET REGIONAL DEMAND FOR  
REINDEER MEAT AND EXPAND  
COMMERCIAL PRODUCTION OF  
REINDEER PRODUCTS



\*STAFF ADDITIONS, FY 1982-1985

ALASKA AGRICULTURAL EXPERIMENT STATION (PROPOSED STAFF, BY 1985)

<u>DISCIPLINE</u>	<u>SY</u>	<u>DISCIPLINE</u>	<u>SY</u>				
<u>STATE STAFF, FAIRBANKS RESEARCH CENTER</u>							
AGRICULTURAL ENGINEERING	1.0	HORTICULTURE	1.0				
AGRICULTURAL ECONOMICS	1.0	*HUMAN NUTRITION	1.0				
AGRONOMY (SMALL GRAINS)	1.0	LAND REHABILITATION	0.1				
AGRONOMY (CONSERVATION TILLAGE)	1.0	*PLANT BREEDING	1.0				
AGRONOMY (SOIL SCIENCE)	1.0	PLANT PATHOLOGY	1.0				
ANIMAL SCIENCE (SWINE, BEEF)	1.0	*RESOURCE ECONOMICS	1.0				
FOREST HYDROLOGY	0.1	RECREATION MANAGEMENT	0.6				
*FOREST MANAGEMENT	1.0	RESOURCE SYSTEMS	1.0				
FOREST SOILS	1.0	*VETERINARY SCIENCE	1.0				
			15.8				
<u>FEDERAL STAFF, FAIRBANKS RESEARCH CENTER</u>							
WEED SCIENCE	1.0		1.0				
<u>STATE STAFF, PALMER RESEARCH CENTER</u>							
AGRICULTURAL ENGINEERING	1.0	*ANIMAL SCIENCE					
AGRONOMY (GRASSES)	1.0	(DAIRY MANAGEMENT)	1.0				
AGRONOMY (RANGE SCIENCE)	1.0	*ENTOMOLOGY	1.0				
AGRONOMY (SOIL SCIENCE)	1.0	*HORTICULTURE	1.0				
*AGRICULTURAL ECONOMICS	1.0	*RANGE MANAGEMENT	1.0				
ANIMAL SCIENCE (DAIRY GENETICS)	1.0	*SOIL CLASSIFICATION	1.0				
			11.0				
<u>FEDERAL STAFF, PALMER RESEARCH CENTER</u>							
AGRONOMY (FORAGES)	1.0	AGRONOMY (SOIL SCIENCE)	1.0				
AGRONOMY (PLANT BREEDING)	1.0	SOIL CONSERVATION RES.	1.0				
			4.0				
<u>STATE STAFF, HOMER RESEARCH CENTER</u>							
*ANIMAL SCIENCE (BEEF)	1.0	*AGRONOMY (RANGE SCI.)	1.0				
			2.0				
<u>STATE STAFF, KODIAK</u>							
*ANIMAL SCIENCE (BEEF)	1.0	*AGRONOMY (RANGE SCI.)	1.0				
			2.0				
<u>STATE STAFF, NOME</u>							
*ANIMAL SCIENCE (REINDEER)	1.0	*RANGE MANAGEMENT -	1.0				
			2.0				
			(REINDEER)				
<table border="1" style="margin: auto;"> <tr> <td>STATE</td> <td>32.8</td> </tr> <tr> <td>FEDERAL</td> <td>5.0</td> </tr> </table>				STATE	32.8	FEDERAL	5.0
STATE	32.8						
FEDERAL	5.0						

\*STAFF ADDITIONS, FY 1982-1985

ALASKA AGRICULTURAL EXPERIMENT STATION STAFF NEEDS  
TO MEET SPECIFIC AGRICULTURAL GOALS

<u>DISCIPLINE</u>	<u>YEAR ADDED</u>		
	<u>1982</u>	<u>1983</u>	<u>1984</u>

FAIRBANKS RESEARCH CENTER

HUMAN NUTRITION			----
PLANT BREEDING	-----	-----	-----
RESOURCE ECONOMICS	-----	-----	-----
VETERINARY SCIENCE	-----	-----	-----

PALMER RESEARCH CENTER

AGRICULTURAL ECONOMICS			-----
ANIMAL SCI. (DAIRY MGT.)		-----	-----
ENTOMOLOGY	-----	-----	-----
HORTICULTURE	-----	-----	-----
RANGE MANAGEMENT	-----	-----	-----
SOIL CLASSIFICATION AND SURVEY	-----	-----	-----

HOMER RESEARCH CENTER

ANIMAL SCIENCE (BEEF)			-----
AGRONOMY (RANGE SCI.)	-----	-----	-----

KODIAK

ANIMAL SCIENCE (BEEF)			-----
AGRONOMY (RANGE SCI.)	-----	-----	-----

NOME

ANIMAL SCI. (REINDEER)			-----
AGRONOMY (RANGE SCI.)	-----	-----	-----

CUMULATIVE COST (\$)

1,320,000	1,540,000	1,760,000
-----------	-----------	-----------

ALASKA AGRICULTURAL EXPERIMENT STATION (PROPOSED STAFF, BY 1990)

FIVE AGRICULTURAL SCIENTISTS ADDED TO THE AGRICULTURAL  
EXPERIMENT STATION STAFF EACH YEAR FROM 1985 TO 1990  
(25 ADDITIONAL SCIENTISTS)

STATE	58.0
FEDERAL	5.0

CROP LAND AND AGRICULTURAL  
SCIENTISTS AS OF 1980

<u>STATE</u>	<u>CROP LAND</u> <u>ACRES IN</u> <u>STATE</u>	<u>AGRICULTURAL</u> <u>SCIENTISTS</u> <u>AGR. EXPT. STA.</u>
ALASKA	20,000	15
RHODE ISLAND	22,000	47
NEW HAMPSHIRE	120,000	61
MASSACHUSETTS	193,000	117
MAINE	456,000	138
DELAWARE	513,000	79
VERMONT	543,000	64
NEVADA	564,000	70
NEW JERSEY	569,000	179
WEST VIRGINIA	771,000	93

AGRICULTURAL EXPERIMENT STATION (RESEARCH SUPPORT NEEDED BEFORE 1985)

<u>FAIRBANKS RESEARCH CENTER</u>	<u>1982</u> (\$)	<u>1983</u> (\$)	<u>1984</u> (\$)	<u>1985</u> (\$)
THREE TECHNICIANS TO EXPAND AGRICULTURAL RESEARCH (AGRONOMY, ANIMAL SCIENCE AND FORESTRY).	115,500	115,500	115,500	115,500
SECRETARIAL SUPPORT FOR ADDED AGRICULTURAL SCIENTISTS	90,000	90,000	90,000	90,000
SUPPORT FOR INCREASED COSTS OF EXPERIMENT STATION PUBLICATIONS	100,000	100,000	100,000	100,000
<u>PALMER RESEARCH CENTER</u>				
THREE TECHNICIANS TO EXPAND AGRICULTURAL RESEARCH (AGRONOMY AND ANIMAL SCIENCE)	115,500	115,500	115,500	115,500
SECRETARIAL SUPPORT FOR ADDED AGRICULTURAL SCIENTISTS	70,000	70,000	70,000	70,000
RESEARCH SUPPORT FOR HORTICULTURAL SCIENTIST ADDED IN 1981	45,000	45,000	45,000	45,000
SUPPORT FOR EXPANDED SOIL TESTING PROGRAM FOR FARMERS' SAMPLES	45,000	45,000	45,000	45,000
<u>HOMER RESEARCH CENTER</u>				
BEEF CATTLE RESEARCH OPERATIONS	100,000	100,000	100,000	100,000
<u>KODIAK</u>				
BEEF CATTLE RESEARCH OPERATIONS		80,000	80,000	80,000
<u>NOME</u>				
REINDEER RESEARCH OPERATIONS		80,000	80,000	80,000
SUBTOTAL	681,000	841,000	841,000	841,000

AGRICULTURAL EXPERIMENT STATION (FACILITIES NEEDED BEFORE 1985)

<u>FAIRBANKS RESEARCH CENTER</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
	(\$)	(\$)	(\$)	(\$)
CLASSROOM, LABORATORY AND OFFICE BUILDING (40,000 SQ. FT.), SCHOOL OF AGRICULTURE AND LAND RESOURCES MANAGEMENT. FAIRBANKS CAMPUS	20,000,000			
RENOVATION OF FAIRBANKS EXPERIMENT FARM (EXPAND SWINE BARN, CONSTRUCT GREENHOUSE AND AGRICULTURAL ENGINEERING LABORATORY, REPLACE RESIDENCES)	600,000	550,000	550,000	250,000
FIELD RESEARCH FACILITY AT DELTA AGRICULTURAL PROJECT (STORAGE SHED, WATER SUPPLY, FENCING)	400,000	100,000	100,000	
REPLACE OBSOLETE FIELD AND LABORATORY EQUIPMENT	600,000	100,000	100,000	100,000
FACILITY PLANNING STUDIES	100,000			
 <u>PALMER RESEARCH CENTER</u>				
ADDITION (14,400 SQ. FT) TO AND RENOVATION OF HEADQUARTERS BLDG. PALMER RESEARCH CENTER		4,600,000		
RENOVATION OF MATANUSKA EXPERIMENT FARM (EXPAND OFFICE SPACE AND VISITOR CENTER - CLASSROOM COMPLEX, REMODEL AGRICULTURAL ENGINEERING WORKSPACE)		1,000,000		
REPLACE OBSOLETE FIELD AND LABORATORY EQUIPMENT		600,000		

AGRICULTURAL EXPERIMENT STATION (FACILITIES NEEDED BEFORE 1985) CONTINUED

<u>HOMER RESEARCH CENTER</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
RESEARCH AND FEED LOT FACILITIES FOR BEEF CATTLE		500,000		
<u>KODIAK</u>				
RESEARCH AND FEED LOT FACILITIES FOR BEEF CATTLE		600,000		
<u>NOME</u>				
RESEARCH FACILITIES FOR REINDEER MANAGEMENT		800,000		
<u>RESEARCH LIVESTOCK</u>				
RESEARCH LIVESTOCK PURCHASE		100,000		
RESEARCH LIVESTOCK OPERATION COSTS		50,000	50,000	50,000
SUB TOTAL	21,700,000	9,000,000	800,000	400,000

SCHOOL OF AGRICULTURE AND LAND RESOURCES  
MANAGEMENT (AGRICULTURAL TEACHING NEEDS BY 1986)

NEW TEACHING NEEDS (PROFESSORS AND PROGRAMS)

<u>DISCIPLINE</u>	<u>YEAR ADDED</u>				
	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
AGRICULTURAL ECONOMICS				-----	
AGRICULTURAL ENGINEERING					----
AGRONOMY (CROP SCIENCE)	-----				
AGRONOMY (SOIL SCIENCE)			-----		
ANIMAL SCIENCE		-----			
HORTICULTURE			-----		

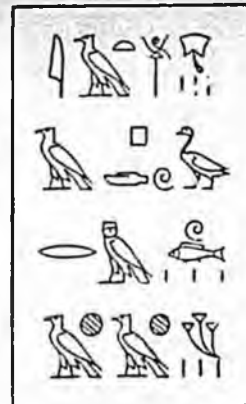
CUMULATIVE COST (\$)

110,000  
220,000  
440,000  
550,000  
660,000

# THE WILDLIFE SOCIETY

## ALASKA CHAPTER

AGRICULTURAL DEVELOPMENT IN ALASKA--1981



Large scale agricultural development is being promoted in Alaska. The Delta Barley Project is now several years old, and an expansion—Delta II-- has been initiated just east of the existing project. Near Anchorage, the Point MacKenzie Project is under way. Agricultural development near Nenana is actively being studied. Other projects are being considered.

Considerable public money and effort have been expended to locate, assess and promote agricultural developments, but a commensurate effort to assess possible costs to other resources or resources used as a result of agricultural development has not been apparent. Yet, fish and wildlife are of considerable value to the Alaskan way of life, and are easily harmed by poorly planned development.

In other parts of the world, experience and research have demonstrated that fisheries and wildlife in many instances have been damaged by large-scale agriculture while other agriculture projects have enhanced fisheries and wildlife. Agriculture can create habitat for some species of wildlife, however it may also have detrimental impacts on wildlife such as:

- 1) habitat loss or reduction of habitat quality,
- 2) transmission of diseases from domestic stock,
- 3) introduction of toxins,
- 4) competition of livestock with wildlife, and
- 5) conflicts between livestock and predators.

Careful planning for agriculture now can protect and in some cases enhance fish and wildlife around new farm developments in the state. However, no mechanism presently exists to assure that fish and wildlife needs and resource user needs will be considered and included in plans for Alaskan agricultural development.

Therefore, it is the position of the Alaska Chapter of The Wildlife Society that:

1. The Wildlife Society affirms the value of agricultural development in Alaska that will provide a reliable food and economic base for Alaskans, and reduce the energy expense of a long supply line, if this development is practiced with a genuine concern for the continued well-being of fish, wildlife and their habitats.

2. The Wildlife Society will oppose all agricultural developments that are likely to cause significant harm to fish or wildlife.

3. The Wildlife Society recommends that fish and wildlife concerns be integrated into the agricultural development process through the legislative establishment of a fish and wildlife advisory board to the Alaska Agricultural Action Council. The board would be comprised of state, federal, university and private experts in the area of agriculture and its effects on fish and wildlife. The function of the board would be to establish means to determine, reduce and mitigate potential fish and wildlife losses in agricultural developments. The Council should be required to integrate board recommendation in placement and design of agriculture projects.

4. The Wildlife Society recommends that the Alaska Cooperative Extension Service add to its staff one or more fish and wildlife extension specialists to aid Alaskan farmers in accomplishing their farm operations in a manner compatible with fisheries and wildlife.

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

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

### M E M O R A N D U M

DATE: March 3, 1981

TO: Mary Hakala, Administrative Assistant  
House Resources Committee

FROM: Elmer A. Lindstrom, <sup>EL</sup>Fiscal Analyst  
Legislative Finance Division

SUBJ: University Budget/Agriculture

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

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

cc: Alison Elgee  
Legislative Finance

EL:bf