

Sustainability in Business



**ORGANIC
VALLEY**

Family of Farms

Our Mission

- The purpose of the Cooperative Regions of Organic Producer Pools is to create and operate a marketing cooperative that promotes regional farm diversity and economic stability by the means of organic agricultural methods and the sale of certified organic products
- Organic Valley defines Organic as:
A philosophy and system of production that mirrors the natural laws of living organisms with emphasis on the interdependence of all life.



Where We've Been

- 7 farmers began the coop as a produce pool in 1988
- We operated in a rural WI town of 780 people, renting 10 offices/trailers throughout town and biking to meetings
- We rented 6 different locations to handle distribution and product storage



Where We Are

- Have grown to 1288 farmers nationwide, producing dairy, meat, eggs, produce, juice and soy
- Condensed operations from 10 locations to one LEED Silver-built headquarters, doubling the size of our offices while using a quarter of the energy
- Consolidated remote distribution and storage into one new Distribution Center



Where We Are

- Use a regional distribution model for our milk
- Use biodiesel in our own fleet & machinery
- We started a trucking subsidiary, Organic Logistics, to address distribution and food miles issues
- Largest organic farmer cooperative in the country



Economic Sustainability



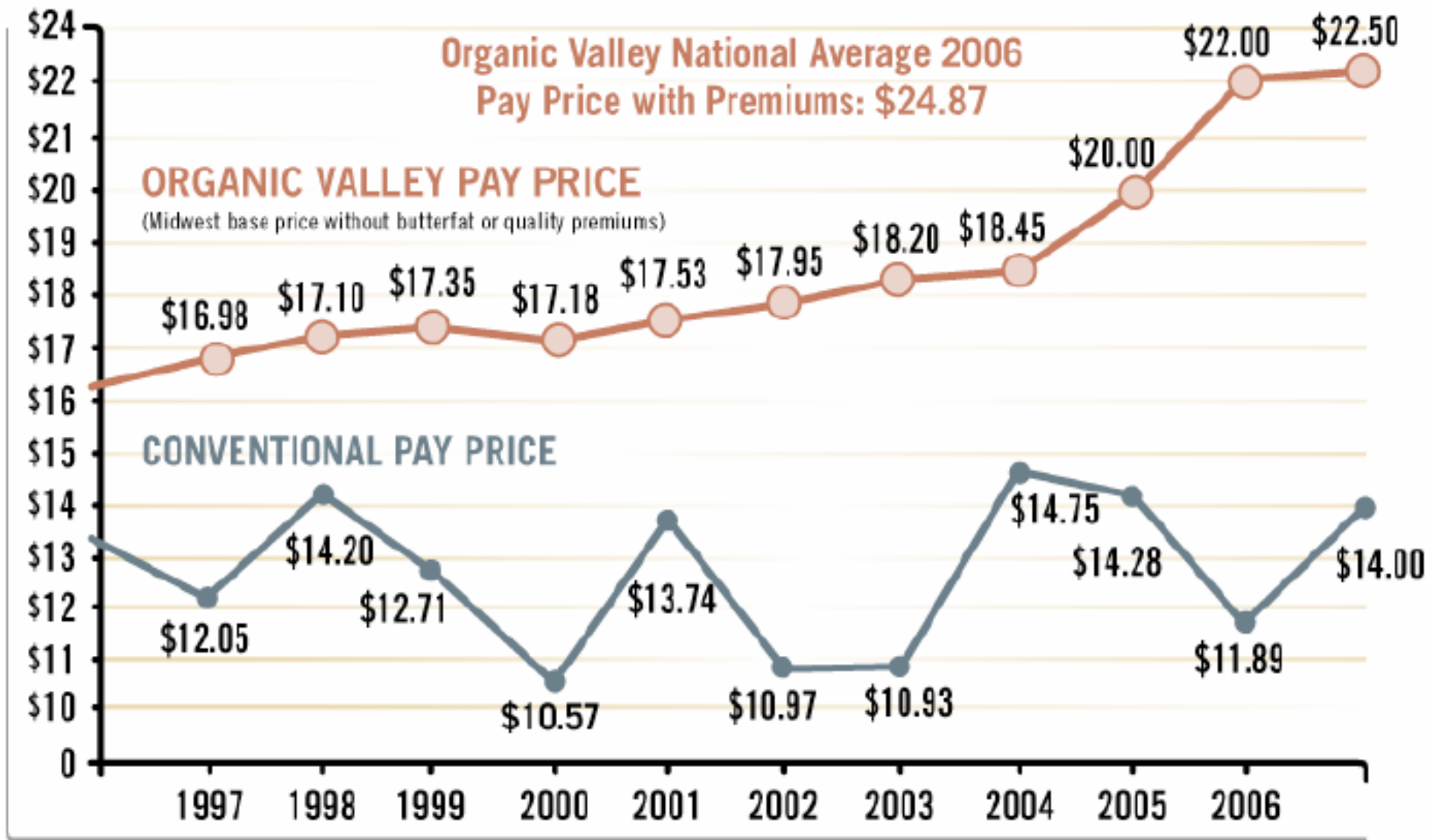
**ORGANIC
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“We’ve come a long way from seeing dad join with the other 6 farmers to found CROPP back in ’88 when we were young boys. Now John and I are taking over the family business —him with the dairy, me starting up a produce business. Organics has been good to us, and I know it’s good for the earth, animals and people eating it.” -Jake Wedeberg, 2nd Generation Organic Valley Farmer



ORGANIC VALLEY DAIRY PAY PRICE COMPARISON (NATIONAL AVERAGE) 1997-2006

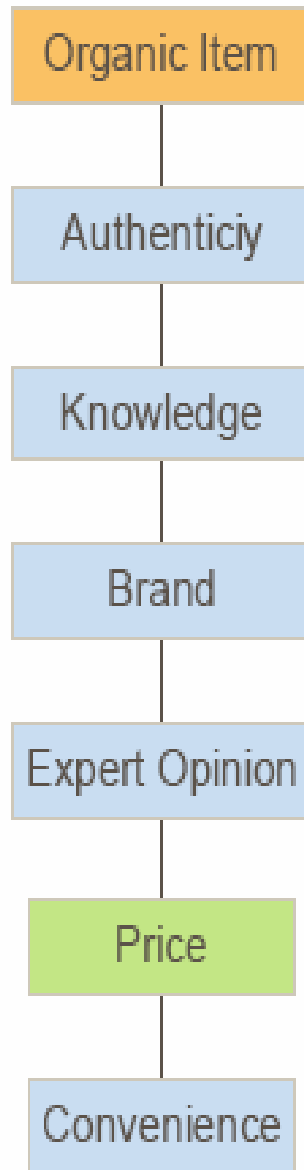


Sales by Pool/Program in millions

- Dairy \$373.8 32% growth
- Egg \$22.6 19% growth
- Meat \$9.4 20% growth
- Juice \$7.9 15% growth
- Soy \$4.7 5% growth
- Produce \$2.2 11% growth
- Feed \$3.2 206% growth



Core Consumer



Periphery Consumer



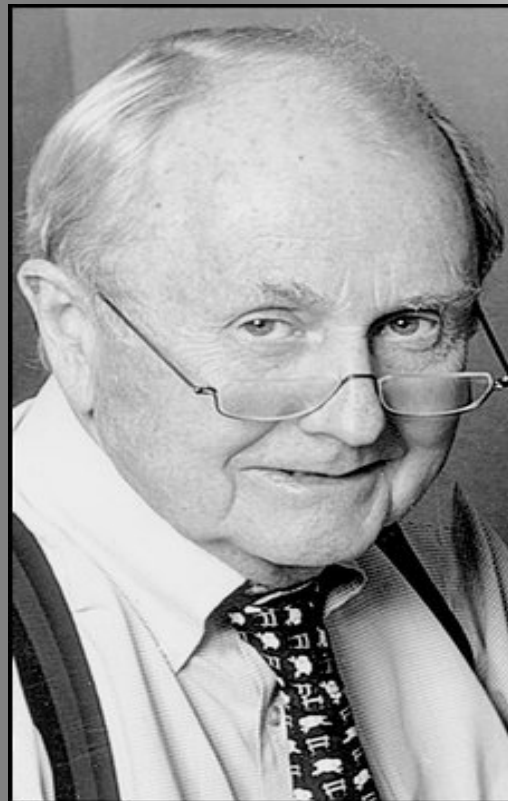
MID-LEVEL
Moves between
The two

Social Sustainability



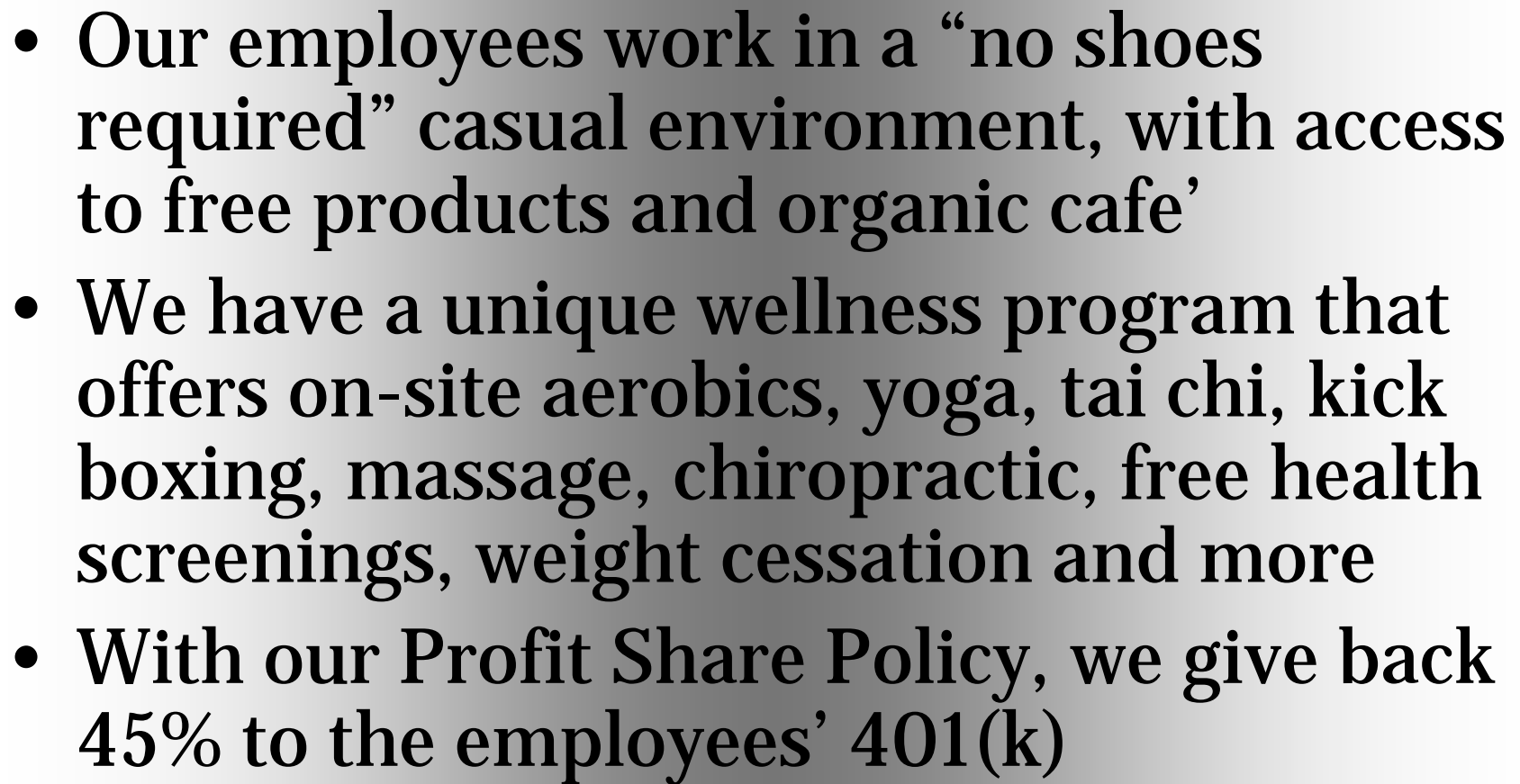
*“We are talking about people who want to give birth and grow old and laugh and die, bonded and sustained by the soil, which is the oldest way of life Americans know. The farm economic crisis has become a **cultural** crisis unique in our history. It is beyond bank loans and government subsidies... It is in people's hearts.”*

–The late Hugh Sidey, Famed
Journalist & Farm Advocate



- Our family farmers help local communities see farming as a viable future once again
- Our regional milk production creates jobs and builds local economies in rural communities
- With our Profit Share Policy, we give back 10% to the communities we live in



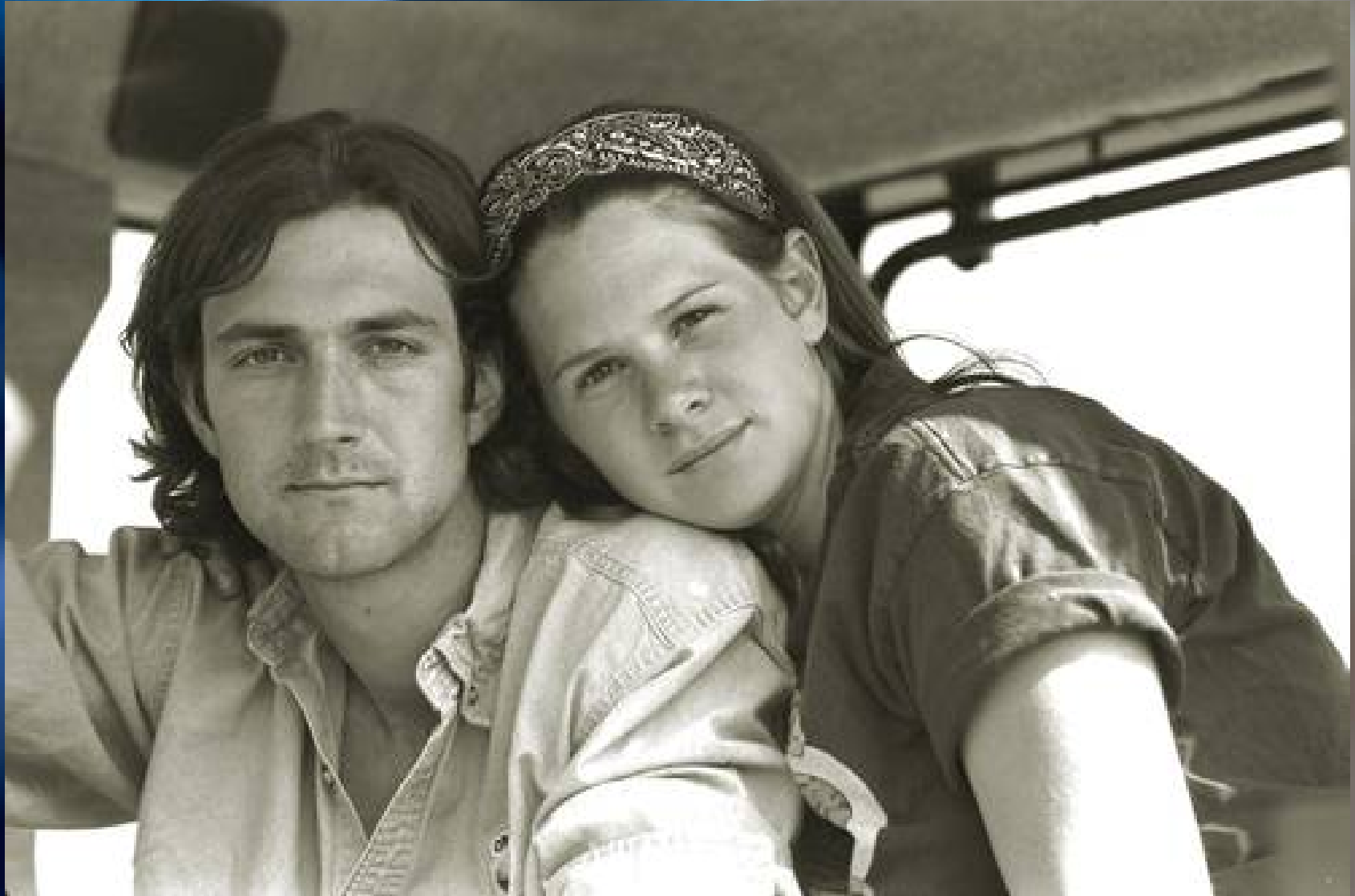
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- Our employees work in a “no shoes required” casual environment, with access to free products and organic cafe’
 - We have a unique wellness program that offers on-site aerobics, yoga, tai chi, kick boxing, massage, chiropractic, free health screenings, weight cessation and more
 - With our Profit Share Policy, we give back 45% to the employees’ 401(k)

Domestic Fair Trade

- Family-Scale Farming.
- Rights of Labor
- Fair & Stable Pay Price
- Sustainable Agriculture
- Transparency & Accountability



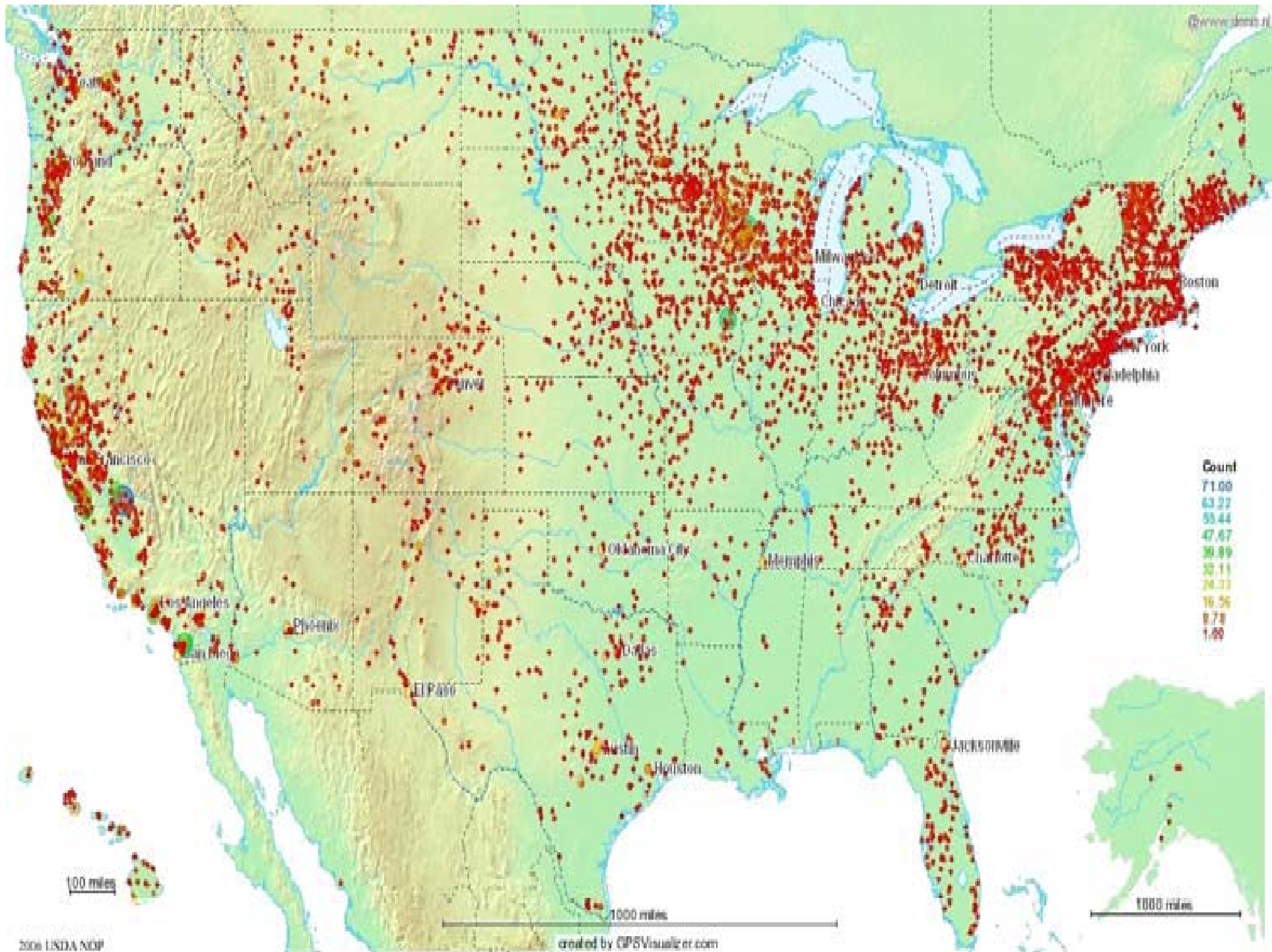
Going “Green” & Beyond



Organic

- 20 years and 100's of thousands of acres farmed organically
- 98% of sprayed pesticides and herbicides reach areas other than their targets, such as people, animals, soil, air and water; contributing to global warming and damage to the ozone
- Bans Genetic Modification, unnecessary antibiotics, and protects current and future generations from health effects of pesticide use





CROPP

Organic Valley
Family of Farms



O M C

Organic
Prairie



Organic
Logistics



Ecological Overview

•Annual Mileage
•Annual Fuel
** From base to farm to production to distribution to retail

FARM

Size
Annual Energy Usage
Electricity
Natural Gas
Other
Annual Consumption
Fuel/Oil
Biodiesel
Water
Land
Annual Waste
Garbage
Recycling/Compost

EMPLOYEES

•Cashton
•Chaseburg

Remote

HQ

Materials

-IT
-Supplies
-Paper
-Store

FACILITIES

•Annual Fluid (amount produced)
•Energy Variance per product produced

Size
Annual Energy Usage
1. *Electricity*
2. *Natural Gas*
3. *Other*
Annual Consumption
Fuel/Oil (
Biodiesel
Water
Land
Annual Waste
1. *Garbage*
2. *Recycling/Compost*

PRODUCTION

Plants

Products

Packaging

-Types of current packaging
-Energy Used

TRANSPORTATION

OV Fleet, Milk Trucks

Organic Logistics

CROPP Vehicles

Travel

Facilities

- HQ is a green building by LEED standards and located on a 40-acre certified organic site
- Rain and grey water collection and reuse system
- Organic compost site with 3-pile rotation system
- Day lighting passive solar system
- Exploring commercial solar pasteurization for creameries
- Researching PV solar panels for HQ and other facilities



Cashton Greens

- Establishing first local Green Business Park
- Helped build a new biodiesel plant and filling station, for usage by our distribution center trucking and local communities
- Will create a biomass conversion plant
- Will create a wind energy site
- Houses Crop Research farm



Biofuels

- Researching alternative organic non-feed crops from corn and soy
- Testing various fuels from B-20 to 100% veggie oil in machinery & vehicles
- Using biofuels in our fleets, investing in biofuels for our local communities & distribution



Animal Husbandry

- Our animals are humanely treated & raised without antibiotics or synthetic hormones
- We have a Pasture Policy that goes above current USDA standards
- We are pioneering organic animal husbandry practices, developing standards we hope can be a model in the future



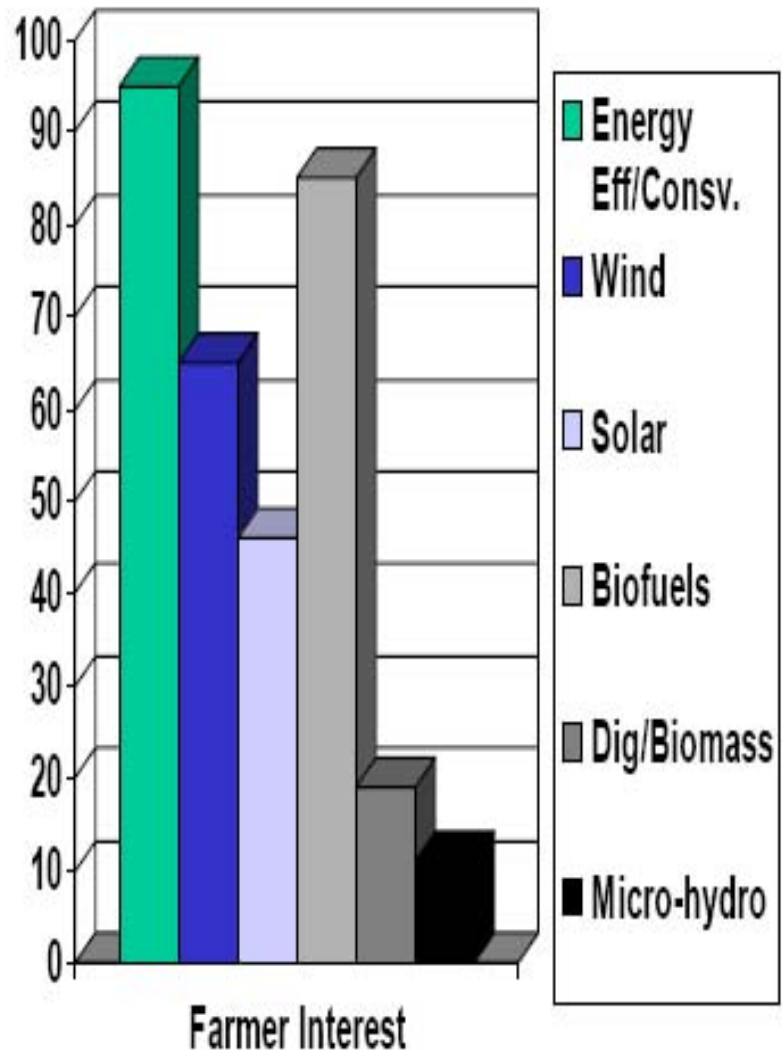
Farmer Renewables & Energy Program

- To provide education for farmers on energy efficiency, renewable energy, and what methods would best apply to their farms
- To empower the farmers to develop progressive methods of conservation as well as cleaner, more secure and cost effective energy sources
- To research and provide information on funding as well as supply programmatic aid in funding for on-farm applications



“Growing up on our family’s organic dairy farm, we saw problems with America’s food systems, and the need for change. Our aim is to cultivate change for future generations.” -Noah and Josh Engel, Organic Valley 2nd Generation Farmers





OV Farmers, Darren and Shana with their Site Assessor

- **Energy Efficiency-** Reducing energy consumption
- **Wind-** Converting wind into energy
- **Solar/ Solar Hot Water-** Converting sunlight into energy & to heat water
- **Pyrolysis-** Converting biomass/waste into an energy gas
- **Micro-hydro-** Converting flowing water energy into electricity
- **Biofuels-** Using seed crops for fuel oil



- Farmers have an on-farm site assessment
- Report reviewed and recommendations made
- Funding researched and aid in procurement given
- Measures & projects implemented with advisement



Farming For The Future

