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BREAKING – FOR IMMEDIATE RELEASE:**DFA Defendants Settle Pre-Trial In SE Milk Litigation:
\$140 Million Lump Sum plus \$18.6 million in Increased Prices for Utilization, Marketplace Changes, Transparency, Open Documents**

At the 11th Hour with Trial looming, a proposed Settlement Agreement in the Southeast Milk Litigation has been reached by Dairy Farmer Plaintiffs and DFA & related defendants. Appropriate motions and documents were filed with the Court on Monday, January 21, and approved by the Court this morning, January 22.

The proposed settlement blends the elements of a \$140 Million monetary settlement, market changes to improve utilization, resolution to opt-out of block voting to be voted on by DFA membership, and increased transparency in DFA practices. Highlights of the agreement include, but are not limited to, the following:

- a.) The \$140 Million monetary settlement will be payable in one lump sum to Class Members immediately following a claims period, similar to the Dean/SMA claims process. \$70 Million will come from Defendant DFA, \$50 Million from National Dairy Holdings, and \$20 Million from Mid-Am Capital.
- b.) Injunctive relief in the marketplace designed to raise Class I utilization in FMMO's 5 & 7, coupled with an \$18.6 million penalty account to be placed in escrow. If utilization goals aren't achieved per benchmarks and dates outlined in the agreement, the escrow funds will be distributed to the class at varying levels.
- c.) Some of the previously sealed documents will be opened for public review per a Spring 2012 motion.
- d.) DFA will reconfigure member milk checks to reflect revenues, agency deductions, applicable premiums, deductions, or incentives, mailbox price, and the avg. Federal Order blend price for member's pay zone.
- e.) Resolutions will be presented at next DFA annual meeting to disclose compensation and incentives for top five senior executives, along with per diem compensations of Board members.
- f.) Resolution or consideration whether DFA members should be permitted to opt out of DFA's block vote, consistent with Senate Bill 457 (Democracy for Dairy Producers Act of 2011).
- g.) Resolution will be proposed at next DFA annual meeting for increased transparency and options in the DFA/SEAC election process.

Typical of Settlement Agreements, the Defendants admitted no guilt. With this \$140 Million Settlement, plus the \$18.6 in price increases added to the previous \$145 Dean Foods/SMA monetary settlement, there was a recovery of 73% of estimated damages. According to class-action experts, this is an extraordinary financial recovery of damages. Typical Class Action pre-trial settlements average 20% recovery. Both parties faced inherent risks if they proceeded to trial.

More information will be forthcoming as Settlement Agreements are more closely analyzed and examined. A Fairness Hearing, at which farmers will be allowed to speak, has been scheduled for April 3rd at 10:00 a.m.

The official court-monitored website is www.southeastdairyclass.com. The Settlement Proposal and Class Notices will be found there in the next few days.

For updates, visit www.milkshedsblog.com. Farmers and consumers may comment following blog posts at this site.