

Dear Customer,

On September 14, 2004, Governor Pataki signed a new law that affects wholesale milk purchasers such as you. We would like to inform you of the new law that states:

*All wholesale purchasers of milk buying from a licensed milk dealer shall provide not less than seven days notice to their milk dealer supplier before changing suppliers. All wholesale purchasers shall make payment in full to their milk dealer supplier or satisfy their debts by an appropriate surety bond posted or other legal instrument of payment provided, less any legal rebates, discounts, or other credit earned, before changing suppliers. The provisions of this paragraph shall apply only if the milk dealer has satisfied all substantial pre-existing contractual agreements with the wholesale purchaser prior to final delivery. For the purposes of this paragraph, the definition of the term "wholesale purchaser of milk" shall not include public institutions.*

The law is part of New York State Agriculture and Markets Law, Article 21, Section 258-b.

The law was passed to discourage non-payment for milk purchases that have become more flagrant in recent years. Milk processors are required by Federal Law under USDA and the Federal Milk Market Order to pay dairy farmers for raw milk purchases every 15 days. In addition milk processors are required to post bonds to protect against default. To encourage and guarantee payment through the entire milk pipeline from consumer to dairy farmer the state legislature provides some payment assurance to milk processors and distributors through the new law described above.

You should not be penalized for other wholesale customers who do not pay their bills. We encourage support for the new law to help keep our costs down so we can in turn pass along to you the lowest possible milk prices possible.

Please know that your business is very much appreciated and valuable to us. We always strive to provide the best service we can. Should you ever have any problems please let us know immediately and we will do our best to correct the situation.

Should you have any questions please contact our office.

Thank you very much.