Division of Agriculture

The mission of the Division of Agriculture is to promote and encourage development of an agriculture industry in the State.

Alaska GROWN™

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Division Components

- Plant Materials Center
- Marketing, Education, and Inspection Services
- Agricultural Revolving Loan Fund
- Agriculture Land Sales and Management
- Pest Detection
- Asset Management

Introduction

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

The Alaska Division of Agriculture understands that its mission is not to guide the agriculture industry, but to assist and promote. The division continues to seek direction from industry and to address its concerns.

Building a Sustainable Agriculture Industry

Agriculture has played an important role in Alaska over the past century. This is reflected in the state seal, originally designed in 1910, which portrays a farmer, his horse, and three shocks of wheat. Alaskan agriculture must continue to embrace the challenges, look for opportunities for the future, and continue to incorporate good agriculture principles and good management practices.

Today, most of the population is two or three generations removed from the farm. Agriculture plays a vital role in Alaska. It is important to be self-sustainable, whether it is a backyard garden or supporting commercial production by purchasing "Alaska Grown".

At present, factors that impact the industry are in the midst of change.

Some of this dynamic change is positive as evidenced by several factors:

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

And some are negative:

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

Northern Latitude Plant Materials Center (PMC)

The Alaska Plant Materials Center (PMC) serves Alaska's needs in the production of Alaska native plants and traditional crops. The PMC provides leadership, innovation, and initiative in Alaska for revegetation and seeding mixes used by the primary plant material purchasers in Alaska.

The Alaska Plant Materials Center:

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

Foundation Seed and Conditioning Program (PMC)

Producing foundation class seed is of primary importance to the PMC. Foundation seed is the highest certified generation of seed available to producers for cultivar seed production. These plants and seed form the core plant materials for farmers, agencies, and private companies in Alaska. Foundation seed goes through seven basic steps to establish a resource of conservation plants. These are:

1. Define and anticipate conservation problems and establish priorities.
2. Research and assemble candidate plant materials.
3. Conduct initial evaluations.
4. Begin small scale seed or vegetative increases.
5. Perform advanced and final testing and field evaluation of plantings.
6. Establish large scale seed or vegetative increases.
7. Release a variety or cultivar.

The less weeds in a field, the easier it is to harvest and clean the seeds.

Much time is spent weeding, harvesting, cleaning, testing, and storing of this valuable seed.

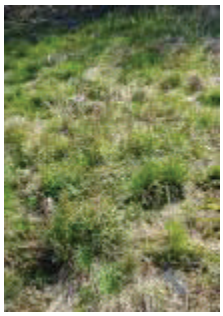
Almost one hundred varieties of grass and forb seed are harvested annually at the PMC. Combining, hand harvesting, and flail-vacuuming are the primary harvest methods.

Cleaning seed.

Conditioning the harvested seed to create clean seed from the PMC's fields, the Alaska Seed Growers Association's seed, and individual farmers/ harvesters means cleaning thousands of pounds of seed per year. Many of these seeds will be used for revegetation and reclamation.

U.S. Cold Regions Plot Evaluation (PMC)

The PMC has established advanced evaluation plantings throughout its history as part of the mission of developing plant material for different uses within Alaska. This effort is funded by a grant from the USDA, NRCS.



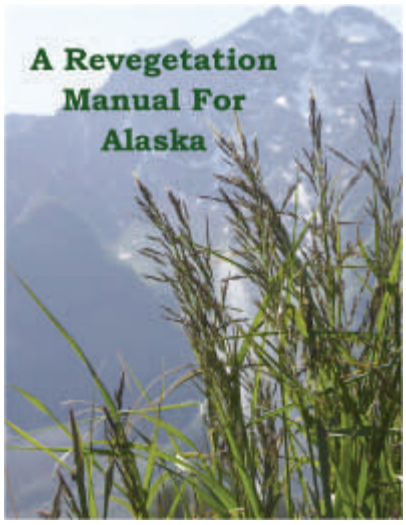
Evaluation Plot

Advanced evaluation plantings are established to evaluate the performance of accessions that have previously performed well in initial evaluation plantings at the PMC and cooperating farms. Between 2003 and 2007 plots were planted and evaluated annually in Southeast, Southwest, Arctic, Interior, and Southcentral Alaska. The map to the right shows the locations of each plot.

In 2008 the data was compiled to show which plants did the best in each area. Plots are rated on percent stand and vigor. Each plot had approximately 52 different accessions ranging from turf and forage grasses to revegetation grasses and forbs. This program continues today but in different locations in Alaska.

Map of Cold Regions advanced evaluation

Revegetation and Reclamation Studies and Accomplishments (PMC)



The construction of the Trans Alaska Pipeline in the 1970s triggered the current reclamation research activity in Alaska. However, since the pipeline, ideas associated with revegetation have changed. Continued oil development, renewed interest in surface and placer mining, as well as new federal, state, and local regulations have caused applied research activities to address "reclamation" as defined by regulations, which in some cases has precluded the use of "traditional" plant material and planting technology.

The Alaska Plant Materials Center continues to lead Alaska in reclamation, erosion control, research, technology transfer, and revegetation. The use of dormant seedlings to extend planting seasons, cost-effective and successful methods in willow planting, and wetland and coastal restorations are research priorities for the Plant Materials Center.

As a result, the PMC published “A Revegetation Manual For Alaska”. This manual serves as a compilation of the PMC’s experience in revegetation. This program has gathered at least 275 plot years of information collected from sites around the state, developed 11 new cultivars, developed 33 new natural “Selected Class” germplasms, and continued to maintain 9 cultivars developed by the University of Alaska Fairbanks and Agriculture Research Service for revegetation and reclamation. The PMC has assisted scores of agencies and private companies in reclamation, erosion control, and revegetation.

Some of the most recent revegetation projects are:
Red Dog Mine Revegetation and Demonstration Plots
Upper Knob Creek and Jonesville Mine
Kanuti Pit
Chistochina River Wetland Restoration
Tok Cutoff 30E Project

Alaska Seed Growers Project (PMC)

Alaska native seed growers benefit from this project economically by learning which native plants are needed for commercial projects and how to produce them—thus growers can practically plan for the future. By growing native plants which can out-compete invasive, non-native weeds, Alaska will be fulfilling a national mandate to revegetate with native plants. The educational component of this project reaches throughout Alaska, infusing commercial, agency, and individuals with the capacity to make a difference in the environment.

Outreach, Training, Tours

Workshop for teachers at the PMC .

This Project has produced 52 interpretive plant publications, "A Revegetation Manual for Alaska", and the "Directory of Alaska Native Plant Sources, 6th Edition"—all of which can be found on our website. Because of dissemination of information via our newly designed, professional website (www.dnr.state.gov/ag/ag_pmc.htm), interested rural and urban citizens are given information to have success in their endeavors.
Agency personnel now have the means to specify a variety of plants for revegetation or landscape needs. When the specifications state that only Alaska native seed can be used for various projects, then the bidders contact the PMC to find out where to purchase the required seed. This has caused an upswing in the economic base and an incentive for more people to grow Alaskan seed.

Homer Future Farmers of Alaska learning to clean seed.

Changes in knowledge and actions have occurred with programs provided by this project on plants in Alaska. Some teachers have started native plant raingardens at their schools and actively manage these areas with their students. These gardens are ways to showcase the need for native plants to be grown. Several people are working on ways to combine the many efforts of small, rural, and ethnic gardeners into a brokerage or farmer's market venue to sell native plants and seed. Other entrepreneurs have listed themselves on the Directory as businesses that can harvest needed seed for revegetation purposes—as long as they have enough adequate notice. Still other growers are cultivating native plants for landscape use with techniques provided by the project.

Professional and educational presentations are provided for conferences, school students, specialty groups, and teachers. Workshops, classroom activities, and outreach are all delivered with hands-on, minds-on activities and with inquiry as the basis for the activities. Services for the public, schools, and farmers are provided on many topics – ranging from raingardens, revegetation, landscapes, harvest protocols, seed cleaning, invasive and noxious plants, seed testing, and general information.

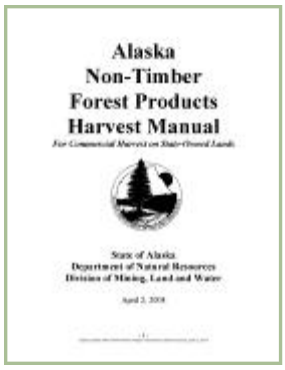
Native Plant Evaluation Project (PMC)

Columbine

The Native Plant Evaluation Project, once called the Alaska Native Plant Nursery, started in 1999 at the Trunk Road facility. This project has evaluated 204 species of native plants. Many short protocols were established to enable landscape and specialty growers to have success with these plants.

During 2008, the PMC focused on evaluating and increasing those plants that are more suitable for revegetation. 2009 has seen production of many promising species at scales previously unrealized. Through these efforts, the PMC is achieving the goal of making available a broad range of native plants for conservation and landscape purposes.

Alaska Ethnobotany Project (PMC)



Harvest Manual and State Law

In a state as unique and diverse as Alaska, many considerations have to be weighed in managing a broad and newly recognized resource such as non-timber forest products (NTFP). The cultural and spiritual significance of many of the species of plants, the dependence on them for personal and subsistence lifestyles, and their potential development into commercially viable products have to be balanced by the State.

By developing the Alaska Non-Timber Forest Products Harvest Manual and changing the State's regulations to incorporate the Harvest Manual as law, the State is now making headway in developing a user-friendly program "to develop, conserve and enhance natural resources for present and future Alaskans" (DNR's mission statement).

A massive harvest of conks on State lands—no permit.

Without the Ethnobotany Project this would not have been possible. The Harvest Manual is a cornerstone for the State. It defines the line between small-scale, low-impact commercial harvests and large -scale, potentially damaging commercial harvests. It describes how to sustainably harvest many Alaskan plants. This document will impact thousands of people, inspiring some to realize there is a market for native plants, protecting the subsistence and personal use harvesters, and enabling the State to effectively and knowledgably manage its land.

How many spruce tips can sustainably be harvested?

As of summer, 2008, the Harvest Manual and legal changes to the State's regulations were made into law (11 AAC 96.035). Three different sections of the State of Alaska's government joined together to create this Harvest Manual for use in managing commercial harvest of NTFP's on State land. The State's Division of Mining, Land, and Water (DMLW) is the permitting agency for commercial harvesting on state-managed land. DMLW Natural Resource Managers and Specialists provided the input for the regulations they felt were needed in the Harvest Manual. The PMC is the knowledge base for the State's plants, with Agronomists who researched and evaluated native plant ecology, growth, and health and work with NTFP's on a regular basis. Many other people and groups contributed to the Harvest Manual including Alaska natives. The State's Department of Law provided guidance about how other states regulate commercial harvests and researched the legality of the regulation changes proposed for the State.

Ethnobotany ADA Garden

The PMC started an American with Disabilities Act (ADA) accessible Ethnobotany Garden for education and plant increase for other cultural centers in summer, 2008. This garden was designed by Bill Evans, an interpretive landscape architect from the State Division of Parks and Outdoor Recreation. He used the cultural and ecological regions of Alaska to design the garden. We now have Denali, the Yukon, Aleutian Islands, an arctic, interior, southcentral, and southeast Alaska constructed! These regions represent cultural areas historically lived in by Eyak, Tlingit, Haida, Tsimshian, Athabascans, Iñupiak, Yup'ik, Cup'ik, Aleut, Siberian Yupik, and Alutiiq Peoples. The plants that are in the garden are ones traditionally and presently used for food, medicine, and other uses—the knowledge about these plants are publicly printed in various books and papers. By the end of summer, 2009, about 200 different species of plants will be growing in the garden. Many people and groups are excited about coming to learn about Alaskan plants, culture, ecology, and landscape use of native plants.

The work begins!

What a change!

The muskeg bog.

Potato Disease Control Program (PMC)

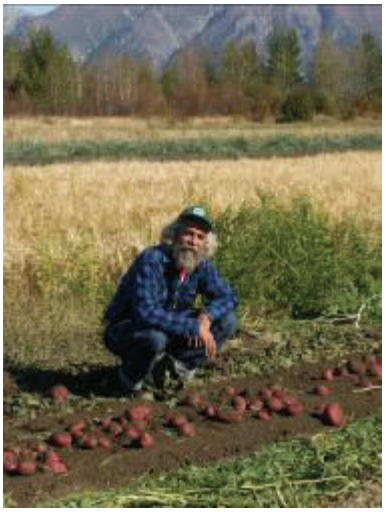
Potatoes are among the most valuable crops grown on Alaskan farms, creating a net value over 3 million dollars annually. Diseases can cause significant losses reducing yield and quality, therefore seed tubers free from disease are required to assure high yields with good quality.

Potatoes being grown from tissue cultures.

The potato is vegetatively propagated and as a consequence, has unique production problems. Many economically important diseases and pests can be carried in or on the tubers used as seed. The use of seed potatoes having little or no disease is basic to any management plan. Seed production systems have been created world wide to incorporate seed production systems and inspection programs to minimize this risk. Planting certified seed with manageable disease levels reduces the risk of losses caused by disease. It is for this reason that the production of disease free seed is a primary goal of the PMC.

Seed produced at the PMC is sold annually to commercial seed growers who increase the original allotment over the next several years. Seed potatoes are produced under strict protocols and subjected to inspections to assure compliance with the low disease tolerances required of certified seed. This system enables the grower to annually replace older diseased seed with clean seed that helps maintain high quality.

The importation of seed from outside the state has the potential to introduce pests not known to occur in Alaska. The inadvertent introduction of these diseases or pests can cause major problems which we saw when late blight appeared in Alaska in 1995, 1998, and 2005. The importation of seed is therefore discouraged. Growers who wish to try new varieties are encouraged to obtain clean seed stock from the PMC.



Monitoring the health of the potato stocks at the PMC is a critical function. Understanding and accurately performing the disease test procedures, as well as interpreting the results, is essential.

State of Alaska Seed Regulation 11 AAC 34.075 (J) requires that all potatoes sold, offered for sale or represented as seed potatoes be certified. This regulation highlights the importance of quality seed.

Seed fields are inspected for diseased plants twice during the growing season and once while in storage. Seed lots in which excessive amounts of disease are found are not allowed to be sold as certified seed. Alaska's Certified Seed Program is administered by the Alaska Seed Growers, Inc. The inspections are conducted by the PMC's Potato Disease Control Program. Certified seed potatoes are grown in the Matanuska Valley, Fairbanks, Nenana, and Delta Junction. Each lot is inspected according to certification standards for disease and varietal purity.

Plant Material Acquisition (PMC)

View of Chugach

The PMC is contacted regularly by many different organizations to collect and increase native plant material from their lands for spot revegetation. These organizations include Chugach National Forest, BLM, The National Park Service, etc. Grasses and forbs are collected, increased, harvested, cleaned, and many times are later transplanted out in the field.

One major project is called the Sub-arctic—Arctic Germplasm Collection Program. Seed has been collected from Iceland and Faroe Islands, Svalbard, West and South Greenland, and in Canada—Nunavut, Nunavik, Newfoundland and Labrador. As a result of these collections the PMC is in the unique position of having the largest Nordic or Arctic Germplasm collection under evaluation in North America.

One of the ILULISSAT Greenland collection areas

Certified Seed Laboratory (PMC)

Dandelion Seed

The Alaska State Seed Laboratory at the Alaska Plant Materials Center (PMC) is an official seed testing laboratory, certified by the national seed testing organization, Association of Official Seed Analysts (AOSA). It has been an official laboratory since 1998 and is the only one in the state of Alaska.

Essential services the laboratory provides are purity and germination tests, noxious weed seed examinations, tetrazolium testing, and grain moisture testing. The seed lab tested over 900 seed lots in 2008, exceeding 2,000 individual tests this year. Clients include individual growers, the Alaska Seed Growers Association, retail sales people, conservation and natural resource industries, and other agencies such as Agriculture Research Service (ARS), Department of Transportation and Public Facilities (DOT&PF), U.S. Forest Service, and Division of Forestry (DOF). PMC grown seed intended for use by the above is also evaluated.

Test reports are a valuable tool for end users of seed. Contaminants such as inert matter, weeds and other crop seeds are reported, as well as germination potential. Required by federal law for interstate commerce and state regulations, seed offered for sale must have current and accurate testing and labeling.

Invasive Plants and Agricultural Pest Management Project

Spraying an infestation of Orange Hawkweed in Kodiak

Invasive weeds and agricultural pests are an emerging issue in Alaska. In recent years experts from around the state have discovered increasing size and frequency of invasive weed infestations. Some of these weeds such as orange hawkweed, purple loosestrife, white sweetclover, and narrowleaf hawksbeard have spread from cultivation or disturbed areas to natural areas where they have the potential to seriously impact ecosystem services.

Producers of agricultural products are also experiencing pressure from invasive weeds. New introductions and spread of invasive weeds and agricultural pests is expected with increased commerce, development and growing industries such as tourism. Coordinated response to invasions and working to prevent invasions is critical to maintaining viable agricultural economies and ecosystems that support natural resources such as salmon, wildlife, and berries.

The new Invasive Plants and Agricultural Pest Management program at the PMC was enabled by AS 03.05.027. The statute directs the Department of Natural Resources to do a variety of tasks related to coordination, information sharing, education, and research and planning for control and prevention of invasive plants and agricultural pests. Chief amongst these tasks are development of a state strategic plan for invasive plants and agricultural pest management, and to review and make recommendations for regulation and policy changes for prevention and management of invasive plants and agricultural pests.

Marketing and Alaska Grown

The Division of Agriculture provides marketing and production expertise to Alaska growers through the statewide marketing program Alaska Grown. Launched in 1985, the program is designed to identify and highlight locally produced farm products in the market place.

The marketing section engages in various conferences, sharing about programs that are in place for the current year, updates on projects in progress, and marketing information that is relevant to their operations. This section shares with producers potential new markets and new innovative marketing techniques that have been read about or seen. The marketing section seeks to remain apprised of new marketing strategies that are occurring in the lower 48, to ensure that the Alaskan producers retain a marketing edge in Alaska.

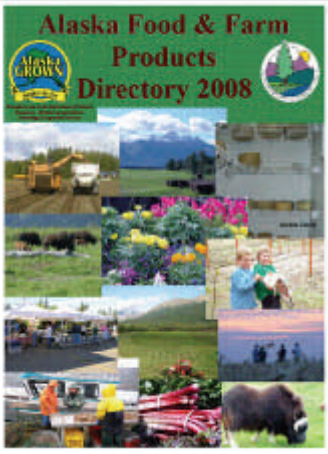
The marketing section also applies for federal grants that they then pass on to Alaskan producers, whether in the form of competitive grants, conference hosting, advertising, point-of-sale materials, etc. Some of these grants are market research based, and the section performs market research to aid in the producers' success. They are always available to answer any questions the public may have. For more information go to: http://dnr.alaska.gov/ag/ag_ms.htm.

Alaska GROWN Promotion and Outreach

⇒ Retail store visits, providing Point of Sale (POS) materials to store managers to assist them in promoting Alaska GROWN products

⇒ Consumer outreach & education – conducting conferences, speaking at various industry meetings, public gatherings, etc.

⇒ Food & Farm Products Directory – online and print version; distributed statewide to assist people in sourcing Alaska GROWN products. To be found at: http://dnr.alaska.gov/ag/



⇒ Wholesale newsletter – timely updates on the status of Alaska GROWN products in the fields and available from growers; aimed at providing information to wholesalers, chefs and other end users

⇒ Division Activities monthly newsletter – provides a brief overview of the activities of various Division staff to industry; keeps the public informed of upcoming events, grant programs and outreach efforts.

⇒ Statewide advertising

Farmers Market—Outreach and Promotion

⇒ Launched the Alaska Farmers Market Association (AFMA) in 2008. www.alaskafarmersmarkets.org is the new official web site with logo, membership benefits, etc.

⇒ Conduct customer counts upon request at markets.

⇒ Provide Point of Sales materials including signage, pricing cards, twist ties, etc.

⇒ Sponsor the "Market Fresh" column in the Anchorage Daily News throughout Market season – reporting on what will be available from the various vendors at the different Anchorage markets.

⇒ Provide Farmers Market Match Grants statewide – up to $5000 for advertising and promotion of the markets.

Market Development and Grants

⇒ Cooperative Marketing Program - $40,000 annually, individual grants, $2500-$5000.

⇒ Agriculture Innovation - $40,000 annually, individual grants for up to $5000 for equipment, projects, etc. to extend season or increase crop productivity.

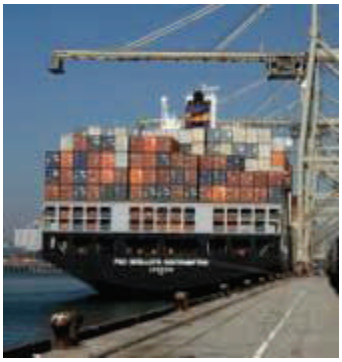
Assist in development of new markets through Federal grants

These are federal dollars that the marketing section applies to benefit the agricultural industry, to explore potential new markets for crops that may or may not be yet in production.

⇒ 2007 Peony Project. Launched Alaska Peony Growers Association, www.alaskapeonies.org. Host various meetings, field trips, etc.

⇒ 2008 Red Meat Livestock Project; host various meetings, market research, research trips, etc.

Inspection Services



Inspection Services provides quality control for Alaskan agricultural production and trade. The Inspection section of the Division of Agriculture consists of two full-time inspectors and one joint Marketing/Inspection Program Manager.

The inspectors provide a variety of inspection services statewide, enforcing and supporting State Agriculture regulations as well as several federal agriculture programs. Each of these programs has unique training and credentialing requirements, and inspectors conduct this work through cooperative State/Federal working agreements. Following is a summary of the various programs that Division of Ag inspection staff is involved with.

⇒ USDA Grade Inspection & Certification Under a cooperative agreement with the USDA Fresh Fruit & Vegetable Marketing Branch (USDA FFV), our inspectors conduct grade inspections of fresh fruits and vegetables. These inspections are conducted on all produce purchased by Alaska Military Commissaries. Grade inspections are also done at local growers' packinghouses, grocery stores, and by request of wholesale produce purchasers when product quality is in dispute.

⇒ Export Certification Plant Health Inspections Inspectors conduct phytosanitary inspections and issue plant health inspection certificates on behalf of the USDA Animal & Plant Health Inspection Services (APHIS). These inspections are required for agricultural products shipped internationally. Exported products, including large shipments of wood products, are inspected to ensure they do not harbor restricted or invasive pests.

⇒ Food Safety Audits Inspectors conduct food safety audits at farms, packinghouses, and food warehouses and distributors. These audits are done under authority of USDA's Good Agricultural Practices/Good Handling Practices Program. These comprehensive facility audits determine whether produce growers and handlers are utilizing practices that ensure the safety of the nation's food supply.

⇒ Country of Origin Labeling Enforcement Inspections are conducted at retail stores to ensure that all meat, fish, shellfish and produce products are in compliance with USDA's Country of Origin Labeling Law.

⇒ Shell Egg Inspections Grade Inspections are conducted on shell eggs to enforce USDA's grade requirements

⇒ Organic Certification Assistance Inspectors work with Washington State Dept. of Agriculture to help local growers and producers meet organic certification requirements.

⇒ Elk Farm Inspections The State of Alaska regulates elk farms to ensure that diseases are not spread to native wildlife. Division personnel inspect and approve fencing on these farms.

⇒ Plant Quarantine Enforcement Potato Late Blight fungus, a disease that is prevalent in the Lower-48 states, would be devastating to Alaska Agriculture. To prevent the importation of this disease, the Division of Ag has issued a quarantine on potato seed stock and tomato plants, both of which can carry the disease. Before being brought into Alaska, these products must be inspected and certified disease-free. Inspection personnel enforce this regulation through educational outreach, inspections at stores and nurseries statewide, and through cooperation with U.S. Customs and Border Patrol operations.

Agricultural Revolving Loan Fund and Assets

The Alaska Agriculture Loan Act, established in 1953, is designed to promote the development of agriculture as an industry throughout the state by means of moderate interest loans.

Six types of loans are available to qualified applicants:

FARM DEVELOPMENT loans to construct farm buildings and build or renovate other farm facilities.

CHATTEL loans to purchase equipment or livestock.

SHORT TERM loans to finance annual operating expenses for seed, feed, fertilizer, harvesting, or planting activities.

IRRIGATION loans to purchase and install irrigation systems and equipment.

PRODUCT PROCESSING loans to build, equip and operate facilities to process products from Alaskan farms.

CLEARING loans to provide for land clearing.

ELIGIBILITY

Loans may be made to individuals, partnerships, corporations or other business entities. Proof of current Alaska residency must be provided by applicants. A statement of farm and other business experience with evidence of necessary related skills and training is required.

Total outstanding balance of ARLF loans for a borrower may not exceed $1,000,000.

LOAN TYPE	MAXIMUM LOAN	MAXIMUM Term
Farm Development	$1,000,000	30 years
Chattel	$1,000,000	7 years
Short Term	$200,000	1 year
Irrigation	$1,000,000	30 years
Product Processing	$250,000	30 years
Clearing	$250,000	20 years

Agriculture Land Management and Sales

The goal of the Division of Agriculture is to put state land suitable for agriculture into production. The Division uses a variety of techniques for locating suitable state land for disposal: GIS data mapping, field inspections, and input from farmers.

After locating land suitable for agriculture, the Division will write a preliminary decision outlining our proposal concerning how we plan to conduct the sale and what lands will be offered. After agency comments and public review, if the decision is made to move forward with a sale, a best interest finding is prepared and arrangements for surveys and appraisal are made. Finally a brochure is produced and distributed and a sale is held. Agricultural land disposals are conducted with assistance from the Division of Mining, Land and Water.

After the purchaser signs a contract with the state, the Division monitors the use of the land to ensure compliance with agricultural covenants. This monitoring continues even after a patent is issued, all land sold by the state classified as agriculture is subject to perpetual agriculture covenants limiting the use of the land for agricultural purposes (AS 38.05.321). Division of Agriculture staff monitor compliance with the farmer's approved State Farm Conservation Plan (SFCP). An approved SFCP is required before a contract can be written for the sale of agricultural land by the state. The approved SFCP is incorporated by reference into the purchaser's contract and later the patent.

The SFCP is different for each agricultural parcel to help ensure that appropriate site-specific soil and water conservation management occurs on the parcel. A SFCP is completed by the purchaser, usually in cooperation with local, federal, and state conservation specialists.

The plan is then reviewed by the local Soil and Water Conservation District supervisors and subsequently submitted for approval to the director of the Division of Agriculture for inclusion in the contract and subsequently the patent.

Mt. McKinley Meat and Sausage Plant

The Alaska Agricultural Action Council, through an appropriation from the Alaska Legislature, financed the construction of Mt. McKinley Meat and Sausage Plant (MMM&S) in the early 1980s. MMM&S was privately operated from 1983 until 1985. The ARLF obtained possession of the facility through a cooperative settlement resulting from a loan default.

Under a memorandum of agreement between the Alaska Department of Natural Resources (DNR) and the Alaska Department of Corrections (DOC), MMM&S was reopened in December 1986. DOC operated the plant for the Division of Agriculture, using it as a training opportunity for inmates while continuing to provide a slaughter facility for Alaskan farmers. DOC funded the MMM&S facility operations until 2001 when budget shortfalls occurred. In 2001, the ARLF took over some of the financial obligations of operating the plant.

In 2003, the Division of Agriculture completed a detailed review of the operation of MMM&S. This report made recommendations that would increase the efficiency of the plant while in State ownership and further recommended that the State eventually transfer the facility to the private sector.

On December 1, 2003, operation of the plant was taken over completely by the Division of Agriculture as DOC discontinued its financial and management support. The operational efficiency of the plant has been substantially improved since the report was issued, but as expected, the plant continues to operate at a deficit. Changes in operations implemented in FY07 and FY08 continue to help reduce operational losses.

The Board of Agriculture (BAC), the Division of Agriculture (Division), the Department of Natural Resources (DNR) and members of the agricultural industry have discussed the future of Mt. McKinley Meat & Sausage (MMM&S) at length on many occasions.

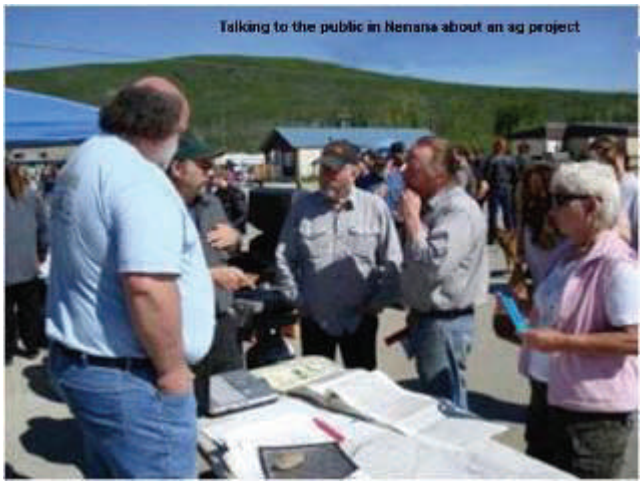
The MMM&S facility provides more than just an outlet for the slaughter, purchase and processing of livestock. The facility also provides valuable training opportunities in several vocations and provides actual work experience for inmates working at the facility, which helps to reduce recidivism.

The Division is committed to addressing the industry need for a USDA kill floor in Southcentral Alaska. In an ongoing effort to keep the facility open and minimize the use of the ARLF funds, the Division has periodically implemented operational changes to address efficiencies, reduce expenditures and increase revenues.

The Division plans to continue reviewing operations at MMM&S to increase efficiencies and minimize shortfalls wherever possible.

Northern Region Office (NRO)

The Northern Region Office is usually the first point of contact for farmers north of the Alaska Range. The northern region is home of the Delta area agriculture, Two mile Lake, Two Rivers, French Creek (Salcha), Eielson, Kobe, Kobe North, Brown's Court, and a smattering of other agricultural projects. Interior Alaska holds most of the remaining unreserved state land suitable for agriculture. Staff has been working on developing the 125,000-acre Nenana-Totchaket agricultural project west of Nenana. The NRO has held several agency meetings, met with the public, and represented the division at recent meetings concerning Oil & Gas projects in the area. The Staff has also been working on developing the Kobe North project, a 3800-acre tract of agricultural land south of Nenana. This would double the amount of agricultural land in that area. The staff is also continuing to offer individual parcels as they become available while developing these larger projects.



Following a land sale, NRO staff conducts follow-up inspections to ensure that development requirements are being performed in a timely manner. NRO staff also does inspections on existing farms ensuring that agricultural covenants are being adhered to and each farm is being operated in accordance with its approved State Farm Conservation Plan.

We assist farmers in a wide range of agricultural land issues including allowed use of gravel on agricultural parcels, easement questions, and SFCP modifications, and crop damage caused by wildlife. We also help farmers with the sometimes complicated subdivision process by explaining the difference between "Old" title and "New" title land and what forms are required and where they need to be sent . The NRO also reviews preliminary subdivision surveys of agricultural land in respect to compliance with AS 38.05.321.

NRO staff is participating in the revision of the Tanana Basin Area Plan. NRO staff has attended the public meetings to help ensure that there is no net loss of agricultural land as a result of the revision. In addition the NRO staff has researched several thousand acres of land within the proposed plan that appears to have agricultural potential but is currently not available for agricultural disposal.

The NRO is an active participant in the operation of several state programs including: elk farm inspection, field and bin inspections for seed certification, plant health inspection and issuance of plant health certificates for non-commercial plants transiting Canada., market development and grants, maintenance of the Food and Farm Products Directory, and asset management and collateral assessment for the Agricultural Revolving Loan Fund.

Many of our services involve assisting with or administering federal programs within the state. We assist with organic certification. We conduct shipping point inspections when required for marketing potatoes. We also participate in the federal Export Certification Program, inspecting plant materials and issuing Phytosanitary certificates for commodities being exported to foreign countries.

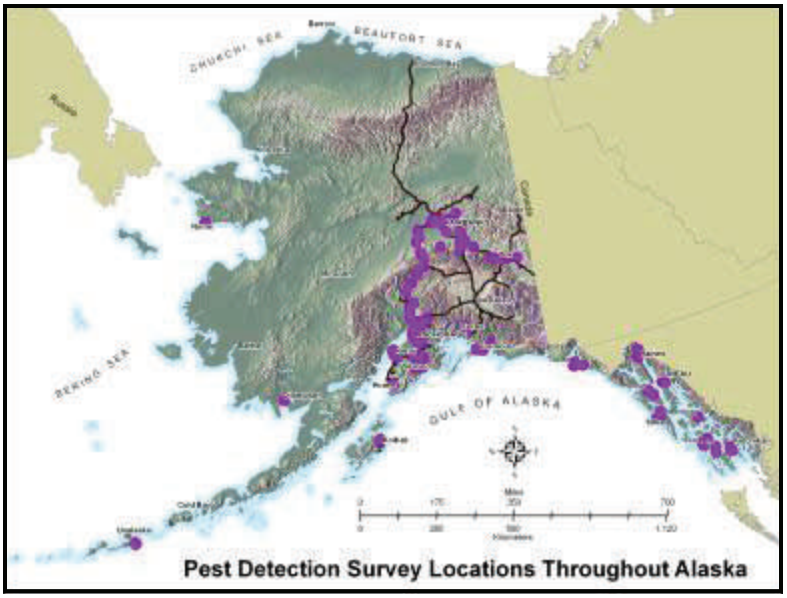
To facilitate international trade, we coordinate the Cooperative Agricultural Pest Survey Program to document the presence or absence of pests of quarantine significance in Alaska.

Northern Region Office (NRO)

Pest Detection: Cooperative Agricultural Pest Survey (CAPS)

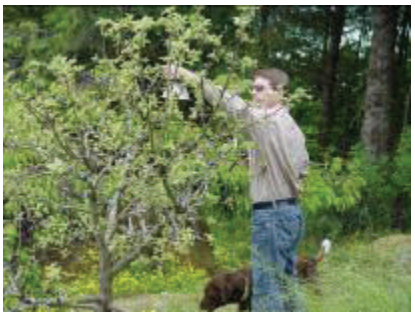
The Cooperative Agricultural Pest Survey (CAPS) is a partnership between all 50 states and the U.S. Department of Agriculture to detect and monitor exotic pests of economic and regulatory concern. CAPS provides a distribution profile of plant pests (insects, diseases, and weeds) in the United States deemed to be of regulatory significance. This program establishes and maintains a comprehensive network of cooperators and stakeholders to assist in safeguarding the nation's agricultural resources.

The Alaska Division of Agriculture coordinates the CAPS surveys in Alaska. The Division of Agriculture works very closely with multiple cooperating agencies to survey for pests in Alaska. The surveys are coordinated through the Northern Region Office located in Fairbanks by the designated State Survey Coordinator.



Pest Detection Survey Locations Throughout Alaska

Alaska is unique in terms of its size and remoteness which presents particular challenges when conducting statewide surveys. The geographic isolation and limited transportation corridors have been thought to provide some degree of protection from exotic pest introductions. Recent increases in tourism, international trade, and human population, coupled with climate change, work to elevate the risk of exotic pest introductions and pest survival in Alaska. Multiple agencies participate in Alaska to survey all major pathways where pest introductions could occur.



CAPS targeted pests that have been surveyed for in Alaska include: Gypsy Moth (European & Asian) (*Lymantria dispar*)**,** Nun Moth (*Lymantria monacha*) , Pink (Rosy) Gypsy Moth (*Lymantria mathura*)**,** Siberian Silk Moth (*Dendrolimus superans sibiricus*)**,** Emerald Ash Borer (*Agrilus planipennis*)**,** Light Brown Apple Moth (*Epiphyas postvittana*), Exotic Terrestrial Slugs (*Arion* spp.) and Snails**,** Pinewood Nematode associated with the Monochamus wood borer**,** Potato Cyst Nematode (*Globodera pallida*)**,** Golden Nematode (*Globodera rostochiensis*)**,** Nematodes vectors of Tobacco Rattle Virus (*Paratrichodorus*s spp. & *Trichodorus* spp.)**,** Sudden Oak Death (*Phytophthora ramorum*)**,** Potato Late Blight (*Phytophthora infestans*)**,** Purple Loosestrife (*Lythrum salicaria*)**,** Illyrian Thistle (*Onopordum illyricum*).