



FIRST DISTRICT ASSOCIATION SUSTAINABILITY REPORT 2019

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FIRST DISTRICT ASSOCIATION

WHO WE ARE

Since 1921, First District Association has been a grassroots, member-owned dairy cooperative located in Litchfield, Minnesota. Every day we focus on creating a sustainable market for dairy products and allow our family farms to prosper in the time honored Midwest dairy traditions.

Although our numbers have grown significantly over the years, our commitment to the nutritious, wholesome dairy products we bring to your table has not wavered. We attribute our success to our devoted dairy farmers, loyal employees and our stakeholders who share our history, core values and social responsibility. As a member-owned cooperative, protecting our animals and our environment are key fundamental values.

At First District Association, we recognize that being a responsible steward starts with our dairy farmers that practice farming techniques that protect the environment, public health, our local communities as well as animal welfare. We continue to support and urge our member-owners, as well as our manufacturing facility, to develop new and innovative ways to produce our dairy products in a sustainable fashion. The heart of our business is to provide this world with safe, quality dairy products while preserving our environment and communities for years to come.

We are proud to say that in 2019 we adopted the U.S Dairy Stewardship Commitment! First District Association strongly believes that acting in an environmentally, socially and financially responsible manner is just good business. In the next year, we vow to invest resources to ensure we continue to move forward with our commitment to sustainability. In order to track our progression in the future, we will also begin tracking and recording sustainability measurements at both the farm and production level.

We realize that these sustainability efforts do not fall on one group of stakeholders, but is a collaboration across the entire value chain. Our goal is to build confidence for our customers and consumers that First District Association, our dairy farmers and farmers across the U.S., remain committed to providing nutritious dairy products to feed this world and doing it in the most environmentally responsible way we can.

- Bob Huffman & Josh Barka



BOB HUFFMAN
President & CEO



JOSH BARKA
Chairman of the Board

SUSTAINABILITY STATEMENT

We are committed to excellence in environmental stewardship and sustainable innovation that benefits our dairy farmer member owners, employees and customers.

We do this to ensure the environmental vitality and its resources are protected for future generations. This means being conservative in the use of energy and other natural resources by becoming more efficient and reducing waste in our daily activities.



Here at First District Association, we are a proud member of the Innovation Center for U.S. Dairy's U.S. Dairy Stewardship Commitment. This program demonstrates U.S. dairy's collective commitment to provide the world responsibly produced dairy foods that nourish people, strengthen communities and foster a sustainable future.



OUR FARMERS

WHERE IT BEGINS

Our dairy farmer-owners are the foundation of our cooperative. Their constant efforts to care for their animals and land to produce a quality product is something they have been doing for generations. Passion and dedication are at the heart of our dairy farmers. First District Association, in turn, upholds the same core values to provide nutritious dairy foods to our consumers' tables.



At First District Association, our farmers proudly participate in The National Dairy FARM (Farmers Assuring Responsible Management) Program. Created by the National Milk Producers Federation in partnership with Dairy Management Inc., FARM helps ensure the success of the entire industry by demonstrating U.S. dairy farmers are committed to producing the best milk with integrity.

Our dairy farmers take part in both FARM's Animal Care and Environmental Stewardship programs.

The Animal Care mission is to aid dairy farmers and processors in assuring consumers and customers dairy farmers raise and care for their animals in a humane and ethical manner, while creating a culture of continuous improvement.

The Environmental Stewardship program demonstrates the continued environmental accomplishments dairy farmers reach every year, all while providing a unified voice for the dairy industry. This provides a result for on-farm emissions and helps communicate the farm's environmental achievements and a path for improvement.

100% of our farms
actively participate in
the FARM program.



OUR PLANT

OUR

PEOPLE

First District Association prides itself in producing high quality dairy products since 1921. Behind the creation of these products are our employees, who we give credit to producing over 1.29 billion pounds of product in 2019. We support our employees by offering services and resources to help support them both at work and at home. Their safety is our top priority. That is why we plan and implement employee development through regular safety trainings to reassure preparedness in any crisis. Our people come first – both on and off the farm.

Assuring consistent quality and meeting customer specifications are important aspects of the buyer-supplier relationship.



FDA provides over

160 jobs.

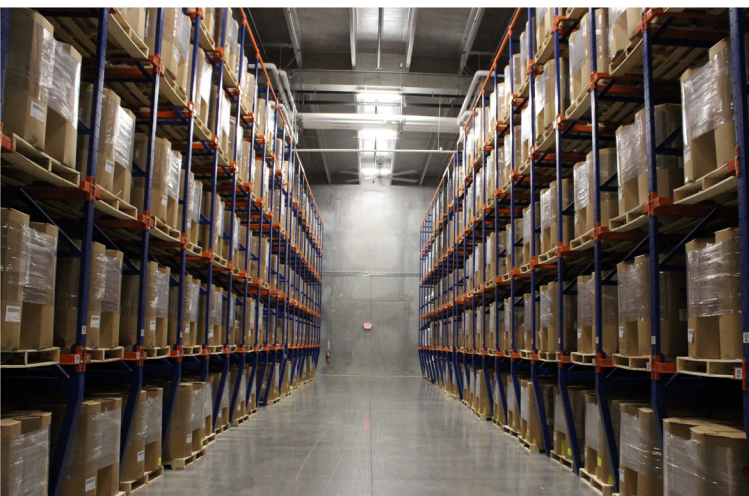
QUALITY PERFORMANCE

Our industry proudly shares in the efficiencies of routing, trading and hauling milk. These partnerships minimize fuel usage and provides an eco-friendly way of our famers' milk being made into our favorite dairy foods.

With six other member-owned creameries located around the state, we ensure our farmers' milk is traveling the quickest and freshest route possible. We work closely with our contracted milk haulers to make sure milk gets to the processing plant in the most sustainable way possible. This includes partnering with other dairy cooperatives to collect and deliver milk to the closest processing plant.



In an effort to be more efficient with lab results and focus on food safety, we designed and integrated our own pathogen lab on-site. This has allowed us to test our own products in a timely manner and ensure our product is of the highest quality.



Our energy conserving efforts include using energy efficient motors, variable frequency drives and installing energy efficient lighting throughout our facility.

99% of waste was recycled or used in other agriculture production

In an effort to conserve water usage, we collect evaporated water (cow water) from evaporated dairy products to use and reuse throughout our facility. We also save energy by utilizing the cow water for multiple heat transfer processes tempering other products instead of using steam. The final use of cow water is to wash equipment before going to the sanitary sewer, minimizing waste water disposal.



185 million
gallons of cow water was reused

OUR COMMUNITY

HOW WE GIVE BACK

We are passionate about giving back to our local communities and organizations that are important to our employees and member-owners. Each year, our employees give back by volunteering their resources to local schools, agriculture related programs, emergency services and local governments.



Some ways we gave back in 2019 include:

- A food drive where our employees donated 275 lbs. of nutritious dairy products along with \$105 cash donation to our local food shelf
- Coordinating and sponsoring the return of a 5k run/walk during Litchfield's town celebration
- Offering scholarships to future agriculture enthusiasts
- Multiple donations of dairy products for events

Over **\$15,000**
in donations were given