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Dairy Industry Sets Goal to Reduce Greenhouse Gas Emissions and Drive Innovation

Initiative helps industry meet consumer demand for 'green' products

Rosemont, Ill. — U.S. dairy, a \$200 billion industry providing nutritious foods to consumers, today formally announced its commitment to a roadmap for reducing greenhouse gas (GHG) emissions of fluid milk by 25 percent by 2020 — equivalent to taking more than 1.25 million passenger cars off the road every year.

The effort builds upon a long history of environmental stewardship. According to research from Cornell University in March 2009, the dairy industry has dramatically reduced the footprint of its products by 63 percent over the past 60 years through production efficiencies, nutrition management and technological improvements.

Today, each segment of the fluid milk supply chain — from farm to table — has pledged to accelerate adoption of innovations and continue to take action to reduce the industry's carbon footprint.

"Consumers increasingly demand products that are produced, packaged and distributed in a sustainable way, and the U.S. dairy industry is meeting their needs proactively," said Thomas P. Gallagher, chief executive officer of the Innovation Center for U.S. Dairy and [Dairy Management Inc™](#) (DMI), which manages the national dairy checkoff program on behalf of the nation's dairy farmers. "Farm families have had a longstanding commitment to the health and wellness of people, communities and the planet. The economic viability of our industry depends on our ability to continue delivering on that commitment."

The unprecedented industrywide roadmap initially focuses on the fluid milk supply chain, with projects ranging from production of feed for dairy cows to processing, packaging and distribution of milk. The action plan specifies an initial 12 projects that reach halfway to the carbon reduction goal and have the potential to create a conservatively estimated \$238 million in business value across the industry.

The announcement was made by the [Innovation Center for U.S. Dairy](#), an organization that brings together the leadership of nearly 70 percent of the dairy supply chain, including farmer organizations, dairy cooperatives, processors and manufacturers, and brands. The board of directors represents 30 companies, including Dean Foods, HP Hood LLC, Kraft Foods Inc., Land O'Lakes, Hilmar Cheese Company, Leprino Foods, Shamrock Farms, Dairyalea Cooperative Inc., Anderson Erickson Dairy and Dairy Farmers of America.

"By engaging all the people you need to accelerate change, multipartner efforts like this one can drive

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systemwide innovation and establish common goals, resulting in economic, environmental and social benefits," said Andrew Winston, author of the forthcoming book *Green Recovery: Get Lean, Get Smart, and Emerge from the Downturn on Top* and co-author of the bestseller *Green to Gold*. "The dairy industry understands the importance of involvement not just across the dairy supply chain, but with other critical stakeholders as well."

At the first Sustainability Summit for U.S. Dairy in 2008, more than 250 participants from across the industry developed the roadmap endorsed by the Innovation Center Board. Now, more than 500 stakeholders, including universities, financial institutions, government and nongovernment organizations, associations, brands and leaders throughout the dairy industry are helping the industry reach their goals.

"Sustainably managed agricultural operations improve efficiencies and reduce costs, but also have significant environmental benefits, such as preserving and restoring critical habitats, helping protect watersheds and improving soil health and water quality," said Bryan Weech, livestock agriculture program director with World Wildlife Fund (WWF). "We look forward to working with the Innovation Center to support this effort, which has brought the entire dairy industry together to address sustainability issues. We hope this serves as a model for other industries."

The initiative's strategies for GHG reduction require a commitment by all segments of the dairy supply chain to identify and apply best and next practices, remove barriers to the adoption of technological advances for use on both small and large farms, and implement pilot programs to test alternative technologies. A variety of businesses and organizations have contributed nearly \$10 million in funding, with further opportunities available for new partners.

As part of the roadmap to GHG reduction, the industry is applying sound science and creating a benchmark to track progress. The Innovation Center engaged the Applied Sustainability Center at the University of Arkansas to conduct the first-ever comprehensive life cycle assessment (LCA) of GHG emissions across the U.S. fluid milk value chain. The LCA measures GHG emissions from crop production through disposal of the container by the consumer. The results will be submitted for publication and peer review later this year.

The Applied Sustainability Center at the University of Arkansas estimates that the U.S. dairy industry contributes less than 2 percent of total U.S. greenhouse gas emissions. The dairy industry's sustainability initiative will address opportunities to further reduce GHG emissions.

"The dairy industry has long understood the importance of protecting natural resources, and we're proud to share our story with the public," said Jerry Kozak, president and chief executive officer of the National Milk Producers Federation (NMPF). "Caring for these resources has been and will always be a part of our responsibility as producers of healthy, affordable products to feed a growing world population."

The environmental and economic advantages of being sustainable align closely with dairy's nutrition and health benefits. Dairy foods deliver a unique package of nine nutrients that promote good health, which enriches and sustains people's ability to lead productive lives.

"For our businesses to thrive for generations to come, we must continue to identify and share new ways to sustain the resources we need for a healthy dairy industry and a healthy planet," said Connie Tipton,

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president and chief executive officer of the International Dairy Foods Association (IDFA). "At the upcoming IDFA Food, Dairy & Beverage Exposition in October, for example, we'll offer sustainability solutions to help dairy executives develop a business plan that not only meets consumer demand but also improves the company's bottom line."

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Innovation Center for U.S. Dairy provides a forum for the dairy industry to work together pre-competitively to address barriers and opportunities to foster innovation and increase sales. The Innovation Center aligns the collective resources of the industry to offer consumers nutritious dairy products and ingredients, and promote the health of people, communities, the planet and the industry. The Board of Directors for the Innovation Center represents leaders of more than 30 key U.S. producer organizations, dairy cooperatives, processors, manufacturers, and brands. The Innovation Center is supported and staffed by [Dairy Management Inc.™](#) For more information, please contact innovationcenter@usdairy.com.