



From Cow to Cup

Creating Efficiency and Value in the Dairy Supply Chain

Overview



- Who We Are
- Defining Virtual Integration
- “The Model”
- Cow to Cup Benefits



Who We Are



- 4th Generation Dairy Family
- Moved to NW KS from PA in 2000
- Dairies run by Parents Tom and Judy and Brothers Mike, Clay, Ken, and David
- Grew from 150 Cows in PA to 8,500 today
- 4 Dairy Sites
- On Farm Processing



Dairy Farms

- McCarty Dairy
- Bird City Dairy
- McCarty Farms Scott City
- McCarty Farms Beaver City

120 Family members



Designed to meet the Cow's needs





Clean and comfortable



Processing Plant

- Specific Product
 - Protein development
- Flexibility
 - Ability to change as customer needs change
- Continuous Process
 - Providing a safe, healthy and quality products through continuous improvement initiatives

State of the art





Complete automation



Quality Design



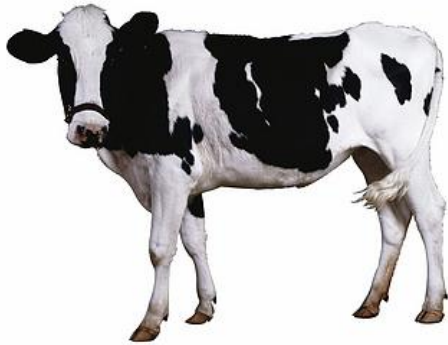




Delivering what you want.



Defining Virtual Integration



A model based on strategic partnerships resulting in the creation of an efficient supply chain to allow for greater control of processes and end products.



“The Model”



- Direct Supply Agreement between Dannon US and McCarty Family Farms
 - 650,000 lbs of Milk Per Day
 - All Milk Shipped to Dannon’s Fort Worth, TX Plant
 - Specific Milk Quality Parameters
- Cost of Production Plus Margin



Cow to Cup Benefits

- Price Stability for McCarty, Dannon, and Consumer
- Traceability
 - Food Safety
 - Third Party Humane Audits
- Reduction of Carbon Footprint
- Sustainable Growth for McCarty Family Farms



Cow to Cup

- Sustainable growth
 - 2013 Innovative Dairy Farmer of the year award winner
- Community Involvement
 - Yogurt for Youth
- Animal Care
 - Validus Certification
- Environmental Stewardship
 - 2014 Dairy Sustainability award winner



Questions?

