
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.



Innovation Center for U.S. Dairy

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



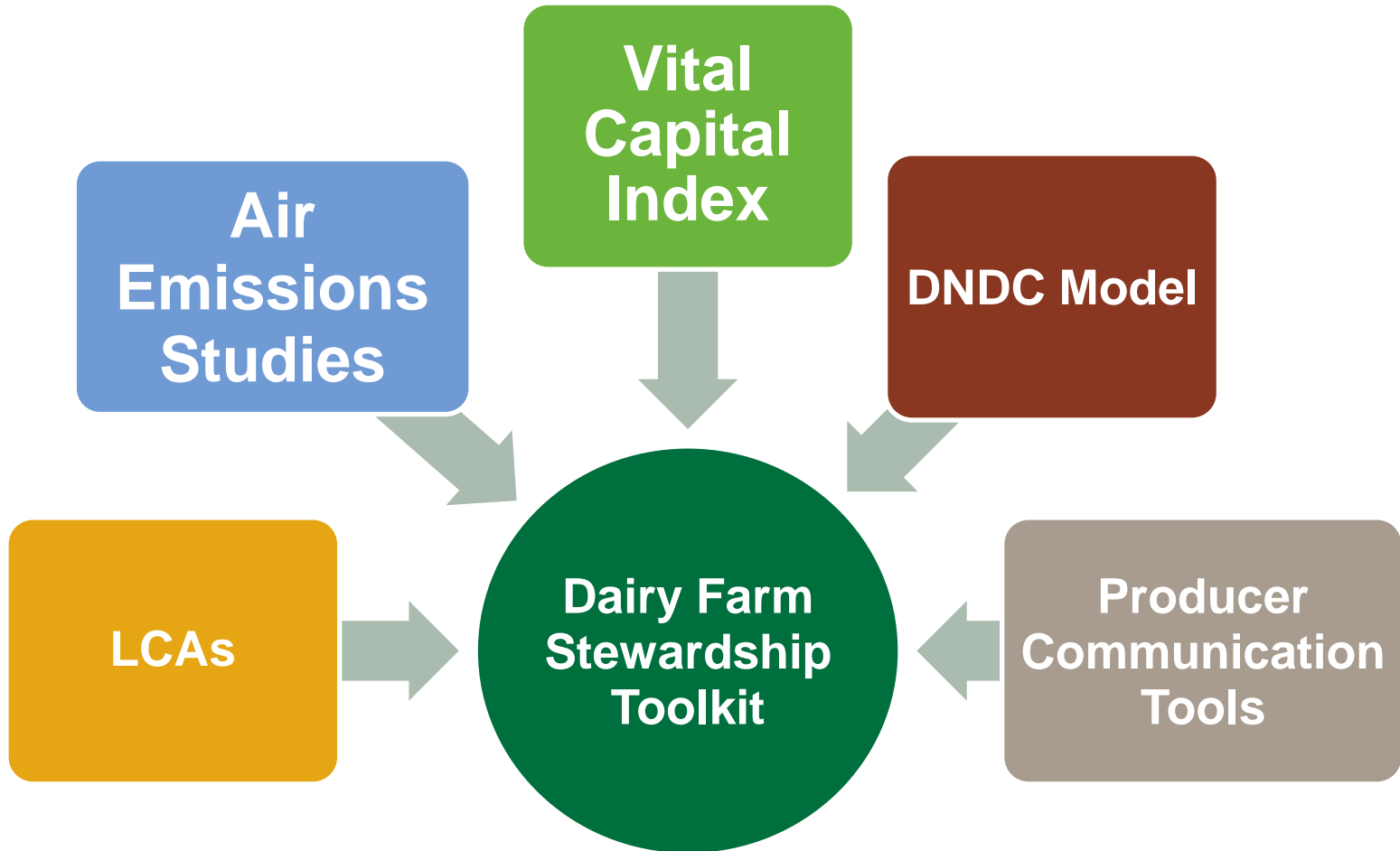
Dairy Farm Stewardship Toolkit

- 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

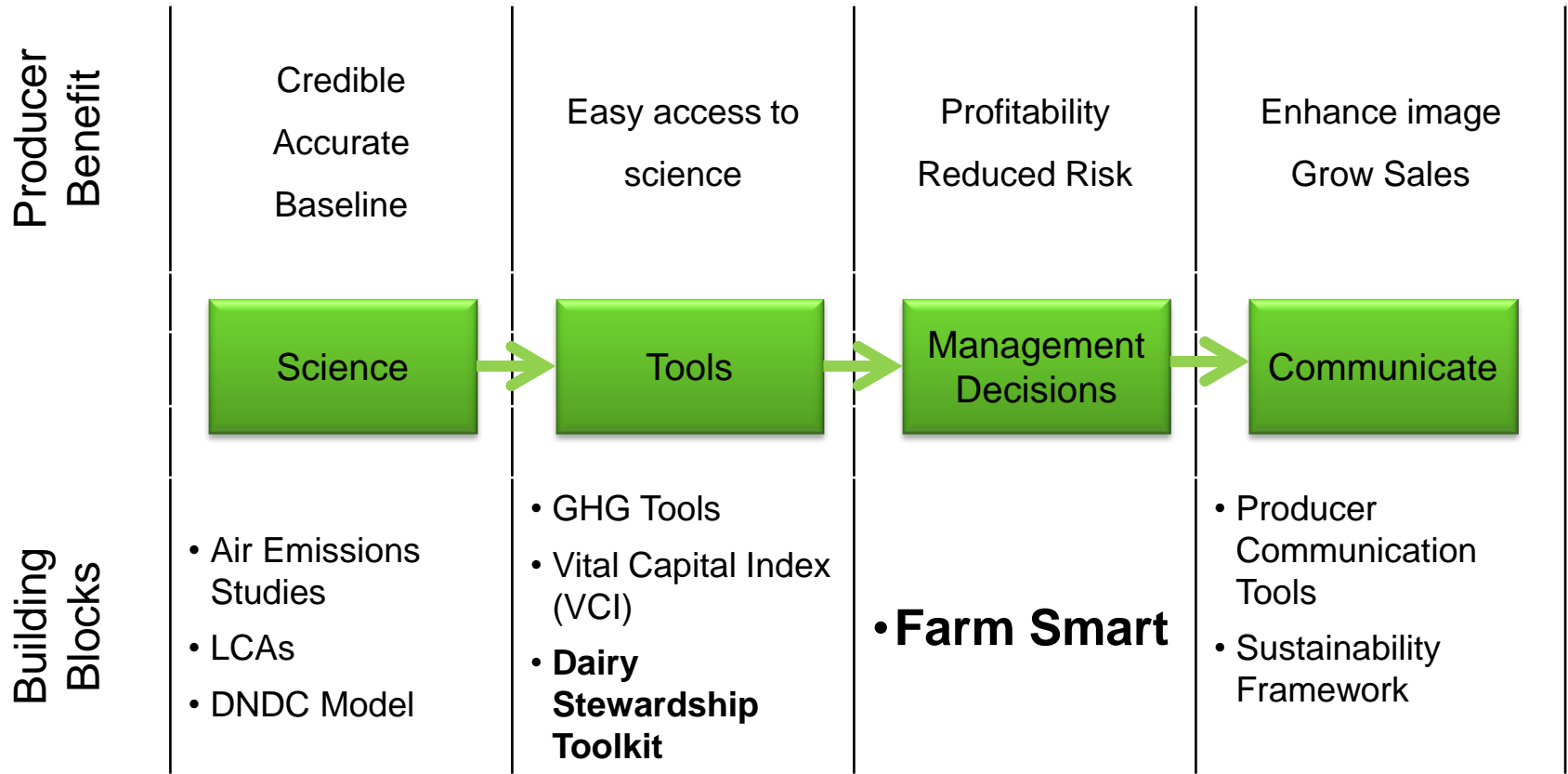
Leveraging current work



“Train the Trainer” Surround the farmer - 360° support



Dairy Farm Stewardship Toolkit in context



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

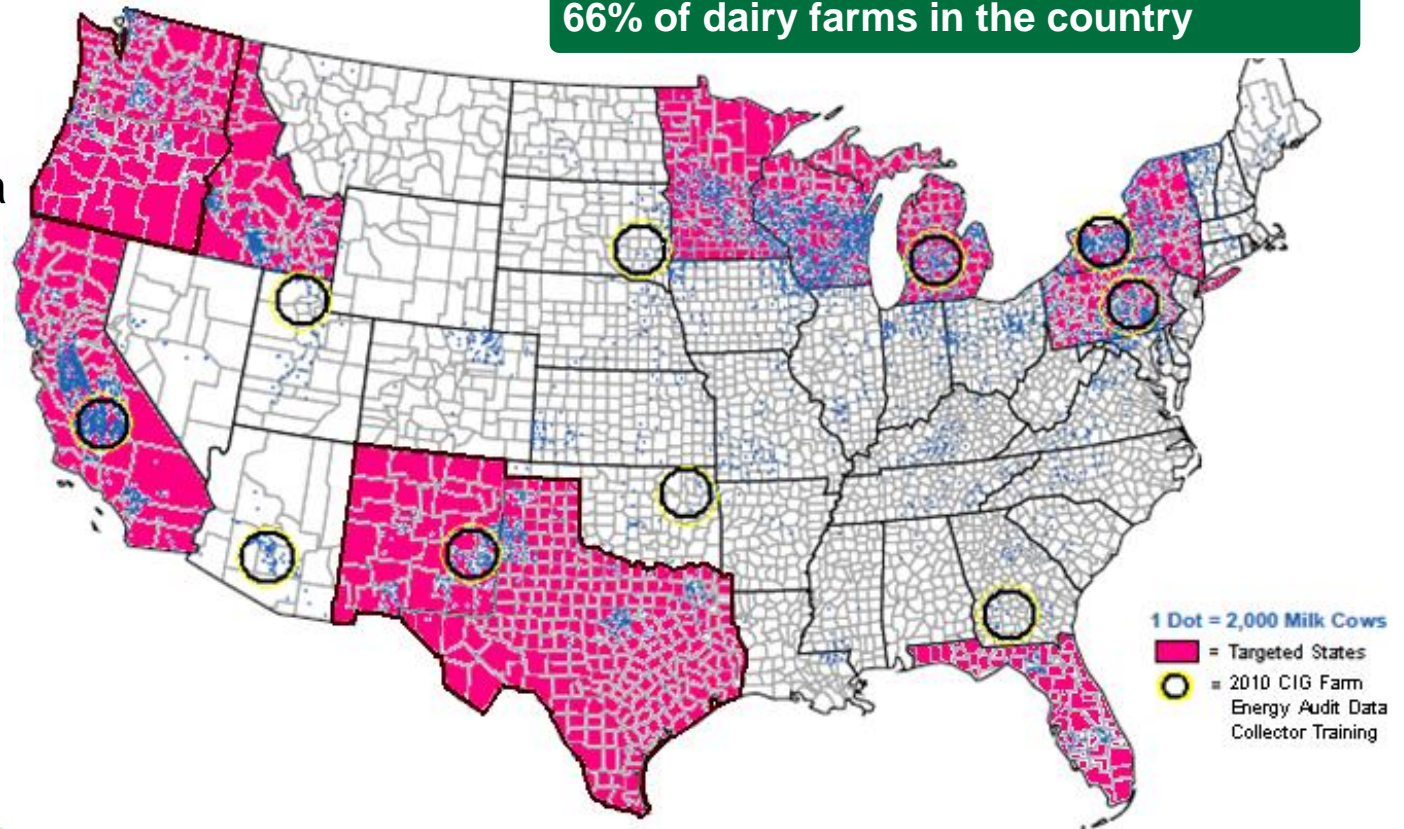
Proposed Order- Outreach

- 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



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



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

| Phase | Timing |
|---|---------------------------|
| Draft on-farm sustainability indicators | August 2011 – August 2013 |
| Conduct pilot testing on a national level | October 2011 – May 2014 |
| Complete toolkit available to producers | August 2014 |

Questions?

- Learn more at www.usdairy.com/sustainability
- Feel free to contact us with any questions or comments:
Matthew.Welch@RoseDMI.com
847-627-3725