

May 15, 2017

Name  
Address  
City, State ZIP

Dear (NAME):

As you are undoubtedly aware, our region has experienced unprecedented growth in our milk supply over the past several years. Currently, supply continues to grow at an overall rate of 2 percent per year, ahead of the national average, with increases of over 4 percent in some states. This has resulted in a supply-demand imbalance that has placed the entire milk marketing system in the eastern United States under severe stress. The costs incurred in balancing surplus milk have skyrocketed while premiums received from customers have fallen and consumer demand, particularly for fluid milk products, has softened appreciably. We expect these trends to continue through 2017 and well into 2018.

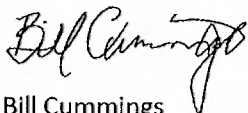
As an independent producer marketing your milk through Dairy Marketing Services (DMS), there is no practical method available under Federal Order regulations for the sharing of marketing costs and revenue fairly and equitably among all producers in the marketplace, independents and cooperative members alike. As a result, we are unable to continue marketing your milk under the current DMS arrangement.

Within the next few days, we will be sending you a six-month notice of termination. During this period, we encourage you to find another milk market in the Mideast Area. If you do not wish to or cannot find another market, Dairy Farmers of America, Inc. (DFA) will offer you membership and continue to market your milk. As a one-time accommodation and benefit to you, DFA will offer two special terms for the first year of membership. First, for the first year of membership, you will have the option to not pay a capital retain (equity). Second, for the first year, DFA will allow you to terminate your membership at any time, with 30 days' prior written notice.

Furthermore, as part of DFA, you will be entitled to access all member programs and services including insurance, buying/farm inputs, risk management and lending programs. These programs are designed to bring value to you by helping you operate your dairy more economically and efficiently.

We have sincerely appreciated our relationship with you, and will continue to work hard every day to help support Mideast Area dairy producers and our industry.

Sincerely,



Bill Cummings  
Chief Operating Officer