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**USDA & Innovation Center for U.S. Dairy Announce Agreement to Enhance Sustainability,
Cut Industry's Greenhouse Gases by 25 Percent**

Landmark joint effort showcases dairy industry's sustainability leadership and creates opportunities for further environmental and economic benefits

Rosemont, IL -- The U.S. Department of Agriculture and the Innovation Center for U.S. Dairy today agreed to work jointly in support of the U.S. dairy industry's goal to reduce greenhouse gas emissions by 25 percent over the next decade.

In a landmark memorandum of understanding (MOU), the USDA and the industrywide dairy group identified a variety of projects that can help the dairy industry achieve those greenhouse gas reduction goals and increase its financial and environmental sustainability.

The agreement was signed by Agriculture Secretary Tom Vilsack and Thomas P. Gallagher, chief executive officer of the Innovation Center for U.S. Dairy and Dairy Management Inc.™ (DMI), which manages the national dairy checkoff program on behalf of the nation's dairy farmers. DMI was one of the founding organizations of the Innovation Center for U.S. Dairy, which was created to foster industrywide pre-competitive collaboration and innovation on strategies designed to increase sales of milk and milk products. (www.usdairy.com).

"This historic agreement, the first of its kind, will help us achieve the ambitious goal of drastically reducing greenhouse gas emissions while benefitting dairy farmers," said Vilsack. "Use of manure to electricity technology is a win for everyone. It provides an untapped source of income for farmers, it provides a source of renewable electricity, reduces our dependence on foreign fossil fuels, and provides a wealth of additional environmental benefits."

"This memorandum came about because of the commitment of U.S. dairy farmers and the dairy industry to a sustainable future that includes both environmental and economic viability," said Gallagher.

"Sustainability goes hand in hand with our heritage of taking care of the land and natural resources while producing nutritious products that consumers want."

Under the agreement, USDA will take a number of steps to help farmers, including supporting a strategic research plan to help the industry further reduce environmental impacts. Other initiatives would help the industry develop future technologies, advance nutrient management, support renewable energy, and improve energy efficiency.

"These efforts build on the Innovation Center's U.S. Dairy Sustainability Commitment, which includes projects designed to reach the greenhouse gas reduction goal of 25% by 2020," said Jerry Kozak, president and chief executive officer of the National Milk Producers Federation (NMPF).

Potential outcomes of the MOU include accelerating opportunities to adopt livestock manure processing systems that capture methane gas from livestock manure and convert it into electricity, coordinating research information on life cycle assessments, and supporting the industry's efforts in energy audits, feed management and energy conservation.

Gallagher noted that the Innovation Center is nearing completion of an unprecedented life cycle assessment of fluid milk from farm to table. Initial estimates by the Applied Sustainability Center at the University of Arkansas show that the entire dairy supply chain, from cattle feed ingredients through packaging and transportation to the consumer's table, accounts for less than 2 percent of total greenhouse gas emissions in the U.S.

"The dairy industry's on-going efforts to improve milk production efficiency over the past six decades have already reduced greenhouse gas emissions at the farm level by more than 60 percent," said Indiana dairy producer Mike McCloskey, chairman of the Innovation Center's Sustainability Committee. "To feed a growing world we must continue to develop new ideas, innovations and best practices to preserve natural resources and secure a healthy future for the next generation."

The MOU between USDA and the Innovation Center may also help accelerate adoption of methane gas digesters for all sizes of dairy farms, making it easier to connect digesters to electricity grids and help digester operators capture potential carbon offset payments. Additional support from the USDA could include research on how feed mixtures affect methane emissions from cows. Opportunities to reduce so-called enteric emissions have been identified by dairy stakeholders in the Innovation Center's industrywide plan to cut greenhouse gas emissions.

"We are very pleased to be working with Secretary Vilsack and the entire USDA," said Connie Tipton, president and chief executive officer of the International Dairy Foods Association (IDFA). "The additional cooperative efforts and assistance spelled out in this agreement will help the dairy industry move forward with its greenhouse gas reduction roadmap and further its role as a leader in sustainability."

Innovation Center for U.S. Dairy provides a forum for the dairy industry to work pre-competitively to address barriers to and opportunities for innovation and sales growth. The Innovation Center aligns the collective resources of the industry to offer consumers nutritious dairy products and ingredients, and promote the health of people, communities, the planet and the industry. The Board of Directors for the Innovation Center represents leaders of more than 30 key U.S. producer organizations, dairy cooperatives, processors, manufacturers and brands. The Innovation Center is supported and staffed by Dairy Management Inc.™ For more information, contact innovationcenter@usdairy.com or visit USDairy.com.