



April 6, 2020 - The following update is focused only on those local unions bid on by Dairy Farmers of America (DFA). A separate update for the local unions involved with the Prairie Farms bid will be published soon.

As you know, Dean Foods filed for bankruptcy in late 2019. Since that time, your Union has been in numerous discussions with Dean to determine if there was any way to save the company. The company did not respond in earnest until the last month, as we believe it had no intention of attempting to operate as a standalone business, or even the ability to do so. In fact, Dean has been so poorly managed, Dean's advisors have stated in the bankruptcy court that Dean will run out of cash in the near future, and cease doing business in all areas. Dean management was focused on only one path to escape their failing company – a sale of assets to one or more buyers. Once potential buyers started to appear, Dean began to act as the surrogate for them and started to make contract proposals to gut your contracts in order to make the sale of their facilities more attractive. These proposals were really on behalf of the potential buyers, Dairy Farmers of America (DFA) and Prairie Farms (PF), two dairy companies that our Union has contracts with across the nation.

Their proposal included the stripping of all health and welfare plans, discontinuing all participation and contributions to pension plans, wage freezes, and other changes that were devastating to your contracts. Additionally, the bankruptcy statutes give the company the right to go to court and terminate your entire union contract. Obviously, this was something that we wanted to prevent, and so far we have been successful in doing so. In an effort to ensure we would have an ability to negotiate with a purchaser, all the Local Unions involved in the potential purchase by DFA voted to form a National Negotiating Committee. We have been involved in intensive negotiations with DFA since the bids were made public March 31st.

Forming this committee gave us maximum leverage to maintain consistency within our ranks, and most importantly, to save as many jobs with as many benefits as we could. After many days of intense negotiations, under the very difficult conditions we are all currently facing around this pandemic, we have come to an agreement that saves jobs, saves health and welfare, and saves pensions in one form or the other. Under these difficult circumstances, and of course, staring in the face of massive job losses during a very difficult economic period, the twelve Locals on the National Bargaining Committee, and the two-person committee made up of all affected Local Unions, have endorsed this offer and is recommending that you vote Yes to accept these contract revisions, save your job and move forward into the future.

We are under a very tight timeline, as the offer made to buy parts of Dean, which has been approved by the Bankruptcy Court, is scheduled to be finalized on April 23. Coincidentally, that date is just before Dean is at risk of running out of money. If the Final Offer isn't ratified, DFA and/or PF could walk away from the deal. This is why this vote is so important.

We all know the management of Dean Foods destroyed the company and with it many of the regional dairies for which many of you originally worked. These regional dairies provided good jobs with decent wages and benefits. Now, we are faced with a company that is bankrupt, but with a chance, through these two buyers, to maintain our jobs and benefits, take some cuts in working conditions for a limited amount of time, and live to fight again.

Soon, you will receive a packet in the mail containing the Final Offer from DFA. It keeps most of your current contract intact. This offer will only affect certain provisions of your contract temporarily. The offer maintains:

- Your current wages;
- Any future raises you may have coming in your contract;
- An extension of two years to your current agreement, or a two-year extension if your contract is currently expired, with modest wage increases in those extended years;
- Your health plan if you are in a Teamster plan, and mirrors your Dean plan if you are covered by the company plan, with some added premium cost sharing, and
- For some of you, it maintains your participation in your current pension plan, and for others it provides a 401(k) plan with direct contributions from the company and also provides for matching contributions to your wage deferrals.

There are also some areas where the company demanded operational flexibility that they say they need in order to bring the company back into a viable business, and that they feel are necessary to keep in place for at least a five-year period or until the expiration date of your CBA, whichever is later. Then, these provisions will all be negotiable again during future contract negotiations.

Please review the offer you will receive in the mail carefully. If you should have questions go to www.ibt.io/Dean for a schedule of conference calls the week of April 13. These calls will review the agreements and provide an opportunity to ask questions. You can also talk to your local union representative.

Please review the offer carefully (ibt.io/DFAoffer) when you receive it in the mail.

We are conducting teleconference calls to explain the final offer on
Wednesday, April 8:

- **Wednesday, April 8 at 11 am and 6pm Eastern time**
 - **Call: 1-866-767-0669**