

NATIONAL DAIRY FARM PROGRAM™

2017 YEAR IN REVIEW

2017

Over the last year, the Farmers Assuring Responsible Management Program has continued to grow, proving its value to producers, processors, cooperatives, dairy customers and consumers.

NEW TO THE FARM TEAM



In the summer of 2017, the National Dairy FARM Program welcomed Angela Anderson as Director of Customer Outreach. In her role at the Innovation Center for U.S. Dairy and Dairy Management, Inc. (DMI), Angela works closely with the FARM team to develop, foster and manage dairy customer outreach. She's a graduate of Iowa State University and completed her master's degree at the University of Minnesota-Twin Cities. Formerly, she was employed by the National Pork Board and worked as the Manager of Channel Communications and Food Chain Outreach.

At the end of 2017, **98% of the U.S. milk supply** came from farms participating in the FARM Animal Care Program.

The FARM team remains engaged on the issue of antibiotic stewardship by leading **crucial conversations** pertaining to the judicious use of antibiotics.

FARM GOALS

- 1** Ensure the integrity and rigor of the program
- 2** Generate value for all stakeholders — farmers, co-ops, processors and customers
- 3** Remain proactive on emerging issues impacting the entire industry and responsive to stakeholder input on the future of the program

FARM: Dedicated to Healthy Cows and Wholesome Milk

Consumers today are more interested in their food than ever before: its safety and nutritional value, how it's produced, who's producing it and how animals and farm employees are treated.

By participating in the National Dairy Farmers Assuring Responsible Management (FARM) Program, farmers demonstrate a commitment to quality farm management practices and safe, wholesome dairy products.

We are earning the trust of consumers across the country by holding our members to the highest standards when it comes to our three program silos: **Animal Care, Environmental Stewardship and Antibiotic Stewardship.**

Created by the National Milk Producers Federation, with support from Dairy Management, Inc., FARM began in 2009 and has participation from dedicated dairy farmers, cooperatives and processors from across the United States. We hold our participants to rigorous guidelines that ensure the utmost quality on our nation's dairy farms.

We understand there's always work to be done. That's why FARM creates a culture of continuous improvement, inspiring the dairy community to work every day toward positive change.

Uniting around sound farm management practices and making smart decisions for our cows are not only ethical obligations, but vitally important to ensuring the long-term success of the dairy industry.

WE ARE
EARNING
the
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3 PROGRAM SILOS

- ✓ **ANIMAL CARE**
- ✓ **ENVIRONMENTAL STEWARDSHIP**
- ✓ **ANTIBIOTIC STEWARDSHIP**



ANIMAL CARE

The FARM Animal Care Program demonstrates that dairy farmers share consumers' values when it comes to quality animal care and safe, wholesome milk. Available to all dairy farmers, the FARM Animal Care Program:



Details animal care guidelines that farmers follow for every cow and calf on the farm



Provides on-farm evaluations and feedback



Ensures the integrity of the program through third-party verification

Launch of Version 3.0

Version 3.0 of the FARM Animal Care Program launched January 1, 2017.

MINIMUM FARM ANIMAL CARE PARTICIPATION REQUIREMENTS INCLUDE:



A signed Veterinarian-Client-Patient Relationship document between the dairy producer and Veterinarian of Record



Annual employee training in animal care and a signed Dairy Cattle Care and Ethics Agreement



No routine tail docking of dairy cattle

OTHER AREAS OF CONTINUOUS IMPROVEMENT INCLUDE:

- 1 The development of newborn calves
- 2 Pain management
- 3 Non-ambulatory animal management
- 4 Euthanasia protocols
- 5 Observation scores of lameness, body condition and hock/knee lesions

FARM ANIMAL CARE BY THE NUMBERS

Results are from Version 3.0 in 2017

98%

123 dairy cooperatives and processors who market 98% of the nation's milk supply

89.4%

Farms that have completed Annual Employee Training and signed the Dairy Cattle Care and Ethics Agreement

99.04%

Farms that are **NOT** tail docking

80.3%

Farms that have a signed Veterinarian-Client-Patient Relationship form

The VCPR establishes guidelines to assure that veterinarians and farmers work together to provide the highest standards of care and treatment for cows.

7,152

Evaluations Completed

7,152 Version 3.0 evaluations were completed by one of the over 350 trained and certified second-party evaluators.



JENNI TILTON-FLOOD

Flood Bros. Dairy, Maine

“As a dairy farmer, the three silos of the FARM Program not only provide our family farm with checks and balances, and baselines for improvement, but also foster both tangible and intangible benefits for our cows and our business. FARM makes me proud as a dairy farmer knowing that the attention to the care of our animals, our farmers and our land is not just for today, but for tomorrow. As a mom and a consumer, FARM gives me confidence and proof that our dairy products truly do come from a good place.”

Willful Mistreatment Protocol

In a situation where credible evidence or allegations of willful mistreatment of animals is reported to the FARM Program, the Willful Mistreatment Protocol allows for a thorough investigative process of the evidence and allegations to occur. A farm is placed on probationary status while the investigation is ongoing.

The hope, in any willful mistreatment investigation, is that the allegations or evidence are proven to be untrue.

To determine the validity of the evidence or allegations, a third-

party audit of the alleged animal care issues occurs. In the case where the evidence or allegations are confirmed through the audit, the protocol requires the farm to take mandatory corrective action steps before the program will remove the farm's probationary status with the FARM Program. The corrective action steps are verified through a follow-up evaluation.

Only after successful completion of the follow-up evaluation is the farm reinstated to good standing with the FARM Program.

THE FARM PROGRAM DEFINES WILLFUL MISTREATMENT AS:

“Acts that maliciously cause pain, injury or suffering including, but not limited to: needlessly applying any type of prod to a sensitive part of an animal (prods are only used when animal or human safety is in jeopardy, and as a last resort), malicious hitting or beating of an animal, movement of non-ambulatory cattle in a manner inconsistent with the National Dairy FARM Program guidelines, prolonged lack of access to feed and water, and inappropriate on-farm harvest or euthanasia.”



Worker Safety

U.S. dairy farmers are committed to maintaining safe working conditions on the farm for their employees. And while the FARM Program requires annual stockmanship training that includes the safety of workers around animals, there are many other areas on the farm that can pose safety hazards.

In 2017, the FARM Program created the FARM Dairy Employee Task Force made up of industry experts to study worker safety and human resources management, and plans to develop a variety of educational materials for dairy farmers in 2018 as a result of the panel's findings.

Task Forces Tackle 4.0

Throughout 2017, the FARM Program initiated three animal care task forces to cultivate data, discuss priorities and establish recommendations for FARM Animal Care Version 4.0.

1 HYGIENE TASK FORCE

2 LOCOMOTION TASK FORCE

3 TIE-STALL TASK FORCE

In conjunction with the National Cattlemen's Beef Association (NCBA) and the North American Meat Institute (NAMI)

Revisions for Version 4.0 will begin in 2018 with animal care evaluator training throughout 2019. Implementation of Version 4.0 of the National Dairy FARM Animal Care Program will begin in January 2020.

Revisions to the FARM Program occur every three years and are based on input from farmers, veterinarians and others involved in the FARM Program's Technical Writing Group, NMPF's Animal Health and Well-Being Committee, and recommendations received through a public comment period.

FARM Partners with



In 2016

20.4%

The FARM Program is proud to partner with the National Beef Quality Assurance (BQA) Program, which is a part of the National Cattlemen's Beef Association. BQA is a nationally coordinated, state implemented program funded by the Beef Checkoff that provides U.S. beef producers with animal care guidelines and training certification.

As dairy cattle continue to increase presence in the meat protein sector, the partnership between FARM and BQA provides great value to the producer community.

of the U.S. beef supply came from dairy animals compared to only 5.5% in 2011.

NEW!

DAIRY STOCKMANSHIP VIDEO



The comprehensive FARM Dairy Stockmanship video details how to humanely, skillfully and safely handle dairy cattle based on understanding cattle's natural behavior. It explains why cows do what they do and how they perceive the world. Each of the nine topics included is supplemented by on-screen questions as well as printable quizzes. The video is available on a USB drive as well as at www.nationaldairyfarm.com.

WORLD DAIRY EXPO STAKEHOLDER BREAKFAST

The FARM Program and BQA teamed up once again to exhibit at the 2017 World Dairy Expo in Madison, Wisconsin, and hosted a stakeholder and media breakfast to share results of the 2016 Beef Quality Assurance Audit. The FARM Program looks forward to hosting breakfasts to discuss new information at future World Dairy Expos.

To read more information about the 2016 Beef Quality Assurance Audit, please visit www.bqa.org.

ENVIRONMENTAL STEWARDSHIP

U.S. dairy farmers have a long-standing history of caring for the environment and adopting innovations to reduce their footprint. In its effort to build on this momentum and share the impressive story of continuous improvement, the FARM Program established the Environmental Stewardship (ES) module in February of 2017.

The module provides a comprehensive estimate of greenhouse gas (GHG) emissions and energy use associated with dairy farming.

Compared to 70 years ago, producing a gallon of milk uses 65 percent less water, requires 90 percent less land and has a 63 percent smaller carbon footprint.

It asks a set of questions to assess a farm's carbon and energy footprint and then provides farmers with reliable, statistically robust estimates. This tool is based on a life-cycle assessment (LCA) of fluid milk conducted by the Applied Sustainability Center at the University of Arkansas, incorporating data from more than 500 dairy farms across the United States.

By tracking advances in dairy production efficiency, farmers can use FARM ES to assure dairy customers and consumers of their commitment to ongoing environmental progress. Producers can also use the results to identify opportunities for changes that could increase their farm's sustainability and reduce their cost of production.

NMPF created a FARM Environmental Stewardship Continuous Improvement Reference Manual to assist producers and farm specialist in improving their environmental footprint. The manual was reviewed by an outside technical review panel of farmers, academics, NGOs and sustainability specialists that was assembled by the World Wildlife Fund.

Since the module's inception at the beginning of 2017, more than **375 assessments** have been conducted by 15 participating organizations.

The carbon footprint of a gallon of milk decreased 63% from 1944 to 2007.



ANTIBIOTIC STEWARDSHIP

SINCE 2011, **ZERO** RETAIL-READY MILK PRODUCTS HAVE TESTED POSITIVE FOR TRACES OF ANTIBIOTICS.



YOUR MILK IS 100% SAFE. PERIOD.

INTRODUCING THE DRUG RESIDUE MANUAL POCKET GUIDE

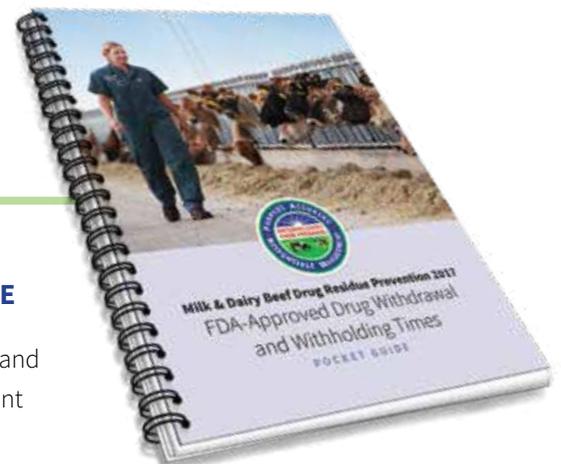
The Drug Residue Manual Pocket Guide contains withdrawal times for meat and milk for all drugs approved for use in cattle. This pocket size, weather-resistant resource keeps information handy for dairy farmers treating ill animals.

In the United States and around the world, the proper use of antibiotics was a highly visible topic in 2017 in both the food marketing sector and in public policy discussion. At several major public conferences about the concerns of antibiotic resistance, the FARM Program advocated on behalf of dairy producers on this sensitive issue, so that they can continue the judicious, responsible use of antibiotics for treatment, control and prevention of disease in their animals.

One of FARM's primary tools to ensure judicious antibiotic use is its Milk and Dairy Beef Drug Residue Prevention Manual, which was updated in 2017 and distributed across the industry.

Dairy farmers' commitment to keeping antibiotic residues out of the milk supply was affirmed yet again in an FDA report that tracks drug residue levels. The report showed a decline in positive drug test results for the fifth year in a row.

All milk is screened for antibiotics, and any load that tests positive for a drug residue is discarded and never sold.



DAIRY CUSTOMER OUTREACH



New Dairy Customer Resources

In 2017, the FARM Program published a comprehensive resource binder for dairy customers, which includes detailed overviews of individual FARM silos, copies of all FARM resource manuals and draft company policies related to animal well-being and antibiotic stewardship. As future materials are developed, the FARM Program will send the new resources to binder recipients.

Stay tuned for a FARM customer newsletter in 2018!



Check out the brands that market FARM Proud milk!



Dairy Social Responsibility Customer Forums

Throughout 2017, the FARM Program and the Innovation Center for U.S. Dairy hosted four customer forums sharing the dairy industry's focus on social responsibility with prominent national and international dairy customers. Over 100 representatives from grocery stores, food manufacturers and restaurant chains attended forums in Los Angeles, Minneapolis, Washington, D.C., and Jacksonville.

Throughout each two-day forum, educational sessions provided a deep dive into the FARM Program with expert industry representatives including farmers, veterinarians and university personnel who shared insights into the rigorous FARM standards and emerging issues. A visit to a local dairy farm gave participants an up-close look at the FARM Program in action.



“ Starbucks requests that our suppliers ensure that all the cooperatives and farms supplying them participate in the National Dairy FARM Program. This program provides a strong focus on animal care, antibiotic stewardship and environmental stewardship on the dairy farm. We also recommend continuous improvement on, and farmer adoption of, the environmental module, and the development of a worker care module. ”

The National Dairy FARM Program would like to thank the many cooperatives and proprietary processors who participate in the FARM Animal Care Program.

Ag Oasis / Kansas Dairy Ingredients	Gossner Foods, Inc	Organic Valley Co-op
Agri-Mark, Inc.	Grande Cheese Company	Piedmont Milk Sales
Agropur Inc. USA	Grassland Dairy Products, Inc.	Plainview Milk Products Cooperative
Arla Foods	Guggisberg Cheese	Prairie Farms Dairy, Inc.
Arps Dairy	Hastings Cooperative Creamery	Preble Milk Cooperative Association, Inc.
Associated Milk Producers Inc.	Herd Health Management	Premier Milk Inc.
Baker Cheese	Hilmar Cheese Company	Queensboro Farm Products, Inc.
BelGioioso Cheese Inc.	Hoard's Dairyman Farm	Riverview Dairy LLP
Bongards Creameries	Holland Patent Co-op	Rolling Hills Dairy Producers Cooperative
Borden Dairy Company	HP Hood Booth Bros	Rutter's Dairy Inc.
Brewster Cheese	Humboldt	Saputo Cheese USA
Booneville Farms Co-op	Idaho Milk Products	Sartori
Burnett Dairy Cooperative	Independent Milk Producers	Scenic Central Milk Producers Cooperative
Byrne Dairy	Innovative Food Solutions	Select Milk Producers, Inc.
Calhoun Cooperative Creamery	Jefferson Bulk Milk Cooperative	Schneider's Dairy
California Dairies, Inc.	Joseph Gallo	Sierra Organics
Cascade Cheese	Kalona	Sinton Dairy Foods
Cayuga Marketing	Klondike Cheese Company	Smithfoods
Cedar Valley Cheese Store	Lactalis	Snake River Dairyman's Association
Central Equity Milk Cooperative	LaGranders	Sorrento Lactalis Inc.
Chula Vista Cheese Company	Lake Country	Southeast Milk, Inc.
Clarco Farmers Cooperative	Land O'Lakes, Inc.	South New Berlin Milk Cooperative, Inc.
Clover Farms	Lanco Pennland Quality Milk Producers Co-op	St. Albans Cooperative Creamery, Inc.
Cloverland Farms Dairy	Leprino Foods	Stonyfield
Cobblestone Milk Cooperative	Lone Star Milk Producers	Swiss Valley Farms Company
Cooperative Milk Producers Association	Lowville	Tillamook County Creamery Association
ConAgra	Lynn Dairy	United Ag Services
CROPP / Organic Valley	Magic Valley Quality Milk Producers	United Dairy
Crystal Creamery	Maple Leaf Cheesemakers	United Dairymen of Arizona
Dairy Farmers of America, Inc.	Maryland and Virginia Milk Producers Co-op Association	Upstate Niagara Cooperative, Inc.
Dassel Cooperative Dairy Association	Michigan Milk Producers Association	Utah Dairy
Dean Foods	Mount Joy Farmers Co-Op Association	Valley Milk
Decatur Dairy	Middlebury Cooperative	Valley Queen Cheese Factory, Inc.
Eau Galle Cheese	Midwest Dairyman's Co.	Wapsie Valley Creamery, Inc.
Ellsworth Cooperative Creamery	Mullins Cheese	Wells Enterprises, Inc.
Erie Cooperative Association	Nasonville	Westby
Family Dairies USA	National Farmers Organization	Weyauwega Star Dairy
Finger Lakes Milk Co-op	North Hendren	White Eagle Cooperative
First District Association	Northwest Dairy Association	Zia Milk Producers
Foremost Farms USA	Oak Grove	Zimmerman Cheese, Inc.
Glanbia Foods, Inc.	Osakis Creamery Association	
Great Lakes		