



ALASKA FARM BUREAU, INC.

Bryce Wrigley, President
bjwrigley@gmail.com

Amy Seitz, Executive Director
amy.seitz@gmail.com

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Board of Agriculture and Conservation
1800 Glenn Highway Ste. 12
Palmer, AK 99645

Dear Board Members:

Thank you for your interest in moving Mt. McKinley Meat and Sausage into private ownership. We in the farming and ranching community appreciate the role that the Division of Ag has played in keeping Mt. McKinley Meat and Sausage open for many years. Our members have been able to continue to raise livestock, knowing that a USDA inspected slaughter facility was available for them.

This effort has not been without its challenges to the livestock industry. For many years, the plant's operations were perpetually on the chopping block due to funding, labor, and other various issues. We have known for years that the plant should be transitioned to private ownership in order to diversify its markets and play a bigger role in strengthening a local food system by utilizing our Alaska Grown meats. The status quo of continued state operation is no longer able to meet the needs of a livestock industry that needs to provide high quality meat to a demanding customer base. The stability of the plant is critical to increasing herd size and numbers and has a huge ripple effect for the farmers who will need to produce the grain to feed those animals.

As you prepare your request for proposals, we in the ag community hope you will focus on finding a company that will be good for the industry as a whole. We hope you will consider the following principles as you develop the RFP and evaluate any proposals that are submitted.

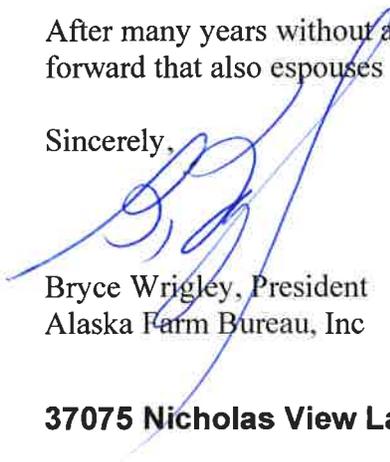
- 1- Be good for the whole farm economy: The successful operation and viability of the slaughter plant will depend in part on increasing the number of animals that it can process. We hope the successful applicant will encourage ranchers to increase their herds so that in turn they will use more Alaskan produced feed. We realize that initially there will be a need to import animals or purchase boxed meat for reprocessing, but the real value to us as a state is in the animals that will spend over half their lives consuming local feed and turning those dollars over and over in our community. Imported terminal animals will not provide a market for grain and hay, nor will they support grazing leases. While they surely will help bridge the gap to providing numbers through the plant, we hope the local livestock sector will shortly be able to supply the increased numbers needed.

- 2- Encourage individuals to produce livestock: We want 4-H and FFA to raise livestock. We also want individuals to raise livestock. Being involved in agriculture brings an appreciation of the amount of work and care involved with production. It teaches responsibility and dedication. It puts people back in touch with the land. That awareness is good for agriculture and it is good for farmers. The slaughter plant should be willing to take those animals that are raised for personal use as well as those raised by our youth groups and we hope it will encourage home raising of animals.
- 3- Develop new markets: Under private ownership, the plant should aggressively promote Alaska Grown animals and seek to place meat in the restaurants, grocery stores, and institutions around the state. We hope the markets will be assured that what they buy from the plant is locally raised and of high quality. With so much consumer interest in local food, it is vital that they can be sure that the plant upholds the integrity of the Alaska Grown program.
- 4- Willing to purchase animals: Those who raise livestock often need to sell them in order to stay in business. Unlike individuals who raise a couple animals for their own use, ranchers need to be able to sell them and the plant will be in a great marketing position to provide volume to large markets that in many cases are closed to smaller ranchers.
- 5- Strong management team: Over 30 years of operating as a state run plant creates a box that confines the way managers think about markets and new opportunities. Hiring a manager who can think outside that box is crucial to the success of the new operation. They will need to be meeting with potential markets, looking for ways to sell by-products, ensuring that what comes out of the plant meets the requirements of the customers or the operation will be short-lived.

These are some of the main goals we at Alaska Farm Bureau were looking for when we formed the Livestock Committee to look at transitioning MMM&S to the private sector. During those discussions, the committee developed a list of commitments to guide or search for an entity that would be willing to step up to the plate. At the end of the committee process an entity did in fact express interest in making that commitment. At a meeting in February, the Board of the Alaska Farm Bureau discussed the findings of the committee and the subsequent letter of interest from Denali Meat Co. It was the consensus of the Board to support Denali Meat Company's intent to purchase MMM&S. We hope you will consider these points as you evaluate their plan. They are local producers with a stated desire to strengthen the whole industry, not just provide meat. They have identified a management team we have confidence in based on past performance with similar projects.

After many years without a taker for the plant, we feel fortunate that one has come forward that also espouses our values and commitment to agriculture as a whole industry.

Sincerely,



Bryce Wrigley, President
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