

HUMBOLDT CREAMERY LLC ANNOUNCES SIGNING OF ASSET PURCHASE AGREEMENT WITH FOSTER DAIRY FARMS

[Fortuna CA, July 6, 2009]—Humboldt Creamery LLC today announced that Foster Dairy Farms has signed an agreement to acquire Humboldt Creamery's Fernbridge and Stockton, California facilities.

Humboldt Creamery is presently operating under the supervision of the U.S. Bankruptcy Court and the sale of its major assets is a key part of its plan to complete these proceedings. The agreement will be presented to the bankruptcy court as part of a process in which other parties have an opportunity to submit higher bids for these assets, or if none are received, the bankruptcy court will be asked to approve the sale to Foster Dairy Farms.

"After many weeks of due diligence and negotiations, I'm pleased to announce that we have reached an important milestone by entering into an asset purchase agreement with Foster Dairy Farms," stated Len Mayer, Acting CEO of Humboldt Creamery. "This sale is a very good step for farmers, employees, customers, suppliers and the community at large," continued Mayer.

Foster Dairy Farms is family owned and has been operating in California since 1939. The company is led by Jeff Foster, grandson of the founders. Foster Farms Dairy produces fluid milk, juices, butter, ice cream, cottage cheese, sour cream, and powdered milk. Foster's Chief Financial Officer, Tom Van Autreve, said that Foster Dairy Farms is the largest privately owned dairy in California and was looking forward to expanding its reach to include the Humboldt Creamery assets. "We have used our shareholders' values of excellence, honesty, quality, and service to build strong working relationships with our customers and with our employees and the unions that represent them," Van Autreve said.

As part of the bankruptcy process, Humboldt Creamery will file a motion with the bankruptcy court to approve the sale to Foster Dairy Farms or the highest bidder at an auction which is anticipated to be held on August 11, 2009. Humboldt Creamery will request that the sale be authorized to the highest bidder at a hearing on August 12, 2009. Humboldt Creamery expects the sale process to be complete on August 25, 2009.

Humboldt Creamery filed for bankruptcy protection on April 21, 2009 shortly after it discovered the company's impaired financial condition following the sudden resignation of its former CEO, Rich Ghilarducci.

Founded in 1929, Humboldt Creamery is owned by the oldest independent dairy cooperative in California and specializes in pasture based and organic dairy farming. The company produces high quality fluid milk products, ice cream, and milk powder shipped nationally and internationally.