

EXHIBIT

A

NDPO Board Members

Mike Eby

Chairman of the Board
Dairy Producer --- Pennsylvania
(717)799---0057
meby@wdac.com

Paul Rozwadowski

Vice Chairman
Dairy Producer --- Wisconsin
(715)644---5079
prozawadowski@centurytel.net

Gary Genske

Treasurer
Dairy Producer --- California
(949)650---9580
garyg@genskemulder.com

Pete DeHaan

Dairy Producer --- Oregon
(503)437---6628
rcowsgetrdone@hotmail.com

Bob Krucker

Dairy Producer --- Idaho
(208)324---7904
rekkmk@bridgemail.com

John J. King

Dairy Producer --- Pennsylvania
(717)284---5756



"We pledge to thoroughly and immediately review and study each of the issues that impact the price of milk paid to producers in order to determine and facilitate needed changes that may be required to reach our stated purpose of producer profitability, for now and in the future."

Tuesday National Calls:
8 PM East – 5 PM West
Live Calls:
(712)775-7035
Recorded Calls:
(712)775-7039
Pin: 330090#

NATIONAL DAIRY PRODUCERS ORGANIZATION, INC.

Producer's Voice

December 2015

www.NationalDairyProducersOrganization.com

"Pursuing Profitable Demand" As Heard on Dairyline by Bob Krucker, Idaho dairy farmer and NDPO board member

I'd like to discuss demand and milk price. The magazine Dairy Herd Management recently published an article where in long time Darigold executive director Jim Wegner stated in part: "Overall, U.S. domestic consumption of dairy products has been fairly flat. The industry must come to grips with the fact that as U.S. dairy farmers continue to grow and produce more milk, all of that incremental milk production will need to be exported to find a market."

Mr. Wegner also stated, "The industry needs to commit to consistently supply the export market because it is now critical to facilitate the future growth of the U.S. dairy industry."

These statements are very troubling because they indicate that Mr. Wegner and Darigold have given up growing the domestic milk market and are committed to pursuing unprofitable export demand.

Dairy farmers are continuously told that demand for dairy will expand - driven by emerging global markets, population growth and per capita consumption. Okay, that may be true, but will this growing global demand be profitable demand for the U.S. dairy farmer? It has not, is not, and probably will not be in the future.

If the global supply for dairy products is based upon \$14 per hundredweight milk, because that is all the emerging global markets can afford to pay or are willing to pay. The U.S. dairy farmer should not be interested in satisfying this unprofitable demand.

The global demand for cheap dairy products can only come from dairy farmers who make cheap milk. The remaining U.S. dairy farmers in this country do not make cheap milk.

Now all businesses need to make a profit to keep doing what they do. Without profit businesses can only do what they do until they run out of money. For decades, unprofitable U.S. dairy farmers have been making milk until they run out of money just to satisfy unprofitable demand. The U.S. dairy farmer, through their dairy farmer owned co-op must pursue only profitable demand for which the dairy farmers pay more for the milk than what it costs to make. If the only profitable demand is the U.S. domestic demand, then the U.S. dairy farmer must balance the milk supply with the U.S. profitable demand in order to survive.

If certain dairy farmers choose to supply the unprofitable export market - they should be allowed to do this, but not at the expense of most U.S. dairy farmers who simply want to sell whatever milk they make at a price greater than what it costs to make it.

How about Darigold and all the other dairy farm owned co-ops set up a two-tier pricing mechanism. One tier for those dairy farmer member owners who wish only to supply milk to the domestic demand market - paying a price for milk that is at least equal to the average total cost of producing milk in the U.S. as reported every month by USDA. And a second price for those dairy farmers who wish to provide excess milk for the export market at whatever price the export market will provide.

Under this pricing scheme we can preserve our existing national milk producing infrastructure and as many of our remaining dairy farmers as possible - and at the same time allow those dairy farmers who wish to speculate on the global export market to do so.

Here's the bottom-line. If we continue to supply milk in excess of profitable demand and chase unprofitable demand, with dairy farmers getting paid less than what it costs to make the milk, we will soon lose our remaining milk producing infrastructure and most of our remaining dairy farmers.

EXHIBIT

B

NDPO Board Members

Mike Eby

Chairman of the Board
Retired --- Pennsylvania
(717)799---0057
meby@wdac.com

Paul Rozwadowski

Vice Chairman
Dairy Producer --- Wisconsin
(715)644---5079
prozawadowski@centurytel.net

Gary Genske

Treasurer
Dairy Producer --- New Mexico
(949)650---9580
garyg@genskemulder.com

Pete DeHaan

Dairy Producer --- Oregon
(503)437---6628
rcowsgetrdone@hotmail.com

Bob Krucker

Dairy Producer --- Idaho
(208)280---1830
rekkmk@bridgemail.com

John J. King

Retired --- Pennsylvania
(717)284---5756

Tom Montieth

Retired --- Massachusetts



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NATIONAL DAIRY PRODUCERS ORGANIZATION, INC.

Producer's Voice

October 2016

www.NationalDairyProducersOrganization.com

TO ALL U.S. DAIRY FARMER CO-OP OWNER MEMBERS

The undersigned hereby acknowledges the following:

The purpose of any cooperative organization is to promote the sustainable profitability of it's dairy farmer owner members. Sustainable profitability shall be achieved through the promotion of basic market economics of balancing a milk supply with profitable demand resulting in a price paid for milk greater than the co-op owner members average cost to make the milk. As an existing and/or future member of the management team of this co-op, I pledge to promote the following principles to accomplish the purpose of this dairy farmer owned processing co-op:

1. Accept no non-member milk and sell no member milk, unless the price paid or received is greater than the member dairy farmer's average cost to make the milk.
2. Implement a pro-rata across-the-board reduction in the acceptance of member milk for processing until the milk supply is balanced with profitable domestic market demand, which provides a price greater than the member dairy farmer's average cost to make the milk.
3. Do not own, operate or be involved with any processing facility, make any dairy product or chase any dairy market that will not pay a price greater than the member dairy farmer's average cost to make the milk.
4. Use the National Dairy Producer's Organizations 100 percent USA trademark on all co-op made products to promote U.S.-made dairy farmer milk.



www.100percentusa.org

Signed: _____ Date: _____

Print: _____

Co-Op Name: _____

OFFICE 949-375-4450 • FAX 949-650-9585

EXHIBIT C



4001 Lexington Avenue North
Arden Hills, MN 55126

Mailing: P.O. Box 64101
St. Paul, MN 55164-0101

651-375-2222
www.landolakesinc.com

September 4, 2015

Dear Member-Owner,

Milk production in the eastern region continues to be very strong, and if the growth continues at the existing pace it will out strip the processing capacity in the region. We are asking your help in managing this challenging situation.

When comparing milk production from July of 2015 to July of 2013, the states of New York and Pennsylvania are up 7.4% and 5.4% respectively. Over the same two year period the production from our membership is up 9.3%. This has added nearly 6,000 loads of milk to process and market over this time frame.

Over this same two year period, we have seen a significant reduction in processing capacity and demand for fluid milk in the northeast. Processing capacity has been reduced by 3.3 million lbs. per day with the reduction of Yogurt production. Additionally, northeast fluid milk requirements have declined by 3.5 million lbs. per day with the continued reduction in fluid milk consumption.

During 2014, Land O'Lakes made investments to the Carlisle manufacturing facility that added nearly 500,000 lbs. of additional processing capacity daily. Since that time, the facility has run at record levels, which has allowed us to process all of our member milk, while many processors in the region have been forced to dump milk.

As we begin to plan for 2016, we are very concerned that the entire northeast region will be in an oversupply situation and will exceed processing capacity. We are asking that all members delay any herd expansions until the marketplace becomes more in balance.

Over the next 60 days, we will be evaluating all of our member programs and will be coming back to you with specific plans regarding how to better manage member supply growth.

If you have any questions or concerns, please contact myself, Ron Davis at 717-512-3007 rdavis@landolakes.com, or Amanda Rife at 717-486-2214 anrife@landolakes.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Neary', is written over a light blue horizontal line.

Bill Neary
Senior Director, Member Relations
Land O'Lakes Inc.
wcnearby@landolakesinc.com
(651) 375-2353



4001 Lexington Avenue North
Arden Hills, MN 55126

Mailing: P.O. Box 64101
St. Paul, MN 55164-0101

651-375-2222
www.landolakesinc.com

EBY JON MICHAEL
459A QUEEN ROAD
GORDONVILLE, PA 17529

January 11, 2016

Dear Member-Owner,

Over the past few months, we have been working closely with you as we manage through challenging market dynamics and implement a Base program in the region. The Base program, which officially went into effect January 1, 2016, helps us better align member milk production with market demand for the benefit of all. By implementing more discipline, we will be in better position to capture market opportunities, maximize the value of member production and protect all member equity.

Thank you to all who joined us for one of the four member meetings we held throughout the region in November and December. Each meeting included productive dialogue and provided an opportunity to address member questions and concerns. Based on your input, we did modify certain components of the Base program including the specific criteria around allowable transfers of Base.

As a reminder, you should have received a communication outlining your individual Base allocation in December. This number equals the highest daily production average achieved for a full month between September 2014 and August 2015.

As part of recent enhancements to the Production page on Milk Producers Online (MPOL), members now have the opportunity to monitor their actual production in relation to their Base allocation. If you need assistance with the updated MPOL site, you can always contact your local Land O'Lakes staff representative or the MPOL site administrator at 651-375-2830 or mpol@landolakes.com.

Please remember, with the new Base program going into effect January 1, members have no production restrictions but those members who exceed their Base production allocation do so at their own risk. Land O'Lakes will make every effort to market this milk as effectively as possible but incremental costs incurred (freight, market discount, etc.) will be charged back to the producers who exceed their Base.

The recent holiday period underscored the severity of the supply/demand dynamics throughout the region and reinforced our need to enforce the new Base program. Over the last few weeks, our system was stressed with a tremendous amount of milk moving into our Carlisle facility. This resulted in milk pickup delays of up to 36 hours, which created challenges for members, haulers and the Carlisle facility.

Keep in mind, if there is not market demand for milk, even a small number of members significantly increasing their production can have an adverse financial impact on all members. Our Base program is designed to honor a core cooperative principle by having members who exceed their Base allocation bear any adverse financial costs rather than spreading that cost among all members.

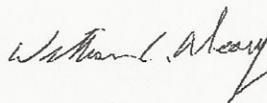
Thank you again for your engagement, patience and cooperation throughout the implementation process. Together, we are building the discipline needed to provide Land O' Lakes with a clear view of our milk supply and help deliver more consistent and optimal earnings now, and for the future.

Please feel free to reach out to us with any questions or concerns. You may also contact Ron Davis (717-512-3007 or RJDavis@landolakes.com) or Amanda Rife (717-486-2214 or ANRife@landolakes.com).

Sincerely,



Leah Anderson
Vice President, Member Relations
LNAnderson@landolakes.com
(651) 375-1488



Bill Neary
Senior Director, Member Relations
WCNeary@landolakes.com
(651) 375-2353

LETTERS from READERS

Milk producers must find a way for self control

Editor:

For years, the National Dairy Producers Organization (NDPO) has been preaching and teaching that dairy farmers must find a way to properly manage themselves, the milk they make and their co-ops in a way that complies with basic economic principles of supply and demand.

It appears Land O'Lakes, Inc. is taking preliminary steps to assist dairy farmers in balancing the milk supply with profitable demand.

Dairy farmers are continuously told that demand for dairy will expand, driven by emerging global markets, population growth and per capita consumption.

Editor:

All the discussion about how government and/or political action should establish a profitable price for milk for the dairy farmer, is fruitless diversion from the real solution to achieving a profitable price for milk, to wit, dairy farmers balancing the supply of milk with profitable demand.

All processors and retailers promote these conversations about government establishing a milk price, knowing full well they will not result in a profitable price for milk in that they (processors and retailers) have purchased the influence of all political decision makers to act in the milk buyers best interest not the milk makers best interest.

If the global supply for dairy products is based upon \$10/cwt milk, because that is all the emerging global markets can afford to pay, the U.S. dairy farmer should not be interested in satisfying this unprofitable demand.

The global demand for cheap dairy products can only come from dairy farmers who make cheap milk. The remaining U.S. dairy farmers do not make cheap milk. All businesses need to make a profit in order to keep doing what they do.

Without profit, businesses can only do what they do until they run out of money. For decades unprofitable U.S. dairy farmers have been making milk until they run out of money just to satisfy unprofitable demand.

The U.S. dairy farmer, through their dairy farmer owned co-ops, must pursue only prof-

Furthermore, no government and/or political action can overcome or effectively counter the pricing effects resulting from a milk supply in excess of profitable demand.

The economic law of supply and demand will not be denied.

The U.S. dairy farmer should accept this reality and help himself by balancing the milk supply with profitable demand.

We either cull cows or cull dairy farmers. I think we should cull some cows and keep the dairy farmers.

Bob Krutcher,

Idaho NDPO Board Member

table demand for which the dairy farmer is paid more for the milk than what it cost to make, for there to be any hope of preserving our existing national milk producing infrastructure and as many of our remaining dairy farmers as possible. If the only profitable demand is the U.S. domestic demand then the U.S. dairy farmer must balance their milk supply with the U.S. profitable demand in order to survive.

If certain dairy farmers choose to supply the unprofitable export market, they should be allowed to do so but not at the expense of most U.S. dairy farmers who simply want to sell whatever milk they make at a price greater than what it cost them to make it.

The Land O'Lakes proposal should, in essence, set up a two tier pricing mechanism: One, for those members who wish to provide "base" milk for the domestic demand market

paying a price for milk that is at least equal to the average total cost of producing milk in the U.S., as reported monthly by the U.S.D.A.;

And a second price for those dairy farmers who wish to provide excess milk for the export market at whatever price the export market will provide.

Under this pricing scheme we can preserve our existing national milk producing infrastructure and as many of our remaining dairy farmers as possible and at the same time allow those dairy farmers who wish to speculate on the global export market to do so.

I and NDPO congratulate Land O'Lakes on their proposed Eastern Region Milk Supply Program and request that Land O'Lakes expands it nationally, co-op wide.

Mike Eby, chairman, NDPO; and
LOL member, Lancaster County, Pa.

Slim victory proves that every vote counts

Editor:

On Monday evening (December 7) I was informed by Rep. John Lawrence that his dairy bill, HB 1265, had just passed the Pennsylvania House of Representatives by 102 to 94 votes. Rep. Lawrence told me you need 102 affirmative votes to pass legislation in the Pennsylvania House of Representatives. This means the bill passed by one vote. Many times different people think their vote doesn't mean anything. However, this victory clearly indicates that an individual vote does count. Just think if one of the 102 votes had cast a no vote, then HB 1265 would have been defeated. So anytime you vote, your vote does count.

One of the main objectives of the bill was to be sure that the premium money on fluid milk in Pennsylvania is completely returned to the qualified dairy farmer.

1265 and carefully guiding the bill through the Pennsylvania House of Representatives. There are many other people who deserve a lot of credit for the passing of Lawrence's bill. Certainly when the Pennsylvania Farm Bureau came on board with the bill, this action certainly had an impact on the final outcome.

I know we contacted 100 offices of the House of Representatives. Even with all the efforts put forth by so many people, 94 members of the House of Representatives voted against the bill. In my opinion, these 94 members voted against the best interests of many dairy farmers in Pennsylvania. It is my understanding that the bill now will go to the Pennsylvania Senate, where the battle may be fought again.

This close vote, even though a victory, clearly shows why it is so difficult to pass needed, favorable legislation for farmers at any level.

Focus should be on supply and demand

This Formula will Help Your Cows Reach Lower SCC Goals