

Exhibit B

Washington Beef: Company goes beyond beef, stands out

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Related Information

Washington Beef

- **Location:** Toppenish
- **Number employed:** 900
- **Payroll information:** \$30 million; average hourly wage is \$13

TOPPENISH — One recent afternoon, dozens of workers used knives to clean bones and fat from meat in an assembly line at Washington Beef, where about 1,500 head of cattle are slaughtered every day.

Annually, that adds up to more than 400,000 head of cattle for about 300 million pounds of beef. While most of that is

■ **Year founded:** 1950s

■ **Category:** Agriculture & Food Processing

shipped across the country, roughly 20 percent — all prime beef — is sold to Japan and Singapore, said company president Brad McDowell.

Perched at the corner of U.S. Highway 97 and Fort Road in Toppenish, the slaughterhouse has supplied the area with jobs since the 1950s.

Today, the company says, it employs about 900 workers and boasts an annual payroll of \$30 million, with an average wage of \$13 per hour. The plant also creates another \$26 million infusion into the local economy annually through contracted services such as laundry and trucking and purchasing supplies. The plant spends roughly \$4 million a year on boxes alone, McDowell said.

Ownership of the plant changed several times over the years before Agri-Beef, based in Boise, Idaho, bought it in 2003. Founded in 1968, Agri-Beef also owns feedlots in Idaho, Kansas and Moses Lake and manufactures its own feed supplements. The company supplies most of the cattle that is processed at the Toppenish plant and employs a total of 1,200 workers, including those working in Toppenish.

Since 2005, the slaughterhouse has added 350 new jobs with additional meat production lines and upgrades to its wastewater treatment plant, which converts solid waste into compost. Animal waste parts are cooked and ground to make fertilizer.

“And we continue to add more jobs,” McDowell said.

A new ground beef production line completed in December has the potential to add up to another 15 jobs this year, and a planned expansion to its shipping and receiving area is expected to bring another 10 to 20 jobs sometime next year, he said.

The processing plant directly competes with giant beef producers in the Midwest such as Cargill, National Beef, JBS and Tyson, which also has a plant near Pasco. Those companies process about 650,000 head of cattle a week compared with approximately 7,500 at Washington Beef, McDowell said.

But being vertically structured, from ranching to producing beef, allows the company to intensely focus on the quality of each animal to produce high-quality meats and target premium markets. Close attention is paid to animal genetics and nutrition, and the company has its own scientists and nutritionists, he said.

“That’s how we have been able to survive in a high-level competition, low-margin market,” McDowell said. “But it’s really challenging because there are a lot of moving parts.”

The company raises a Japanese breed of cattle that produces famed Kobe beef. About 200 head of the premium animal is processed a day into high-quality cuts of meat that have been served at prestigious gatherings such as the Academy Awards and at the White House, McDowell said.

The plant also sells cowhide for leather and animal parts for medical research. For example, a membrane found around a cow heart is used to build replacement heart valves for humans, he said.

“There’s a lot of little side pieces of our business that people don’t know about,” he said.

In addition to making profits, the plant also donates beef to local and regional food banks. Over the past three years, Washington Beef has given away more than 800,000 servings of meat to needy people, he said.

Strategically, the Toppenish plant probably couldn’t be better situated, he said.

It’s not far from shipyards on the west side of the state and serves as a central hub for Agri-Beef’s cattle operations in Idaho and Moses Lake.

“We’re just 21/2 hours away from the ship, as to where the other guys in the Midwest are 21/2 days away,” he said.