



# Department of Justice

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## **JUSTICE DEPARTMENT REACHES SETTLEMENT WITH DEAN FOODS COMPANY**

### ***Requires Dean to Divest Dairy Processing Plant Near Milwaukee and Golden Guernsey Brand Must Notify Justice Department Before Making Future Milk Acquisitions***

WASHINGTON – The Department of Justice announced today that it has reached a settlement with Dean Foods Company that requires Dean to divest a significant milk processing plant in Waukesha, Wis., and related assets that it acquired from the Foremost Farms USA Cooperative, including the Golden Guernsey brand name. The proposed settlement also requires that Dean notify the department before it makes any future acquisition of milk processing plants for which the purchase price is more than \$3 million. State attorneys general from Illinois, Michigan and Wisconsin joined in the department’s settlement. In addition, the attorney general for the state of Michigan filed a separate settlement to address competitive concerns regarding school milk in that state. The department said that the divestitures and settlement terms will restore competition in the sale of milk to schools, grocery stores, convenience stores and other retailers in Illinois, Michigan and Wisconsin.

The department’s Antitrust Division and state attorneys general from Illinois, Michigan and Wisconsin, filed a proposed settlement in U.S. District Court for the Eastern District of Wisconsin in Milwaukee. If approved by the court, the settlement would resolve the civil antitrust lawsuit filed by the department and the state attorneys general on Jan. 22, 2010, and would resolve the lawsuit’s competitive concerns.

“The proposed settlements restore competition so that school children and consumers in Illinois, Wisconsin and Michigan, will pay lower prices for their milk,” said Christine Varney, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The divestiture of a significant milk processing plant and the provision that requires Dean to notify the department of future milk plant acquisitions will ensure that competition remains in this important industry.”

In April 2009, Dean acquired Foremost’s Consumer Products Division, including its dairy processing plants in Waukesha and De Pere, Wis. The department learned of the transaction, which was not required to be reported under the premerger notification law, shortly after it was completed. After investigating the acquisition, the department and the state attorneys general filed a lawsuit alleging that Dean’s acquisition would eliminate substantial competition between the two companies in the sale of milk to schools, grocery stores, convenience stores and other

retailers, in Illinois, Michigan and Wisconsin.

Given its size, location and distribution network, the department determined that the divestiture of the Waukesha dairy plant addressed the competitive concerns in Illinois and Wisconsin. The Waukesha plant is an efficient dairy processing plant that can serve milk retailers and schools in Milwaukee, Green Bay and Chicago, with approximately 92 percent of the population affected by the merger living within the plant's service area.

Dean is a Delaware corporation with its principal place of business in Dallas. It is one of the largest food and beverage producers in the United States, with revenues of approximately \$12 billion in 2010. Dean's Dairy Group is the country's largest processor and distributor of milk and other dairy products.

Foremost Farms is a member-owned business association headquartered in Baraboo, Wis., owned by approximately 2,300 farmers located in seven states. In 2008, its Consumer Products Division had net sales of \$233.7 million.

The proposed settlement, along with the department's competitive impact statement, will be published in the Federal Register, as required by the Antitrust Procedures and Penalties Act. Any person may submit written comments regarding the proposed final judgment within 60 days of its publication to Joshua H. Soven, Chief, Litigation I Section, Antitrust Division, U.S. Department of Justice, 450 5th Street, N.W., Suite 4100, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the Final Judgment upon a finding that it serves the public interest.

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