



NEWS RELEASE

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USDA OFFICIALS MARK THE START OF A NEW ERA FOR ALASKA'S DAIRY INDUSTRY

MATANUSKA CREAMERY STARTS MILK PRODUCTION

PALMER, Alaska, May 30, 2008 —Farm Service Agency Administrator Teresa Lasseter and Chad Padgett, state Farm Service Agency executive director and acting Alaska Rural Development state director; joined other federal, state and local dignitaries today at an event marking the start of milk production at the new Matanuska Creamery. The creamery, located between Palmer and Wasilla, was funded in part with a \$643,000 grant provided by USDA Rural Development. The Farm Service Agency provided \$1 million in relief funding to the farmers. Both allocations were secured by the Alaska Congressional Delegation.

Padgett commended the Congressional Delegation for its continuing support of the farmers and for providing funding needed to get the creamery operation underway. "Alaska's farmers face some of the most challenging conditions in our nation. This new creamery is a key part of a joint effort to get Alaska's dairy products to market. I commend the Alaska Congressional Delegation for its continuing support of this effort, and for helping to ensure that a local dairy industry continues to serve the residents of Alaska," said Padgett. "We have worked on this project for years and getting to this point has been tough, but now we're seeing the resumption of Alaska dairy production. I commend the farmers for their continuing dedication to this effort and ask that area residents show support for this dairy. It not only provides jobs for the people who work here at the plant, it supports many other jobs and industries across the region."

Farm Service Agency Administrator Teresa Lasseter also commended the Alaska Congressional Delegation for providing direct support to Alaska farmers. "Alaska's dairy industry is a vital part of this area's economy. This facility and the producers who have put all of their support behind it deserve our appreciation. I commend the dairy producers and all of their suppliers, including the barley and hay farmers from across the State for all of their sacrifices. I am very pleased to have been a part of reducing that burden. Rather than culling animals and closing down farms, we now have a viable and privatized industry", said Lasseter.

Dignitaries cut a ribbon marking the event and joined farmers and students from the 4-H and National FFA Organization in sampling the new products. The creamery has been producing cheese for about two months, but continues to increase production and plans to open a direct sale store later this year. The dairy is intended to process the milk output from the farms at Point McKenzie.

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USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for rural residents. Rural Development has invested more than \$90 billion since 2001 for equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. More than 1.7 million jobs have been created or saved through these investments. USDA Rural Development has its State Office in Palmer with Area Offices in Sitka, Kenai, Fairbanks, Dillingham, Bethel and Nome. Further information on rural programs is available at any of these USDA Rural Development offices.