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Contact: Heidi Diedrich
(847) 627-3291
hdiedrich@rosedmi.com

David Pelzer
(847) 627-3233
davidp@rosedmi.com

Dairy Industry Commits to Reducing Greenhouse Gases, Increasing Business Opportunities Across Value Chain

Unprecedented Summit of Key Stakeholders Generates Action Steps for Industry

Rosemont, Ill. (June 25, 2008) – Dairy leaders today announced an industry-wide commitment and action plan to reduce fluid milk’s carbon footprint while increasing business value, from farm to consumer.

The action plan is an outcome of the industry’s first Sustainability Summit for U.S. Dairy, an unprecedented gathering of 250 leaders representing producers, processors, non-governmental organizations, university researchers and government agencies held in Rogers, Ark., June 16 to June 19. The plan focuses on operational efficiencies and innovations to reduce greenhouse gas emissions while ensuring financial viability and industry growth.

“Sustainability is a challenge that requires industry-wide solutions, and our efforts establish a new standard for industry collaboration,” said Thomas Gallagher, chief executive officer of Dairy Management Inc. (DMI), the nonprofit organization that manages the national dairy checkoff program on behalf of America’s dairy producers. “Decision makers from across the dairy value chain are working together to commit to concrete, innovative solutions. This will ensure an economically, environmentally and socially sustainable industry.”

Summit attendees recommended a number of actions, including to:

- Reduce energy use in the milk supply chain by developing technologies for next generation milk processing on the farm and in the plant.
- Establish a mechanism to optimize returns to the dairy industry from a carbon credit trading system that encourages the reduction of greenhouse gas emissions.
- Reduce carbon emissions and increase energy efficiency for dairy farmers and processors through financially viable best management practices and tools that calculate individual farm energy and alternative energy opportunities.
- Supply green power to communities by expanding the use of methane digesters.
- Stimulate development of low-cost, low-carbon, consumer-acceptable packaging.
- Reduce cooling costs and emissions associated with refrigeration by expanding economically feasible, environmentally responsible and consumer-accepted dairy products.

“Dairy’s leadership in sustainability builds on our traditions of environmental stewardship and providing products that contribute to a healthy lifestyle,” said Gallagher. “By working together, we can improve our industry’s contributions to humanity – now and for future generations.”

The Sustainability Summit, held in conjunction with the University of Arkansas' Applied Sustainability Center, was the first major step in a comprehensive dairy industry-wide initiative bringing together producers, processors, and others to identify and address sustainability opportunities. Leading the initiative along with DMI are the International Dairy Foods Association (IDFA), representing processors and manufacturers, and the National Milk Producers Federation (NMPF) representing dairy cooperatives.

“Sustainability practices have long been part of common practices on dairy farms, from recycling water and manure to crop technologies that improve soil and prevent erosion,” said Jerry Kozak, NMPF’s chief executive officer. “In an era of record high energy prices and a changing global climate, we must do more. It makes economic sense to find ways to conserve energy and reduce production costs, while recognizing that a growing number of consumers care deeply about the health and environmental impact of the products they buy.”

“Consumers rely on dairy as one of the best foods nature provides,” said IDFA President Connie Tipton. “They need to know that the dairy industry contributes not only to their own health and wellness, but that the industry is also committed to preserving the health of the earth. This effort will improve the environment and the lives of our customers. It will also position our industry for future growth.”

The innovative ideas and initiatives advanced by the Summit participants will be further refined for possible testing and evaluation. The goal, according to Gallagher, will be to field-test several prototype projects to determine their real-world viability as ways to reduce greenhouse gas emissions.

“Now is the time to harness our combined talents to address these issues,” said Gallagher. “Through the Sustainability Summit, we were able to identify common interests and establish a realistic action plan that has the potential to transform the industry.”

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Dairy Management Inc.™ (DMI) is the nonprofit domestic and international planning and management organization responsible for increasing sales of and demand for U.S.-produced dairy products and ingredients on behalf of America’s dairy producers. DMI manages the American Dairy Association®, National Dairy Council® and U.S. Dairy Export Council®. DMI’s website is www.dairyinfo.com.

The **International Dairy Foods Association** (IDFA), Washington, DC, represents the nation's dairy manufacturing and marketing industries and their suppliers, with a membership of 530 companies representing a more than \$100-billion a year industry. IDFA is composed of three constituent organizations: the Milk Industry Foundation (MIF), the National Cheese Institute (NCI) and the International Ice Cream Association (IICA). IDFA's 220 dairy processing members run more than 600 plant operations, and range from large multi-national organizations to single-plant companies. Together they represent more than 85% of the milk, cultured products, cheese and frozen desserts produced and marketed in the United States. IDFA’s website is www.idfa.org.

The **National Milk Producers Federation** (NMPF), based in Arlington, VA, develops and carries out policies that advance the well being of dairy producers and the cooperatives they own. The members of NMPF’s 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 40,000 dairy producers on Capitol Hill and with government agencies. NMPF’s website is www.nmpf.org.