



# THE GRANGE

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## AMERICA'S FAMILY COMMUNITY FRATERNITY

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Northland Pioneer Grange No. 1  
P.O. Box 2304  
Palmer, Alaska 99645

February 29, 2016

Dear Legislator:

The Northland Pioneer Grange No. 1 has always been a strong supporter of agriculture since it first organized in 1934. That support has included the Mt. McKinley Meat operation in Palmer.

In an effort to get the best information possible for the Grange to develop this support, it met with the staff of the plant and requested information we could put in a paper that best describes their operations and the things that it does in the community.

We have included a copy of what the Grange was able to inform the legislators of as best we could to support the Mt. McKinley operation. The plant has continued to this day supporting agriculture and the community. One of the things that the plant has done over the years has been to train inmates in meat processing and many have gone into the meat processing trade as a result. The retail meat industry has grown without any other training programs to support the need. This means that employees of the meat retailing industry must bring trained personnel from outside the state of Alaska. At present there are training facilities (Job Corps, Mat-Su Career and Technical High School and Mat-Su College) that could develop meat training programs but not without slaughter and meat handling facilities to work with in a hands-on fashion.

I volunteered to put together this response for our local Grange partially because I am a long-time member (since 1963) and have been familiar with the history of the Mt. McKinley processing plant from its very beginning. Training Alaskans on the slaughtering, handling, processing and retailing of meat and animal products would be an asset to all Alaskans. Students of training programs with hands-on training could help the processing plant, retail outlets and other portions of the meat industry.

Let's not close the facility for budget reasons, but change it to benefit the industry and local Alaskans.

Sincerely,

Sig Restad

Encl.

Mt. McKINLEY MEAT AND SAUSAGE  
HISTORY, FACTS AND SUMMARY OF ACTIONS

History:

- Constructed in 1983 – cost \$2 million
- Integral part of a larger plan to support increasing the size of the dairy industry in Alaska
- Operated by private industry from 1983-85
- Closed from 1985-87
- Reopened in 1987 under control of the Department of Corrections
- 20\_\_ Department of Corrections removes plant operations and maintenance funds from budget
- 20\_\_ Department of Natural Resources, Division of Agriculture provides funding to keep plant operating.
- November, 2005, the Board of Agriculture and Conservation (BAC) voted to offer the plant and 3.5 acres on which it sits for sale without restrictions.
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Facts:

- The plant is a link in the agricultural industry production chain. Removal of that link will cause the failure of other portions of the industry that can not operate without that service such as dairy, hog, sheep, buffalo, reindeer and goat farming.
- The plant is one of two federally inspected and certified slaughterhouses in the state – this certification allows the plant and customer to legally sell the meat products to the public.
- The plant provides a vital service for customers from Kodiak to the Copper Valley.
- 1,200 animals a year are brought to the plant for slaughter including 4-H animals from the Kenai Peninsula, Matanuska Borough, and Cooper River areas.
- In addition to animals brought in for slaughter the plant purchases meat directly from Alaska owned wholesalers such as Northern Meats, Mikes Meats, Teddies Meats, etc. These businesses will feel a substantial impact with loss of sales if the plant is closed.
- 70% of the meat processed is sold for use to the state prison system.
- Remaining product is sold to wholesalers, non-profit groups and individuals.
- Plant provides meat storage, not available with a mobile operation.
- Funding to operate and maintain the plant currently comes out of the Agricultural Revolving Loan Fund (ARLF).
- The ARLF also covers personnel costs of the Division of Agriculture creating a competitive situation for the funds.
- There is debate as to whether or not the plant operates at a deficit due to non-specific accounting records. Even if it is agreed that the plant loses \$150,000 a year (2005 accounting figure from the Division) the ARLF fund manager must use a figure of \$600,000/yr. losses when providing future loss estimates. This exaggeration of actual losses compounds the heightened sense of urgency for the BAC to divest the Division of the plant.

- The States \$150,000/yr. investment provides:
  - Support for an agricultural industry in Central Alaska that generates millions a year in private sector revenue.
  - A teaching/training facility and for inmates in the correctional system (currently 16 men paid \$1.10 per hour). The manager of the facility also provides each inmate completing his training with job counseling and job referrals (making contact with employers and lining up work). Follow up support for former inmates are also provided. (This alone should be worth \$150,000/yr.)
  - A source of animal tissue and organs used by the high schools, college and University for educational purposes such as medical training and study.
  - The only industrial slaughter facility within an hours drive from the states' most populated city and available market, Anchorage, the fastest growing communities in the Matanuska-Susitna Valley, and the states' largest prison near Sutton.
  - A secure, sustainable, food supply and hedge against the possibility that at some time in the future Alaska may be cut off from its food sources from the Continental U.S. (Alaska currently imports roughly 98% of its food products.)