Brief History & Attempts to Privatize

- ‘83–’85 plant privately owned and operated
- Repossessed by ARLF – ’86 reopened & operated by Corrections
- ‘03 operation taken over by Division of Ag
- 2000 RFP – offered for sale - no responsive requests received
- 2002 RFP – offered for lease – no responsive requests received
- 2005 Division authorized to begin process to sell and close October 2006
- December 2006 decision to keep MMM&S open while evaluating alternative proposals
- 2014 Division of Ag survey – “Would you be interested in owning/operating a USDA slaughter facility?” – 91.5% said NO
Issues Facing Mt. McKinley Meats

- State facility can’t compete with private sector
- Inconsistent inmate labor
- Fall backlog with minimal use throughout the rest of the year
- Insecurity with yearly budget approval and change in leadership
Alaska Farm Bureau: Livestock Committee

- November 2014 - livestock committee formed

- Options: Privatize plant - build a new plant - continue fighting for current situation

- June 2015 requested assistance from Niche Meat Processors Assistance Network (NMPAN)

- October 2015 report from Nolan & Calicrate on evaluation and recommendations
November 2015 - MMM&S Steering Committee Formed

Alaska Farm Bureau budgeted $25,000
  - Assist with forming an entity
  - Writing Business Plan

What type of organization and how will it be structured?

Who will run the day to day operations?

Where will the start up funding come from?
Key Points for MMM&S Lease

- USDA compliance
- Fairness & equality for all producers
- Fees within a fair market window
- Increase marketing, labeling opportunities, etc.
- Increase value added products
Where We’re At Now

- House DNR Budget Subcommittee: intent language added to budget
- Conversations with potential plant manager
- Investors
- Denali Meat Company formed and announce intention to submit lease proposal
It is the intent of the legislature to allow for a one-time increment funding of MMM&S with the purpose of allowing appropriate time for negotiations between a private entity and the BAC for the lease of MMM&S. This is done with the understanding that the transfer of operations will be finalized prior to FY18 and MMM&S will not be included in the FY18 budget. The Department should issue a request for proposals (RFP) immediately. The RFP should be drafted with the least restrictive terms likely to attract successful bids. The Department should solicit for and consider bids for a lease and for a lease with an option to purchase.
Next Steps

- Contact legislators: House Finance, Senate DNR Budget Subcommittee, Senate Finance
  - Akleg.gov

- March 31st 1:00pm – 3:00pm - BAC public hearing

- Livestock Committee resume meetings - strategies to increase livestock production
Opportunities for MMM&S and Livestock Industry

- Marketing/advertising
- Value added products
- By product use
- Product Preference Program
- Labeling for producers
- Organic processing
- Growth in the livestock industry
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