Indian Affairs - Office of Public Affairs

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For Immediate Release: September 8, 1983
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Interior Assistant Secretary Ken Smith has approved an economic development grant of $358,666 to a Navajo tribal enterprise for the expansion of a potato production and processing business.

The grant is part of a Bureau of Indian Affairs program to provide "seed money" for the development of profit-making enterprises on Indian reservations. At least 75 percent of the project funds must come from non-federal sources.

The project of the Navajo Agricultural Products Industry (NAPI) will cost approximately $1.5 million. It will provide additional potato storage facilities, a fresh-pack facility and related equipment. Financing for the project, in addition to the grant, will come from a $700,000 bank loan and the contribution of equipment by NAPI.

The fresh-pack line will allow NAPI to sort and package potatoes into sizes and grades for specific markets to realize a maximum financial return. Management anticipates that the fresh-pack operations will provide 25-35 additional job opportunities on the reservation.

Grants to eight other tribes have been approved by the Assistant Secretary and other applications are being reviewed. The program , initiated this year, received an appropriation of $5 million for 1983.