

Ad Hoc Committee members present were:

Mr. McLaren (Mac) C. Carter, Board of Agriculture & Conservation  
Mr. Wesley E. Eckert, Darigold (retired)  
Mr. Ernie Hall, Alaska Furniture Manufactures  
Mr. Paul Huppert, Palmer Produce  
Mr. Don Lintelman, Northern Lights Dairy  
Mr. Rex Shattuck, Aide, Rep. Mark Neuman  
Mr. Mark Neuman, Alaska State Representative p.m.  
Mr. Joseph Van Treeck, Matanuska Maid  
Ms. Gail Phillips, Business  
Mr. David Wight, Business  
Mr. Ken Sherwood, Alaska Mill & Feed  
Ms. Ginger Blaisdell, Aide, Senator Lyda Green

Support Staff in attendance were :

Mr. Edmund Fogels, Acting Deputy Commissioner, DNR  
Ms. Rhonda P. Boyles, Chair, Board of Agriculture & Conservation (BAC)  
Mr. Larry DeVilbiss, Director, Division of Agriculture  
Ms. Candy Easley, Loan Officer, Division of Agriculture  
Mr. Raymond Nix, Natural Resource Specialist, Division of Agriculture  
Ms. Rachael Petro, Special Asst., DNR Commissioner's Office,  
Ms. Lora Haralson, Administrative Assistant, Division of Agriculture  
Mr. Frank Huffman, Manager, Mt. McKinley Meat & Sausage  
Mr. Chad Padgett, Director, USDA Farm Service Agency

The following outline was developed from several brainstorming sessions.

**DAIRY INDUSTRY – AD HOC COMMITTEE MEETING  
OUTLINE  
OCTOBER 23, 2006**

**HAY & GRAIN**

Opportunities

- CRP – Production
- Granola – bio fuels

Threats

- CRP – 29,000 acres = \$1,000,000  
\$350,000 - \$750,000 out  
(10,000 to 14,000 potential 2007-2010  
7,000 Acres in Delta
- Lack of Infrastructure
- Soil types – Ability

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## DAIRY

### Opportunities

- Production Credit – State/Fed Subsidy
- Review State contracts – bidder preference enforced
- Industry work together
- Move forward collectively regardless of politics
- Base “Subsidy” on production

### Threats

- Producer vs. Mat Maid
- High capital input
- High debt

### Business as Usual – Producer

- Industry will die
- Needs lots of subsidy to extend life

### Vision – Keep Dairy

- Need Dept. of Commerce & Div. of Agriculture to cooperate
- Review purchasing continuing
- Production credit system
- Specifically Alaskan
- Need Vet/Hoof Trimmer/Services for equipment (train instate)
- Need better quality hay (research)
- Need debt relief (state take from FSA)
- Need productivity per cow
- Breeding support
- Need to cope with inferior soil
- No longer private – state ownership
- \$150,842 year - \$11,000,000 with growth in industry?

### Vision– Dairy (both Mat Maid & Dairy)? Not sure

- Creamery need + freight
- Small but viable production
- Small sustainable viable dairy industry
- Needs to be sustainable
- Why should we have a dairy industry \$ economic impact \$49,000,000

Creamery Board Politics?

## MAT MAID

### Opportunities

- Privatize or State ownership (Mat Maid & MMM&S)
- Te-tool start fresh \$40,000,000
- \$1,000,000 to \$1,500,000 existing over 3 years
- minus existing real estate value \$\$
- Study where plant should be? – logistically UAA
- Alaska Railroad model
- Northern Lights Dairy Model

### Threats

- Stores take premium
- Outlived (2 viable lives)
- Land price for farmers/processors
- Security on Farm \$ processor
- Federal sole source contracts
- Federal regulations (food safety security)

Do we keep Mat Maid? – (reliable source of supply)

### Smaller Dairy

#### Opportunities

- Possibly less maybe more money/cost
- Different market Mat Maid milk vs. other brands

#### Threats

- Infrastructure
- Production levels (Class I vs. price)
- Transportation issues
- What the market wants – milk sales are flat – add it
- Production lines not possible

## MT. MCKINLEY MEAT & SAUSAGE

### Keep

- Primary USDA plant (not cost for USDA inspection) in the State = \$10,000,000
- Smaller scale? Mobile?
- Butchers cull cows = 2 days per week to kill
- Evaluate operation/schedule/cost cutting measures
- Impact to provide industry – boxed meat \$250,000.00
- Price to DOC
- No other carcass beef
- Long term commitment
- \$200,000 cost for services

### Don't keep

- \$195,000 loss - 2.4 million on ARLF
- DOC run it

### Cost Cutting Measurers

- Scale down on size
- Old refrigeration – needs upgraded
- Re-tool/Rebuild
- Palmer Correction Facility in Sutton move to it
- \$300,000,000 to \$500,000,000
- Combine milk & meat plant

MMM&S pays \$125,000 per year for dairy culls.

Dairy/Mat Maid/Hay & Grain/Mt. McKinley Meat and Sausage

OPPORTUNITIES

- Food & Agricultural Committee
- Build Ag Infrastructure

THREATS

- Lack of Infrastructure

NEEDED

- General Funding \$\$\$ for Division of Agriculture & PMC

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