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Central Arkansas RC&D Announces a \$2 million Sweet Potato Storage and Distribution Facility for Phillips County, Arkansas to Supply Gerber's in Fort Smith, Arkansas

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HELENA-WEST HELENA, AR (April 12, 2006) –Judge Tom Catlett, Chairman for the Central Arkansas RC&D Council, today announced that financing has been secured to construct a \$2 million sweet potato storage and distribution facility in Phillips County, Arkansas. Catlett further stated “this project is the hopeful beginning of an industry for Phillips County”. Sweet potatoes from the facility will, in part, supply Gerber’s in Fort Smith, Arkansas, substituting out of state sweet potatoes for locally grown product.

The storage facility, providing 112,000 bushels of sweet potatoes in its first phase, will (i) allow for diversification of agricultural production activities into a higher yielding crop, (ii) increase the number of farmers involved in sweet potato farming and sweet potato acreage in production, (iii) create a new industry in Phillips County that could lead to processing and other value-added agricultural activities and (iv) provide a source of raw material for the Fort Smith Arkansas based Gerber Plant.

Harvey Williams, Vice-President, Arkansas Delta Produce Marketing Association, LLC, stated saying “We would like to thank all the parties who were instrumental in helping to make the sweet potato project a reality. Special thanks to Senators Lincoln and Pryor, Central AR. RC&D, Winrock International, the Walton Family Foundation, Southern Financial Partners, Phillips County Government, and the UAPB 2501 Program”.

Currently, the Fort Smith Gerber Plant buys substantially all of its sweet potatoes from farmers in North Carolina. However, growers participating in the project sold 40,000 bushels of sweet potatoes to Gerber's this past year and have met quality standards. Increased sweet potato capacity and seasonal storage facilities in Phillips County will give the Phillips County area farmers a competitive advantage over the North Carolina farmers for Gerber's business. North Carolina currently produces nearly 40% of all sweet potatoes in the U.S., planting 36,000 acres.

East Arkansas farmers were once major producers of sweet potatoes due to the region's ideal soil conditions. However, this industry essentially relocated to North Carolina decades ago because adequate storage facilities were not created due to a lack of investment.

"Phillips County can once again be a world class grower of sweet potatoes but currently there are no sweet potato storage facilities in the Phillips County area, which forces the farmers to sell their crops at harvest time when supply is highest and prices are lowest," stated Dr. Bill Mulkey, a leading expert on sweet potato production and resident technical advisor for the growers, "In addition, sweet potato buyers favor farmers who can supply sweet potatoes on a 12-month basis, which is impossible without adequate drying, curing, and storage facilities. I believe that you will see Phillips County become a significant sweet potato producer once again. This facility is the start of that process."

The financing for the sweet potato storage facility comes from a number of private and governmental sources, including an \$800,000 Congressional appropriation through the efforts of Senators. Lincoln and Pryor.

The Walton Family Foundation, through Southern Financial Partners and the Delta Bridge Project, provided a \$400,000 grant for the facility. "I applaud the Walton Family Foundation Board for its support of this innovative plan to help bring economic stability to the Delta," U.S. Senator Blanche Lincoln said.

"The sweet potato storage and processing facility will allow local farmers to remain in the homes they own and plant more crop acres on the land they own, which will stimulate the

local economy. I am pleased to have worked with Arkansas Delta Produced Marketing LLC to secure funding for the facility because I believe it is an excellent example of the positive things happening in the Delta region.” Senator Pryor said “I want to thank the Walton Foundation for their grant which will be combined with federal grants to make this project a reality. This is great news for eastern Arkansas and Arkansas farmers”.

The Delta Bridge Project is a community development initiative for Phillips County that worked with residents to create a strategic community plan for Phillips County. The sweet potato storage and distribution facility is listed as an economic development priority in the Phillips County Strategic Community Plan. Dr. Steven Murray, Chancellor of Phillips Community College of the University of Arkansas, serves as the chairman of the Phillips County Strategic Community Plan Steering Committee. “Those of us who engaged in the Delta Bridge planning process dreamed big, and it is exciting to see those dreams begin to turn into a reality. I am convinced that we will transform our region by building on our strengths, not the least of which are the land and our ability to make it produce what we need.”

Applications are being processed through the U.S. Economic Development Administration for \$500,000 and USDA-Rural Development for \$200,000 for the project.

Winrock International also provided technical assistance to the project, developing the business plan and assisting the growers with marketing efforts. Annett Pagan, Managing Director U.S. Programs for Winrock International, stated “this business model developed over a period of three years by local farmers, along with Winrock International and Central AR. RC&D where a for-profit marketing and production firm is partnered with a non-profit organization focused on the construction and operation of a processing facility can be considered for other industries and other locations.

Clinton School of Public Service students Scott Curran and John Spears also played an important role facilitating the process as part of their school practicum requirement, “We couldn't be happier to be involved in this project. It is a great example of how the Clinton

School of Public Service can play a role in an endeavor like the Delta Bridge Project,” stated Scott Curran.

Central Arkansas RC&D is a 501(c) (3) organization dedicated to rural development and is based in Conway, Arkansas with offices in Helena-West Helena.