

Idled Beef Packaging Plant On The Block For \$12 Million

ABERDEEN, S.D. (AP) — Attorneys have asked that a minimum bid of \$12.75 million be set for an idled South Dakota beef packing plant at an auction scheduled for December 5. Lawyers for Northern Beef Packers filed a motion in federal bankruptcy court to establish bidding procedures for the plant, the *Aberdeen American News* reported. Under the proposal, bids would be solicited for all the beef plant's property, including fixtures, improvements, machinery, equipment and supplies.

"Given the unique nature of the operating assets, it is impossible to estimate the value of the operating assets with certainty," according to the court motion. But the motion said the proposed minimum purchase price was determined to be an appropriate level to promote broad participation in a competitive auction for the plant's assets. Northern Beef had spent about \$115 million on the plant and equipment. The plant opened on a limited basis in 2012 after years of delays, but its owners filed for Chapter 11 bankruptcy protection this year, saying they didn't have enough money to buy cattle for slaughter. The plant has laid off most of its employees.

Mary Worlie, Brown County director of equalization, said the value of the plant and land is assessed for tax purposes at about \$54 million. She said the assessed value for tax purposes is typically less than the market value, but the beef plant is not typical property. "This is a very unique situation," Worlie said. "We don't know what it will bring at auction. It will sell for what it sells for."

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