

Creamery bids now due beginning of June

Cooperative members' bid could be "Stalking-Horse" bid

The deadline to submit firm bids to the bankruptcy court selling Humboldt Creamery have been moved forward two weeks to June 3, rather than this week.

Humboldt Creamery LLC CEO Len Mayer said the reason for the extension is because of the large amount of interest in the 80-year-old company.

"We're extremely busy giving tours and answering questions," Mayer told *The Enterprise* on Tuesday.

"The business seems to be very appealing."

Mayer said there are still about a dozen interested parties and he reiterated his goal to sell the plant to an entity that ensures the farmers have a home for their milk and employees have a place to work.

"I can't promise anything," said Mayer, "but at this point, I can't imagine a scenario that wouldn't have that successful outcome."

Mayer said he's

been surprised by the numbers of those interested in bidding on the company. He said that the creamery has proven that it has "good management holding onto customer and suppliers and taking good care of them."

He also said the support of the community, via emails and letters, has also played favorably with those interested in buying the plant.

Meanwhile, Humboldt Creamery Cooperative members met again

on Tuesday at Ferndale Town Hall for their weekly update on attempts to put together a bid.

Creamery Board Vice-Chair Dennis Leonardi described the meeting as "upbeat," and that was visible by producers' smiles and laughs as they left the building shortly before lunch.

Leonardi said the 40 or so members are working with an investment group that "has the ability to write out a check to put in a bid."

He said producers are focusing on possibly become the "stalking horse bid" — an initial bid on the creamery's assets from a buyer chosen by CoBank, which technically owns the company, and the bankruptcy court. A stalking horse bid allows the creamery to avoid low bids on its assets. Once the members, if they are chosen to be the stalking horse bid, makes its bids, other potential buyers may submit competing bids. In

essence, the stalking horse bid sets the bar so that other bidders can't lowball the purchase price.

"It's not necessarily the bid with the most money," explained Leonardi, "but it's from someone that can address all the issues."

Working with a financial advisory group, Leonardi said "positive steps" are being taken everyday but that "there is still a mountain to get over."