

## Unknown

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**From:** gov.sarah@yahoo.com  
**Sent:** Monday, June 18, 2007 9:56 AM  
**To:** chckheath; Frank Bailey; Franci Havemeister; Perry; Kristina Y (GOV); Todd Palin; Irwin; Tom E (DNR); Rutherford; Martha K (DNR); Stapleton; Meghan N (GOV)  
**Cc:** Leighow; Sharon W (GOV); Bitney; John W (GOV)  
**Subject:** Fw: mat maid.

Just head's up - here's an example of the misperceptions that may be out there - this fellow believes our efforts are all for only four or five dairy farmers? Important we get a more accurate msg out there.

-----Original Message-----

From: "Balash, Joseph R (GOV)" <joe.balash@alaska.gov>

Date: Mon, 18 Jun 2007 09:39:30

To: Red Secoy <Redacted>

Cc: Meghan Stapleton <meghan\_stapleton@gov.state.ak.us>

Subject: RE: mat maid.

Red,

Sorry I haven't gotten much communication back to you, but things have been hopping around here and I didn't want to go through a bunch of what-ifs; I thought it best to utilize your input as a "clean" indication of what folks out there are seeing/hearing. Nevertheless, we are ready to start talking about the plans the Governor has for the BAC and Mat Maid.

First, I can tell you first hand the Governor does not look for (or appreciate) yes men. With new appointments today, she will be looking for people she trusts to go in and take a hard look and make a sound decision about the short-term horizon. Unfortunately, the message(s) we were getting from Mat Maid management and some members of the board were inconsistent—which leads to suspicion in the ag community and puts cracks in the confidence the Governor can have in the message itself. Also, the sudden change in direction by Mat Maid (shutting down in July versus the end of the year) has unfairly put the dairy farmers in the position of having the rug pulled out from under them without time to plan for a total shutdown if that is the necessary result. Bottom line, she needs a frank assessment pretty quick from folks she has confidence in.

Second, this is not just about 5 dairy farms. There are more than 100 jobs at Mat Maid—everything from the truckers who pickup and deliver products to support staff in the corporate offices. Also, the dairy farms are the market for farms that grow feed and hay. And if the dairies stop providing a regular supply of cattle to the slaughterhouse, it could shut down, too. Then the pig farmers wouldn't have anywhere to take their animals. The ripple affect will be felt all over the agricultural industry.

Finally, there is going to be a look at whatever long-term solutions there might be. The Governor needs to know what the range of long-term solutions might look like. If the only way to continue a dairy production industry in Alaska is with long-term subsidies from the State, we need to know that. I can tell you the Governor wants a private sector solution here. But if Mat Maid closes without time for the private sector to respond and fill the market gap, we could lose the dairy industry and it is unlikely those dairies (or new ones) will come back.

Joe

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From: Red Secoy ' *Redacted*

Sent: Monday, June 18, 2007 12:01 AM

To: Balash, Joseph R (GOV)

Cc: Meghan N Stapleton

Subject: mat maid.

Joe,

I'm a little worried about the way the Governor is handling this Mat Maid thing. I still have a lot of faith in her and her ideas. But I believe that maybe she isn't getting the whole picture on this dairy business.

Dairy nation wide has been supported by government for many decades. Now with the ethanol growth the price of feed is going to put a squeeze on even the best run dairy's in lower 48. Joe Van Treeck is a very capable and honorable man. He has already done miracles keeping Mat Maid operating for last 25 years.. He took a lot of heat early on by importing milk to keep production up.

Through out the years he has introduce many innovative products to keep the dairy diversified. I do believe that if Joe Van Treeck can't keep Mat Maid going then no one can. My point is I don't want to see Sarah get into something which will backfire and haunt her for the rest of her administration. Although she is quite committed publicly almost Frank like. I do not believe that the dairy can once again operate without lots of government dollars. If she goes and puts 2-3 million dollars into to save livelihood of 4 or 5 farmers it will not set very well with a lot of people in the state. Also by axing board members that aren't yes men she puts other state directors into the position of maybe not being quite candid enough so as not to lose their jobs. I don't really believe in the my way or highway approach when you are dealing with knowledgeable people. You end up with too many yes men and too many failed projects.

Red Secoy

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Have a GREAT DAY,

Red Secoy