News From…

Michigan Milk Producers Association

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MMPA Returns $2 million of Cash Patronage Refunds to Members

(Novi, MI)… Michigan Milk Producers Association recently paid $2 million in cash patronage refunds to its dairy farmer members. This cash allocation represents 25 percent of the $6.5 million net earnings generated by the cooperative in fiscal year 2013. The cash patronage returned includes 100 percent of the farm supply earnings and 25 percent of the milk marketing earnings. All members who marketed milk through MMPA for fiscal year 2013 received a portion of the $2 million.

During fiscal year 2013, MMPA members earned $26 million in total premiums. These premiums are a combination of quality, volume, over-order premiums and a "13th" milk check and serve as a reflection of MMPA's financial strength.

MMPA members received other cash payments in April 2013 of $4 million through retirement of the cooperative's 2004 equities. In September 2013, MMPA members received $1 million in cash payments in the form of a "13th" milk check. With the current payment of $2 million, cash payments in the last 10 months total over $7 million.

"The return of cash patronage refunds, premiums and allocated equities continues to occur as a result of MMPA's successful operating results," says Clay Galarneau, MMPA general manager. "Our high-quality milk supply and continuing

(over)

milk production growth is an attractive combination that has helped strengthen our financial position."

Cash patronage funds and equity allocations are based on the amount of milk each individual member farm marketed and on the supplies purchased through the cooperative during the year in which the earnings were achieved. Under the current board policy, the non-cash balance of the equity allocation will be revolved back to the members in future years.

Michigan Milk Producers Association is a member owned and operated dairy cooperative serving approximately 2,000 dairy farmers in Michigan, Indiana, Ohio and Wisconsin.

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For more information, contact Joe Diglio, MMPA Director of Finance, P.O. Box 8002, Novi, MI 48376-8002, or call 248-474-6672.