



Associated Milk Producers Inc.
Cass-Clay Creamery, Inc.



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Press Release

Midwest dairy co-ops announce plan to merge

Cass-Clay, AMPI to become one

FARGO, N.D. (Feb. 19, 2007)—The boards of directors of two leading Midwest dairy cooperatives have approved a plan to merge. The dairy farmer-owners of North Dakota-based Cass-Clay Creamery, Inc. and Minnesota-based Associated Milk Producers Inc. (AMPI) will form one cooperative.

This is a significant announcement for the Midwest dairy industry. The merger will create a farmer-owned dairy marketing company with more than \$1 billion in annual sales. Together, the cooperatives will provide a complete line of dairy products to a regional and national marketplace.

“This merger is an exciting development for the farmer-owners, employees and customers of Cass-Clay,” says Keith Pagel, Cass-Clay president and general manager. “It will position us for long-term success in the dairy industry through gained efficiencies and the ability to offer a complementary line of dairy products to the marketplace.”

Known for quality fluid milk, ice cream, and cultured products such as yogurt and sour cream, Cass-Clay® is a recognized dairy brand in the upper Midwest. AMPI is a private label manufacturer of consumer-packaged cheese, butter, instant milk and shelf-stable dairy products.

“To compete in a rapidly consolidating food industry, Midwest dairy farmers and their cooperatives must look for new ways to work together,” AMPI General Manager Mark Furth says.

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“This merger further illustrates our commitment to Midwest dairy farmers,” adds Paul Toft, chairman of the AMPI Board of Directors and a Rice Lake, Wis., dairy farmer. “AMPI is solely focused on making the Midwest the best place to produce milk.”

To finalize the merger, the dairy farmer-owners of Cass-Clay must approve the transfer of assets to AMPI. That approval is expected in March, with the merger completed April 1.

“Both cooperatives have outstanding reputations on the farm and in the marketplace,” says David Glawe, chairman of the Cass-Clay Board of Directors and a Detroit Lakes, Minn., dairy farmer. “It’s good to be part of a merger that’s farmer-driven, farmer-controlled and a positive step for both cooperatives.”

About the cooperatives

Cass-Clay

Cass-Clay Creamery, Inc. is a member-owned cooperative with more than \$100 million in annual sales. The cooperative’s 200 farmer-owners operate dairies that produce more than 400 million pounds of milk in North Dakota, South Dakota, Minnesota and Montana. The farmers also own two manufacturing plants and the Cass-Clay® brand, under which fluid milk, ice cream and cultured products are marketed.

AMPI

Associated Milk Producers Inc. (AMPI) is a dairy marketing cooperative with more than 4,000 members, 5 billion pounds of milk and \$1 billion in annual sales. Members operate dairy farms located throughout the Midwest states of Wisconsin, Minnesota, Iowa, Nebraska, Missouri, South Dakota and North Dakota. They own 13 manufacturing plants and market a full line of consumer-packaged dairy products. For more information about AMPI, visit the cooperative’s Web site at www.ampi.com.

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