



**Readington Farms inc.**

12 MILL ROAD  
WHITEHOUSE STATION, NEW JERSEY 08889  
TELEPHONE (908) 534-2121

December 29, 2021

Robert N. Barley, Chairman  
Pennsylvania Milk Marketing Board  
Room 110, Agriculture Building  
2301 North Cameron Street  
Harrisburg, PA 17110

Re: Readington Farms, Inc. Facility Closure

Dear Chairman Barley and Members of the Pennsylvania Milk Marketing Board (the "Board"),

Please let this letter serve as the official petition for a 28-day notice period to terminate the existing course of dealing between the producers who currently supply Readington Farms, Inc. ("Readington") with fluid raw milk (the "Readington Producers") and Readington.

Pursuant to 7 Pa. Code § 143.31, a dealer may petition for a 28-day notice period, in lieu of the standard 90-day notice period, so long as the requirements under at least one of subsection (c), (d), (e), or (f) are met. The slowdown of plant operations, pending shut down of plant operations, and the permanent reduced ability to handle and deliver historical outputs, among several other factors, at the Readington facility, located in Whitehouse Station, New Jersey, fulfills the requirements as set forth in 7 Pa. Code § 143.31(f) and therefore permits Readington to provide 28 days-notice of the termination of the dealer/producer relationship to the Readington Producers.

7 Pa. Code § 143.31(f)(1)-(6) outlines six requirements that a dealer must meet to qualify for the shortened notice period under the Catastrophic Event exception. Readington meets all six requirements as follows:

- (1) Readington will experience a slowdown, and ultimate shut down, of plant operations.



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- (2) Readington has documentation showing weekly average plant output as measured by sales in pounds of packaged milk products prior to the catastrophic event based on a 26-week rolling average.
- (3) Readington has documentation showing weekly average raw milk receipts in pounds prior to the catastrophic event based on a 26-week rolling average.
- (4) As a result of the slowdown, and subsequent permanent closure occurring because of the inability to expand and update the facility to meet modern efficiency standards, Readington will have a reduced ability to handle, process, and deliver historical outputs of packaged milk products. In the absence of updates and expansion, Readington is unable to provide packaged milk products at a competitive price. As a result, Readington's largest purchaser canceled its contract and has elected to purchase all of its packaged milk products from another supplier. Readington's remaining customer represents a small portion of the business, which order is insufficient in size to keep the Readington Facility open.
- (5) Readington has made good faith efforts to return to historical outputs, including an extensive search and exploration of its existing facility's capabilities to accommodate future growth.
- (6) Despite Readington's good faith efforts, the reduction in output will last beyond 28-days; it will be a permanent reduction in output.

As part of the termination, new partnership, and underlying agreement between Readington's former largest customer and its new supplier, the new supplier will offer to every existing Readington Producer a path to membership within its organization. As such, no producer will be left without a market; every producer will have a market for their fluid milk.

The objective of the baseline 90-day notice period is to ensure that producers have adequate time to secure a new market for their milk. Although Readington Producers are losing their market with Readington, they are receiving an automatic offer for a new market. Therefore, the underlying 90-day notice requirement is not at issue in this transaction and makes a 28-day notice period sufficient for each producer.

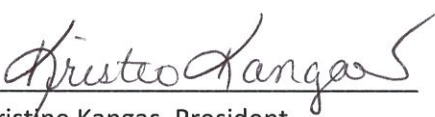


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Readington has made every effort to ensure that each and every one of its producers will have a secure market to ship its fluid milk. As such, Readington kindly requests that the Board approve the 28-day written notice period based on the Readington Facility's insufficient plant capacity due to the catastrophic slowdown and closure of the facility.

Respectfully submitted,

  
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Kristine Kangas, President