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NAPI turns a \$3.3 million profit
By Valarie Lee/The Daily Times
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FARMINGTON — For most multimillion dollar businesses, a \$3.3 million profit would cause the CEO to lose his job. Yet for a company that has not shown a profit in earlier years, that's good news.

"We have implemented a forward-thinking strategic plan that resulted in a \$3.3 million profit for the fiscal year ended May 31, 2004," Tommy Lewis, general manager of Navajo Agricultural Products Industry, announced in a news release last week.

The NAPI Board of Directors last week reviewed and accepted the audit of fiscal year that ended May 31. The profit of \$3.3 million is an increase of more than \$1.4 million from the previous year, which reported a profit of \$1.9 million.

Lewis said this marks three consecutive years of profitability of NAPI. In addition to its profitability, NAPI has been successful in generating sufficient working capital to sustain operations annually, he added.

"The credit goes to our work force and our crop managers. We asked everyone to dig in and they did with a personal commitment to excellence. It shows in our on-farm safety record, our quality crops and our profit margins," Lewis said.

NAPI's No. 1 product and revenue generating crop last year was alfalfa, which was sold under the Navajo Pride brand.

NAPI recently added 2,000 acres to expand the total alfalfa crop to 12,000 acres.

Despite significant environmental and economic challenges last year, the company said they are successful. Some of the challenges NAPI has faced are drought conditions, ongoing water rights challenges and a soft commodities market which threatened company profitability.

NAPI said they positioned themselves strongly in water allocations issues throughout the Southwest and successfully deflected any challenges to its water usage base or its customer contracts.

"Despite the obstacles in this industry and on our organization, the NAPI profits are tremendous news. Clearly, we have made enormous strides in a positive direction and are continuing to build momentum," NAPI board member Ervin Chavez said.

With the use of state-of-the-art technology in field design, water management and product harvesting techniques, NAPI is ready to outperform a number of regional and national competitors.

NAPI farms more than 70,000 acres of land which produces marketable crops like alfalfa, potatoes, corn, wheat, barley, and pumpkins. The crops are marketed under the Navajo Pride brand.

They said another phase they are looking to enhance is its customer base that focuses on stronger relationships and contracts.

For example, this year, NAPI finalized a significant corn supply contract with an Arizona-based dairy farm which

will purchase more than 20,000 tons of corn equaling in excess of one-third of NAPI's total corn production.

Other areas of improvement include the finishing touches are being made on 32,000-ton granary expansion projects that will nearly double the farm's grain storage capacities.

Also, crop managers have signed agreements to sell its Navajo Pride products to such companies as Del Monte, American Italian Pasta Corporation, Ned's House Products Co., and Shoenmann Inc.

NAPI contributes more than \$30 million to the Farmington community annually through employment and purchases.

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