National Dairy FARM Program: 2015 Year in Review



The National Dairy FARM Program: Animal Care is Everyone's Responsibility

There is great benefit in uniting around the issue of animal care and making sound decisions to safeguard the future of the dairy industry. The National Dairy FARM Animal Care Program was created to show dairy customers and consumers that dairy producers have a caring relationship with their animals and demonstrate dairy farmers' commitment to animal care and producing wholesome milk.

By uniting behind one animal care program, we eliminate the possibility that brands and retailers—unduly influenced by animal rights activists and others—will create their own animal care programs and impose those programs on co-ops, processors, and ultimately, producers.

The Innovation Center for U.S. Dairy's Animal Care Committee, which include representatives from co-ops, processors, retailers, and restaurants, commended the success of the FARM Animal Care Program and complimented its sound structure. For the last year, the Committee has focused capitalizing on the FARM Animal Care Program, using its core principals to go further in the areas of communication and food chain outreach.

The consistency and integrity of the FARM Animal Care Program also allows us to stave off burdensome legislations and regulations at the state, federal and international levels.

The FARM Animal Care Program allows us to definitively demonstrate to the United States Department of Agriculture, Congress and state legislatures that the dairy industry has a robust and rigorous animal care program that the vast majority of America's dairy farmers follow.

Though there's work to be done, the FARM Animal Care Program creates a culture of continuous improvement that allows industry welfare experts to work together with producers for positive change. Without this rigorous program, the dairy industry would lack the cohesiveness and positive momentum to accomplish its animal care goals. In the following pages, you'll read about the new heights the FARM Animal Care Program has reached this year, and what we have planned for the future.

We're all in this together, because animal care is everyone's responsibility.





FARM Animal Care Program by the Numbers

The FARM Animal Care Program celebrated many milestones this year.

FARM Program by the Numbers:

- Over 00% of the milk supply (by volume) covered by the FARM Program
- Co-ops and processors participate in FARM
- 33,381 2nd Party Evaluations completed to date
- Nearly 750 3rd Party Verifications
 Completed by end of 2015
- More than new FARM 2nd Party Evaluators trained in 2015

FARM Animal Care Program Welcomes More Than 20 New FARM Trainers



This year, NMPF staff worked with Praedium to train and certify more than 20 new FARM Program trainers. Recall that certified FARM Trainers are able to conduct 2nd party evaluations but are also qualified to train new evaluators as needed. These Trainers go through a rigorous 2-day training course and must receive a score of 80% on their final exam to become certified.

This year, trainings were held in Phoenix, AZ; Albany, NY and Madison, WI. Training candidates spent one full day in the classroom, and one full day on a dairy farm conducting practice evaluations. Greater emphasis was placed on empowering 2nd Party Evaluators to utilize corrective action plans to ensure continuous improvement.

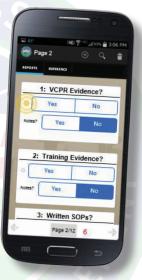
The trainers also engaged in various "role-play" activities to discuss what possible corrective action plans might look like for various questions on the 2nd Party Evaluation. Additional Train-the-Trainer courses will be offered in 2016 in various locations.

You Asked, We Answered: New FARM Database and Mobile App Near Completion

The good news? The FARM Animal Care Program, which represents more than 90 of the domestic milk supply has been so successful that we've overburdened our current database. The bad news? Many of participants have experienced painfully slow database loading times and technical glitches. Before the end of 2015, the database remodel project that we've been working on since December 2014 will finally be completed.

The remodel includes increased database functionality and a substantially improved user experience plus some added bells and whistles—including a dashboard feature that will allow our FARM Animal Care Program participants to more easily generate reports to share with their producers and customers.

Moreover, a mobile application has been created, which will be available to utilize on IOS, Android and Windows platforms, so that FARM Program 2nd party evaluators will—at long last—be able to enter evaluations right on the dairy, even including voice-dictated notes and a photo (where applicable).



Consumers Care: FARM Program Begins work on Consumer-friendly Resources

The FARM Program is getting social ... social media that is. Along with a new, consumer-friendly website and

Responsible Management

updated animal care messaging, the FARM Program has launched new Facebook, Twitter and Instagram accounts. Additionally the FARM Animal Care Program has launched a blog where the stories of producers, co-ops and processors that participate in the program can be shared. Updates to the FARM Animal Care Program and program successes will also be shared on the blog. Most crucially, the FARM Program social media accounts will help the FARM

Program connect with dairy customers and consumers, answering their questions and showing how the entire dairy industry is #FARMProud. Connect with us:



Facebook: National Dairy FARM Program



Twitter: @FARMProgram



Instagram: @FARMProgram

Shared Messaging in New Animated Video, Supporter Badge

How does the FARM Animal Care Program recognize the dairy industry members who are one step removed from the co-op or proprietary processor level for their endorsement of



the FARM Animal Care Program? Until recently, the Program could not commend those in the dairy

supply chain who either endorse or require FARM Animal Care Program participation of their suppliers. To solve this problem, a "FARM Supporter Badge" has been created to recognize such companies.

Along with the badge, a new animated video that describes—in 66 seconds—the FARM Animal Care Program, will be unveiled shortly. Both will be available to members of the dairy supply chain in November and will direct curious consumers to find more information on the FARM Program website, www.nationaldairyfarm.com.

New Research Shows Consumers Care About Cow Comfort, Treatment

It should be no surprise that consumers are more interested than ever before in where their food comes from. Our

customers are literally hungry for information about how their food was raised and cared for—as well as its nutrition and safety. In a recent study conducted by the American Humane Association, 9 in 10 respondents (94.4%) indicated that they were "very concerned about farm animal welfare," up from 87% a year ago. More than three-fourths of respondents (75.7%) said they were very willing to pay more for humanely raised eggs, meat and, most notably, dairy products; up from 73% in 2013. And, according to the same study, for the second year in a row, "Humanely Raised," scored highest among food label importance, beating out

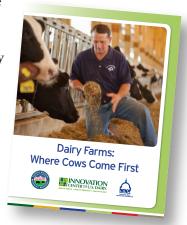
"antibiotic-free," "organic" and "natural."

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Similarly, in a 2014 study conducted by the Center for Food Integrity, only 42 percent of respondents agreed with the statement "the food system is on the right track" and more than 49% noted "high concern for the humane treatment of farm animals." Notably, more than 50% of respondents strongly agreed with the statement: "If farm animals were treated humanely, I would have no problem consuming meat, milk and eggs."

Our customers give us the social license to determine how best to raise our animals. We need to give them the

permission to trust that we're making the best decisions when it comes to caring for our cows. The National Dairy FARM Program provides the proof points necessary to start changing the minds of our consumers—and hopefully changing these statistics for the better.



Dairy Processors, Brands Endorse FARM Program



"Industry Standards or Codes of Practice that are recognized by Saputo in the

countries where we have operations are:
United States of America, Farmers
Assuring Responsible Management"



"We require all Great Lakes
Cheese suppliers to meet
animal care guidelines
outlined in the National
Milk Producers
Federation's FARM

(Farmers Assuring Responsible Management) Program or comparable state programs."



"Enrollment in **FARM**(United States Suppliers)
or the Red Tractor
Scheme (United
Kingdom and Republic

of Ireland Suppliers) shall be complete by December 31, 2015."



There's a common language about "good dairying" in deep farming cultures and it's one we've shared with

our farmers since day one. You know it when you see it and programs like **National Dairy FARM Program** have helped bring that language to life—creating a consistent standard that people can trust. At the end of the day, the quality and sustainability of our products depends on the health and wellbeing of the animals on the farm.

NMPF Engages With Retailers, Restaurant Brands

Since January, 2015, NMPF staff have met with countless branded food companies, restaurants and retailers to discuss animal care and the FARM Animal Care Program. These discussions are helpful to share the great story dairy producers have to tell about animal care, but also give the FARM Program insights into the pressures facing these companies, and the questions being asked of them by their customers.

Many of these meetings include, at a minimum, a "deep dive" review of the FARM Animal Care Program guidelines and supporting principles. More often, however, these meetings include a visit to a dairy farm so that the leadership of these companies can experience a modified FARM Animal Care Program evaluation and speak with producers and co-op staff about what the program is and does.

It is critical that the dairy industry speak with a unified voice when it comes to animal care—animal welfare should never be a product differentiator or competitive advantage. Such meetings help strengthen relationships and cement the notion that we're all in this together.

... these meetings include a visit to a dairy farm, so that the leadership of these companies can experience a modified FARM Animal Care Program evaluation ...







FARM Animal Care Program Technical Writing Group Begins Work on Version 3.0

The FARM Animal Care Program Technical Writing Group began working in June to discuss updates to the National Dairy FARM Program Animal Care Manual and Evaluation. Such updates occur every three years. Currently, the FARM Animal Care Program is operating under the revisions that were concluded in 2013.

The FARM Animal Care Program Technical Writing Group is comprised of academics, veterinarians, co-op staff and producers—all with a passion for animal care and a commitment to implementing science-based standards.

Technical Writing Group Members:

- Karen Jordan, DVM, Dairy Farmers of America, Inc. Member, dairy farmer
- Antone Mickelson, Darigold, Northwest Dairy Association
- David Darr, Dairy Farmers of America, Inc.
- John Miles, Land O'Lakes, Inc.
- Kevin Olson, Prairie Farms Dairy, Inc.
- Gatz Riddell, DVM, American Association of Bovine Practitioners
- Nigel Cook, DVM, University of Wisconsin
- Nina Von Keyserlingk, Ph.D., University of British Columbia
- Cassandra Tucker, Ph.D., University of California-Davis
- Marcia Endres, Ph.D., University of Minnesota
- Josh White, National Cattlemen's Beef Association
- Branden Treichler, Select Milk Producers, Inc.
- Paul Humphries, Foremost Farms USA
- Keri Retallick, Praedium/Validus, FARM Program Liaison
- Steve Maddox, DMI Board Member, Dairy farmer
- Richard Doak, DVM, MD/VA Milk Producers Cooperative Assn.

After an initial in-person meeting, the experts divided into small groups, by subject matter expertise, to begin revising the text of the Animal Care manual, by chapter. Additionally, one group was dedicated to revising the FARM Program 2nd Party Evaluation form—focusing, in part, on streamlining questions and updating benchmarks.

Recently, a final draft of both the Animal Care Manual and the Evaluation were approved by the Technical Writing Group and will be submitted to the NMPF Animal Health and Wellbeing Committee for review and comment. Thereafter, NMPF staff will solicit public comment on the revisions. The updated manual and evaluation will be available in Spring 2016, but 2nd party evaluations on the updated Evaluation form won't commence until January 1, 2017.

FARM Willful Mistreatment Protocol in Action

In May, the National Dairy FARM Program activated its Willful Mistreatment Protocol for the first time. This protocol, approved by the NMPF Board of Directors in October 2014 provides for an immediate response for allegations of animal abuse or mistreatment.

First, 3rd Party Audit firm, Validus, is dispatched to the dairy to conduct an investigative audit which includes animal observations, employee interviews and reviewing any video footage to confirm the allegations of mistreatment. If confirmed, the dairy will be placed on probationary status from the FARM Program, pending the completion of corrective action plans and re-evaluation.

During the June incident, corrective actions were completed swiftly and the dairy was fully reinstated into the FARM Animal Care Program after four weeks. This quick turnaround was made possible due to the swift notification by the dairy to its coop, and subsequently, the FARM Program. NMPF worked directly with the co-op, Validus, and the dairy to ensure the process was as seamless as possible.

NMPF Engages Nationally and Internationally on Antimicrobial Stewardship

Antimicrobial stewardship goes beyond an individual dairy farmer's actions and extends across all livestock production, companion animal, and human use of antimicrobials. Misuse and overuse of antimicrobials is one of the world's most pressing public health problems. Infectious organisms adapt to the antimicrobials designed to kill them, making the drugs ineffective. In September 2014, the President released Executive Order 13676 on Combating Antibiotic-Resistant Bacteria. The Executive Order established a Task Force co-chaired by the Secretaries of Defense, Agriculture, and Health & Human Services with the goal of:

"The Federal Government will work domestically and internationally to detect, prevent, and control illness and death related to antibiotic-resistant infections by implementing measures that reduce the emergence and spread of antibiotic-resistant bacteria and help ensure the continued availability of effective therapeutics for the treatment of bacterial infections."

In combination, the FARM Animal Care Program and FARM Residue Avoidance Manual serve as the roadmap for the U.S. dairy industry's commitment to antimicrobial stewardship. During the past year NMPF staff have shared that commitment with a wide range of audiences at the Innovation Center for U.S. Dairy Sustainability Council Spring Meeting, the Farm Foundation Forums, the White House Forum on Antibiotic Stewardship, and the World Dairy Summit.



International Animal Welfare Updates

During the past year, NMPF staff has continued to engage with the World Organization for Animal Health (OIE) and International Standards Organization (ISO) to ensure that any animal welfare guidelines are consistent with the high standards set forth by the National Dairy FARM Program. The 83rd General Session of OIE, held in Paris during May included several actions of note for the U.S. dairy industry. A new chapter in the Terrestrial Health Code on the welfare of dairy cattle was adopted. NMPF previously submitted four rounds of comments that were that were included in comments by the U.S. delegation to OIE. Since the Dairy Welfare Chapter was adopted, NMPF staff have continued to engage, through the U.S. delegation, to seek further clarification on several sections of the standard.

The 83rd General Session of OIE, held in Paris during May included several actions of note for the U.S. dairy industry.

The International Standards Organization's TC34 (Technical Committee on Food Products) Working Group on Animal Welfare also met in Paris in May to discuss the first draft of the Technical Specification (TS) document. ISO & OIE established a Memorandum of Understanding in 2011 to strengthen cooperation in all fields of mutual interest, including animal welfare. The TS will, in part, be utilized to help farmers perform a "gap analysis" to determine if their on-farm practices are consistent with international animal welfare standards as contained in the OIE chapters. Currently, NMPF is working through the U.S. Technical Advisory Group (US-TAG) to review the most recent TS draft and provide comments. Of primary concern to NMPF is the TS' inclusion of credible, science-based animal care resources and its emphasis on outcomes-based welfare measurements.

Continued engagement on international animal welfare issues are made possible by Dairy Management Inc. and the U.S. Dairy Export Council.

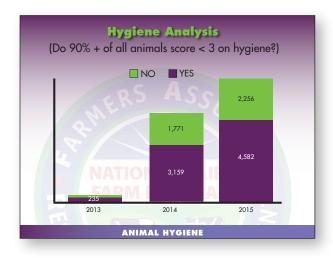
FARM Animal Care Evaluations Confirm Commitment to Animal Care

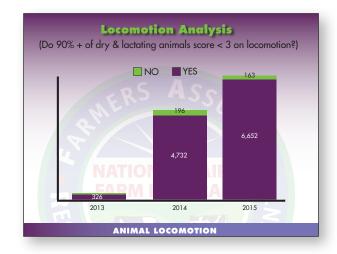
This year, we have moved away from the "bullseye approach" displaying conformance to FARM Animal Care Program guidelines to provide an inside view on some of the animal observation data which has been collected since Version 2.0 became effective.

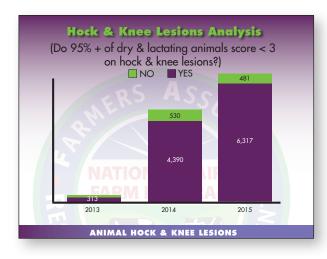
Locomotion observations look at potential lameness issues on a dairy farm using a 1-3 scale (normal gait, moderate impairment, lameness requiring immediate action) with a FARM Animal Care Program benchmark of 95% or more of lactating and dry cows (the at-risk animals for this measure) scoring less than 3. Over the past three years, more than 96% of all farms have exceeded this benchmark. **Body condition** observations

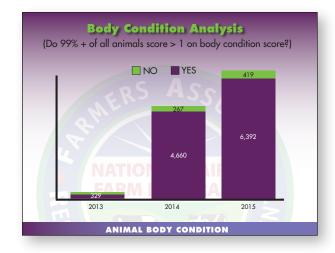
look at potential nutritional issues on a dairy farm using a 1-5 scale (Skinny-Fat) with a FARM Animal Care Program benchmark of 99% or more of all animals score greater than 1 (the at-risk measure for all animals). Over the past three years, more than 94% of all farms have exceeded this benchmark.

Similar success can be seen in the results from hock and knee lesions analysis and the hygeine analysis. These results confirmed by the annual Third-Party Verification process provide a quantifiable picture of animal care on dairy farms and is part of the FARM Animal Care Program's ongoing analysis of the best management practices and provides an overall picture of animal care on America's dairies. Additional results from our 2015 analysis will be released in subsequent reports.









Participation

The National Dairy FARM Program would like to thank the many cooperatives, proprietary processors and individual producers who participate in the FARM Animal Care Program through third-party verification. The time, energy and effort that are put into the program by the participants are appreciated. As of October 1, 2015 the FARM Program has 82 cooperatives and proprietary processors, and dozens of individual dairy producer participants.

Agrimark

Agropur Inc. USA

Arkansas Dairy Cooperative Association

Associated Milk Producers Inc.

BelGioioso Cheese Inc.

Bongards' Creamery

Booneville Farms

Borden Dairy Company

Brewster Dairy (Ohio)

Burnett Dairy/Cady Cheese

Byrne Dairy

Calhoun Creamery

California Dairies Inc.

Cayuga Marketing

Cedar Valley Cheese

Central Equity Milk Cooperative

Chula Vista Cheese

Clarco Farmer Cooperative

Cloverland Farms Dairy

Cobblestone Milk Cooperative, Inc.

Cooperative Milk Producers Association

Crystal Creamery

Darigold

DeCatur Dairy

Dairy Farmers of America

Eau Galle Cheese

Ellsworth Cooperative Creamery

Erie Cooperative Association

Family Dairies USA

Farmers Cooperative Creamery

Finger Lakes Milk Co-op

First District Association

Foremost Farms

Glanbia Foods, Inc.

Gossner Foods

Grande Cheese Company

Grassland Dairy Products, Inc.

Guggisberg Cheese

Hastings Cooperative Creamery Company

Hilmar Cheese

Holland Patent Co-op

HP Hood Booth Bros

Independent Milk Producers

Innovative Food Solutions

Lake Country Dairy, Inc.

Lanco-Pennland Quality Milk Producers

Land O'Lakes

Leprino Foods, Inc. (direct ship farms)

Lonestar Milk

Lowville Producers Dairy Cooperative

Lynn Dairy

Magic Valley Quality Milk Producers

Maryland Virginia Milk Producers

Michigan Milk Producers Association

Middlebury Cooperative

Mullins Cheese

National Farmers Organization

Organic Valley Co-op

Pacific Gold Coast Milk Producers

Piedmont Milk Sales

Plainview Milk Products

Prairie Farms

Prairieland Dairy LLC

Preble Milk

Premier Milk Inc.

Queensboro Farm Products

Saputo Cheese USA

Sartori Cheese

Scenic Central Milk Producers Cooperative

Select Milk Producers Inc.

Snake River Dairyman's Association

Sorrento Lactalis Inc.

St. Albans Cooperative

Stockton Cheese Inc.

Stockton Cheese Inc.

Swiss Valley Farms Cooperative

Tillamook County Creamery Association

United Ag Services

United Dairymen of Arizona

Upstate Niagara Cooperative

Valley Queen Cheese Factory

Wells Enterprises, Inc.

White Eagle Cooperative

Zia Milk Producers

South New Berlin Milk Coop

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