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Cox Fights to Keep Milk Prices Affordable for Upper Peninsula School Kids

January 22, 2010

Lansing - Michigan Attorney General Mike Cox today filed an antitrust lawsuit challenging Texas-based Dean Foods Company's recent acquisition of processing plants that threatens to increase the price of milk for school children in the Upper Peninsula.

The suit seeks to force Dean to give up control of two Wisconsin plants formerly owned by the Consumer Products Division of Foremost Farms USA. Due to the acquisition, many schools in Wisconsin and the U.P. were left with Dean as their only potential supplier of milk, eliminating competition and potentially driving up prices for students and parents who may be on fixed incomes.

"Paying more for necessities, like milk, puts added pressure on Michigan families already tight budgets," said Cox. "For schools in the U.P. faced with limited revenue during difficult budget times, every dollar counts."

In recent years, Dean and Foremost have been the first and fourth largest sellers of school milk and fluid milk in Wisconsin, the U.P., and northeastern Illinois, and Dean's acquisition of Foremost's processing plants in DePere and Waukesha, WI neutralized Dean's most aggressive competitor. Dean is one of the largest food and beverage producers in this country, with revenues of \$11.82 billion in 2008.

Dairy processors, such as Dean and Foremost, buy raw milk from dairy farms and cooperatives, pasteurize and pack the milk, and then sell the milk to distributors, retailers, and other consumers, including schools.

The complaint was filed this afternoon in Federal District Court for the Eastern District of Wisconsin by Michigan, Illinois, Wisconsin and the United States Department of Justice.

- 30 -

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