



Department of Justice

FOR IMMEDIATE RELEASE
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JUSTICE WILL FILE SUIT TO BLOCK ACQUISITION OF MINNEAPOLIS-ST. PAUL AREA DAIRY

The Department of Justice announced today that it intends to file a civil antitrust suit to block the acquisition of all of the stock of Superior-Dairy Fresh Milk Co. by Country Lake Foods Inc., two of the three largest processors of milk sold in the Minneapolis-St. Paul metropolitan area.

James F. Rill, Assistant Attorney General in charge of the Antitrust Division, said the lawsuit will allege the acquisition violates Section 7 of the Clayton Act because it may substantially lessen competition in the sale of fluid milk products. The lawsuit will be filed Thursday in U.S. District Court in Minneapolis.

Fluid milk products include homogenized whole milk, two-percent milk, one-percent milk, skim milk, chocolate milk, buttermilk and half-and-half. Dairies such as Country Lake and Superior process, package and sell these products to grocery and other food stores and to institutional customers such as schools.

"The acquisition will significantly increase the level of concentration in the sale of fluid milk products in the Twin

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Cities area," Rill said. "The top two firms remaining in the market will control over 70 percent of fluid milk sales.

"As a result of this acquisition and greater concentration levels, there will be an increased risk that milk consumers in the Minneapolis-St. Paul area will be faced with higher prices in the near future. This heightened risk of higher prices is unacceptable under the antitrust laws."

Superior is a closely-held Minnesota company based in Minneapolis. Country Lake, which is 70 percent owned by Land O'Lakes Inc., is a Delaware corporation with its principal offices in St. Paul. The purchase agreement is between Country Lake and the shareholders of Superior, and provides for the purchase of all of Superior's stock for cash.

Country Lake presently has approximately 18.2 percent of fluid milk sales in the Minneapolis-St. Paul area. Superior controls about 17.8 percent of fluid milk sales in the area. The largest dairy serving the Twin Cities area is Marigold Foods Inc. with about 36.4 percent of sales. Approximately \$160 million was spent on fluid milk products in the Minneapolis-St. Paul area last year.

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