



News Release

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"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"



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CWT SUES ILLINOIS LIVESTOCK AUCTION MARKET FOR VIOLATING TERMS OF RECENT HERD RETIREMENT PROGRAM

ARLINGTON, VA – Cooperatives Working Together (CWT) is suing a livestock auction market in Greenville, Illinois, that purchased cattle from a CWT member, but instead of selling them for slaughter, apparently resold some them to a different farmer, in violation of the terms of CWT's herd retirement program.

On September 1, the National Milk Producers Federation (NMPF), which operates CWT, joined Illinois dairy farmer Kevin Kessler, and Kessler Dairy Inc., as a third plaintiff in the civil action *Kessler v. Greenville Livestock Auction*, filed in the Circuit Court for St. Clair County, Illinois.

Kessler was a successful bidder in the recent Cooperatives Working Together 2010 herd retirement program operated by NMPF, under which CWT paid Kessler to retire his herd of 340 dairy cows. One of the requirements of the CWT herd retirement program is that accepted herds must be sent immediately to slaughter. Kessler sold his herd to defendant Greenville Livestock auction, on the express condition that the herd would then be sold to a slaughter facility.

Kessler and NMPF contend that Greenville Livestock Auction did not sell the herd to a slaughter facility as it had contracted to do, but instead, sold some of the cows as replacements to another dairy farm. Kessler and NMPF contend that the defendant breached its contract to sell the cows for slaughter; unjustly enriched itself by buying cows at a beef price under false pretenses and then reselling them at a much higher replacement price; and committed fraud in violation of the common law and the Illinois consumer protection statute.

Jerry Kozak, NMPF President and CEO, said that "CWT always take seriously claims that individuals may be attempting to take unfair advantage of the program. We investigate every one of those allegations. In this case, there is convincing evidence that the auction market to which a CWT member sold his cows has defrauded the program, and we are pursuing legal action not just on behalf of Kevin Kessler, but for the tens of thousands of other farmers who support CWT."

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Kessler and National Milk Producers Federation are represented in this action by its outside general counsel, Kevin J. Brosch of DTB Associates, LLP, Washington D.C.; James A. McGurk of Chicago, Illinois; and Russell K. Scott of Greensfelder, Hemken & Gale, P.C., Belleville, Illinois.

Cooperatives Working Together is being funded by dairy cooperatives and individual dairy farmers, who are contributing 10 cents per hundredweight assessment on their milk production through December 2010. The money raised by CWT's investment is being apportioned between two supply management programs that strengthen and stabilize the national all milk price. For more on CWT's activities, visit www.cwt.coop.