



OUR MESSAGE



100 years ago, 11 creameries came together in Litchfield, Minnesota with a goal of finding a better market for their product. Those same goals, foundations and traditions that were formed to create First District Association 100 years ago, are still true today. First District Association remains committed to doing what is right for our farmers, our community and the environment.

The year 2021 was a year of advancements, celebration and challenges. We kicked off the year with the largest plant expansion in our company's history, which included a new milk receiving facility, followed by commissioning a new Lactose Drying Plant, and a new, state of the art cheese plant. The decisions to make these upgrades were all made with the goal and vision to have a sustainable market for our dairy farm families for the next 100 years.

At First District Association, we remain mindful that the decisions we make as a business positively impact the environment, our customers, local communities, and employees. Our pledge to U.S. Dairy's Stewardship Commitment holds us to the highest of standards to continue to demonstrate the positive impact the U.S. dairy industry is making.

The world of food and agriculture is ever changing. Now more than ever, consumers are the drivers of our markets. They are continually taking interest in where their food comes from and demanding the best for their food. One thing I am confident and certain in, which has been true for over 100 years, is our dairy farmers have always been and will continue to be good stewards of our environment, continuing to make more food with less resources.

BOB HUFFMAN
President & CEO



INNOVATION CENTER FOR U.S. DAIRY™

HEALTHY PEOPLE • HEALTHY PRODUCTS • HEALTHY PLANET

First District Association is a proud member of the Innovation Center for U.S. Dairy's U.S. Dairy Stewardship Commitment.

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 and our dairy farmers remain committed to providing nutritious dairy products to feed this world and doing it in the most environmentally responsible way we can.

By participating in the U.S. Dairy Stewardship Commitment through the Innovation Center for U.S. Dairy, we are tracking our progress through industry wide shared metrics. We are committed to help in the progression of the U.S. dairy industry goals to:

- **Become carbon neutral or better**
- **Optimize water use while maximizing recycling**
- **Improve water quality by optimizing utilization of manure and nutrients by 2050**



ON FARM

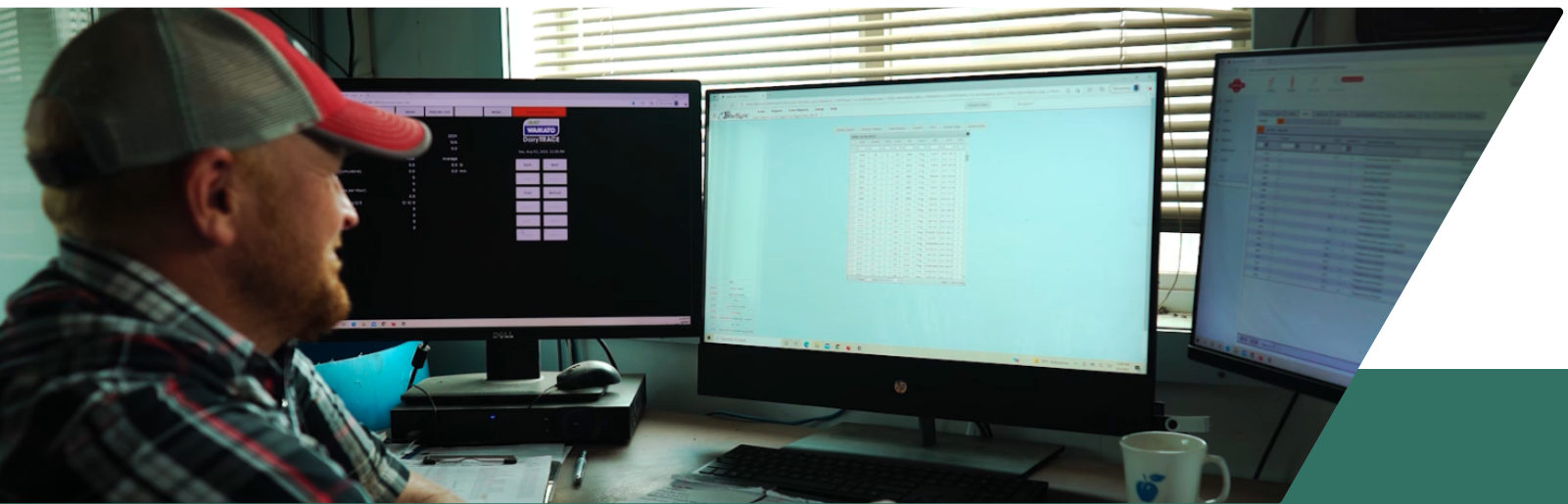
Taking care of the land today, so it can be here for future generations. That is the motto of not only our farm families, but every farm family. One of our core values for our company is Integrity, consistently doing what is right. This includes partaking in the National Dairy FARM Program's Animal Care, Antibiotic Stewardship and Environmental Stewardship silos.

Being excellent caretakers of the land is something our member owners have been doing for generations. Every farm has a unique story to tell. From cover crops to solar panels, to composting, to manure separators, our dairy farmers are constantly performing and adapting to better both their farm and the environment.

Also using the latest technology to keep up with cow health and milk production. These technologies aid in the efficiencies of the farm and to be proactive in today's every evolving world.

670 family farms

**86% are 300 cows
or less in size**



Today's consumers expect – and deserve – safe, wholesome food from people who are producing it responsibly. That's where the National Dairy FARM Program comes in. U.S. dairy farmers have an excellent track record of being committed to environmental stewardship, animal care, producing wholesome milk and ensuring safe, exceptional work environments. FARM demonstrates all these – showing consumers that they're doing what's right.

FARM Animal Care Program

The FARM Animal Care Program develops standards that are science and outcomes-based, and facility and size neutral.

100% farm participation

FARM Antibiotic Stewardship Program

Producing a nutritious and safe product for our customers and families has been and always will be a top priority for our member-owners. This module provides continuous education for farmers to continue to keep cows healthy and our milk supply safe.

FARM Environmental Stewardship Assessment

Since 2020, we have actively participated in the FARM Environmental Stewardship Assessment survey with our farmers. This program asks farmers questions related to their production totals, feed rations, electricity and gas usage, and manure management practices they use on their farms. It not only shows us where our farmers are at, but it also gives the chance for the farmer to see what areas they both excel in, and also could improve on.

**FARM ES Emissions in 2020:
0.86 lbs. CO₂/lb. of milk**

PROCESSING PLANT

In 2021, we completed a three-part expansion project where we build a new state of the art cheese plant, new milk receiving facility, and added on to our whey drying plant. Not only did this give us more production capacity, it also gave us opportunities to look at diversifying our product mix for the future. This expansion also gave us the ability to add over 40 more employees to our company.

Our plant is Safe Quality Foods (SQF) certified and operates in compliance with local, state and federal regulations. Having our own product testing and pathogen lab on-site allows us to test our products in a timely manner.

**On average, over 80%
of our water usage
is cow water, which is
evaporated off our milk**





We at First District Association pride ourselves in producing high quality dairy foods. The backbone to producing these products are our dedicated employees. Maintaining an effective and stable workforce is a big contributor to our successes. We support and contribute to the success and future of our employees with employee development through trainings and programs to enhance skills needed to succeed in the workplace.

Recycling

We recycle everything from cardboard, to metal, to cow water. We try to utilize and find a resourceful home for everything we use.

**In 2021, we recycled over
200,000 pounds of waste**

Safety

Our employee's safety is our number one priority. To ensure their safety in their work environment, we plan and implement multiple safety trainings to reassure preparedness in any situation.

GIVING BACK

We support the communities and organizations that are important to our employees and member-owners. Any way we can give back to the groups that help support and grow the future generation of agriculture enthusiasts, we do.

Every year, we award scholarships to our member-owners. The future of the agriculture industry is critical, that is why we support and encourage their efforts in continuing their future education and impact for the dairy industry. We also provide internship opportunities in various areas of our company to help expand students' knowledge of careers in agriculture.

**We donated roughly
\$30,000 towards
agricultural related
organizations**





Downtown Cowntown

As a way to celebrate our 100-year anniversary, we partnered with the Litchfield Downtown Council to fund raise for local non-profits. Each cow was associated with a nonprofit organization and was later auctioned off for the public to buy. The proceeds associated with each cow would go to the nonprofit it was associated with.

Over \$36,000 was raised for local nonprofits

Dairy Donation Challenge

For the second year in a row, we teamed up with Stony Creek Dairy to continue our employee driven Dairy Donation Challenge. Employees and milk haulers had the opportunity to sign the pledge to donate towards providing two local food shelves with a consistent supply of milk for a whole year.

We raised \$12,000 for the entire year

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