

March 2013

Spring Planting? Time for Spring Planning!

There are clear signs that consumer demand for locally grown food is increasing rapidly. New farmer's markets are opening around the state. School districts have new funding to purchase local food for next year's school season. More restaurants and retailers are looking for local sources of vegetables and meats. Farmers are forming co-ops to market larger quantities to larger institutional buyers.

Will you be ready to meet this new demand?

Are you thinking of expanding or changing your operation this year to meet increased consumer demand or fill a market niche?

Are you considering producing a new crop?

Now is a good time to contact Alaska FSA. Check out our new Microloan Program. We can help you develop a business plan, evaluate options, or consider financing a new venture. For more information, contact our offices in Palmer or Delta, or check us out on our website, www.fsa.usda.gov/ak

Happy Spring!

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Welcome New Members!

The following people joined Alaska Farmers Union at the recent NFU convention:

Mike Buis and Jim Benham of Indiana
Norbert Brauer of Illinois

A CRITICAL ESSAY ON ALASKA AGRICULTURE: PART 2

By Hans Geier, AFU Secretary/Treasurer

Direct marketing has provided the largest profitable outlet for farmers. However, reliance on this method limits production and the achievement of economies of scale. Most farmers in Alaska do not realize the majority of their income from farming activity. This provides a private subsidy to individual operations, but limits expansion ability. This leads to a lack of an operating infrastructure that is, in large part, a direct result of farmers' reliance on direct marketing.

Besides individual farmers, the main sources of capital for Alaska agriculture have been the federal and state governments. Government capital has in the past been disbursed with conditions that often prove to be burdensome and provide inappropriate incentives for production and prices. For example, state agriculture programs, in addition to inappropriate infrastructure development such as the Mat Maid creamery (now closed), have mainly focused on providing loans for individual farmers to engage in specific activities, like land clearing, construction of facilities, or production. In general, state supported agriculture projects have been subject to market failure, not because of the ability of Alaska farmers to produce, but due to a lack of an operating commodity marketing system.

Instead of following the example set by successful commodity production subsidy programs evident in the Lower 48, the state model of development has resulted in a large agricultural asset base, but little production. By depending on subsidies that reward production instead of debt acquisition, American farmers have been able to focus on lowering production costs through economies of scale. The ability of the Alaska state and federal agricultural agencies to encourage production subsidies, and to tie Alaska commodity markets to international markets should be an important part of this effort. Alaska agriculture will not be sustainable unless it takes advantage of economies of scale, and expands beyond its present limited market.

About the author: Hans Geier retired as a faculty economist with the University of Alaska Fairbanks Cooperative Extension Service and the School of Natural Resources and Agricultural Sciences at UAF. He is currently a consultant.

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FROM THE PRESIDENT

Here we go again. Alaska made it to another national convention – this time in Springfield, Mass. Next year it is going to be in Santa Fe, N.M. Talk about a nice place to get into warm weather! Springfield was rainy and cold, but since most of the time is spent indoors anyway, heck, it wasn't much different than Alaska. One of our new members attended the event with me – as you can see in the picture. That is Rick Hurd. He is a mechanic for Moffitt's Hay business. He had a great time, and although he had many comments, one was how different the farming is down there as opposed to up here. One gentleman that we ended up visiting with farms in North Dakota – 14,000 acres and the smallest tractor they have is 235hp. Wheat, beans, and corn is there main products. We learned that wheat is going by the wayside in many locations as well as beef production. "It just isn't as profitable as it used to be," was a common comment. That is too bad because, although meat consumption as a whole is going down across America, we still can't meet the market demand. That means we are getting it from somewhere else, good for them bad for us. There were a lot of issues discussed but COOL is back on the table. If you remember, that is short for Country-of-Origin Labeling. Meats at the grocer are to be labeled "American Grown." The bottom line is do you want to know where your meat is coming from? America abides by many standards of quality that other countries do not. Isn't it nice to know what you put into your body system, hey we all want to live longer! There were many more issues so please take the time to read your Washington Corner put out by the national office. If you don't get it, just go on the national website and at the bottom right of the home page sign up! On the home front as always there are other issues at play. The FFA state convention is coming up quick so if you can help out please give Amy Harmon or Don Berberich a call. There are gardening classes going on just about every day but the one thing you need to remember is to just plant. You can fix most any mistakes so just get going. The markets are wide open again this year with the addition of the cooperative store opening in Fairbanks, and the Farm to School money at most school districts. But who's not on the edge of their seat. If you got to see Ken Meters presentation (focus on the Fairbanks area) you would know that the largest employer in the Fairbanks area is the government. With a 10 percent cut in spending and the base closure talk there is the possibility of strong change in that area. It is no better time then now to learn to work together and the Fairbanks Cooperative Store is a great example. Helping ourselves help each other is the norm so if you find yourself with too much product make a call and we will see if we can find the market. Keep working with your Cooperative Extension Service, it's all about help us do better. AG land meeting March 27, call 761-3851 with questions. And last, CES again has 4 young people from Japan looking for a home

in an agriculture setting. Give Tony a call in Anchorage. Have a great day and keep your furrows straight. –Bob



Pictured: Alaska Farmers Union Delegate Rick Hurd and President Bob Shumaker during the policy discussion at the NFU Convention.

ALASKANS TAKE NOTE:

I feel lucky as well as grateful to have been able to attend the National Farmers Union convention held in Springfield, Mass. My role, among other things, was delegate for Alaska.

Springfield was an eye opening experience for me in alot of ways since it was my first time to the east coast. I have lived here in Alaska for 45 years. I really enjoyed the friendly atmosphere and meeting scores of nice farm folks. From "big Wayne" of Indiana and Kent of Utah, George of California, and Mr. Case of Minnesota. I relished the friendships and just plain ole good times. Of course the hotel sure beat my cabin in Sutton.

The policy committee must have put in some hours to make the process go smoothly because the NFU policy manual is pretty thick. Many issues were discussed, and I have to give our Alaska president credit for sticking up for us where due. He got pretty excited when the changes to the chicken policy were not in our best interest, among other things. I got interested when the discussion centered around the post office closing on Saturdays. I understand that will have a major impact on farmers across rural american that count on the delivery of parts and tools on weekends.

I also became more aware of how different farming is up here due to the climate and isolation. I can see how the prices can be real competitive down there. There were many issues, another one was the fishing industry and help for the small fisherman. Overall it was a valuable experience for me and I think that if you have the opportunity to go, go.

Thank you for including me in your great organization.

Rick Hurd