



# **Sustainability and Transparency in the Dairy Industry**

Tom Murray, Group Vice President, Pacific Coast Group

April 12, 2011

# Dean Foods: A Stable of Strong Brands



# What Does Sustainability Look Like for Us?



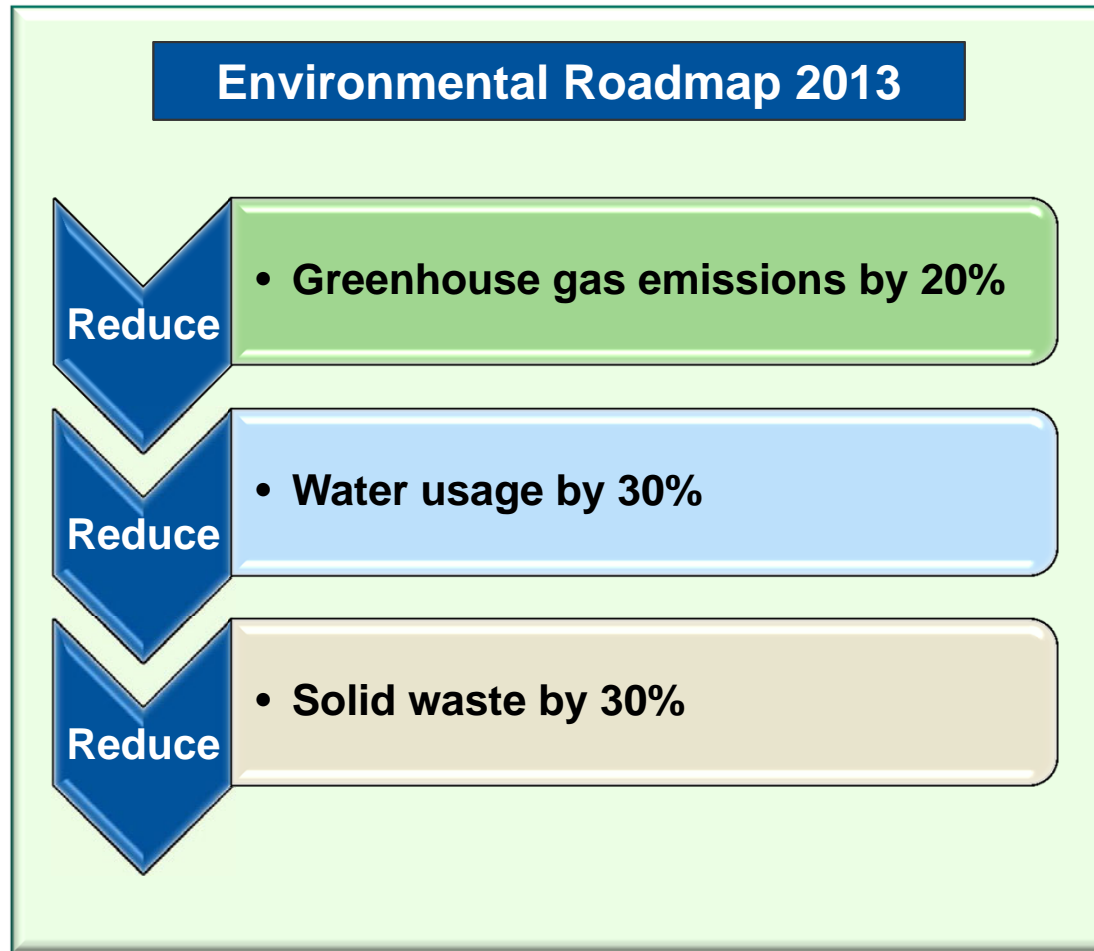
Finding ways to become more sustainable is a critical business priority. It is more than just the right thing to do, it is a requirement to succeed and stay competitive.

Gregg L. Engles, Chairman & CEO

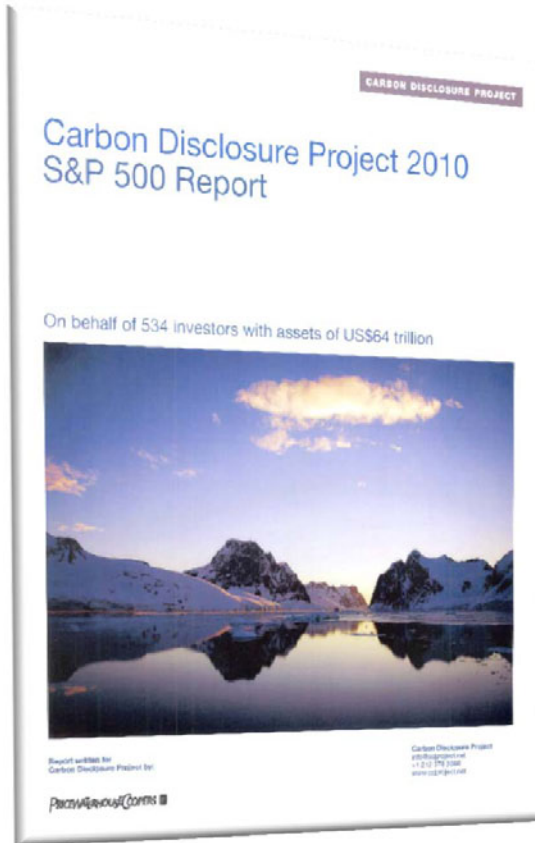
# What are our Goals as a Company?



Reduce our environmental impact in three strategic areas by 2013...



# Dean Foods Receives Highest Score From 2010 Carbon Disclosure Project



Consumer Staples Category	Disclosure Score	Performance Grade
<b>Dean Foods Company</b>	<b>91</b>	<b>A</b>
Colgate-Palmolive	91	B
Kraft	91	B
Phillip Morris	87	B
Wal-Mart Stores	86	B
Sara Lee	85	C
Brown-Forman	83	C
Molson Coors Brewing	83	C



# Leading the Way: The Innovation Center for U.S. Dairy



## Associations/Government



## Producers

- Clauss Dairy Farms
- Gar-Lin Dairy Farms, Inc.
- Graywood Farm
- Foster Brothers Farm
- Haubenschild Farms Inc.
- Nobis Dairy Farm
- Spruce Haven Farm
- Green Meadow Farm

## Processors/Manufacturers



Real Farm. Real Fresh.



## Retailers



## Co-ops

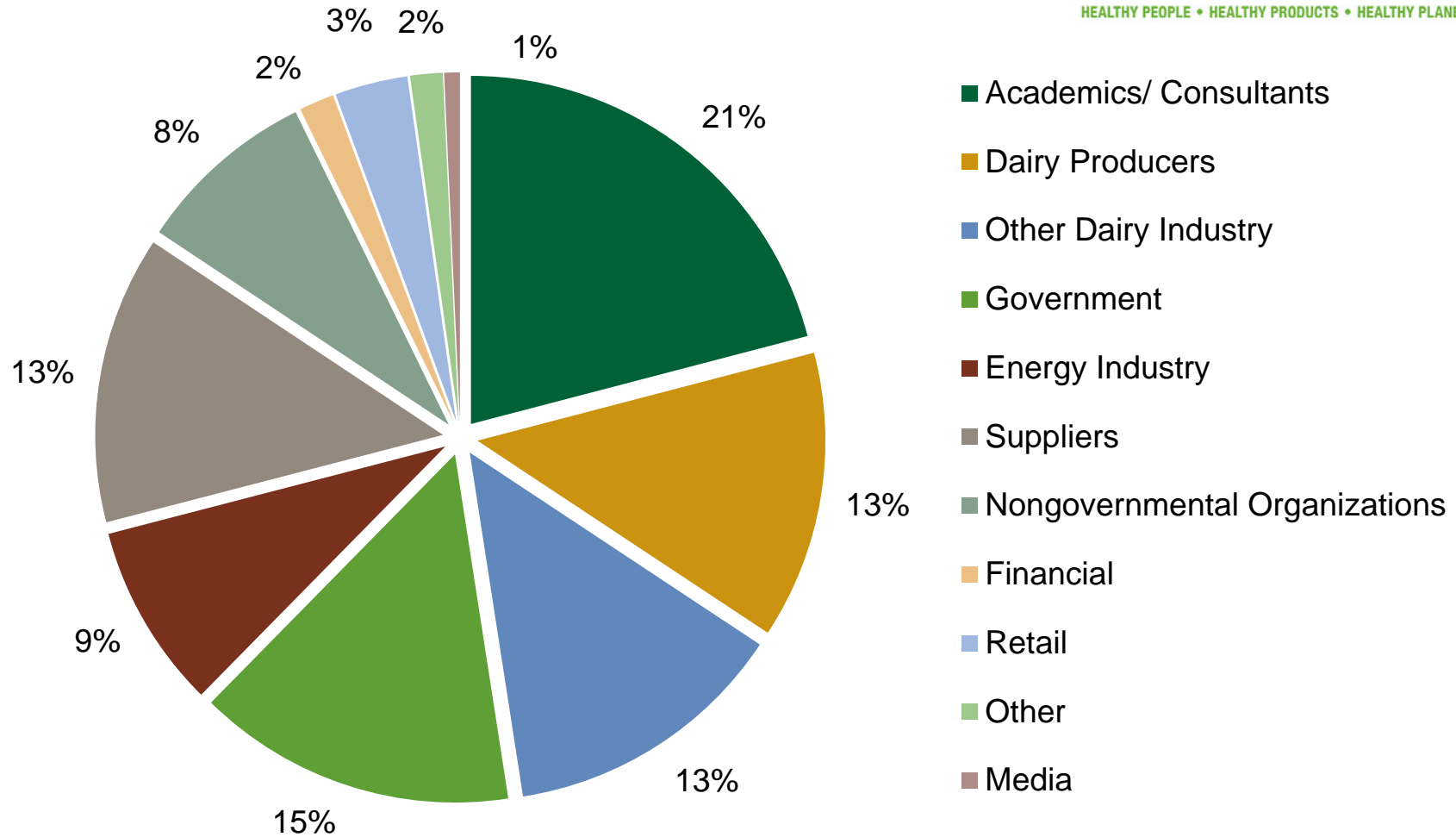


Providing consumers with the nutritious dairy products they want in a way that makes the industry, people and the earth economically, environmentally and socially better – now and for future generations.

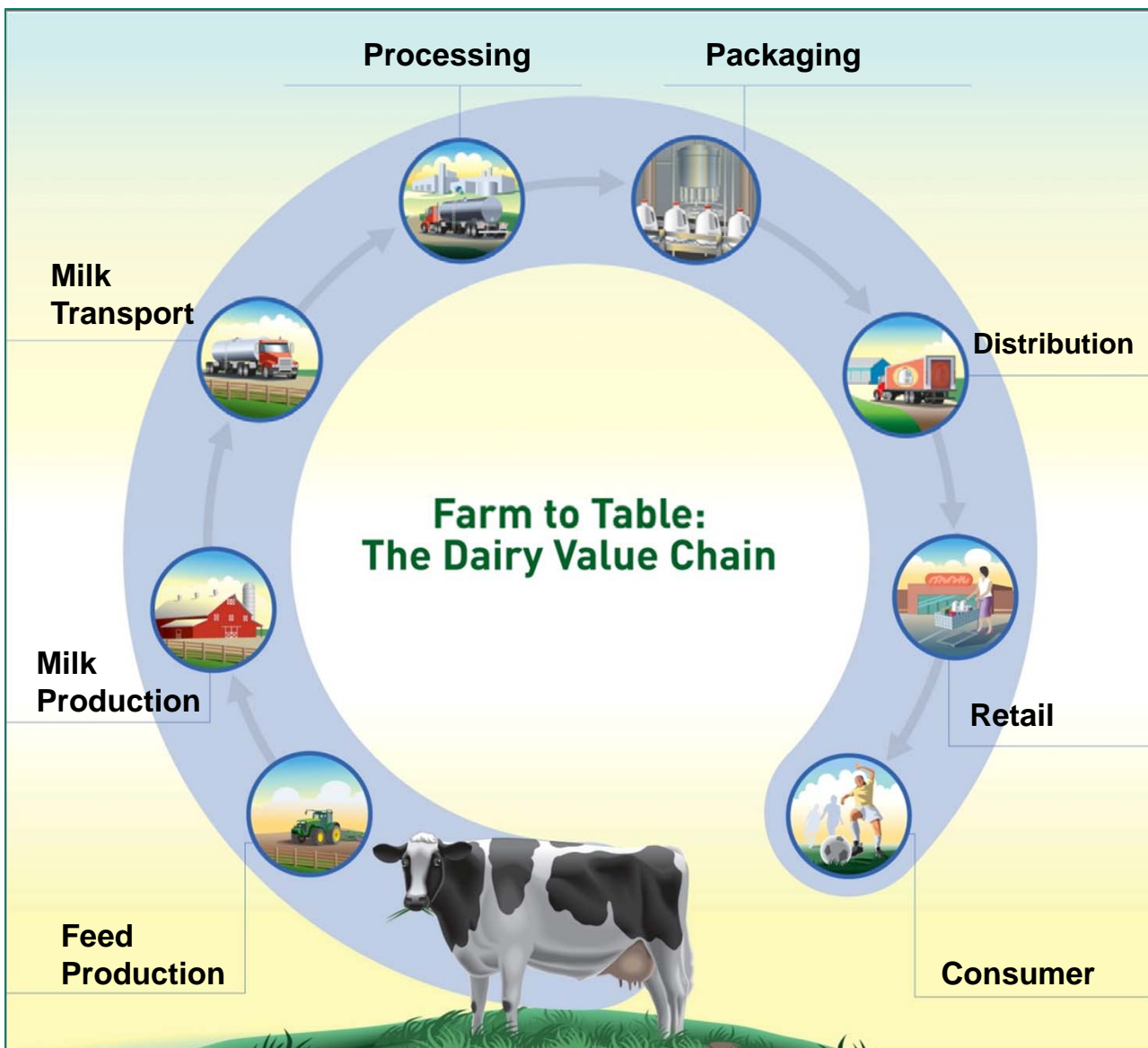
# The Dairy Industry Must be Transparent



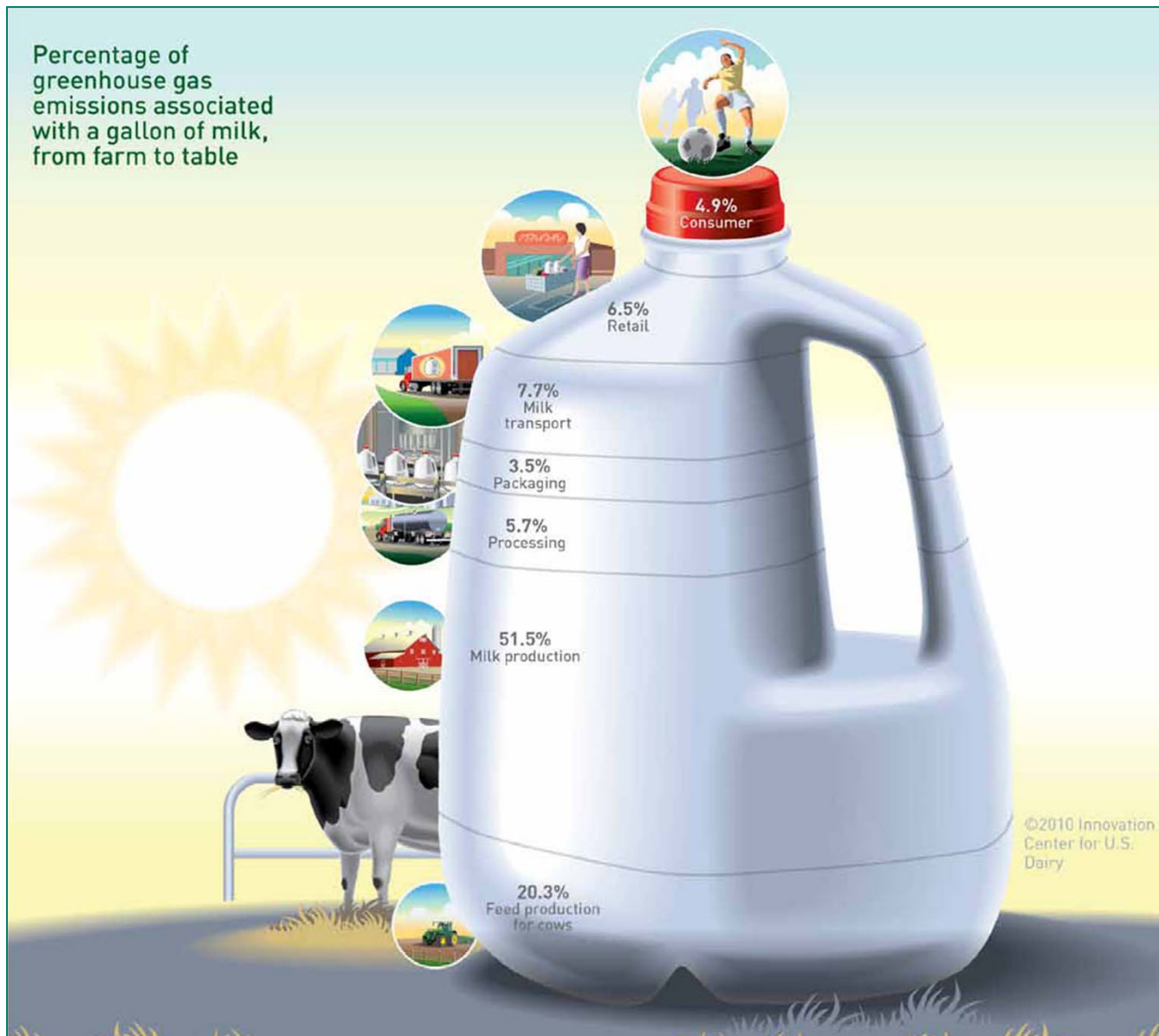
## Total Stakeholder Participation



# Science is the Basis of Our Efforts



# A Study of the U.S. Fluid Milk Carbon Footprint Leads to Corrections and a New Benchmark



## Attainable Goals are Set to Reduce Emissions

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**The Dairy Industry has voluntarily set an overall goal of reducing greenhouse gas emissions by 25%.**

**This is equal to taking 1.25 million passengers cars off the road every year.**

# Management Practices Matter



**Increasing feed efficiency**

**Reducing enteric methane**

**Improving manure management**



**Reducing electricity usage**

**Consolidating distribution network**

**Considering alternative packaging materials**



**Good truck maintenance**

**Better route design**

**Reducing long distance milk hauling**

**The basis for differences is best management practices – not size, region or age.**

# The US Dairy Roadmap Includes 10 Sustainability Projects that are a Mix of...



- **Quick wins**

- changes that can be implemented almost immediately, such as in the area of energy management

- **Innovation projects**

- ideas requiring development of new technology or business models, such as renewable energy generation

- **System changers**

- opportunities involving regulatory or system-wide changes

## **Creating financial return**

The portfolio of projects in the Roadmap are worth \$238 million in business value, from reduced operating costs and increased revenue opportunities

Innovation Center for U.S. Dairy

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## Working Together From Farm to Fridge



Through the Innovation Center for U.S. Dairy, the entire dairy industry — from farm to fridge — is working together to foster innovation and give consumers more of what they want, when and where they want it. Through this industrywide partnership, we can more effectively deliver nutritious dairy foods, beverages and ingredients for the health of people, communities and the earth.

### Healthy People, Healthy Products, Healthy Planet

Established in 2008, the Innovation Center aligns the collective resources of the industry to offer consumers the dairy products and ingredients they need for a healthy and productive lifestyle. Already, the Innovation Center has engaged more than 500 industry stakeholders and their resources to meet that goal.

This site is intended to support the U.S. dairy industry as it promotes the value and wholesomeness of dairy foods. Within the site you'll find information about initiatives that will help us maintain our legacy of creating healthy products for healthy people and a healthy planet.



### Innovation Center Partners

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### What's New?

- » DairyReporter.com's "Top 5 News Stories for 2011" include the Innovation Center's [media advisory](#) on cheese makers' efforts to address the cheese and sodium challenge through a best practices task force.
- » New Federal Dietary Guidelines call for Americans to increase their consumption of low-fat and fat-free dairy foods. Read the [industry statement](#) highlighting dairy's role in a healthy diet.
- » [Industrywide study](#) measuring greenhouse gas emissions of fluid milk from farm to table is now complete.

**Thank You.**