U.S. Dairy Sustainability Commitment
Overview
Sustainability in the dairy industry

Definition for dairy:
Providing consumers with the nutritious dairy products they want in a way that makes the industry, people and the earth economically, environmentally and socially better – now and for future generations.
The 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 of U.S. dairy.

32 industry CEOs and Chairmen committed to:

- Support goals for GHG reduction at each stage of the dairy value chain from farm to retail, with an overall reduction goal for fluid milk of 25% by 2020
- Support a portfolio of 10 projects that promise to deliver GHG reductions and create $238 million of business value in today’s dollars
Conservation Innovation Grant from USDA

Dairy Farm Stewardship Toolkit

- Evaluate production techniques
- Generate analysis of stewardship practices
- Identify potential improvements to management practices
- Increase profitability or reduce costs on the farm
- Communicate to stakeholders

$1.1 Million USDA Grant
$2.3 Million Total Project Cost
Leveraging current work

- Vital Capital Index
- DNDC Model
- Producer Communication Tools
- Dairy Farm Stewardship Toolkit
- LCAs
- Air Emissions Studies

Innovatation Center for U.S. Dairy
“Train the Trainer” Surround the farmer - 360° support
Dairy Farm Stewardship Toolkit in context

**Producer Benefit**
- Credible
- Accurate
- Baseline

**Building Blocks**
- Air Emissions Studies
- LCAs
- DNDC Model

**Science**
- Easy access to science

**Tools**
- GHG Tools
- Vital Capital Index (VCI)
- Dairy Stewardship Toolkit

**Management Decisions**
- Profitability
- Reduced Risk

**Communicate**
- Enhance image
- Grow Sales

• **Farm Smart**
  - Producer Communication Tools
  - Sustainability Framework
Pilot strategy

Why have a pilot launch?

- Every state has a different environment regarding energy efficiency
- We want to leverage relationships and resources to provide grassroots support for energy efficiency
- Used criteria to decide which 10 states/regions we will use for pilot
- This does **NOT** mean we are disregarding other states not included in the pilot launch
- Dairy Power and Conservation Innovation Grant work will follow Farm Energy launches in each state

Criteria used for pilot states

- Volume of milk produced in the state
- Number of dairy cows in the state
- Number of dairy farms in the state
- Prices of electricity in the state
- Money available for implementation of equipment
- NGO activity within the state
- Strength of Land Grant Institutions
Pilot strategy: conclusion from analysis

Proposed Order- Outreach

1) New York
2) Idaho
3) Wisconsin
4) Pennsylvania
5) Minnesota
6) Michigan
7) Texas
8) California
9) New Mexico
10) Washington
11) Oregon
12) Florida

Contained in these states are:

- 75% of all U.S. milk production
- 66% of dairy farms in the country
Pilot strategy: two stage approach

- Tool Development
  - Sustainability indicators
  - Combine current tools (GHG Tool, VCI, DNDC)
  - Identify BMPs

- Training and Deployment
  - Identify local experts
  - Develop training materials
  - Workshops with experts
  - Experts deploy toolkit to producers
  - Case studies
Pilot strategy: key messages to unify communications

Add to your legacy

Act now to reduce cost

Farm energy efficiency allows dairy producers to reduce operating costs, save income and create even more value for environment and community.

Energy independence matters

Get a competitive edge
Pilot strategy: integrated communications to drive adoption

Mission:
- Build value to dairy producers (and their cooperatives)

Key Highlights:
- Industry, cooperative, stakeholder communications
- Pilot outreach
- Message development
- Information tools
- Media support
- Program support
# Project timeline

<table>
<thead>
<tr>
<th>Phase</th>
<th>Timing</th>
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<tbody>
<tr>
<td>Draft on-farm sustainability indicators</td>
<td>August 2011 – August 2013</td>
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<tr>
<td>Conduct pilot testing on a national level</td>
<td>October 2011 – May 2014</td>
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<tr>
<td>Complete toolkit available to producers</td>
<td>August 2014</td>
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Questions?

- Learn more at www.usdairy.com/sustainability
- Feel free to contact us with any questions or comments:
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