



Letter to the Editor - Anchorage Daily News

Regarding: Declining Dairies Story April 18th, by S J Komarnitsky

Submitted by:

James V Drew PhD – Chairman – Matanuska Maid Dairy

Rhonda Boyles – Chairwoman – State of Alaska Board of Agriculture and Conservation. Board Member, Matanuska Maid Dairy

ANCHORAGE, Alaska May 15, 2006 - Reports of dairy farm closures in the Matanuska Valley are very alarming.

From more than 120 dairy farms only 40 years ago; the Valley hosts less than five today. Heavy debt load, farm-scale inefficiencies and real estate development pressures are contributing to the decline.

Milk production in Alaska is demand driven. Today, demand outpaces local production three times over. Matanuska Maid purchases all available milk from farms in-state. But to satisfy consumers' desire, Mat Maid supplements local supply with fresh milk from the Northwest. Because of reasons cited above, the price paid for local milk is considerably higher than milk shipped to Alaska from the Pacific Northwest. That's neither a good omen for business nor a recipe for success as an industry.

For Alaska to have an agriculture industry, efficient farms are a crucial component. Equally important, however, is the other end of the equation - efficient processing, marketing and distribution of products. Finally, we must have an integrated vision and plan. Without these things, agriculture in Alaska will continue its drift towards insignificance. We cannot let Alaska be only state in the union without a dairy industry!

Because the "margins" on milk are small, Matanuska Maid chose in the 1980s to diversify its product base, developing "value-added" products sold here and elsewhere. Defying long odds, Matanuska Maid



continues to capture customer attention and a strong market share in Alaska, against outside brands hundreds of times larger.

To be successful for another 70 years, Matanuska Maid must address immediate challenges. The company is still owned by an arm of state government, and that limits new financing. Failing that, our 40 year old production facility in the heart of Anchorage has neither room nor security enough to expand.

Alaska brands CAN succeed, and Mat Maid is proof of that. Consumers have said, with their purchases, that they want more Alaskan goods. Matanuska Maid continues to lead the industry, with brands that are healthy, sustainable and profitable. We eagerly await the emergence of a vibrant farm base, coupled with a state vision to match the enthusiasm we find in our customers and our employees.

In 70 years, will our children still hold up a jug of Mat Maid as evidence of Alaska's ability to provide nutrition to a health conscious public? If so, it will also be evidence of a thriving industry, creating jobs, exports, and revenue to the state's economic health.

###