

Feb. 27, 2014

Rep. Feige,

First, allow me to indulge you with my own experience. I was brought up in Northern Canada. I spent the first six years of my life on a trap line where I learned the value of our land and that which it provides. After completing high school, I joined the Hudson's Bay Company (HBC) where I was employed for 34 years. I started as a grocery clerk, trained as a meat cutter and worked my way up to Managing Director in charge of 82 Northern Stores. When HBC sold off their Northern Stores Division, we became known as The North West Company and went public.

I was promoted to Managing Director of Corporate Development to explore growth opportunities. That brought me to Alaska in where I toured the State and completed the due diligence to enter this market. We then purchased Alaska Commercial Company (AC) in 1992. AC continues to grow and be a significant asset to and corporate citizen of the many bush Alaska villages.

I left AC and purchased Echo Lake Meats in Soldotna in 2001, where we have an "old fashioned" meat market. We produce a variety of value added smoked meat and fish products and process fish and wild game. We purchased the Ninilchik General Store last year and will be opening a seasonal operation on Homer Spit, in May, offering our value added ready to eat products. During the last twelve years, I have seen a growing consumer desire for free range meat and poultry products and specifically Alaska grown. Yes, the cost of raising this product in Alaska is high but this can be somewhat offset by the 16 to 20 cents a pound for refrigerated freight to Alaska. Alaska can consume a lot more of locally raised animals if there was an efficient operating system from the farm to the consumer.

As I understood the purpose of MMMS, it was to be a slaughter operation, a USDA inspected facility where locally raised animals could enter the market. MMMS has Strayed from this original intention by taking the processing and value added steps that can be more efficiently handled by the private sector. In some cases MMMS has Competed with the private sector offering lower priced product directly to the consumer. They should not be doing this especially since their operating costs are highly subsidized. In the twelve years as a meat processor, I have not once been contacted by MMMS to sell me product. I have bought animals directly from the pig, elk and cattle farmers Where they paid MMMS an inexpensive slaughter fee.

A facility such as MMMSW is a definite need to provide an inspected ag product and support the Alaska AG producers. The processing could be and should be handled by the private sector. It is unlikely, at least to start with, that product would be sold to the larger super markets. However, there are many small Alaska operations such as ours that would take advantage of a consistent supply from an efficient source. A spoke with a number of these operators last fall advocating that we should form a meat processors Co-OP to improve our product and freight costs.

There was general interest, even to the point of looking at the State owned plant in Palmer. There was general concern about the condition and operating efficiency of the plant that would require

a valuation process, perhaps even a shared facility. Nate Burris of Mat Valley Meats is more familiar with MMMS than I am and I have asked him to forward his comments to you as well.

I hope this commentary is of some insight and value to assist in resolving a perennial dilemma with MMMS. If you have any questions feel free to call me on my cel 398-4166

Regards,

James (Jim) Clark