

**Food Security Agriculture Incentive Grant Program**

**FY2023 Request: \$25,000,000**

**Reference No: 64173**

**AP/AL:** Appropriation

**Category:** Natural Resources

**Location:** Statewide

**Impact House District:** Statewide (HD 1-40)

**Estimated Project Dates:** 07/01/2022 - 06/30/2027

**Project Type:** Economic Assistance

**Recipient:** Various

**House District:** Statewide (HD 1-40)

**Contact:** David Schade

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**Brief Summary and Statement of Need:**

An incentive program to scale up production to increase local market share. Grants and loans are critical to the future of agriculture development. Giving the Division of Agriculture the ability to provide financial incentives, matching grants, and higher risk loans would allow more flexibility within the Agriculture industry and encourage expansion and development. Ultimately, this funding would allow the Division to supplement Agriculture Revolving Loan Fund (ARLF) programs, provide matching grant funds, and financial incentives which will support agriculture farmers.

<b>Funding:</b>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>Total</u>
1269	\$25,000,000						\$25,000,000
CSLFRF							
<b>Total:</b>	\$25,000,000	\$0	\$0	\$0	\$0	\$0	\$25,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

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

**Prior Funding History / Additional Information:**

Investments by new businesses in a developing industry inherently carry more risk than established businesses in established industries. Traditional lenders typically do not lend to these businesses, which has been identified as a significant impediment to growth. Additionally, the COVID-19 pandemic has reduced tolerance for risk and the capital available for investment in the private sector.

**Project Description/Justification:**

Investing in the agriculture industry will help significantly increase the production of food, fiber, and other products in Alaska. This investment will expand an existing State program while allowing the program to accommodate the following:

- Provide grant funds to farmers for investments to expand operations or to start new operations;
- Provide economic incentives to farmers for increased production while reducing the risk of market fluctuations;
- Provide economic incentives to buyers (some pass through to farmers) for contracting the purchase of Alaska grown products;
- Provide risk management (hold harmless) to Agriculture Revolving Loan Fund (ARLF) for new and high-risk agriculture endeavors, including new mariculture producers.

