

PA Milk Marketing Board
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PMMB Actions Going Forward with Dean Non-Payments

Dean Foods was the largest dairy processor in the United States in the not too distant past. Dean owned four processing plants in Pennsylvania, all buying milk from Pennsylvania dairy farmers. We also licensed three Dean plants in other states. There aren't too many people in the commonwealth who are not aware of Dean and the fact that the company's final payment hasn't been received by its producers.

We have received many calls and emails asking about the process that producers have to follow to collect on Dean's bond, as guaranteed by PA's Milk Producers' Security Act. I hope to answer some of those questions in this article.

First, there is nothing that any producer "has to do." Dean Foods is responsible for providing us with information about its producers and what they are each owed. So, there is no application, form, or other form of contact that anyone needs to make with us to receive owed funds.

Second, there is also a process that we must undertake before any funds will be available and ready for disbursement by the Treasury. We have received initial information about the four Dean's plants in Pennsylvania. Since Dean's has been in bankruptcy proceedings for several months, we will have to find out if the bankruptcy court must give us permission to access and pay out the security funds monies. We have started that process.

Unfortunately, we cannot provide a timeframe as there are multiple questions that must be answered and the information we recently received from Deans must be audited.

If we must access the bond funds, payments would be made in one or two separate phases. Phase 1 would cover all or a portion of the minimum amount due as well as the appropriate over order premium. A portion of the amount due would be distributed on a prorated basis only if the bond funds are not sufficient to cover all of what is due to each producer involved.

If there are enough funds to cover the Phase 1 minimums and over order premium, and there are funds left over after Phase 1 payments, Phase 2 would occur. Those funds would be distributed on a prorated basis to cover voluntary payments such as quality premiums that producers often receive.

I want to assure each and every Dean dairy producer that PMMB Staff are working diligently on this issue and have prioritized it at this time. Every available staff person is working on it, including our two attorneys.

Even though we are busy, we welcome any questions and concerns that you have. I have also published a document on our website that can be downloaded and printed and that provides all the details of the process. The document can be accessed at www.mmb.pa.gov; there is a link on

the right, center bar, called *Board Action on Dean Foods*. Click and you will be taken to a page that has the full text as well as a link to the document for download.

PMMB is always available to respond to questions and concerns. I can be reached at 717-210-8244 and by email at chardbarga@pa.gov.