

Post bankruptcy protection filing shows creamery loss of \$2.2 million

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Legal and accounting fees, combined with inefficient Humboldt Creamery owned operations in Los Angeles and Stockton have resulted in a \$2.2 million loss for the six weeks following the creamery's bank-

ruptcy protection filing.

A statement of operations submitted to the US Bankruptcy court shows gross sales of almost \$8.6 million for the period from April 22 to May 29, with the cost of goods sold at almost \$9.1 million. Expenses for the period were about

\$1.5 million with an additional cost of \$200,000 for professional fees, leaving the creamery with the \$2.218 million loss.

"The largest sources of loss were indeed inefficient operations in LA which are now closed, inefficient DSD (direct story delivery) routes in

Stockton which have now gone to another company, too much overhead here which has been reduced now, too high debt levels which are being addressed by the bankruptcy, and an imbalance between the supply of organic and conventional milk and their uses, which

has also been addressed," said Acting CEO Len Mayer, adding that the June financial results should be more positive. "We will still be carrying the cost of restructuring in terms of attorney and accounting charges and we will still be carrying a very high debt load even

in June but those too will change as we emerge from bankruptcy."

The operations statement also shows assets worth \$39.1 million and total liabilities of \$90.2 million.