



4201 Roosevelt Way NE
Seattle, WA 98105
pb: 206-547-1222
fx: 206-545-7131
pccnaturalmarkets.com

January 27, 2011

To the Community Economic Revitalization Board,

I'm writing to share with you our enthusiastic support and encouragement for the Cattle Producers of Washington (CPOW) proposal to build a co-operative slaughterhouse facility in Odessa, Washington. Customer demand for meat that's born, raised and slaughtered in Washington – such as that produced by CPOW ranchers – has increased dramatically in recent years, and demand still is growing. Our customers are demanding to be able to trace the source of their beef, lamb or pork to a specific ranch. Yet it has been an ongoing and frustrating struggle for us as a retailer to get local origin beef and other meats from small or mid-size, independent producers in a marketable form.

It is not difficult to find ranchers who produce what our customers want. But it has been very difficult and virtually impossible for small producers to access a USDA-certified facility where livestock can be butchered and packaged for the retail market.

We understand that a few smaller facilities are available to process meat for selling direct to consumers but they cannot legally prepare prime cuts and processed meats for retail sale. In addition, these smaller facilities often cannot or don't want to accept small volumes that a small or mid-size producer has available. In addition, we understand these facilities often must be scheduled 3 to 6 months in advance, forcing some producers to transport livestock out of state on the hoof for inhumane distances.

Our greatest impediment to securing a steady supply of Washington-origin meats is a slaughter and packing facility that enables the smallest to mid-size independent producers to participate, and is also willing and able to segregate orders to maintain traceability from the place of origin to the retail shelf.

The two dominant slaughter/ and packing facilities in our state are huge, vertically integrated, privately held companies that own and/or process primarily their own cattle herds, supported by a steady flow of cheap cattle from over the Canadian border, subsidized by the Canadian government. This reduces traceability of meat for consumers and increases the number of co-mingled meat proteins in packages, and increases the chances of broad yet largely ineffective meat recalls.



*Community-owned
and operated*

CPOW's plan for a co-operative slaughter and packing facility finally would enable Washington state retail grocers to have a choice in sourcing Washington-origin beef – or lamb, pork or goat – that's born, raised and processed in Washington. It would keep small and mid-size Washington ranchers from trucking their livestock and their dollars out of state.

This new facility would keep more of our business dollars in Washington and help Washington grocery retailers meet market demand. On a foundational level, strengthening our local economies enhances our food security, and in turn, our national security.

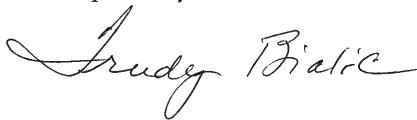
We are pleased that the proposed business adopts a co-operative business model, as a producer cooperative. Corporate scandals have left consumers searching for better ways to vote with their dollars and there's research showing that consumers trust the co-op model more.

In a survey of more than 2,000 Americans by The Opinion Research Corporation, 77 percent said they felt co-ops had the best interest of consumers in mind when conducting business, opposed to only 47 percent for publicly traded corporations. Sixty-six percent felt that a business owned by the people who use the services of the company or buy its goods is more, or much more, trustworthy than corporations. Of those surveyed, 78 percent felt that co-ops were committed to and involved in their communities.

This level of expectation is part of what makes cooperatives an ideal business model. Co-ops are expected to be responsible to their members and communities. Co-op members are counted on to participate in the business of the co-op by investing and voting. It's a symbiotic relationship based on trust. Some say the co-op model is unique in that members are respected for speaking their opinion. In much of corporate America, dissatisfied consumers often have little, if any, voice.

For all these reasons, PCC Natural Markets encourages you to approve and fully fund CPOW's application for an economic development loan. As a consumer-cooperative with 46,000 active members and \$150 million in annual sales, PCC Natural Markets believes this business proposal is an investment for strengthening our state's economy.

Respectfully,

A handwritten signature in cursive script that reads "Trudy Bialic". The signature is written in black ink and is positioned above the printed name and title.

Trudy Bialic
Director, Public Affairs