



Dairy Farmers of Britain Ltd
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Nantwich, Cheshire
CW5 7JW

«Member_Name»
«Address_1»
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26 June 2009

Our Ref: SO/CA

Dear «Saluation»

Dairy Farmers of Britain Limited (Receivers and Managers Appointed) (known as the "Company" or "DFB").

Alternative Milk Buyer Secured

As you may be aware, recognising the difficulties faced by those farmers who remain in the DFB milk field, I met with representatives from Defra, the Welsh Assembly, Dairy UK, DFB Member Council, the NFU, Welsh Union of Farmers plus other representative bodies on 17 June 2009 to see what could be done to help. The meeting concluded that the best solution was to try and find alternate buyers for farmers' milk.

Consequently, I have been working with the DFB milk supply team and members council toward that objective. Dairy UK and the NFU have produced a list of potential buyers for milk which is available from the NFU. At the same time;

- Defra has liaised with the Regional Development Agencies to put advice packages together – please contact 020 7222 8180 for more details
- The English Food and Farming Partnership have made support available – please contact 0207 213 0430 for more details
- The Welsh Assembly is offering assistance – please contact 08456 000813 for more details

All the above options remain available to remaining members and indeed the rolling monthly contract with DFB similarly remains available. **However**, I can announce that Milk Link is prepared to offer you a contract for the continued supply of milk. This may be attractive to you against the other options you have but it is for you to decide with regard to your own business circumstances.

Milk Link Contract Offer

Milk Link has stated they can take over the collection of your milk and will pay a higher price than is available from DFB (currently a minimum guaranteed base price of 10ppl)



A letter from Milk Link and a contract is enclosed with this letter but the highlights of the contract are;

- Milk Price - 18.45ppl (based on a standard litre – see Milk Link’s letter)
- Contract with 3 months notice on either side

We understand you may wish to take up this offer immediately and we are therefore prepared to waive the current 2 week notice period for members wishing to accept this offer so that you may start to earn a higher price as soon as possible.

If you agree to take up the offer of a contract with Milk Link then please phone our helpline on 08700 108181 in order to confirm your transfer, following which you should send your signed contract to Milk Link in the post.

Milk Link would like the contract to start from 1 July 2009 and would therefore like you to phone our helpline as soon as possible to ensure a smooth transfer.

DFB Collections Will Continue

If you chose not to accept the offer from Milk Link, DFB will continue to collect your milk as normal. DFB will continue to pay the minimum base price of 10ppl for milk supplied up to 16th July 2009 as previously agreed.

This means you do not have to make any decision immediately but please note that there is no prospect that the margin managed price to 16th July 2009 will be anywhere near the price offered by Milk Link.

Indeed, please also be aware that as the number of members remaining with DFB reduces the minimum base price we can afford to pay our members is likely to reduce. Any new minimum base price would apply from 17th July 2009 onwards and can only be announced once the take up of the Milk Link contract is known.

What You Should Do Now

I suggest you to seek your own legal and commercial advice before deciding whether to accept this new Milk Link contract. Following this;

- If you would like to join Milk Link please phone our helpline on 08700 108181 to confirm the transfer and then sign and return the contract in the prepaid envelope
- If you would like more details from Milk Link please contact either Peter Moffat on 07767 225867 or Peter Bennett on 07966 436201
- NFU members can also contact NFU Call First on 0870 845 8458 for advice
- If you need longer to make a decision, please take your time, your milk will still be collected but at a minimum base price of 10ppl – and which is likely to reduce further after 16 July 2009

Enclosures

Enclosed with this letter you will find the following documents from Milk Link;

- Welcome Letter
- Pricing Schedule
- Contract
- Data Protection Form
- Prepaid Envelope



The data protection form should be signed and returned to Milk Link along with their contract. It enables us to release your details to Milk Link and will ensure a smooth transition process.

I am pleased that you now have the opportunity to consider an alternative home for your milk and the increased certainty this may provide you.

I know this has been an extremely difficult time for all the members of DFB and would like to offer my thanks for your continued support and patience over the last few weeks.

Yours faithfully

For and on behalf of the Company as its agent and without personal liability

A handwritten signature in black ink, appearing to read 'S Oldfield'.

Stephen Oldfield
Joint Receiver and Manager
Dairy Farmers of Britain Limited

Messrs Ian Green, David Kelly and Stephen Oldfield are all licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and were appointed as Receivers and Managers and in their capacity as agents of Dairy Farmers of Britain Limited at 3pm on the 3rd of June 2009. Neither they nor their partners, firm, employees or agents shall incur any personal liability howsoever arising from their actions or under or in connection with any deed or other document or agreement entered into on behalf of Dairy Farmers of Britain Limited pursuant to or in connection with their appointment or the performance of their duties as Receivers and Managers. In particular (but without prejudice to the generality of the foregoing) no such personal liability shall arise by virtue of either Sections 37(1)(a) or 44(1)(b) Insolvency Act 1986 or otherwise.