

Attorney General Ellison reaches agreement to help school districts afford the price of school milk

Will protect more than 40 school districts and programs through 2030

November 19, 2019 (SAINT PAUL) – Minnesota Attorney General Keith Ellison announced today that his office has entered into an agreement that will help more than 40 Minnesota school districts and related programs afford to buy milk for students through 2030.

This is the first time since Attorney General Ellison assumed office that the Attorney General's Office has taken steps to protect consumers and producers from allegedly non-competitive behavior in agricultural markets.

"Milk in schools isn't a luxury — it's a staple and a necessity," Attorney General Ellison said. "The families of children that rely on school milk are trying to afford their lives. So are the families that produce school milk. Anticompetitive behavior in agriculture in the form of market integration is making it hard for both of them to do that. My office intervened to make sure prices of this staple can remain affordable for thousands of kids and their families, and for thousands of Minnesota taxpayers, for the next decade."

On October 26, 2018, Dairy Farmers of America (DFA), a Kansas-based cooperative marketing association, purchased a milk-processing plant in Saint Paul called the St. Paul Facility that was owned by Agropur, a Quebec-based dairy cooperative. Until then, the St. Paul Facility and Kemps competed head to head for the business of supplying milk to schools in more than 40 Minnesota school districts, primarily in the Minneapolis–Saint Paul metro area. Kemps, however, is already owned by DFA.

As a result to Agropur's sale of the St. Paul Facility to DFA, which already owned its major competitor in the school-milk market, the Attorney General's office alleged that:

- DFA's acquisition of the St. Paul Facility will adversely affect the markets for the sale of school milk to individual school districts in Minnesota.
- The acquisition's elimination of head-to-head competition between Kemps and the St. Paul Facility will hurt school milk purchasers.
- The acquisition is likely to substantially lessen competition in the Minnesota school milk market.
- The contract between DFA and Agropur for the purchase of the St. Paul Facility is an unreasonable restraint of trade.

DFA denied the State's allegations.

As part of an Assurance of Discontinuance that the Attorney General's Office has reached with DFA, beginning in the 2020–21 through the 2029–30 school years, DFA will bid for school milk sales for those districts and programs at a price no higher than the price successfully bid by either Kemp's or the St. Paul Facility in the 2018–19 school year, adjusted to reflect the current milk industry. This will blunt the anticompetitive edge of DFA's purchase of the St. Paul Facility and make it easier for those districts and programs to buy milk for students at affordable prices.

[A copy of the Assurance of Discontinuance is available here.](#)

The affected school districts and programs are:

- Anoka–Hennepin
- Anoka–Hennepin Adventures Plus
- Bloomington
- Buffalo–Hanover
- Burnsville–Eagan–Savage
- Cambridge–Isanti
- Centennial
- Cloquet
- East Carver
- Fridley
- Hinckley–Findlayson
- Howard Lake
- Intermediate District #287 (Plymouth)
- Inver Grove Heights
- Lakeville
- Mahtomedi
- Minneapolis
- Minnetonka
- Minnetonka Public Schools Explorers Club
- Mounds View
- Orono
- Osseo
- Pierz
- Prior Lake
- Robbinsdale
- Robbinsdale School District Adventure Club
- Rosemont–Apple Valley–Eagan
- Roseville
- Roseville Area Schools Friendship Connection
- Rush City
- South St. Paul
- South Washington County
- Spring Lake Park

- St. Anthony–New Brighton
- St. Louis Park
- St. Michael
- St. Paul
- Stillwater
- Wayzata
- West St. Paul–Mendota Heights–Eagan Area
- White Bear Lake