



Commonwealth of Pennsylvania  
Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110-9408

717/787-4194  
717/783-6492

WEB SITE: <http://www.mmb.pa.gov>

E-mail: [RA-PMMB@pa.gov](mailto:RA-PMMB@pa.gov)

Official General  
Order No. A-1004

Posted:  
Effective

December 4, 2019  
January 1, 2020

**INTERIM ORDER REGARDING  
COOPERATIVE MILK PROCUREMENT COSTS HEARING**

NOW, this 4<sup>th</sup> day of December 2019, the Commonwealth of Pennsylvania, Milk Marketing Board (Board) adopts and issues this official general order pursuant to the authority conferred by the Milk Marketing Law, 31 P.S. §§ 700j-101 – 700j-1204. This order will become effective at 12:01 a.m. on January 1, 2020, and will expire at 12:00 midnight on December 31, 2020.

**SECTION I**

The attached Findings of Fact, Conclusions of Law, and Attachments are incorporated herein by this reference as though fully set forth in this order.

**SECTION II**

(a) In all milk marketing areas, effective 12:01 a.m. January 1, 2020, through midnight on December 31, 2020, the price of Class I milk produced, processed, and sold in Pennsylvania by a cooperative to a dealer shall include \$0.20 per hundredweight as an interim additional charge applicable to Pennsylvania produced, processed, and sold cooperative milk. The charge shall be reflected, as shown on Attachments 1 and 2, on the Board's monthly price announcements for minimum producer prices and for minimum resale prices.

(b) The milk dealer's minimum amount due shall include an obligation for the interim additional charge.

(c) The interim additional charge shall be included in the minimum wholesale and retail prices for all milk marketing areas in the same manner as the current over-order premium.

(d) Cooperatives shall itemize the interim additional charge on invoices to dealers in the same manner as the over-order premium is itemized. Milk dealers shall report the payment of the interim additional charge on their monthly reports (Form PMMB-62).

### SECTION III

This order is made with the express understanding that all statements made by the parties in presentation of the motion and interim order as well as all content of the proposed order itself have been made strictly for purposes of a temporary compromise and temporary interim order and the statements made in support of the order and the content of the order itself do not represent concessions or modifications of any nature with respect to factual or legal issues or positions put forth, advocated, or asserted with respect to the issues raised in this proceeding heretofore or going forward by either the Pennsylvania Association of Dairy Cooperatives or the Pennsylvania Association of Milk Dealers. Furthermore, deferring the hearing to July 2020 is without prejudice to any party's respective support or opposition to the Pennsylvania Association of Dairy Cooperatives' request for a cooperative procurement charge or the legal or factual positions taken or to be taken in this proceeding and the hearing remains open and all issues remain open as presented in the hearing. No issues or positions are conceded by any interested party and the Board is not making any ultimate findings on any contested issue in the hearing.

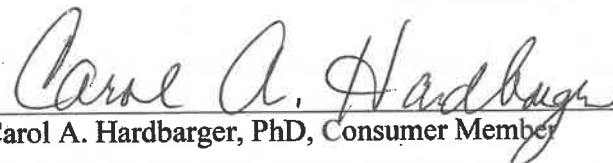
### SECTION IV

This proceeding shall resume at a date and time to be determined in July 2020 with the continuation of the hearing that was originally scheduled for October 9, 2019, along with appropriate adjustments for presubmissions, with the intention that the Board will manage the continued hearing and proceedings in a fashion that allows the Board to issue a final decision on the issues raised in this proceeding to become effective January 1, 2021.

PENNSYLVANIA MILK MARKETING BOARD

  
Robert N. Barley, Chairman

  
James A. Van Blarcom, Member

  
Carol A. Hardbarger, PhD, Consumer Member

Date: December 4, 2019

**FINDINGS OF FACT AND CONCLUSIONS OF LAW  
COOPERATIVE MILK PROCUREMENT COSTS**

FINDINGS OF FACT

1. On November 5, 2018, the Pennsylvania Milk Marketing Board (“Board”) commenced a hearing regarding cooperative milk procurement costs. The purpose of the proceeding is to receive testimony and exhibits concerning cooperative milk procurement costs and a method to incorporate those costs in minimum resale milk prices.
2. Notice of the hearing was published at 48 Pennsylvania Bulletin 4371 on July 21, 2018, and was mailed to those who have requested mailed notice of Board hearings by means of Bulletin No. 1546, dated July 11, 2018.
3. The Board held hearings on November 5 through 8, 2018, and January 28 through 30, 2019. On June 28, 2019, the Board scheduled the hearing to continue on October 9, 2019.
4. On August 23, 2019, petitioner Pennsylvania Association of Dairy Cooperatives (“PADC”) and the Pennsylvania Association of Milk Dealers (“PAMD”) jointly moved for an extension for pre-submission filings, indicating that the parties were exploring the possibility of a compromise. The Board granted the motion to extend the deadline for pre-submission filings.
5. On September 4, 2019, PADC and PAMD filed a joint request to continue the proceedings to allow time for documenting a potential compromise. The Board granted the request on September 5, 2019, ordering the October 9, 2019, hearing continued indefinitely.
6. On October 22, 2019, PADC and PAMD informed the Board that they had reached a temporary compromise with respect to the cooperative milk procurement costs proceeding and jointly moved for a Board order adopting the compromise. Interested parties Pennsylvania Department of Agriculture, Pennsylvania Farm Bureau, Pennsylvania Food Merchants Association, and Dean Foods Company did not object to the proposed compromise. Board Staff filed a response to the joint motion and proposed compromise.
7. On November 6, 2019, the Board held a hearing to consider the proposed compromise and address Board Staff’s response.
  - a. Attachment 3 to the proposed compromise reflected a method for calculating the dealer obligation for the interim charge. Proposed Compromise Attachment 3 is attached to this official general order as Attachment 3. During the November 6 hearing PAMD recognized that Board Staff’s method to calculate the dealer obligation was acceptable and therefore agreed that the Proposed Compromise Attachment 3 method was not critical to the adoption of the proposed compromise. None of the other interested parties objected to Board Staff’s method, either during the hearing or in a post-hearing brief. The Board finds

that Board Staff may use its proposed method to calculate the dealer obligation and incorporates Proposed Compromise Attachment 3 as Attachment 3 of this order to provide a backup alternate method for industry reference.

- b. PADC, PAMD, and Board Staff agreed during the hearing that the interim charge should be itemized on cooperative invoices to milk dealers in the same manner as the over-order premium is itemized. None of the other interested parties objected. The Board finds that the interim additional charge should be itemized on cooperative invoices to milk dealers in the same manner as the over-order premium is itemized.
- c. Board Staff opposed the price sheet formats of Proposed Compromise Attachments 1 and 2 because they did not, in Staff's view, adequately specify that the interim additional charge was applicable only to cooperative-sourced milk. Attachment 1 footnote 6 and Attachment 2 footnote 1 refer to an "Interim Additional Charge." Board Staff suggested, for purposes of clarity and transparency, that "cooperative" be added to both of those footnotes.

At the hearing, and in their joint post-hearing brief, PADC and PAMD reiterated that the price sheet Attachments were the product of a negotiated compromise that was intended to not concede any issues in the underlying proceeding. PADC and PAMD also explained that adding the word "cooperative" to the footnote would require explanatory language be added by both PADC and PAMD which is not acceptable to the other party. The only interested party to object to the "Interim Additional Charge" characterization found in Proposed Compromise Attachments 1 and 2 was Board Staff; no other interested party objected to the proposed compromise as submitted, either during the hearing or in a post-hearing brief.

The Board finds that no change should be made to Proposed Compromise Attachments 1 and 2. PADC and PAMD entered into the interim proposed compromise to provide the participants a break from the protracted litigation and to determine if the concept is workable and beneficial. The compromise was negotiated such that it would not represent, in any manner, the concession by PADC and PAMD of the contested legal and factual issues.

8. During the November 6, 2019, hearing, counsel for the Pennsylvania Department of Agriculture indicated that the proposed compromise was not necessarily ideal from the Department's standpoint. Nonetheless, counsel reiterated that the Department was not objecting to the proposed compromise. The Board relies on this representation as support for finding that no change should be made to the footnotes on Proposed Compromise Attachments 1 and 2.
9. During the November 6, 2019, hearing, counsel for the Pennsylvania Farm Bureau stated that PADC and PAMD had explained the proposed compromise "very well" to the other interested parties. The Board also relies on this representation as support for finding that no change should be made to the footnotes on Proposed Compromise Attachments 1 and 2.

10. The Board takes official notice that Dean Foods Company (“Dean”) voluntarily initiated Chapter 11 reorganization proceedings on November 12, 2019. The Board understands that Chapter 11 proceedings are unpredictable. Nonetheless, we rely on the Dean public statements below, which are corroborated and supported by orders issued by the United States Bankruptcy Court for the Southern District of Texas (“Bankruptcy Court”).

a. Dean publicly stated that it intends to use the Chapter 11 process to “protect and support its ongoing business operations and address debt and unfunded pension obligations while it works toward an orderly and efficient sale of the Company.” Dean also publicly stated that it is “operating in the ordinary course of business” and that it expected to pay suppliers and vendors in full under normal terms for goods supplied after November 12, 2019. The November 12, 2019, Dean press release regarding the Chapter 11 filing is attached to this order as Attachment 4.

b. Dean also publicly stated that First Day motions granted by the Bankruptcy Court would allow Dean to continue operations during the Chapter 11 process, including paying suppliers and vendors in full under normal terms for goods provided on or after November 12, 2019. The November 14, 2019, Dean press release regarding the First Day motions is attached to this order as Attachment 5.

c. These public statements are corroborated and supported by the orders regarding First Day motions issued by the Bankruptcy Court. An unofficial version of the docket providing free public access to filings is available at <https://dm.epiq11.com/case/DNF/dockets>. The docket is also available at the Court’s website at <https://www.txs.uscourts.gov/page/bankruptcy-court>.

11. The Board finds, at this point in the proceeding, that the proposed compromise should be adopted.

The proposed compromise provides for the hearing to resume in July 2020. The proposed compromise also provides that it expires on December 31, 2020. No party will concede any issue with respect to the hearing if the proposed compromise is adopted. Nor has the Board conceded any of its ultimate decision-making authority regarding the issues addressed in the hearing. The proposed compromise will provide an opportunity for the industry to analyze the effects of mandating the interim additional charge. Pausing the proceeding at this point will also allow the parties to conserve some resources that may have been used in continued litigation in this proceeding.

12. The Board will take into account scheduling annual area cost replacement hearings when scheduling the continuation of the cooperative milk procurement costs hearing.

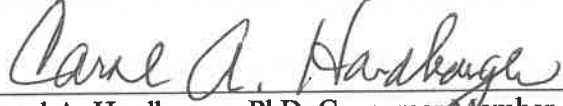
CONCLUSIONS OF LAW

1. The cooperative milk procurement costs hearing was held pursuant to the authority granted to the Board in sections 801 and 803 of the Milk Marketing Law (Law), 31 P.S. §§ 700j-801 and 700j-803.
2. The hearing was held following adequate notice and all interested parties were given a reasonable opportunity to be heard.
3. In adopting this order, the Board considered the entire record, including the proposed compromise, and concludes that the order is supported by a preponderance of credible evidence and is reasonable and appropriate under sections 801 and 803 of the Law.
4. The attached order may be amended pursuant to the procedures set out in section 801 of the Law.

PENNSYLVANIA MILK MARKETING BOARD

  
\_\_\_\_\_  
Robert N. Barley, Chairman

  
\_\_\_\_\_  
James A. Van Blarcom, Member

  
\_\_\_\_\_  
Carol A. Hardbarger, PhD, Consumer Member

Date: December 4, 2019

IF YOU WISH TO RECEIVE THIS INFORMATION IN AN ALTERNATE FORMAT,  
CALL 717-787-4194 OR 1-800-654-5984 (PA RELAY SERVICE FOR TDD USERS.)



**Commonwealth of Pennsylvania  
Milk Marketing Board  
2301 North Cameron Street  
Harrisburg, PA 17110-9408**

**Attachment 1**

Phone: (717) 787-4194  
Fax: (717) 783-6492

E-mail: RA-PMMB@pa.gov  
WEB SITE: www.mmb.pa.gov

Tom Wolf - Governor  
**Minimum Producer Price Data**  
Official General Order A-903 Amended  
**For Milk Purchased From Producers in September 2019**

Robert N. Barley - Chairman  
Carol A. Hardbarger - Consumer Member  
James A. Van Blarcom - Member

AREA-ZONE		CLASS I DIFF.	OVER-ORDER* PREM. (A1002 & A999)	BUTTERFAT VALUE (per lb.)	SKIM VALUE (per cwt.)	CLASS I PRICE
1-0	Southeastern Pennsylvania Milk Marketing Area	\$3.05	\$1.12	\$2.6972	\$13.04	\$22.02
2-0	East Central Pennsylvania Milk Marketing Area	\$2.80	\$1.12	\$2.6947	\$12.79	\$21.77
3-0	Northeastern Pennsylvania Milk Marketing Area	\$2.80	\$1.12	\$2.6947	\$12.79	\$21.77
4-0	South Central Pennsylvania Milk Marketing Area	\$2.90	\$1.12	\$2.6957	\$12.89	\$21.87
5-0	Western Pennsylvania Milk Marketing Area	\$2.30	\$1.12	\$2.6897	\$12.29	\$21.27
6-0	West Central Pennsylvania Milk Marketing Area	\$2.50	\$1.12	\$2.6917	\$12.49	\$21.47

\* Includes Fuel Adjustment of \$0.12 Per Hundredweight

Advance Cheddar Price	\$1.8153
Advance Butter Price	\$2.3643
Advance Nonfat Dry Milk Price	\$1.0391
Advance Dry Whey Price	\$0.3673
Advance Class III Price	\$17.49
Advance Class IV Price	\$16.78

Cheddar Price	\$1.9053
AA Butter Price	\$2.2344
Nonfat Dry Milk Price	\$1.0519
Dry Whey Price	\$0.3698
Somatic Cell Rate	\$0.00095

<b>Class I <sup>1/1</sup></b>	
Skim Price	\$8.87
Butterfat Price	\$2.6555
Base Price @3.5% Butterfat	\$17.85
Butterfat Differential	\$0.2567

<sup>1/1</sup> An interim additional charge of \$0.20/cwt must be applied to a dealer's minimum due calculation as applicable per OGO A-1004.

<b>Class III</b>	
Skim Price	\$9.91
Butterfat Price	\$2.4982
Price @ 3.5% Butterfat	\$18.31
Butterfat Differential	\$0.2399
Protein Price	\$2.8633
Other Solids Price	\$0.1758

<b>Class II</b>	
Skim Price	\$8.46
Butterfat Price	\$2.5052
Price @ 3.5% Butterfat	\$16.93
Butterfat Differential	\$0.2421
Class II Nonfat Solids Price	\$0.9400

<b>Class IV</b>	
Skim Price	\$7.88
Butterfat Price	\$2.4982
Price @ 3.5% Butterfat	\$16.35
Butterfat Differential	\$0.2419
Nonfat Solids Price	\$0.8753



# Commonwealth of Pennsylvania Milk Marketing Board

2301 North Cameron Street  
Harrisburg, PA 17110-9408

Robert N. Barley - Chairman  
Carol A. Hardbarger - Consumer Member  
James A. Van Blarcom - Member

Phone (717) 787-4194

Fax (717) 783-6492

Web Address: www.mmb.state.pa.us

E-Mail: RA-PMMB@pa.gov

Tom Wolf - Governor

## Minimum Resale Prices For September 2019

AREA-ZONE	OFFICIAL GENERAL ORDERS	CLASS I DIFF.	OVER-PRICE PREMIUM	OVER-ORDER PREMIUM /1/	BUTTERFAT VALUE /2,3,6/	SKIM VALUE /2,3,6/	CLASS I PRICE @ 3.5%
1-0	<b>A-993 (CRO 3)</b> 893, 925, 942, 972, 980, 987, 989, 997, 999, 1002	\$3.05	\$0.11	\$1.12	\$2.7023	\$13.55	\$22.53
2-0	<b>A-953 (CRO 10)</b> 893, 925, 942, 972, 980, 985, 987, 989, 997, 999, 1002	\$2.80	\$0.20	\$1.12	\$2.7007	\$13.39	\$22.37
3-0	<b>A-962 (CRO 9)</b> 893, 925, 942, 972, 980, 985, 987, 989, 997, 999, 1002	\$2.80	\$0.10	\$1.12	\$2.6997	\$13.29	\$22.27
4-0	<b>A-963 (CRO 9)</b> 893, 925, 942, 972, 980, 985, 987, 989, 997, 999, 1002	\$2.90	\$0.08	\$1.12	\$2.7005	\$13.37	\$22.35
5-0	<b>A-954 (CRO 9)</b> 893, 925, 942, 972, 976, 980, 985, 987, 989, 997, 999, 1002	\$2.30	\$0.20	\$1.12	\$2.6957	\$12.89	\$21.87
6-0	<b>A-956 (CRO 9)</b> 893, 925, 942, 960, 972, 977, 980, 985, 987, 989, 997, 999, 1002	\$2.50	\$0.42	\$1.12	\$2.6999	\$13.31	\$22.29
Advanced Class II Butterfat Price /2/		\$2.8721		Class I Butterfat Differential		\$2.57	
Advanced Class II Skim Price /2/		\$8.46		Advanced Class III Skim Price		\$8.49	
Class II Price @ 3.5% Butterfat		\$18.21		Advanced Class IV Skim Price		\$7.76	
School Stop Charge for Area 1 /2/		\$13.86		Advanced Class III & IV Butterfat Price		\$2.6555	
Consumer Price Index /2/		256.571					
<b>Container Cost /2/</b>		Area 1	Area 2	Area 3	Area 4	Area 5	Area 6
Gallon		\$0.1567	\$0.1943	\$0.2100	\$0.1658	\$0.1841	\$0.2119
Half Gallon		\$0.1185	\$0.1362	\$0.1402	\$0.1236	\$0.1383	\$0.1464
Quart		\$0.1062	\$0.1307	\$0.1407	\$0.1427	\$0.1398	\$0.2142
Pint		\$0.0876	\$0.0904	\$0.0812	\$0.1260	\$0.1163	\$0.1571
Half Pint Paper		\$0.0258	\$0.0281	\$0.0292	\$0.0305	\$0.0265	\$0.0294
Half Pint Plastic Add On		\$0.0394	\$0.0476	\$0.0366	\$0.0347	\$0.0491	\$0.0243
Ingredients - Flavored Milk /2,4/		\$0.0326	\$0.0349	\$0.0431	\$0.0430	\$0.0378	\$0.0357
Ingredients - Flavored Reduced Fat Milk /2,4/		\$0.0354	\$0.0322	\$0.0339	\$0.0351	\$0.0314	\$0.0393
Ingredients - Flavored Non-Fat Milk /2,4/		\$0.0312	\$0.0292	\$0.0288	\$0.0276	\$0.0334	\$0.0343
Energy, Heating & Disc Eff. Add-Ons /2,5/		\$0.0047	\$0.0201	\$0.0074	\$0.0026	\$0.0081	\$0.0097

/1/ The Over-Order Premium includes a \$0.12 Fuel Adjustment pursuant to O.G.O A-999.

/2/ For generating PMMB Excel prices.

/3/ \$0.20 Promotion assessment added on per OGO A-989.

/4/ Cost per pound.

/5/ Cost per quart.

/6/ The Class I price reflects an interim additional charge of \$0.20/cwt pursuant to OGO A-1004.

### WHOLESALE / RETAIL PRICES OF PROMINENT PRODUCTS AND SIZES

AREA-ZONE	CONTAINER SIZE	WHOLESALE				RETAIL (OUT-OF-STORE)			
		HOMO	REDUCED FAT	LOW-FAT	NONFAT	HOMO	REDUCED FAT	LOW-FAT	NONFAT
1-0	Gallon	\$4.1003	\$3.7979	\$3.5721	\$3.3754	\$4.23	\$3.96	\$3.77	\$3.60
	Half Gallon	\$2.0715	\$1.9203	\$1.8074	\$1.7091	\$2.13	\$2.00	\$1.90	\$1.82
	Quart	\$1.1163	\$1.0407	\$0.9842	\$0.9350	\$1.14	\$1.07	\$1.02	\$0.98
2-0	Gallon	\$3.8366	\$3.5481	\$3.3193	\$3.1161	\$4.09	\$3.83	\$3.63	\$3.45
	Half Gallon	\$1.9632	\$1.8189	\$1.7046	\$1.6031	\$2.08	\$1.95	\$1.85	\$1.76
	Quart	\$1.0845	\$1.0124	\$0.9552	\$0.9044	\$1.13	\$1.07	\$1.02	\$0.97
3-0	Gallon	\$3.6727	\$3.3817	\$3.1569	\$2.9602	\$3.85	\$3.59	\$3.39	\$3.22
	Half Gallon	\$1.8694	\$1.7239	\$1.6115	\$1.5131	\$1.96	\$1.83	\$1.73	\$1.64
	Quart	\$1.0647	\$0.9920	\$0.9358	\$0.8867	\$1.09	\$1.03	\$0.98	\$0.94
4-0	Gallon	\$3.6057	\$3.3095	\$3.0908	\$2.8951	\$4.04	\$3.73	\$3.51	\$3.31
	Half Gallon	\$1.8428	\$1.6948	\$1.5855	\$1.4875	\$2.06	\$1.91	\$1.79	\$1.69
	Quart	\$1.0455	\$0.9715	\$0.9169	\$0.8679	\$1.16	\$1.08	\$1.02	\$0.97
5-0	Gallon	\$3.8522	\$3.5537	\$3.3304	\$3.1424	\$4.12	\$3.85	\$3.65	\$3.48
	Half Gallon	\$1.9527	\$1.8034	\$1.6918	\$1.5978	\$2.08	\$1.95	\$1.85	\$1.76
	Quart	\$1.1618	\$1.0872	\$1.0313	\$0.9843	\$1.21	\$1.14	\$1.09	\$1.05
6-0	Gallon	\$3.9879	\$3.6882	\$3.4615	\$3.2792	\$4.20	\$3.93	\$3.73	\$3.56
	Half Gallon	\$2.0522	\$1.9023	\$1.7890	\$1.6978	\$2.15	\$2.02	\$1.92	\$1.83
	Quart	\$1.2938	\$1.2189	\$1.1622	\$1.1166	\$1.32	\$1.25	\$1.20	\$1.16

Issued on August 22, 2019



**Attachment 3**

**Formula for Calculating the Interim Charge**

A = Interim Charge = \$0.20 / Cwt.

B = Pounds of Pennsylvania produced raw milk supplied by cooperatives (Part-IA, D14:AN14, cooperative milk only, Monthly PMMB-62))

C = Pennsylvania Class I pounds (Tab S 8.2, AL4:AM10, Monthly PMMB 62)

D = Pounds of milk from all producers (Tab S 8.2, AL112:AM112, Monthly PMMB 62) less non-Class I diversions (Tab S 8.2, AF55:AG55+AF83:AG83+AF110:AG110, Monthly PMMB-62)

E = Pennsylvania Class I utilization = C divided by D

F = Eligible cooperative pounds = B times E

G = Minimum due to cooperative = A times F/100

**PMMB Instructions (Excel Spreadsheet for Enforcement Linked to PMMB-62)**

Ref:	Line				Tab	Action	Cell(s)
		Calculation of Cooperative Charge					
A	1	Enter Interim Cooperative Charge Rate	\$ 0.20	per Cwt.			
B	2	Enter PA Cooperative Pounds Received	48,000,000	Lbs.	PART-IA	Sum	D14:AN14 Cooperatives only
C	3	Enter PA Class I Pounds	11,000,000	Lbs.	S 8.2	Sum	AL4:AM10
D	4	Milk from All Producers, less Non-Class I Diversions	55,000,000	Lbs.	S 8.2	Sum	AL112:AM112
E	5	PA Class I Utilization	20.00%				
F	6	Eligible Cooperative Milk	9,600,000	Lbs.			
G	7	Minimum Due to Cooperatives	\$ 19,200.00				
	8	Minimum Due Producers without Line 7	\$ 9,800,000		S 8.4		E20
	9	Adjusted Minimum Due (Line 7 + Line 8)	\$ 9,819,200				
	10	Paid to Producers	\$ 9,819,200		S 8.4		E21
	11	Over (Under) Payment	\$ -				



**Dean Foods Company Initiates Voluntary Reorganization with New Financial Support from Existing Lenders**

*Company Secures Commitments for \$850 Million in DIP Financing to Support Operations*

*In Advanced Discussions with Dairy Farmers of America Regarding a Potential Sale*

*Business Continues Regular Operations; Customers Receiving Uninterrupted Supply of Dairy Products as Normal*

DALLAS, Nov. 12, 2019 /PRNewswire/ — Dean Foods Company (NYSE: DF) (“Dean Foods” or the “Company”) today announced that it and substantially all of its subsidiaries have initiated voluntary Chapter 11 reorganization proceedings in the Southern District of Texas. The Company intends to use this process to protect and support its ongoing business operations and address debt and unfunded pension obligations while it works toward an orderly and efficient sale of the Company.

Dean Foods also announced that it is engaged in advanced discussions with Dairy Farmers of America, Inc. (“DFA”) regarding a potential sale of substantially all assets of the Company. If the parties ultimately reach agreement on the terms of a sale, such transaction would be subject to regulatory approval and would be subject to higher or otherwise better offers in the bankruptcy.

Dean Foods is operating in the ordinary course of business and remains focused on providing its customers with wholesome, great-tasting dairy products and the highest levels of quality, service and value. The Company has received a commitment of approximately \$850 million in debtor-in-possession (“DIP”) financing from certain of its existing lenders, led by Rabobank. Following court approval, the Company expects to use the DIP financing, together with cash on hand and operating cash flows, to support its continued operation throughout this process, including payment of employee wages and benefits without interruption and payment to suppliers and vendors in full under normal terms for goods and services provided on or after the filing date.

“The actions we are announcing today are designed to enable us to continue serving our customers and operating as normal as we work toward the sale of our business,” said Eric Beringause, who recently joined Dean Foods as President and Chief Executive Officer. “We have a strong operational footprint and distribution network, a robust portfolio of leading national brands and extensive private label capabilities, all supported by approximately 15,000 dedicated employees around the country. Despite our best efforts to make our business more agile and cost-efficient, we continue to be impacted by a challenging operating environment marked by continuing declines in consumer milk consumption. Importantly, we are continuing to provide customers with an uninterrupted supply of high-quality dairy products, as well as supporting our dairy suppliers and other partners.”

Mr. Beringause continued, “Since joining the company just over three months ago, I’ve taken a hard look at our challenges, as well as our opportunities, and truly believe we are taking the best path forward. In recent months, we have put in place a new senior management team that not only has considerable experience in the dairy and consumer product industries, but also in executing major turnarounds. I am confident we have the right people in place to lead us through this process. I want to thank all Dean Foods employees for their continued commitment to our customers, our partners and our company. I also

want to thank our suppliers and other business partners for their cooperation and our customers for their continued support.”

In conjunction with the court-supervised process, Dean Foods has filed a number of customary motions seeking court authorization to continue to support its business operations. The Company expects to receive court approval for all of these requests. The Company also intends to file bidding procedures with the court to conduct a sale in accordance with Section 363 of the U.S. Bankruptcy Code and work with its creditors to explore a potential stand-alone plan of reorganization.

Additional information is available on the restructuring page of the Company's website, [www.DeanFoodsRestructuring.com](http://www.DeanFoodsRestructuring.com). In addition, court filings and other information related to the proceedings are available on a separate website administered by the Company's claims agent, Epiq Corporate Restructuring, LLC, at <https://dm.epiq11.com/SouthernFoods>, or by calling Epiq representatives toll-free at 1-833-935-1362 or 1-503-597-7660 for calls originating outside of the U.S.

Davis Polk & Wardwell LLP and Norton Rose Fulbright are serving as legal advisors to the Company, Evercore is serving as its investment banker and Alvarez & Marsal is serving as its financial advisor.

In light of the bankruptcy filing, the Company has cancelled its quarterly earnings call, which was scheduled to take place today at 9:00 a.m. Eastern time.

#### **About Dean Foods**

Dean Foods is a leading food and beverage company and the largest processor and direct-to-store distributor of fresh fluid milk and other dairy and dairy case products in the United States. Headquartered in Dallas, Texas, the Dean Foods portfolio includes DairyPure®, the country's first and largest fresh, national white milk brand, and TruMoo®, the leading national flavored milk brand, along with well-known regional dairy brands such as Alta Dena®, Berkeley Farms®, Country Fresh®, Dean's®, Friendly's®, Garelick Farms®, LAND O LAKES®\* milk and cultured products, Lehigh Valley Dairy Farms®, Mayfield®, McArthur®, Meadow Gold®, Oak Farms®, PET®\*\*, T.G. Lee®, Tuscan® and more. Dean Foods also has a joint venture with Organic Valley®, distributing fresh organic products to local retailers. In all, Dean Foods has more than 50 national, regional and local dairy brands as well as private labels. Dean Foods also makes and distributes ice cream, cultured products, juices, teas, and bottled water. Approximately 15,000 employees across the country work every day to make Dean Foods the most admired and trusted provider of wholesome, great-tasting dairy products at every occasion. For more information about Dean Foods and its brands, visit [www.deanfoods.com](http://www.deanfoods.com).

#### **Forward-Looking Statements**

This press release includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this release that address activities, events or developments that the Company expects, believes, targets or anticipates will or may occur in the future are forward-looking statements. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and other factors, which could include the following: risks and uncertainties relating to the Company's Chapter 11 cases (the “Chapter 11 Case”), including but not limited to, the Company's ability to obtain bankruptcy court approval with respect to motions in the Chapter 11 Case, the Company's ability to consummate the planned sale of the business pursuant to the Chapter 11 Case and, if consummated, to obtain an adequate price, the effects of the Chapter 11 Case on the Company and on the interests of various constituents, bankruptcy court rulings in the Chapter 11 Case and the outcome of the Chapter 11 Case in general, the length of time the Company will operate under the Chapter 11 Case, risks associated with third-party motions in the Chapter 11 Case, the potential adverse effects of the Chapter 11 Case on the Company's liquidity or results of operations and increased legal and other professional costs necessary to execute the Company's reorganization; the conditions to which the Company's debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside of the Company's control; the consequences of the acceleration of our debt obligations; as well as other risk factors set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. Additionally,

there can be no assurances that Dean and DFA will ultimately reach agreement, that the sale will receive regulatory approval, or that the sale will be successfully consummated. The Company therefore cautions readers against relying on these forward-looking statements. All forward-looking statements attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by the foregoing cautionary statements. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in its expectations with regard thereto or any changes in the events, conditions or circumstances on which any such statement is based except as required by law.

#### **Contacts**

##### **Investor Relations**

+1 214-303-3438

##### **Media**

+1 214-721-7766

[media@deanfoods.com](mailto:media@deanfoods.com)

**Michael Freitag / Aura Reinhard / Viveca Tress**

**Joele Frank, Wilkinson Brimmer, Katcher**

+1 212-355-4449



**Dean Foods Company Receives Court Approval of "First Day" Motions to Support Normal Business Operations**

*Obtains Interim Approval to Access DIP Financing*

*Customers Receiving Uninterrupted Supply of Dairy Products as Usual*

DALLAS – November 14, 2019 – Dean Foods Company (NYSE: DF) ("Dean Foods" or the "Company") today announced that it has received approvals from the U.S. Bankruptcy Court for the Southern District of Texas for the "First Day" motions related to the Company's voluntary Chapter 11 petitions filed on November 12, 2019.

The Court granted Dean Foods interim approval to access up to \$475 million of the \$850 million in committed debtor-in-possession ("DIP") financing from certain of its existing lenders, which along with cash on hand and operating cash flows is expected to be sufficient to support the Company's continued operations during this process. Among other things, the Court has authorized the Company to continue paying employee wages and benefits without interruption and making payments to suppliers and vendors in full under normal terms for goods and services provided on or after November 12, 2019.

Eric Beringause, President and Chief Executive Officer of Dean Foods, said, "We appreciate the swift action by the Court to approve these motions, which will enable us to continue operating as normal. As we move through this process, we remain focused on providing customers with wholesome, great-tasting dairy products and the highest levels of quality, service and value. I would also like to thank our employees, customers, dairy providers, lenders and other partners for their continued support."

Additional information is available on the restructuring page of the Company's website, [www.DeanFoodsRestructuring.com](http://www.DeanFoodsRestructuring.com). In addition, court filings and other information related to the proceedings are available on a separate website administered by the Company's claims agent, Epiq Corporate Restructuring, LLC; at <https://dm.epiq11.com/SouthernFoods>, or by calling Epiq representatives toll-free at 1-833-935-1362 or 1-503-597-7660 for calls originating outside of the U.S.

Additional information regarding the Chapter 11 filing is contained in a Current Report or Form 8-K filed with the Securities and Exchange Commission.

Davis Polk & Wardwell LLP and Norton Rose Fulbright are serving as legal advisors to the Company, Evercore is serving as its investment banker and Alvarez & Marsal is serving as its financial advisor.

**About Dean Foods**

Dean Foods is a leading food and beverage company and the largest processor and direct-to-store distributor of fresh fluid milk and other dairy and dairy case products in the United States. Headquartered in Dallas, Texas, the Dean Foods portfolio includes DairyPure®, the country's first and largest fresh, national white milk brand, and TruMoo®, the leading national flavored milk brand, along with well-known regional dairy brands such as Alta Dena®, Berkeley Farms®, Country Fresh®, Dean's®, Friendly's®, Garelick Farms®, LAND O LAKES®\* milk and cultured products, Lehigh Valley Dairy Farms®, Mayfield®, McArthur®, Meadow Gold®, Oak Farms®, PET®\*\*, T.G. Lee®, Tuscan® and more. Dean Foods also has a joint venture with Organic Valley®, distributing fresh organic products to local retailers. In all, Dean Foods has more than 50 national, regional and local dairy brands as well as private labels. Dean Foods also makes and distributes ice cream, cultured products, juices, teas, and bottled water. Approximately

15,000 employees across the country work every day to make Dean Foods the most admired and trusted provider of wholesome, great-tasting dairy products at every occasion. For more information about Dean Foods and its brands, visit [www.deanfoods.com](http://www.deanfoods.com).

\*The LAND O LAKES brand is owned by Land O'Lakes, Inc. and is used by license.  
\*\*PET is a trademark used by license.

#### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this release that address activities, events or developments that the Company expects, believes, targets or anticipates will or may occur in the future are forward-looking statements. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and other factors, which could include the following: risks and uncertainties relating to the Company's Chapter 11 cases (the "Chapter 11 Case"), including but not limited to, the Company's ability to obtain bankruptcy court approval with respect to motions in the Chapter 11 Case, the Company's ability to consummate the planned sale of the business pursuant to the Chapter 11 Case and, if consummated, to obtain an adequate price, the effects of the Chapter 11 Case on the Company and on the interests of various constituents, bankruptcy court rulings in the Chapter 11 Case and the outcome of the Chapter 11 Case in general, the length of time the Company will operate under the Chapter 11 Case, risks associated with third-party motions in the Chapter 11 Case, the potential adverse effects of the Chapter 11 Case on the Company's liquidity or results of operations and increased legal and other professional costs necessary to execute the Company's reorganization; the conditions to which the Company's debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside of the Company's control; the consequences of the acceleration of our debt obligations; as well as other risk factors set forth in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. Additionally, there can be no assurances that Dean and DFA will ultimately reach agreement, that the sale will receive regulatory approval, or that the sale will be successfully consummated. The Company therefore cautions readers against relying on these forward-looking statements. All forward-looking statements attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by the foregoing cautionary statements. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in its expectations with regard thereto or any changes in the events, conditions or circumstances on which any such statement is based except as required by law.

#### **Contacts**

Investor Relations  
+1 214-303-3438

Media  
+1 214-721-7766  
[media@deanfoods.com](mailto:media@deanfoods.com)

Michael Freitag / Aura Reinhard / Viveca Tress  
Joele Frank, Wilkinson Brimmer Katcher  
+1 212-355-4449