



March 29, 2011

ATTORNEY GENERAL MADIGAN: DEAN FOODS SETTLEMENT TO BENEFIT MILK CONSUMERS***Company Must Sell Milk Processing Plant to Preserve Competition in Northern Illinois***

Chicago — Attorney General Lisa Madigan today joined the U.S. Department of Justice, Wisconsin and Michigan in filing a proposed consent decree requiring Dean Foods to sell its milk processing plant in Waukesha, Wis.

The proposed settlement is the result of a federal lawsuit filed last year challenging Dean Foods Company's 2009 acquisition of the Waukesha-based plant from Foremost Farms USA. The lawsuit alleged Dean Foods' ownership of the plant presented serious antitrust concerns and could adversely affect the price of milk for retailers throughout northeastern Illinois.

"We are committed to protecting consumers by enforcing the antitrust laws to ensure vigorous competition," Madigan said. "Allowing Dean Foods to keep the Foremost Farms plant could have resulted in higher prices and solidified a dominant position for Dean Foods in northern Illinois. Selling the facility will contribute to increased competition and will benefit Illinois consumers."

Dean Foods, based in Dallas, Texas, is the largest U.S. processor and distributor of milk and other dairy products. The complaint alleged that after the acquisition of the Waukesha plant, Dean Foods had more than 60 percent of the fluid-milk sales in northeastern Illinois, including Chicago. Dean Foods' acquisition allegedly deprived retailers of the benefits of substantial head-to-head competition between Dean Foods and Foremost Farms.

Foremost Farms is a member-owned business association headquartered in Baraboo, Wis., whose members are dairy farmers. In 2008, its Consumer Products Division achieved net sales of \$233.7 million. Before Dean Foods' acquisition of Foremost's Consumer Products Division, Foremost processed its members' raw milk at its plants in De Pere and Waukesha, Wis.

Milk processors such as Dean Foods and Foremost Farms purchase raw milk from dairy farms and agricultural cooperatives to pasteurize and package. The processors then distribute and sell the milk to school districts, supermarkets, grocery stores and other retail customers.

Dean Foods will have 90 days to sell the Waukesha plant to a new owner. If Dean Foods fails in its efforts to sell the Waukesha plant, the court will appoint a trustee, who will be empowered to sell the plant. The new owner of the Waukesha plant will have access to all of the Waukesha plant assets, including the right to continue the Golden Guernsey and La Vaca Bonita brands.

The consent decree also requires Dean Foods to notify the U.S. Department of Justice and the Illinois Attorney General 30 days before Dean Foods acquires any milk processing plant in Illinois or within 150 miles of its borders that is valued at more than \$3 million.

Bureau Chief Robert Pratt and Assistant Attorney General Chadwick Brooker are handling the case for Attorney General Madigan's Antitrust Bureau.

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