



News

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Agri-Mark farmers will share \$10.2 million year-end profit

Methuen, Mass. -- Agri-Mark has announced a profit after taxes of \$10.2 million for 2012. Agri-Mark officials say this is the sixth year in a row of earning above \$10 million for the dairy cooperative's 1,250 Northeast dairy farm families who own Agri-Mark and share in the profits generated from the sale of their milk.

These profits are in addition to \$21 million in payments that Agri-Mark farmers received in their monthly milk checks throughout 2012 for high milk quality and other premiums, as well as another \$6.3 million in milk hauling subsidies. This forms a combined total of \$37.5 million of benefits to members that the co-op generated last year in addition to providing many other valuable services for its farmer-members.

"This past year really showed the strength of our cooperative business," says Agri-Mark CEO Dr. Richard Stammer. "After a slow start during the first half of the year with falling farm milk and cheese prices, we made very strong profits during the second half, as increasing prices for dairy products helped both the cooperative and our member-owners."

Stammer says that aged Cabot cheddar remains the co-op's top-selling product, but sales of whey proteins, butter and cultured products are strong and contributors to Agri-Mark's bottom line and provide the co-op with good product diversity."

Agri-Mark's profit allocation to its dairy farmers from New England and New York was \$.35 per hundredweight or roughly \$.03 per gallon for all of the milk each farm family marketed through the cooperative during 2012. This represents earnings of roughly \$7,500 for the average Agri-Mark member.

Members receive part of their share of profits in cash and part is retained in their individual equity or ownership account to support the growth of the cooperative. This money is returned to the member when they retire or leave the co-op. Checks for the cash portion of the profits were mailed to mem-

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bers in early March. In recent years, the region's dairy farm families have experienced record high milk production costs, so the profit checks are important to farm families who are struggling to make ends meet.

Stammer says that the past six years have been the most profitable ones in history for Agri-Mark, and he expects that the co-op's level of profits will continue to grow as its branded business increases. Agri-Mark total sales of milk and manufactured dairy products for 2012 were \$880 million.

"The great news is that our cooperative businesses continues to grow and generate substantial profits for farmers," says Neal Rea, a dairy farmer from Cambridge, N.Y., who serves as the cooperative's Chairman of the Board. "But that is not enough. Congress needs to implement the Dairy Security Act as part of the Farm Bill this year which contains a margin insurance program for farmers and a mechanism to help balance the U.S. milk supply with demand. That is the only real solution to the problem of Northeast farm families consistently receiving farm milk prices that do not cover our costs of producing the milk we provide for consumers. We need to be able to cover our milk production costs and receive a fair profit for our work with the money we receive in our milk check. That's our ultimate goal."

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Agri-Mark, with \$880 million in 2012 sales, markets more than 300 million gallons of farm fresh milk each year for more than 1,250 dairy farm families in New England and New York. The cooperative is headquartered in Methuen, Mass., has been marketing milk for dairy farmers since 1913, and actively represents their legislative interests in the Northeast and in Washington, D.C.

Agri-Mark farmers own the award-winning Cabot brand of Vermont Cheddar, butter and other dairy products in addition to the McCadam brand of New York Cheddar, Pepper Jack and other cheeses. Cabot has won the award of World's Best Cheddar twice and McCadam recently won the award of America's Best Cheese. Agri-Mark has also invested in operations to manufacture and market valuable whey proteins globally while also marketing fresh fluid milk from its local farm families to the region's largest dairy processors. For more information about Agri-Mark, visit our web site at www.agrimark.coop.