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Dairy Industry Comes Together in Sustainability Initiative to Encourage Innovation, Address Environmental Stewardship

Rosemont, IL -- From farm to consumer, dairy industry leaders have joined together to launch a comprehensive sustainability initiative that will encourage industry innovations, improve environmental performance and position the industry for future marketplace demands.

Three national dairy organizations – Dairy Management Inc.™, National Milk Producers Federation and the International Dairy Foods Association – said the new initiative will bring together producers, processors, manufacturers, distributors, retailers and others in the dairy supply chain to address sustainability.

“The dairy industry recognizes the growing number of people who care about the health and environmental impact of the products they buy,” said Tom Gallagher, chief executive officer of DMI, which manages the national dairy producer checkoff program. “We must do all we can to ensure that consumers know that the dairy industry is committed to improving their lives, both nutritionally and environmentally.”

The initiative will identify key supply-chain innovations that, as part of a comprehensive sustainability effort, can help position dairy as a preferred product among the rapidly increasing number of socially-conscious consumers. Among the focus areas of the effort will be identifying opportunities to reduce energy consumption and costs in milk production and processing, as well as boost on-farm income opportunities in emerging “green” energy markets.

“We want to be sure that our industry is well-positioned to take advantage of future opportunities – both in terms of credits for reductions in greenhouse gas emissions, as well as developing new products and markets for milk,” said Jerry Kozak, NMPF’s chief executive officer. “Importantly, this initiative will help identify opportunities for dairy farmers to generate additional revenue from emerging energy markets through methane capture and other innovations. We also recognize that sustainability needs to be defined in a comprehensive way that acknowledges the socioeconomic benefits that dairy farms can provide,” Kozak said.

“This is a key dairy industry value chain partnership that will allow us to cut energy costs, meet consumer needs and further develop our relationships with dairy buyers,” said Connie Tipton, IDFA’s chief executive officer. “By working together, dairy producers and processors can further demonstrate our industry’s commitment to healthy people and a healthy planet.”

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The DMI-coordinated sustainability initiative is initially focused on the twin goals of reducing greenhouse gas emissions and growing the dairy business by meeting unmet consumer demand. Through this effort, DMI, NMPF and IDFA will identify best practices and opportunities for innovation in production, processing and marketing of milk and milk products.

Currently, about 30 percent of U.S. consumers buy products based on health and sustainability attributes, according to the Natural Marketing Institute. This rapidly-growing consumer segment today accounts for some \$227 billion in purchasing power. Recent surveys indicate that 85 percent of consumer product companies have sustainability policies in place (GMA/Deloitte).

“We are at the dawn of a new era in the food retailing industry,” Gallagher said. “This groundbreaking, checkoff-supported effort will help us tap the ingenuity of our industry and guarantee that we can continue to produce a highly nutritious and sustainable product for American consumers.”

According to Gallagher, the sustainability initiative is designed to “increase dairy sales through innovation opportunities that will promote health and wellness, and preserve natural resources. Our focus will be on identifying sustainable practices that can help the dairy industry meet unmet consumer demand by driving innovation and efficiency in a way that sustains the industry economically, environmentally, and socially.”

As part of the initiative, the three dairy organizations have begun efforts to analyze the carbon footprint of milk, from production on the farm, through processing and retail distribution, to consumption. This analysis will help identify potential innovation opportunities and possible best practices that can reduce energy use and increase sales in the dairy supply chain.

After calculating milk’s carbon footprint, this life cycle analysis will be subject to a peer review process to develop a manuscript for publication in a scientific journal. This process will help ensure that the life cycle analysis accurately and adequately addresses milk’s true carbon footprint in a manner that is credible and transparent. According to Gallagher, this will help produce realistic, real-world opportunities for dairy to increase its sustainable practices.

“The dairy industry’s commitment to sustainability is a win-win-win,” according to Gallagher. “By working together, we can identify opportunities to cut energy costs, produce ‘green’ energy and develop a deeper connection with consumers and retailers.”

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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.