A Colony, a Legacy, a Future

Providing quality dairy products to Alaskans for over 70 years
Early beginnings (1939) of the Matanuska Valley Cooperative Association are reflected here in this journal excerpt written in pencil on school tablet paper.
It takes little more than seed, sun, soil and water to make a crop come up. It takes lots more than that to grow a business to maturity, especially in Alaska.

Matanuska Maid, now in its third generation, understands this fact well. In some respects, its corporate history reflects that of Alaskan agriculture as a whole. Many factors have challenged our capacity to sustain an industry here: weather, cost of goods, politics, capitalization and a small population.

Yet, here we are, beating the odds with a wonderfully loyal base of consumers who buy Matanuska Maid products because “they’re fresher, they’re locally made and they taste better.” Their reaction is nothing new; it’s been the same since the first pound of butter was sold in 1936. At 70 years old, Matanuska Maid stands financially strong and highly regarded.

I came to this company in 1985, in the midst of a corporate crisis, the results of a changing marketplace, bankruptcy and a union contract dispute. The reason I’ve been able to succeed (the average tenure for managers before me was two years) is a combination of hard work, a quixotic vision about agriculture in Alaska and a remarkable team of bright, dedicated people who have worked with me through good times and bad.

Our strategy for continued success centers on a value-added premise and creating new markets for dairy and beverage product. In the process, we purchase all milk available to us that is produced in the state, which supports the survival of Alaska’s dairy industry with a guaranteed market for milk production. At the same time, we’re developing new markets with our bottled water product line and creating a healthy image of Alaska-sourced foods.

Economists say that a dollar generated in value-added local business products like ours have four or five times more economic impact than buying the same product from outside Alaska. Besides the jobs and tax revenue created, homegrown companies are also more likely to support local charitable organizations, something we have done for decades.

Twenty-one years here have only heightened my confidence in Alaska’s entrepreneurial efforts. With vision, a plan, a team and political accord, Matanuska Maid looks forward to the next milestone, where no other in our esteemed agricultural family has gone – the Century mark.

We hope to see you there,

Joseph W. Van Treeck
President, Chief Executive Officer, and General Manager
Matanuska Maid (1986 – present)
Mission and Guiding Principles

Corporate Mission:
To be a low cost provider of premium quality dairy, food and beverage products to consumers both in Alaska and beyond, while maintaining a market for locally produced milk.

Guiding Principles:

1. Quality Comes First
The reason for Matanuska Maid’s success is the commitment we make to quality. Customers say that our products taste sweeter and fresher. We will not compromise that principle in favor of economy.

2. Build Value; Customers Will Follow
Alaskans like to support local companies that supply quality local products. Matanuska Maid will continue to be a consistent brand with a tantalizing array of premium products at competitive prices.

3. Leadership Fosters Stability
Companies reach the age of Mat Maid only if they can transcend the challenges of generational change. Matanuska Maid has veteran employees and board of director members who have decades of experience in Alaskas industries. The next generation of leadership is already working here, being well trained to continue a tradition dating back to the Matanuska Colony, in 1935.

Matanuska Maid will also continue to be a leader in the agriculture industry, seeking accord and synergy with disparate parts of the supply chain, adding a voice of experience and encouragement on the subjects of “value-added” and “export.”

4. Thinking Outside the Carton
Matanuska Maid will employ inventive strategies to remain visible, desirable and profitable. We continue to pioneer new products and concepts that separate us from competitors, even though our marketing budgets pale by comparison. We will continue to invest vigorously in R&D and marketing, because competition is keen and our customers watchful.
5. Generosity and Gratitude

We are ever-grateful for our employees and suppliers, the backbone of Matanuska Maid’s success. Without them, we could not possibly meet public expectations. As a matter of policy and practice, Matanuska Maid serves those who serve us - with respect, good compensation, and a safe, comfortable work environment.

Likewise, we are grateful for our loyal Alaskan consumers. We show that appreciation through our quality assurance program. We extend that gratitude by supporting communities in a variety of ways: student scholarships, athlete programs and donations to charitable organizations striving to bring honor, dignity and appreciation to this Great Land.

Wayne Bouwens (pictured second from the left) is an official “Colony Kid” who came to the Matanuska Colony with his family, as a boy of five in 1935. The original settlers tent-camped that first summer while they built permanent housing for the winter ahead. Over the years, Wayne has been a successful farmer, dairy producer and board member of Matanuska Maid. Wayne has been recognized as a community leader and advocate working to preserve the Colonist’s story and heritage. Today, at 77 years of age (inset photo), Wayne is a board member of the Palmer Historical Society, and the Colony House Museum project.
The History of Matanuska Maid Dairy: 1936 ~ 2006

Hardy Colonists A Healthy Start

The saga of Matanuska Maid is torn from the pages of a John Steinbeck novel. It was 1935 when, in the midst of the Great Depression, 900 individuals escaping starvation on farms in the upper Midwest volunteered to create the Matanuska Colony, near modern day Palmer, Alaska, an event that more than doubled the Matanuska Valley population.

From seeds of disaster sprouted hope for these families – a fresh start on fertile ground, aided by a homestead parcel and low interest loans provided by the federal government. The hardy newcomers who persevered the first tough years began a cooperative form of governance and commerce – tending to business while breaking the land.

Though physically demanding work, the wild Matanuska Valley floor soon yielded enough bounty to begin selling food and dairy products to locals in Palmer and Anchorage. The Colonists’ output even gave a boost to the military as it fortified America’s northern flank during World War II.

Fresh to the Table: 1936 ~ 1980

In 1936, the Matanuska Valley Farmer’s Cooperating Association was formed. The trade name “Matanuska Maid” was selected in a contest held that winter. Dorothy Sheely, a local high school student, submitted the winning name that endures to this day. For that effort, she won $25 which she spent on a bicycle during a trip to Anchorage.
In its first year of milk production, the Cooperative reported sales of 6,458 pounds of butter and 26,928 eggs. By 1940, there was enough surplus milk to begin bottling and selling it in Anchorage stores: sales crept towards $500,000. Ice cream production began that year and Alaskans showed great enthusiasm for it.

Three years later, Matanuska Maid’s sales topped $1 million. Despite very difficult political and legal squabbles between dairy producers and crop growers, the Cooperative earned modest profits in the ensuing years.

**Fresh Local Milk Bottled in Anchorage**

To meet increased demand for fresh bottled milk, the Cooperative purchased a facility in Anchorage that enabled Mat Maid to bottle and distribute milk from the former Eastside Dairy. This move also improved the overall financial picture for farmers as well as the production of milk. With the coming of another World War, construction of military bases and the influx of new personnel, demand for dairy and fresh produce increased dramatically.

Milk was bottled at the Anchorage plant from 1945 through 1950. Ice cream production in 1950 reached 7,000 gallons a month and sales topped $2 million. In 1951, the Palmer plant was remodeled to handle all dairy products, including reconstituted milk. The Anchorage plant continued to be used as a distribution center.

Four years later, Mat Maid moved to a new distribution facility on Northern Lights Boulevard, then the outskirts of Anchorage. Another processing plant, built in Fairbanks in 1954 to provide reconstituted milk for the military, operated until 1961.

The military, traditionally one of Matanuska Maid’s best customers,
1986
Dairy begins production of cultured products and sale of cottage cheese and sour cream.

With financial and market challenges under control, and sales rebounding 60% to over $10 million, Mat Maid happily celebrated its 50th birthday.

1987
Raw milk production increased 42% from 1985-1987; Mat Maid purchasing the production of approximately 2400 local dairy cows.
Recognizing Americans' trend to consume more healthy foods, Mat Maid introduced a line of 12 low fat fruit yogurts in June.
A new marketing program started selling advertising on the side panels of ½ gallon milk cartons.

1988
Low fat cottage cheese was added to product lines.

sent shipments of dairy products to support US troops in Korea during that war in the late 1940's and early '50's. They switched from reconstituted to fresh milk in 1960. That move helped trigger a decision to modernize and enlarge Mat Maid's Northern Lights distribution facility to 63,000 square feet to include processing and distribution. The project was delayed by the 1964 earthquake but completed in 1965.

By 1962, Matanuska Maid had survived its 25th year as a cooperative, and some of its earlier businesses had changed or were suspended. What remained was a strong core dairy business and other farm infrastructure support, like a grain elevator and feed mill in Palmer.

The Skater Girl ~ An Enduring Alaskan Image

Inspired by the popular Olympic gold medalist and film star Sonja Henie, Matanuska Maid's skater girl logo came into being in 1949, sketched by then General Manager Jim Wilson. The skater girl logo was registered as an official trademark of the dairy in 1956 and is still ranked as one of Alaska's most enduring brand images. Her image has, in one form or another, continued to grace Matanuska Maid product packaging ever since.
1989
The “Creamery Corporation” was established d.b.a. Matanuska Maid Dairy.
ARLF Board named Joe Van Treeck to his current position of President and CEO of Matanuska Maid Dairy.
To meet the growing customer demand for healthier products, Mat Maid introduced a “Light Plus” line of 1% milk.
Mat Maid became the second dairy in the nation to introduce a sugar free non-fat yogurt - Glacier Creme; it was the lowest calorie product on the market.

1990
The Dairy began selling gallons of milk in yellow HDPE plastic containers, which had been shown to preserve more vitamins and maintain a better tasting product.

1993
Mat Maid began producing plastic gallon containers for inhouse and outside sales.

Loyalty for Locally Made:
1980 ~ 1990
If the growth of Alaska’s agriculture industry were charted on a graph, it would look more like the skyline of the Alaska’s Chugach Mountain Range, rather than a steady incline. Nevertheless, the enthusiasm for locally made products has been steady from the beginning. Matanuska Maid’s brand has benefited greatly from this allegiance.

Dairy farmers in northern latitudes face challenges of climate and geographic location. Dairy operations in Alaska can be successful provided that five important factors come into play: efficient farm operations, high quality products, reliable distribution, cooperative retailers and a steady consumer base. Not often have all these elements been in sync.

Matanuska Maid has direct control over two of them – high quality products and marketing to a loyal consumer base. To the degree that Matanuska Maid wins fans with its freshness and taste, it also continues to find customers willing to make room for the product on their shelves.

Over the years, the number of farms in the Matanuska Valley has seesawed dramatically, from as many as seventy in earlier decades to less than twenty in the late ‘70s. As Alaska’s oil and gas royalty income outpaced the rate of population growth, Alaska invested heavily in farming across Cook Inlet near the Knik Arm at Point MacKenzie. There were offers of inexpensive land, grants and low interest loans, all made available to facilitate increased agricultural output. The Matanuska Maid Cooperative borrowed heavily to ramp up for the expected expansion. Despite these efforts, the net results were disappointing; it was expecting too much of farmers to turn wilderness into profitable producing farms in three years.

The bruising debt load on farmers and the Cooperative became an
impediment to the industry’s financial health. At the same time, new dairy brands began flooding into Alaska, with retailers offering heavy discounts on milk.

In early 1983, long time General Manager Jack Flint suffered a heart attack. Flint’s absence, after 15 years at the helm, started a chain reaction ultimately resulting in management’s decision to declare bankruptcy.

Into the middle of this administrative and fiscal disaster stepped John Seawell and Joe Van Treeck. In the fall of 1984, Governor Sheffield appointed Seawell, a savvy local businessman, as Matanuska Maid’s general manager. Seawell was to assess the situation and determine if the company could be salvaged and to report his observations to the Governor.

Seawell’s optimism helped convince state leaders to stay the course and Seawell was asked to move the business forward. One of Seawell’s first strategic decisions was to hire a new plant manager, Van Treeck, who had dairy science education and operational experience outside Alaska. Despite hardships, the Company celebrated its 50th anniversary.

Van Treeck recalled that, even at the worst times, there were local champions for locally made dairy products. “Retailers included the military, Larry Carr, Orville Proctor, and the owners of then prosperous Foodland and Time Savers stores. They continued to buy from Mat Maid even when the quality was
uneven, the supply was spotty, and the service was mediocre,” he said. “They felt strongly that Alaskans should support each other and they stuck by us.”

**Separating from the Cooperative**

It was to the State of Alaska that Matanuska Maid owed the most money. In the bankruptcy proceedings, Seawell’s optimism convinced State officials that Matanuska Maid should be allowed to survive. It was reasoned that without Mat Maid, dairy farming in Alaska – at least as a cohesive industry – would cease to exist. That would dash any hopes of collecting the outstanding loans. In the end, the court allowed the State to take ownership of the Cooperative’s physical assets in exchange for its debt.

The bankruptcy severed Mat Maid from a half-century of ownership as a farmer cooperative. The business operated in receivership, doing business as Matanuska Maid Dairy, while next steps were under consideration.

Seawell used his political clout to convince the State’s Agricultural Revolving Loan Fund board (ARLF) to invest another $1 million to upgrade the Mat Maid facility, its plant equipment and truck fleet. Some of the cash was also used for daily operations and to secure trade credit.

The management team worked tirelessly during the mid-to-late 1980’s to resurrect the Company, improving it’s financial, and operational practices. Seawell’s finance
savvy, coupled with Van Treeck’s dairy processing background, proved crucial in turning Mat Maid’s business prospects around. Sales rebounded 60% and topped $10 million by 1986.

In June 1986, Seawell announced his intent to step down and suggested Van Treeck’s promotion to General Manager. Seawell also advocated a change of legal status for the corporation, a process that took two more years.

Despite these positive changes and Seawell’s mentorship, the Corporation’s silver lining peeled off again in 1987. That year oil prices plummeted to $9 a barrel, population dropped as both personal and business bankruptcies ballooned. Simultaneously, Mat Maid was inundated with an excess of very expensive milk from new Point MacKenzie farms. Much of the milk was sold at far less than it cost, and some of it was destroyed for lack of a viable market.

But dairy consumers were resolute. Delene Bartel, Director of Sales, said: “Shoppers continued to purchase Mat Maid products during hard times when the company was struggling to improve its performance, even when the retail cost was higher than competing brands from outside.”

This loyalty is no small feat in a tough market, where milk products are often viewed as
a commodity and not a “premium brand” decision for shoppers.

Through the years, independent surveys have consistently shown Alaskans favoring Mat Maid products by wide margins. “It’s very unusual to have a local brand commanding almost 50% of the market share against chain store brands,” Bartel said.

In 1989, the Creamery Corporation was established, d.b.a. Matanuska Maid Dairy, wholly owned by the state. With its formation, the ARLF Board named Van Treeck to his current position of President and Chief Executive Officer. Seawell claims to this day that hiring Joe Van Treeck was “the best decision I made during my days at Matanuska Maid.”

Steve and Barbara Hamilton, retired Matanuska Valley milk producers and long-time supporters of Alaska’s dairy industry, pose in front of their family farm in Palmer, Alaska.
Alaska in a Global Market:  
1990 ~ 2006

As product diversification helped Matanuska Maid expand in earlier decades, that trend intensified under Van Treeck’s leadership. The expansion in product line and production capability then became an opportunity to export to both domestic and international markets.

“When I arrived at Matanuska Maid, we were only producing fluid milk products,” said Van Treeck. “Even though our products are seven days fresher than lower 48 brands (due to the time necessary for shipping to Alaska) people are only willing to pay a little bit more for that extra shelf life.” He continued; “To be price competitive with other brands means we’re left with low profit margins. We had to diversify our product line and expand our market to stay alive.”

Logically, product expansion included new sizes of existing lines. New contracts brightened the future, with half-pints of milk, for example, being served to school children all over the state. Two of Mat Maid’s most popular cultured products, cottage cheese and sour cream, were reintroduced to the public in updated packaging.

Yogurt was the Company’s first real venture beyond the basics, in 1987. Mat Maid’s cultured yogurt arrived to great favor with the public - 12 fruit flavors in 8-oz. servings. Because of limited capital for building expansion, all of Mat Maid’s products, even new ones, are produced under one roof. Other large dairy companies tend to specialize their manufacturing facilities by each product group.

Under Van Treeck’s management, and with help of Company Comptroller Irene Bartee (1986-1995), and current Comptroller Linda Bowers, Matanuska Maid achieved financial self sufficiency. From that time, the Company has improved the State’s equity investment and has been profitable enough to finance moderately sized capital projects and product line expansion. “I’m proud of the fact that Mat Maid has been a plus for the State,” Van Treeck continued.” Many of the State’s business rescues have not turned out so well. In contrast, we haven’t required a dime from the State.
since 1988, yet we’ve managed to reinvest over $8 million dollars into capital improvements, product enhancements, and distribution efficiencies,” he said.

The constraints on the physical plant in midtown Anchorage - now the hub of a city of 270,951 - didn’t prevent Matanuska Maid from upgrading its menu of products as well as its visibility in stores. In 1996, Carrs Quality Centers - then Alaska’s largest employer and grocer - expanded its distribution of Mat Maid products throughout its chain, including Unalaska and Juneau. Van Treeck credits his employees and management team for those gains.

Today, the plant produces - among other products - about 120,000 pounds of fresh milk and other dairy food products on a typical day. Important to this dairy production is a stable supply of milk that meets national quality control standards. One concern for thirty-one year veteran and Plant Manager, Gary Nelson, is the decreasing volume of milk from Matanuska Valley farms, while consumer demand for Matanuska Maids’ products continues to remain strong. In spite of incentive pricing, the percentage of milk produced by Mat Maid derived from Alaskan cows has declined from 100% in the 1980’s to 35% today. Sustaining agriculture and dairy production in Alaska are important concerns that will need leadership and support from the State of Alaska and the Division of Agriculture. Larry DeVilbiss, Director of Alaska’s Division of Agriculture, credits Van Treeck with bringing Matanuska Maid back to financial health and popular acclaim. DeVilbiss understands the difficulty of making the dairy industry profitable because his own history includes being a Valley farmer. “Joe Van Treeck is undoubtedly the premier industry manager today in Alaska.” DeVilbiss stated.

In 1990, the company was among the nation’s first to introduce its signature yellow, one-gallon jug, which sets it apart from the competition because of its color and its ability to preserve milk’s freshness and nutrient value.

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**Why Yellow?**

Alaskan consumers recognize Matanuska Maid on the shelf with its distinctive yellow plastic gallon and half-gallon containers. Matanuska Maid was among the first dairy processors in the nation to introduce the distinctive yellow plastic milk containers. Utilizing a special light blocking agent, the containers protect the milk from light, which can degrade the vitamin and mineral content. The benefit to Alaskan consumers: Freshness and quality in every glass they drink.
In 1995, the company took its first step away from purely dairy-based products when it started making Mat Maid brand orange juice. Freshly made from concentrate, Mat Maid was the first to package 100% Florida orange juice in Alaska, and one of only two processors on the West Coast to receive licensing from the Florida Citrus Commission, for promotional sales support. Company sales that year reached $14.5 million.

The following year, 1996, Matanuska Maid launched a new yogurt-like “pro-biotic” product named Glacier Yo™. To bring this product into production, Van Treeck traveled to South Korea with long time marketing advisor Greg Galik, to gain understanding of the heritage and affection that Asians have for cultured products. They were able to convince Korean makers to share the highly proprietary recipe. Glacier Yo™ was Mat Maid’s first export product, designed with Pacific Rim countries in mind.

The Story of Bottled Water

Matanuska Maid’s entry into the water business was in the late 1990’s, but the move was presaged by a rescue mission in March, 1964, after the devastating (9.2 on Richter Scale) earthquake. Massive damage in Anchorage left the city without drinking water. A landslide cut off Eklutna Lake, a water source for Anchorage.

Recognizing Anchorage’s urgent need for water, Matanuska Maid took immediate action. In nearby Palmer, the company had a generator for electricity and its own gravity fed water supply from a nearby aquifer. Taking advantage of these resources, Matanuska Maid began packing half-gallon cartons with fresh drinking water, delivering it to distribution points around Anchorage until municipal water resources were back on line.
Nearly 30 years later, the Company took its first step towards bottled water via an unresolved need for a consistent supply of plastic milk jugs. “We had been experiencing difficulty getting competitively priced plastic bottles from local suppliers,” explained Van Treeck. “A board presentation in 1992 convinced directors that we’d be better off having our own capacity to make bottles.”

Initially, Matanuska Maid manufactured yellow milk bottles to satisfy its own needs. Then the company became the plastic container supplier for Delta Junction’s Northern Lights Dairy, the only other Alaskan milk bottler in the state. Today almost 30% of Mat Maid’s one-gallon bottle capacity is sold to other businesses - for milk, water and other beverages.

In 1997, Matanuska Maid further expanded its plastic manufacturing activity, producing clear, single-service plastic bottles for the water industry. In 1998, they began contracting to co-pack for other companies.

What began as a way to improve the consistent supply and quality of milk containers has become another source of income. Just as significantly, the bottled water has also been the means for Alaska to be marketed in other parts of the world. “I’m a back door entrepreneur, not born with risk-taking genes,” stated Van Treeck. “I’ve had to learn to think like one because Mat Maid’s only shot at survival into this century was for us to open and develop markets that didn’t exist.”

Palmer serves as the site for Matanuska Maid’s Plastics Division. Conrad Maslonka, Matanuska Maid’s former Special Projects Coordinator, (1980-1997), is credited with making the conversion to plastic packaging. When the decision was made to purchase the bottle-making equipment and retrofit the building, Maslonka was asked to lead the project. The production facility is housed in the building that formerly held the feed mill and warehouse. It is next door to buildings from the 1930s that housed the Cooperative’s earliest efforts.

The bottle manufacturing plant had to be transformed from an industrial warehouse to a Grade A processing quality facility on a limited budget. In less than four months, the transformation was
complete; plastic bottles were being produced.

Of all the projects that Maslonka undertook during his years at Matanuska Maid, Maslonka stated: "The bottle plant is the thing of which I'm most proud."

Maslonka met Terry Clark in the early 1990s. With a varied background including business development, Clark witnessed the impact of changes being made at the Palmer operations. When Maslonka retired, he recommended Clark to replace him as Special Projects Director. Clark said: "I saw the increase in bottle production from about 600 bottles to 10,000 bottles an hour with the introduction of the plastic, single-serve, small bottle manufacturing equipment."

Through 2004-05, Clark managed the Plastic Division's latest expansion, the manufacture of yellow, half-gallon milk bottles as a companion to the larger, one-gallon version. Total bottle manufacturing capacity at the end of 2006 is expected to exceed 15,000 bottles per hour.

Clark has also been tasked with developing sales for bottled water outside of Alaska. It is estimated that 40% of the nation's reserve of fresh drinking water is locked in Alaska's glaciers and lakes. That
supply, plus Alaska’s vaunted image worldwide as a pristine location, gave rise to Mat Maid’s newest bottled product: Clearly Arctic™ drinking water. A new premium glacier-source water, Clearly Alaskan™ is entering select markets in the lower 48 in 2006.

Matanuska Maid’s Clearly Arctic™ water bottling plant in Anchorage is currently the only Alaskan facility certified by both the International Bottled Water Association (IBWA) and NSF International, the “Public Health and Safety Company”™. The US Food and Drug Administration (FDA) and the State of Alaska also conduct regular inspections of the plant. “The standards required by FDA assure our customers that this water meets the highest standards for purity, process, and handling,” Clark added.

“A Dreamer and the Capital”

Matanuska Maid, Alaska’s oldest dairy food and beverage processor, is also one of the world’s most northern! Today, Matanuska Maid is Alaska’s largest local dairy, serving a market of more than 663,661 throughout Alaska. The Company’s impact on the economy of Alaska is substantial, creating hundreds of direct jobs - at Matanuska Maid itself or at one of a family of distributors, dairy farm operations and other supporting industries.

“We’re no longer bound by geography,” said CEO Van Treeck. “As people around the world become more conscious of their optimum nutritional needs, Alaska will gain new market opportunities to supply healthy, nutritious products produced by a sustainable food industry.”

Matanuska Maid has only cracked open the door to such opportunities. On the dairy products side, potential exists to sell select Mat Maid branded products in Alaska as well as throughout North America and the Pacific Rim. Clearly Arctic™ water and its premium cousin, Clearly Alaskan™, have seemingly endless opportunities in the rapidly growing global market for bottled water.

Anchorage’s airport, long used by airlines as a crossroad for passenger flights, has also become a trans-Pacific hub for air cargo. Hundreds of cargo jets stop at the Anchorage airport each day, providing the transportation infrastructure needed to support the global expansion of markets sought by Van Treeck and other entrepreneurs.

Van Treeck believes that Alaska’s $50 million agriculture industry can double, triple and more, given the right political climate, capital
investment and vision. Van Treeck said that Mat Maid’s $14 million plus in sales a year represents a fraction of its potential.

The board and management of Matanuska Maid seek to build another facility in the greater Anchorage area. Post September 11, 2001, newly mandated measures for food security are not compatible within the present midtown location. In all likelihood, Mat Maid’s move will coincide with the Company considering options for becoming a privately held corporation. “State ownership, while useful in its time, has now become an impediment to private investment and growth” Van Treeck said. “Call me a dreamer but I am as enthusiastic about Matanuska Maid’s future as I am delighted by its history. Challenges have always been the food for opportunity and that’s not going to change.”

As an example of where this can take Mat Maid, take a look at the cutting-edge technology of “radio frequency identification” (RFID). Matanuska Maid has been working with Dr. Oliver Hedgepeth at the University of Alaska on an experimental project that ultimately could put tiny radio transmitters on every carton of product produced for sale. Not only does this have potential for streamlining inventory control, it is another security measure guaranteeing that products are shipped on time, are not delayed en route, stay at optimum temperatures during transit and arrive fresh.

Today at Matanuska Maid, there exists a wonderful opportunity to grow new markets, opportunities and sales. “We have three generations of good will, very high brand awareness and close to 50% share of the market,” Van Treeck continued. “For that, I thank the loyalty of Alaskans who value heritage, capitalism and rugged individualism.”

“Looking forward, the team at Matanuska Maid has immense talent and energy for contributing to Alaska’s quest for sustainability. What better a place to start than with a company that brings you new and healthy products to start your day?”

Downtown Anchorage, Alaska 2006
Matanuska Maid Today

Corporate Background

The Creamery Corporation, d.b.a. Matanuska Maid Dairy, is wholly owned by the State of Alaska. The State assumed ownership in 1986, as the result of bankruptcy, and did so by exchanging the value of Mat Maid’s secured loans for the operating assets of the old Cooperative. Since then, the company has been run independently, like any other private, medium-sized Alaskan business. During the 20 years of State ownership, the Company’s management recovered lost market share, built equity in the Corporation, and kept pace with necessary infrastructure and product improvements.

Board of Directors

Creamery Corporation has its own board, responsible for direction and guidance of Matanuska Maid.

Matanuska Maid is also subject to the decisions of the Board of Agriculture and Conservation (BAC). The BAC is the overseer of the Alaska Agriculture Revolving Loan Fund (ARLF), to whom the Cooperative’s loans were in default at bankruptcy.

The Creamery Corporation was formed by the ARLF using a private business model, with the goal of Matanuska Maid ultimately becoming independent of the State.

At the inception of the Corporation, a stock certificate representing one thousand shares was issued to the ARLF. The BAC is the sole shareholder for the State in the corporate affairs of the company, thus, BAC board of directors’ decisions also affect the future of Matanuska Maid.

Business Facts

The State’s expectation was that Matanuska Maid would be self-sustaining, requiring no subsidy from taxpayers. That expectation has not only been met, but exceeded. Since 1988, when the company was emerging from bankruptcy, the State has made no further investments, and the management has requested none. Rather, Matanuska Maid has paid its own way, struggling in some years but nevertheless meeting its obligations to its shareholder, as well as its employees, suppliers, customers and consumers.

In fact, careful management has netted the company enough revenue to reinvest more than $8 million over the years, for physical plant and equipment upgrades. Profitable throughout most of that time, Matanuska Maid has continued to pay local producers higher prices for their milk than anywhere else in the US, except Hawaii. Thus, directly and indirectly, Matanuska Maid has been a
net contributor to the State’s budget, adding good jobs for Alaskans and providing the means for Alaska’s agriculture industry to sustain itself.

In caring for its corporate assets, Matanuska Maid has invested in the headquarters building on Northern Lights Boulevard in Anchorage, which houses manufacturing and distribution equipment for milk, dairy foods, and other beverages. Additionally, the company operates a bottle manufacturing plant in Palmer, rents a repair shop to maintain a fleet of trucks, and has rented off-street storage to minimize the impact on parking near its Anchorage facility.

**Employees and Union Membership**

As of June 15, 2006, there were 44 regular employees of Matanuska Maid; 30 who work at the Anchorage facility; 10 are employed at the Palmer plant, and four who work “in the field” as product merchandisers.

All Matanuska Maid employees, including management, are employed directly by the company and not compensated whatsoever by the State’s personnel or retirement system. Instead, the company provides for salaries and benefits from its own operating revenues.

The average length of employment at Matanuska Maid is 10 years. One exception is former employee, Jimmy A. McNeese, who retired in 1997 after a record 41 years with the company!

Among the management team, the length of tenure is over 18 years. Plant Manager, Gary Nelson, has been with the company for 31 years. Director of Sales, Delene Bartel, has been at Matanuska Maid for 21 years, as has CEO and President Joe Van Treeck. Terry Clark, Director of Special Projects, is in his ninth year and corporate Secretary/Treasurer and Comptroller, Linda Bowers, has eight years with the Company. Van Treeck says that, in recent years, he has delegated much of the daily operations to Bowers and other managers, in order that he be able to focus on the company’s future.

Matanuska Maid has a long, constructive relationship with the Teamsters Union, Local Chapter 959. Currently 22 employees in Anchorage are members of that union, employed in the creamery, warehouse, or as delivery drivers.

Matanuska Maid is an active member and participant in the International Dairy Foods Association and the Milk Processors Association, well-known for its national “got milk?” campaign.

**The Future**

The future looks bright, both for Matanuska Maid and the State’s economy. A boom in public and private construction, coupled with gas pipeline negotiations, military base enhancements and bridge construction across Cook Inlet adds up to a healthy economy and new opportunities for Mat Maid.
On the retail front, consumers’ changing preferences open the door to the development of new and improved products. New competition means new product placement opportunities and a better chance to see Matanuska Maid products more competitively priced.

Finally, marketing directly to the consumer will continue to be an important strategy to increase sales. Leading the way is a freshly updated corporate logo, prominently displayed on product packages, delivery equipment and correspondence. The change will be a reminder of the Company’s Colony roots and its commitment to unmatched quality. The combination of consumer product loyalty and this commitment to quality makes Matanuska Maid a force to be reckoned with.

Claude Maney, delivery driver circa 1970’s

Gregg Ashwill, Express Traffic and CEO Joe Van Treek shake hands as Mat Maid takes to the air with morning traffic reports from “Flying Cow No. 1.”
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