# EXHIBIT 10

**UNITED STATES DISTRICT COURT**
**FOR THE DISTRICT OF VERMONT**

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| **ALICE H. ALLEN, et al.,** | ) | |
| **Plaintiffs,** | ) | |
| **v.** | ) | **Civil Action No. 5:09-CV-00230** |
| **DAIRY FARMERS OF AMERICA, INC., DAIRY MARKETING SERVICES, LLC, and DEAN FOODS COMPANY,** | ) | |
| **Defendants.** | ) | |

**DECLARATION OF DAVID R. CHAMBERLAIN**

I, David R. Chamberlain, make the following declaration based upon personal knowledge of the matters set forth here.

1. I have been an active dairy farmer since graduating from college in 1968, and my family has been dairy farming in upstate New York since 1888. With the exception of a brief period in the 1990s, my family and I have been members of the Dairylea Cooperative for the past 50 years. Since 1986, I have been in partnership with my brother, Greg. Our farm started with about 80 cows and currently has about 675 cows, up from 450 in 1998. Over the years, as farmers in my area have gone out of business, we have acquired their herds and land and thereby expanded our own operation. Our farm is in, and we pool our milk on, Federal Order 1. We currently sell our milk to the Sorrento cheese plant in Buffalo, New York.

2. I reside in the largest dairy county in New York State, and the dairy farms in my area predominately sell their milk to manufacturing plants. The two largest plants in my area are cheese plants owned by Sorrento Cheese and Great Lakes Cheese. Milk has historically been

considered "long" in my area, meaning that over the course of the year more milk is produced by the dairy farms than is needed by the processing plants. In the future, due to Great Lakes Cheese's decision to expand its plant's capacity, I anticipate there will be increased demand for raw milk in my area, such that the area will be "short" on milk. The additional volume of milk required by the Great Lakes Cheese plant will likely come from central or western New York, and if not, from the mid-east or upper mid-west.

3. I know that some farmers prefer not to join a coop and to find their own customers for their milk, although in my area there are very few independent dairy farmers (most are members of Dairylea, Dairy Farmers of America, or the Upstate Niagara cooperative). I personally see an advantage to belonging to a coop in part because, as a result of Dairylea's broad customer base, neither I nor my fellow members need to worry about whether there will be a plant to buy our milk. Even if a local plant were to close, the coop would find a market for its members' milk.

4. I am currently a member of the board of Dairylea and serve as its Treasurer. I have been a Dairlyea board member for approximately 10 years. I am also Vice President of the board of Dairy Marketing Services ("DMS") and also have been on the DMS board for approximately 10 years.

5. My herd is made up of Jersey cattle, a type of cow that produces milk with a higher butterfat and protein content than other breeds. As a result, I have always had an interest in multiple component pricing ("MCP"), under which raw milk prices are based on the amounts of solid components (for example, butterfat and protein) in the milk. I am able to earn a much higher return under such a pricing system. Prior to federal order reform in 2000, producers who pooled their milk on Federal Order 1 were not paid on an MCP basis. As a result, in the 1990s,

when I had the opportunity to sell to Steuben Foods (part of Elmhurst Dairy) on essentially an MCP basis (they called it a cheese yield formula), I left Dairylea to pursue that opportunity; the cheese yield formula was such that I was able to earn as much as $2-3/hundredweight of milk more than under the Order 1 pricing system. Even then, though, I was a member of a cooperative called the Equity Milk Cooperative, which had about 20 members all of whom were selling milk under the cheese yield formula.

6. When Order 33 (which is west of Order 1) switched to MCP pricing in the late 1990s, I returned to Dairylea because Dairylea provided me with an opportunity to pool my milk on Order 33 and take advantage of its new pricing system. Then, in 2000, when Order 1 also adopted MCP pricing, I again began pooling my milk on that Order.

7. I chose to join Dairlylea because I believe in the basic principle of cooperatives—that farmers can do better working together than they can on their own. In particular, I think that by working together, farmers are able to bargain for and obtain better returns for their milk than they would otherwise, and by marketing their milk collectively, the coop is able to deliver milk more efficiently and reduce hauling costs. As an added bonus, we enjoy the services of several of Dairylea's non-milk businesses. We carry our workers' compensation insurance through Agri-Services Agency, and buy feed and supplies through Dairylea Eagle Direct.

8. DMS, which is the exclusive marketer of Dairylea's members' milk in the Northeast, took the benefits offered by the cooperative to the next level. Through DMS, several coops in the Northeast came together—Dairylea and Dairy Farmers of America were the first to join—to market their members' milk, and DMS also over the years has marketed the milk of independent dairy farmers to processors who have hired DMS to handle raw milk procurement.

Just like a coop allows farmer to work together to seek higher prices, and to minimize the costs associated with milk marketing, DMS allows the coops to work together to better accomplish those same goals. Since DMS was formed, over-order premiums (the amount charged to plants in excess of the minimum price dictated by the federal order) have increased, and DMS has allowed coops and farmers to haul milk more efficiently, reducing hauling costs.

9. As I noted earlier, I sell my milk to a cheese plant in Buffalo, New York. The plant pays the federal minimum price, plus a Class III over-order premium negotiated with the processor by DMS. As a Dairylea member shipping my milk through DMS to Sorrento, my pay price is made up of the federal blend price (the blend price is essentially a weighted average price based on the plants' raw milk usage (whether Class I, II, III or IV) within a given federal order) plus premiums. I presently receive a base premium, quality premium, and volume premium from Dairylea, and a protein premium from Sorrento through Dairylea. My farm premium recently has fluctuated between approximately $1.00-1.35 per hundredweight, with $.40-50 of that due to the protein premium. While I, as a Dairylea producer, am paid the total protein premium offered by Sorrento, I am aware that another coop, Upstate Niagara, pools any revenues associated with protein premiums its members receive, and then spreads those revenues on a per-hundredweight basis across all of their members. That is another reason I remain a Dairylea member.

10. I have read Dean's Proposed Settlement with the Plaintiffs in this lawsuit, and I have particular concerns about Section 9.2. As I read that provision, Dean is committing to purchase 60 million pounds per month of raw milk from suppliers other than DFA or DMS at three of its Class I plants in Order 1. That provision concerns me for two reasons.

11. First, since DMS currently supplies those Dean plants with all of their raw milk needs, Section 9.2, if approved, will mean that DMS has to find a new place to sell 60 million pounds of raw milk, perhaps to a Class II or III customer (for which, even today, DMS is able to charge a lower premium). While DMS's customers would still be required to pay the federal blend price for raw milk, I fear that DMS will not be able to sell that much milk—which everyone in the marketplace will know is on the market because of the Settlement Agreement—without lowering its prices (premiums). I also know that DMS takes steps to market milk in the most efficient way possible—for example, by arranging trucking routes and deliveries so as to minimize hauling costs, and I am concerned that if DMS is forced to relocate 60 million pounds of raw milk, it will no longer be able to achieve those efficiencies, resulting in less money for the farmers associated with DMS.

12. My second concern has to do with the price that Dean will pay for the non-DMS milk it intends to purchase. According to Section 9.2, Dean will pay a "competitive market price" for the 60 million pounds of milk, with Dean deciding on its own what it thinks such a price is. I cannot conceive of Dean—which is the largest dairy processor in the country, and which competes against other processors in the Northeast like Hood—voluntarily paying a higher price for raw milk than it currently pays DMS. If Dean were to pay more for raw milk than it is currently paying (and that DMS is currently charging to Dean's competitors), Dean would immediately put itself at a competitive disadvantage. I do not believe it will do that. I believe that the natural result of Section 9.2 is that Dean will pay a lower price for raw milk than it is currently paying DMS. That will not benefit any dairy farmer.

13. It certainly will not benefit DMS and the farmers on whose behalf DMS markets milk. If Dean uses Section 9.2 to lower the prices it pays for 60 million pounds of raw milk, then

I fully expect that Dean will want DMS to cut its price on the remaining volume of milk that DMS sells to those plants (and perhaps to Dean's other Class I plants). And whether or not Dean insists on DMS lowering its prices, DMS's other Class I customers will almost certainly insist on price concessions if they perceive (whether accurately or not) that Dean has secured some sort of cost advantage by purchasing 60 million pounds of raw milk per month at something less than the price DMS charges. The customers requesting such price concessions may just be those in the areas surrounding the three affected Dean plants, but I would not be surprised if Class I customers across other parts of Order 1 (and perhaps beyond) tried to use the proposed Settlement Agreement as an excuse for arguing for lower prices.

14. From reviewing the Settlement Agreement and a redacted version of the complaint filed by the plaintiffs, I understand that the complaint was filed, and the settlement negotiated, by lawyers who say that they represent all farmers whose farms are in Order 1 and who pool their milk there, including farmers who market their milk through DMS. I don't see how any lawyer who represented farmers who market through DMS could think that Section 9.2 of the Proposed Settlement was good for those farmers. It takes sales away from those farmers, and gives them to someone else who will sell to Dean at reduced prices. Reduced sales and reduced prices are not in any farmer's interests, and they definitely are not in the interests of DMS and the farmers associated with it.

I declare under penalty of perjury that the foregoing is true and correct and that this Declaration was executed on January 14, 2011, in Wyoming, New York.

David R. Chamberlain

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