

**Specialty Crop Grant for Peony Research****FY2020 Request:** \$1,400,000  
**Reference No:** 62602**AP/AL:** Appropriation**Project Type:** Research / Studies / Planning**Category:** Natural Resources**Location:** Statewide**House District:** Statewide (HD 1-40)**Impact House District:** Statewide (HD 1-40)**Contact:** Fabienne Peter-Contesse**Estimated Project Dates:** 07/01/2019 - 06/30/2024**Contact Phone:** (907)465-2422**Brief Summary and Statement of Need:**

The Division of Agriculture was awarded a Technical Assistance Specialty Crop grant through USDA; Eliminating Pest-Related Trade Barriers for the Alaska Grown Peony Trade Industry. Alaska Grown fresh cut peonies are a rare and desirable commodity that fills a niche in world floriculture markets. This grant will support and enhance the peony industry in Alaska.

<b>Funding:</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
1002 Fed Rcpts	\$1,400,000						\$1,400,000
Total:	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$1,400,000

State Match Required    One-Time Project    Phased - new    Phased - underway    On-Going  
0% = Minimum State Match % Required    Amendment    Mental Health Bill

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

**Prior Funding History / Additional Information:****Project Description/Justification:**

The Division of Agriculture recently was awarded the Technical Assistance Specialty Crop grant through USDA.

This grant will allow the division to increase its technical assistance capacity within the state, focusing primarily on the peony industry, which is one of the fastest growing and promising industries in Alaska agriculture. A few of the activities outlined in the grant are; taxonomy and species identification, field efficacy trials, postharvest trials, and outreach training for growers. These programs will help increase the production and possibility of export of agricultural commodities for the state of Alaska.

Alaska Grown fresh cut peonies are a rare and desirable commodity that fills a niche in world floriculture markets. Because of our northern latitude, Alaska's peonies have a unique bloom season from July through September, unlike the contiguous US states, central Europe and China where the primary seasonal bloom time is April - June. In other world markets, fresh cut peonies are available Oct - Dec from New Zealand, Tasmania and Australia; Jan - Feb in Chile, Argentina, and Feb - April from Israel. Fresh cut peonies from Alaska nearly complete a year-round availability calendar desired

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by the world floriculture trade by filling the late summer, autumn void. Alaska's peonies are in demand by florists, brides, regional distributors, wholesalers and retailers throughout the United States and increasingly, in international markets.

Alaska is known more for its oil, fisheries, and tourism industries rather than land-based agriculture. However, the development of the fresh cut peony markets has created a new opportunity not only for domestic markets but for export to European, Middle Eastern and Asian destinations. Our population of 740,000 people scattered over 663,300 square miles, yields a patchwork of small farms across the state with the majority thriving in rural areas. Our 135 peony farms span a vast distance from Fairbanks in the Interior region to Homer on the coastal Kenai Peninsula and Juneau in the Southeast Panhandle. This expansiveness allows for an extended harvest season for fresh cut flowers due to amazing climate variations, but it also creates logistical challenges in shipping and accessing facilities for phytosanitary inspection and foreign transport while maintaining a quality product.

Fresh cut peonies have been sold in Alaska markets since 2004, and subsequently, Alaska growers have found ready markets throughout the contiguous United States and Canada. The industry has grown from two farms in 2004 to more than 135 farms today and is the first successful horticultural industry based mostly on movement of flowers out of the state to domestic and foreign markets. The industry has overcome major obstacles including growing a commercial crop where none had existed previously to the logistics of maintaining the long-distance quality cold chain using the third largest air transport system in the world. Amidst working successfully through these obstacles, we have identified significant barriers that require substantial research to promote international trade.

Because the production of peonies in Alaska has out-paced research, a significant trade barrier could derail access to international markets at the very time a sizeable quantity of peony cut flowers is anticipated. Thrips (thysanoptera) are tiny, internal-feeding insects that feed on petals and leaves, resulting in unsightly spots, scarring, corky lesions, and deformed flower buds. Thrips are also capable of transmitting tospoviruses. Their minute size and tendency to insert eggs into plant tissue complicates phytosanitary detection, and infestations can easily go unnoticed.

Alaska peony growers have identified 14 potential target markets, seventy percent of which require a phytosanitary certificate. Of these, fifty percent consider thrips as insects of major quarantine concern. TASC funding will help to develop reliable molecular protocols best suited to thrips associated with Alaska peonies.

Line Item	Amount
1000 - Personal Services	\$756,000
2000 - Travel	\$24,000
3000 - Services (contractor)	\$19,000
4000 - Commodities	\$21,000
7000 - Grants	\$580,000
<b>Total Request</b>	<b>\$1,400,000</b>

Project will partially fund an existing position and fully fund two non-perm positions:

10-N18040, Research Analyst II, Non-Perm, Palmer  
10-N17118, Program Coordinator I, Non-Perm, Palmer  
10-3060, Agricultural Inspector, Full-Time, Palmer