



Meeting The Needs Of Today's Consumers

Patti Schaefer
Director of Milk Marketing & Member Services

100 Years And Counting...

1894 - Litchfield, MN Creamery
Cooperative Formed

1921 - 11 Creameries came together
to form Cooperative Creameries
Association, Unit #1 (Later named
Frist District Association)

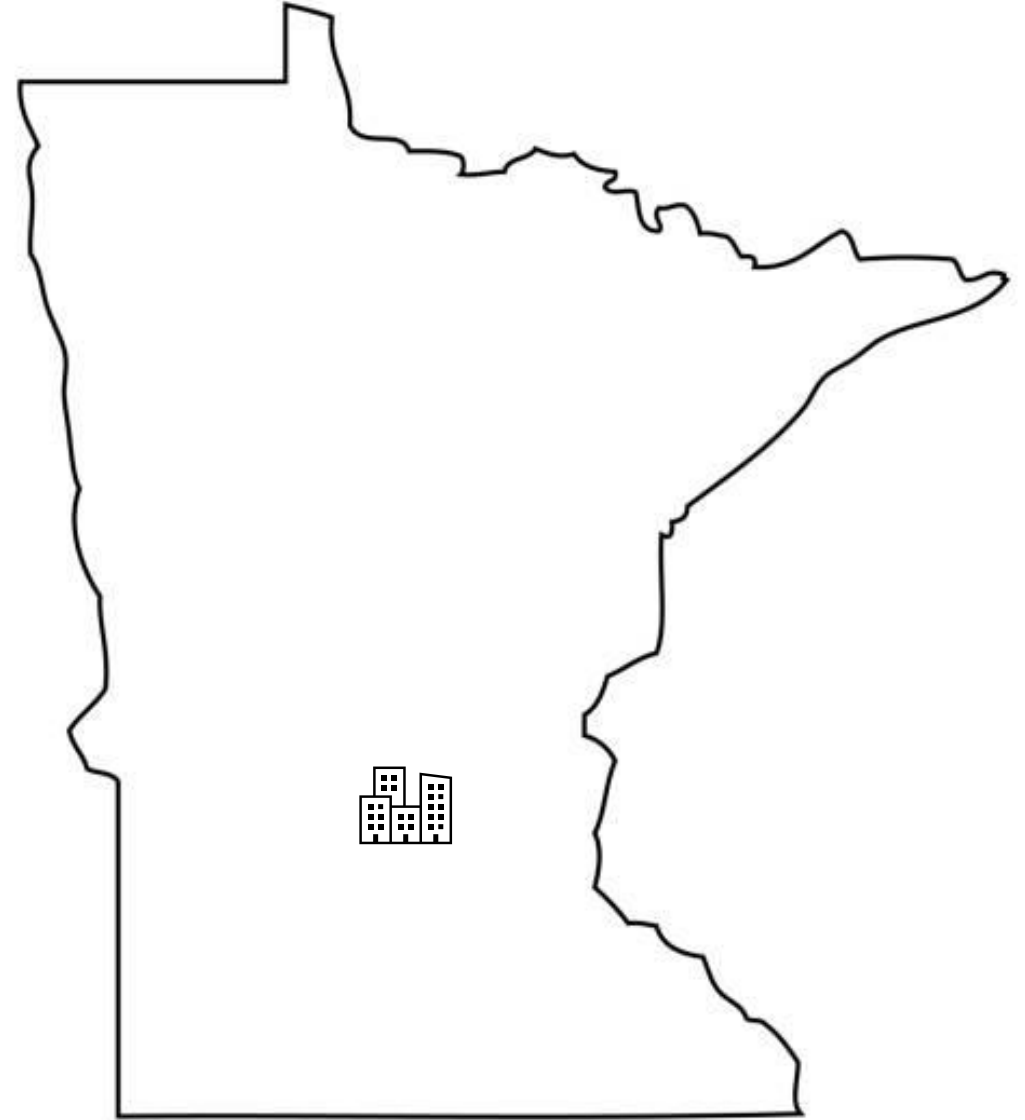
- Butter Manufacture

1975 – Discontinued manufacturing
butter and converted to cheese and
whey products



Litchfield, MN

- 200 Employees
- SQF Level 3
- GFSI Compliant
- USDA & FDA Approved
- EU Certified
- On Site Pathogen Testing





Securing the Future

**October 2018 -
Whey Dryer**
90,000 lbs. per day

**April 2021- Milk
Receiving**
7.5 million lbs. per
day

**May 2021-
Lactose Dryer**
110,000 lbs. day

**June 2021 -
Cheese Plant**
700,000 lbs. per day

What We Make...

- Cheese (40lb Blocks & 500lb Barrells)
 - White Cheddar
 - Colored Cheddar
 - Monterey Jack
 - Uncured Swiss for Manufacturing Specification
 - Gouda Curd
- WPC (Bags and Totes)
 - 27%, 35%, 53%
- Lactose
 - 40 mesh, 100 mesh, 150 mesh and 200 mesh



Farmer Owned

- 650 Farm Family Owners
- Located in Minnesota and Wisconsin
- 100% FARM Program Participation
- US Dairy Stewardship Commitment



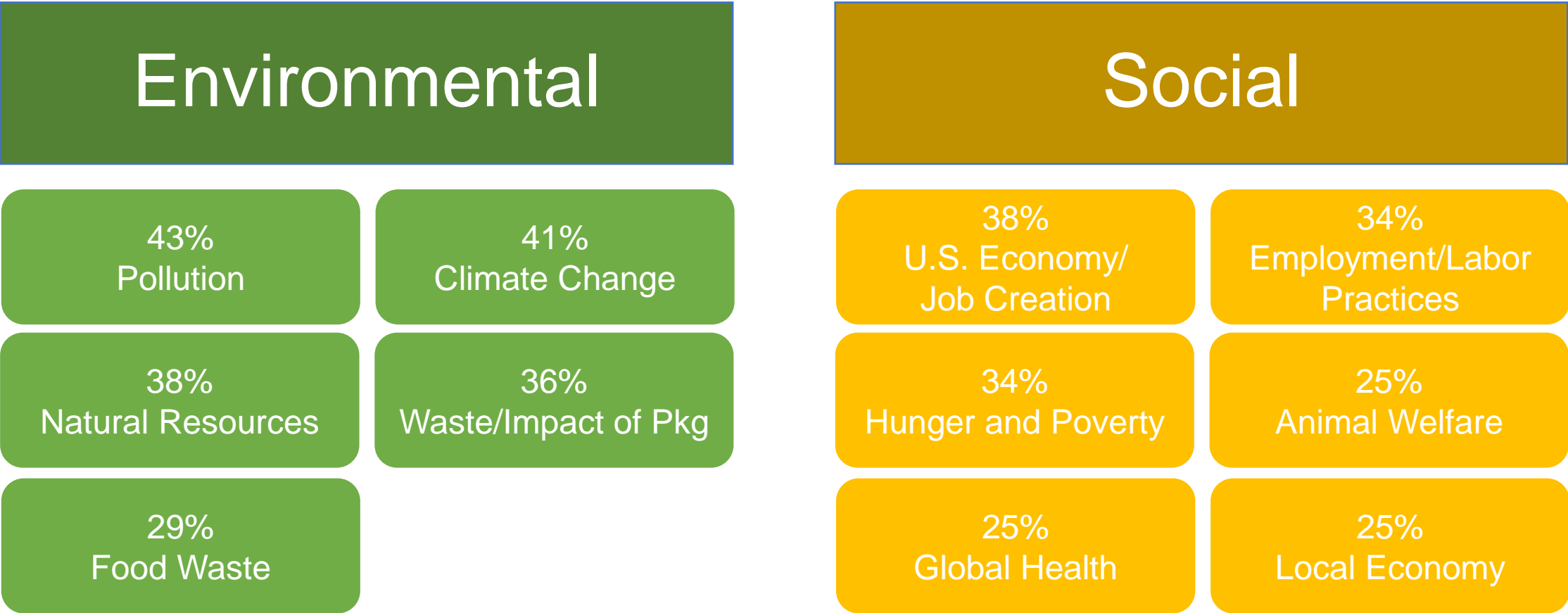


Why?



Consumers See a Role for Business in Addressing Environmental and Social issues

**MOST IMPORTANT ENVIRONMENTAL AND SOCIAL ISSUES
FOR BUSINESSES TO FOCUS ON RIGHT NOW (% U.S. Adults 18-75)**



Source: The Hartman Group Sustainability 2021
Q16C. People learn about big topics like sustainability from all sorts of places. Thinking about the PAST 3 MONTHS, where have you found inspiration or new information about environmental or social issues? (Select all that apply) Base: Total n=2202, Gen Z n=480, Millennials n=526, Gen X n=555, Boomers n=641. Trended base: Total 2021 n=2013, 2019 n=1622.



Dynamic Marketplace



75% of Global Investors Hyper Focused on ESG Risks



CEOs Commit To A Net-Zero Economy



Purpose Imperative Driven By Consumers

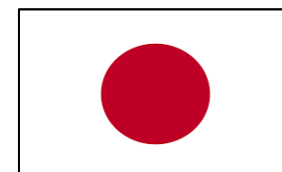


Alternatives Continue To Scale, Drive Investment & Attention



Climate-related risk reporting

- UK, NZ, Canada, France & Japan commit to legally-binding Net Zero targets by 2050
- Investor groups look to decarbonize portfolios and increase investment in climate solutions
- Companies and investors face new pressures on compulsory disclosure of climate risk



BlackRock

Vanguard



TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES





Companies demonstrating action

- Global dairy customers & companies prioritize sustainability in their supply chains
- Leading dairy cooperatives and processors set sustainability goals. Supply chain partnerships look at practice improvements





Why Not?

As of 2007, producing a gallon of milk uses

- 90% less land and
- 65% less water
- 63% smaller carbon footprint than in 1944.

Producing a gallon of milk in 2017 shrunk significantly from 2007, requiring:

- 30% less water;
- 21% less land; and a
- 19% smaller carbon footprint.





Questions?