



# Prairie Farms & Hiland Dairy: A Story of Sustainability



SINCE 1944, THE  
DAIRY INDUSTRY  
HAS REDUCED ITS  
ENVIRONMENTAL  
IMPACT:

**65%**

LESS WATER

**63%**

LESS CARBON





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## Contents

Why Sustainability? .....	1-2
What Is Sustainability? .....	3-4
Sustainability Simplified .....	5
On the Farm .....	6
In the Community .....	7
Into the Future .....	8
Animal Welfare .....	9
Corporate Responsibility .....	10
Safety & Quality .....	11-12
Community Support .....	13
A Way of Life .....	14
Service Area & Dairy Locations .....	15
Sustainability Efforts to Date .....	16
Recycling Efforts to Date .....	17
Partnering for Sustainability .....	18
Savings to Date .....	19



# Why Sustainability?

*"As dairy producers, we understand how important it is that we do everything we can to care for the land in order to ensure it sustains future generations."*

– Ed Mullins, CEO, Prairie Farms







**This is our land.** For centuries we have lived and worked it, and it has in turn repaid our diligence and stewardship with bountiful goodness. But as our planet's population surges and demand grows along with it, we need to be more careful than ever to preserve the delicate balance between the Earth and our ongoing endeavors to extract its riches.

Perhaps no one is more acutely aware of this relationship than the farmer. Because we serve as the link between the land and its people, we see this truly amazing process in motion every single day at its most fundamental.

So for us at Prairie Farms and Hiland, sustainability — the idea that everything we do is done in such a way as to minimize waste and environmental impact — really is second nature. We do it because our customers demand it. We do it because it makes sound business sense. But above all, we do it because it's the right thing to do.







# What Is Sustainability?



*"Dairy farming has been in our blood for generations. And when you know something that deeply, you can't help but understand how everything is connected – the land, the animals, the environment and the people. And if just one of those things is out of sync, it all falls apart. So sustainability isn't a choice for us; it's a way of life."*

*– Gary Aggus, President, Hiland Dairy*





At Prairie Farms and Hiland, sustainability is, at its core, a commitment to producing, processing and delivering dairy products in a manner that improves the state of our land and the lives of our employees, our animals, our communities, our retail partners and our consumers.

So what does this mean? It means reducing, reusing and recycling at every single stage of the production and distribution process. It means recycling cardboard, paper and plastic. It means recycling batteries, oil and tires. It means reducing the use of water and electricity. It means partnering with vendors who do the same. It means using innovative thinking to develop programs, such as the Wichita Whey Recovery & Wastewater Recycling Project, that not only reduce waste but also improve efficiency while turning waste products into useful materials.

In short, it means doing more with less whenever possible, while still producing the highest quality product.

## Farmers Assuring Responsible Management™



In addition to our own sustainability efforts, we're proud to participate in the National Dairy FARM Program, which provides consistency and uniformity to best practices in the areas of animal care and quality assurance.

## The Gold Standard

We're a participant of the Dairy Farmers of America's Gold Standard Program, an on-farm best practices evaluation program that assesses operations on the areas of animal care and wellness, environmental stewardship, employee training and milk safety and quality.





# Sustainability **SIMPLIFIED**

Cardboard • Paper • Plastic • Aluminum  
Batteries • Oil • Tires • Resin • Barrels • Pallets  
Recycled whenever possible.

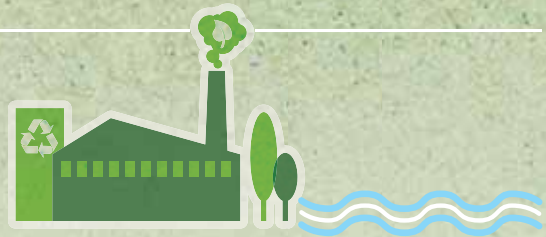
Water & Electricity

Usage reduced at every stage  
of production and delivery.



## Local **IMPACT**

Most of our production facilities are in or near  
urban areas, so we are careful to reduce  
wastewater stress on municipal sewer systems.





# Sustainability **ON THE FARM**

## A Single Dairy Cow Produces

an average of 8 gallons of milk and 17 gallons of manure per day. That's enough milk to provide 42 people 3 servings per day... and enough fertilizer to grow 84 pounds of tomatoes!



# 75%

 of a cow's diet is not consumable by humans

That's right. In fact, a cow is able to consume things like citrus pulp and cottonseed so that they get converted into milk rather than ending up in landfills.







## Sustainability in the Community:

### Reducing the Environmental Impact of Production

Prairie Farms and Hiland Dairy are committed to putting their sustainability efforts into action whenever possible — especially when it means reducing the impact that their operations have on the communities that support them. One example of this is the Wichita Whey Recovery & Wastewater Recycling Project.

Turning milk into cottage cheese takes a lot of water and electricity, and it produces a lot of whey wastewater. Because of its acidic nature, this liquid byproduct cannot simply be dumped into the environment.

There had to be a better method of dealing with the Wichita plant's acid whey. So in 2011, it embarked upon a project that had three goals:

- **Reduce the overall volume of wastewater**
- **Reduce the burden on the Wichita wastewater treatment facilities**
- **Deliver a high-protein feed supplement to its dairy farmers**

To help achieve these goals, the plant partnered with the Broken Bar M Ranch in Howard, Kansas, which would use the whey waste as a naturally protein-rich supplement for the calves they raise to maturity and sell to dairy farms as milking cows.

Today, wastewater volume has been reduced by a staggering 95 percent. The burden on the municipal treatment facilities has been reduced by 70 percent. And the ranch has a steady source of protein-rich whey to help its calves grow into strong, healthy dairy cows.





# Prairie Farms & Hiland Dairy: **SUSTAINABILITY INTO THE FUTURE**



**Like their parents and grandparents before them,** our dairy farmers' lives are tied to this land. The fields their cows graze, the water they drink and the air they breathe all contribute to the rich, wholesome milk they provide. And more than just the cows, our farmer-owners live, work and send their kids to school here too. So at Prairie Farms and Hiland Dairy, sustainability means that we're personally invested in the communities we serve not just today, but for the long term as well.

That means we cannot simply pat ourselves on the back and rest on our laurels just because we recycled a few cardboard boxes and saved a couple of gallons of water. We understand that

sustainability is an ongoing and evolving process — one that requires innovation and transformation.

So we are constantly looking for ways to improve the efficiency of our operations while reducing our overall environmental impact. This means understanding that a good idea is a good idea — whether it comes from a plant worker or the CEO. It means taking a fresh look at the way we do things instead of slipping into a routine. And it means listening to our customers and our vendors and responding to their concerns quickly and transparently.







# Animal Welfare

- **Nutrition:** Animals have access to a nutritionally adequate diet and clean, fresh water.
- **Animal health:** The health of all animals is maintained through preventive care programs augmented by rapid diagnosis and treatment when necessary.
- **Management:** To promote animal care and wellness, animal caretakers are adequately trained, follow protocols and have access to record systems to meet the requirements of their position.
- **Housing and facilities:** Facilities are designed, constructed and maintained to provide and promote animal health, comfort and safety.
- **Handling, movement and transportation:** All animals are handled, moved and transported in a manner that reduces the risk of injury, discomfort or disease.





## Corporate Responsibility... Community Impact

Just as our farmer-owners are a part of the communities they serve, so too are our processing plants. That means that in every step of the chain, from production to processing to delivery, Prairie Farms and Hiland Dairy insist on adhering to industry best practices and exceeding standards for safety and quality.

## Transportation Efficiencies

When moving our products from the farm to the plant and from the plant to the store, we choose routes that save fuel whenever possible. We also make sure that they are located near cold-storage facilities along the way to ensure that our dairy products stay as fresh as possible throughout their short journey.

## Community Involvement

Whenever we get the chance, we like to participate in a variety of community activities. We figure that what's good for the community is good for us. After all, we live here too. Examples of this include:

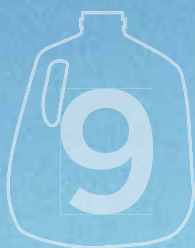
- Our Caps Your Cause
- Hiland for Pink
- School milk donations
- Chocolate milk donations for triathlon, marathon and other athletic events
- Milk drives at farmers markets
- Sponsorships of local and regional sports teams
- Sponsorships of music and arts events
- Support of other organizations, including Boys & Girls Club, etc.







# Food Safety & Quality



ESSENTIAL  
NUTRIENTS  
INCLUDING  
HIGH-QUALITY PROTEIN







## Guaranteeing That an American Staple — Dairy Products — Remains One of Our Country's Best Food Choices

Dairy products are consumed by millions of Americans every day. They are loved and trusted as much for their natural, wholesome goodness as for their ability to pack a huge amount of nutrients into such a deliciously small package. And when you think about it, there's almost nothing as pure as a tall glass of cold milk.

So Prairie Farms and Hiland work hard every day to earn this trust. We pay extremely close attention to every single step in the production chain, from farm to plant to grocer. We screen and test potential and current employees. We secure our facilities and our delivery vehicles. It means that the milk you drink, the ice cream you enjoy and the cheese that you sprinkle on top of your pizza is as pure and safe as any you can buy. And every dairy product we produce is made from milk that contains NO artificial growth hormones.



In addition, as a member of the nationally recognized Quality Checkd® association of independent dairy processors, we focus on product quality and food safety through a variety of ways, including:

- 3 SQF certification for all plants
- Bio-terrorism preparedness
- Quality assurance
- Third-party product testing
- Food safety education & certification
- Facility inspections/assessments & consultations
- Technical training
- On-site consultation







# Community Support

We're proud to be part of the communities we serve. That's because we're not just one small part of some giant corporation headquartered in a big-city skyscraper. We're your neighbors. We're your friends. We send our kids to the same schools and run into each other at the same stores. And we're proud to give back to the communities that have supported us for so long.



## Prairie Farms: Our Caps Your Cause

Prairie Farms has made it easy for its customers to give back to the community with its "Our Caps Your Cause" program. Our Caps Your Cause is a simple, accountable and personal way for consumers to support their favorite nonprofit. When Prairie Farms milk is purchased, the consumer peels the label off the cap to reveal a redeemable code that allows them to visit the website and choose a charity. Prairie Farms then donates five cents to that organization.



# 18%

OF PROTEIN IN AN AMERICAN DIET IS PROVIDED BY DAIRY PRODUCTS

## Hiland for PINK

Each year, Hiland Dairy runs its Hiland for PINK promotion to raise money and awareness for the Breast Cancer Foundation of the Ozarks™. In addition to promoting awareness through online and radio advertising, Hiland Dairy donates money from the sales of certain products and for every new Facebook fan it receives during the event's duration.







# Dairy Farming Is More Than a Job. It's a Way of Life.

**Dairy farming isn't like other jobs.** You don't just get up in the morning, pour a cup of coffee and head out to the office. Dairy farming is a way of life, from the moment you wake to the moment you fall asleep.

It's in your veins — mainly because it's something you've known your whole life. Your mother and father likely did it, as your grandfather and grandmother did before them. And you probably milked your first cow before you could ride a bike.

So the future of your family is inextricably linked to the success of your farm. That means you work harder and longer than most. It means that you pay closer attention to the little things. It means that every gallon of milk that leaves your farm represents generations of hard work and passion for one of the world's oldest and most noble professions.



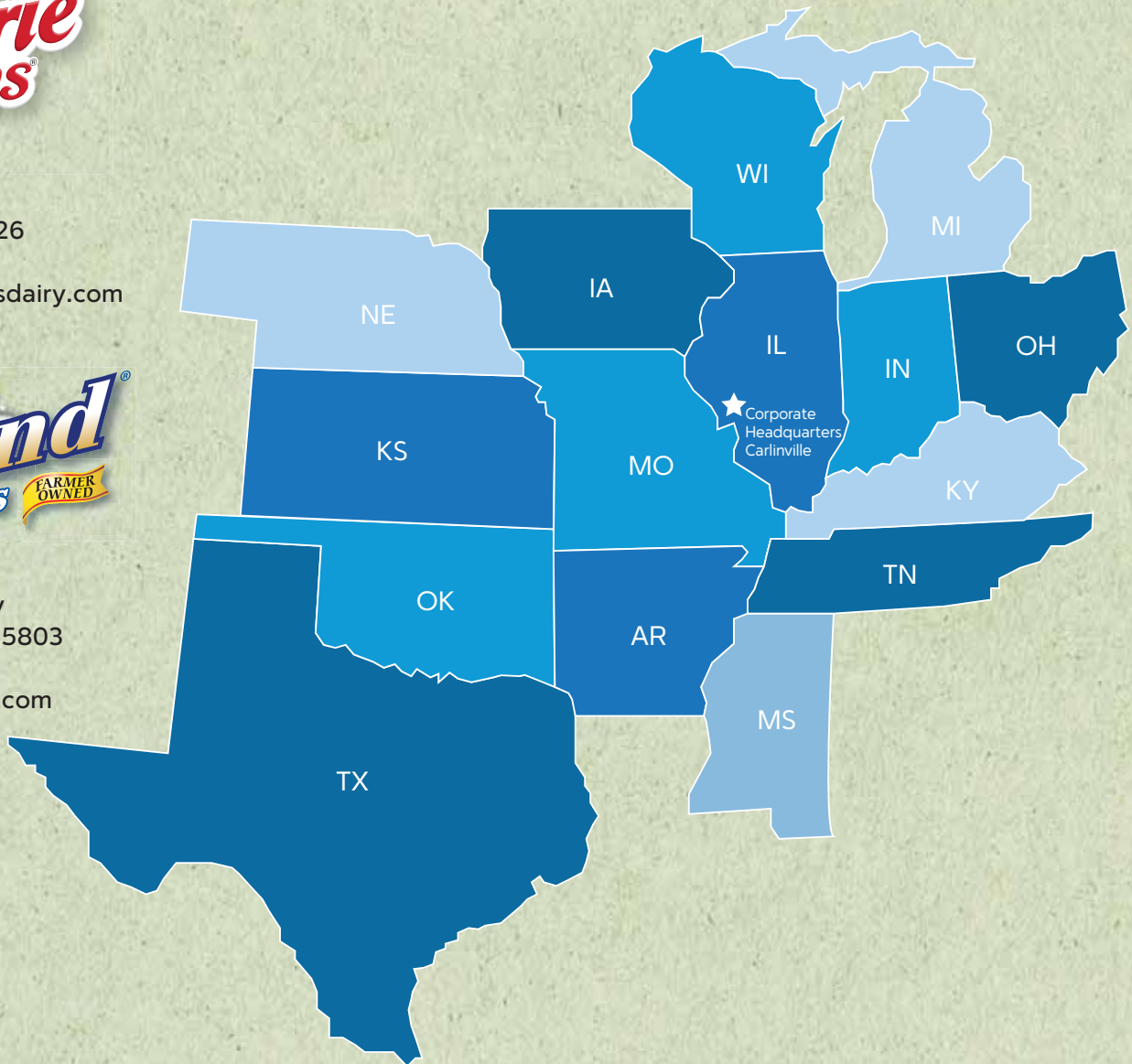




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**ARKANSAS**

*Hiland Dairy Joint Venture*  
 Fayetteville (Plant)  
 Ft. Smith (Plant)  
 Harrison  
 Mena  
 Morrilton  
 Mountain Home  
*Turner Dairy Joint Venture*  
 Camden  
 Hot Springs  
 Little Rock (Plant)  
 Monticello  
 Paragould  
 Pine Bluff  
 Texarkana

**ILLINOIS**

*Prairie Farms Dairy*  
 Breese  
 Carbondale Cheese (Plant)  
 Carbondale Milk  
 Carlinville (Plant & Corporate HQ)  
 Chicago  
 Decatur Ice Cream (Plant)  
 Decatur Milk  
 Granite City (Plant)  
 Harrisburg  
 Joliet  
 O'Fallon Ice Cream (Plant)  
 Olney (Plant)  
 Peoria (Plant)  
 Quincy  
 Quincy Cheese (Plant)  
 Springfield Mix (Plant)  
 Springfield Milk  
 Streator  
 Urbana  
*East Side Jersey Dairy Subsidiary*  
 Rock Island  
*Muller-Pinehurst Dairy Joint Venture*  
 Rockford (Plant)  
*GMS Transportation Subsidiary*  
 Granite City

**INDIANA**

*Prairie Farms Dairy*  
 Evansville  
 Fort Wayne (Plant)  
 Greencastle  
 Hammond  
 Holland (Plant)  
 Mishawaka  
 Monticello  
 Terre Haute  
*East Side Jersey Dairy Subsidiary*  
 Anderson (Plant)  
 Indianapolis  
 Kokomo/Marion  
 Seymour  
*Ice Cream Specialties Subsidiary*  
 Lafayette (Plant)  
 Merrillville

**IOWA**

*Hiland Dairy Joint Venture*  
 Des Moines  
*East Side Jersey Dairy Subsidiary*  
 Cedar Rapids  
 Dubuque (Plant)

**KANSAS**

*Hiland Dairy Joint Venture*  
 Erie  
 Dodge City  
 Great Bend  
 Hutchinson  
 Manhattan  
 Salina  
 Topeka  
 Wichita (Plant)

**KENTUCKY**

*Prairie Farms Dairy*  
 Bowling Green  
 Hazzard  
 Lexington  
 London  
 Louisville  
 Madisonville  
 Morehead  
 Owensboro  
 Paducah  
 Somerset (Plant)  
*Turner Dairy Joint Venture*  
 Fulton (Plant)

**MICHIGAN**

*Prairie Farms Dairy*  
 Battle Creek (Plant)  
 Clarksville  
 Detroit  
 Grass Lake  
 Holland  
 Saginaw  
 Traverse City

**MISSISSIPPI**

*East Side Jersey Dairy Subsidiary*  
 Greenville  
 Greenwood  
 Gulfport  
 Jackson  
 Kosciusko (Plant)  
 Meridian  
 Moselle  
*Turner Dairy Joint Venture*  
 Batesville  
 Oxford  
 Tupelo

**MISSOURI**

*Prairie Farms Dairy*  
 Brookfield  
 Jefferson City (Plant)  
 Moberly  
 Park Hills  
 Poplar Bluff  
 St. Charles  
 St. Louis - Hazelwood  
 Scott City  
*Ice Cream Specialties Subsidiary*  
 Brentwood (Plant)  
 St. Louis North Star  
 Distributing  
*PFD Supply Subsidiary*  
 St. Peters  
*Hiland Dairy Joint Venture*  
 Branson  
 Joplin  
 Kansas City (Belfonte Plant)  
 Kansas City (Plant)  
 Lake Ozark  
 Nevada  
 Rolla  
 St. Joseph  
 Springfield (Plant)  
 Warrensburg  
 West Plains  
*Madison Farms Butter Joint Venture*  
 St. Louis (Plant)

**NEBRASKA**

*Hiland Dairy Joint Venture*  
 Lincoln  
 Grand Island  
 Norfolk  
 North Platte  
 Omaha (Plant)  
 Scottsbluff  
 West Point  
 Norfolk Ice Cream (Plant)

**OHIO**

*Prairie Farms Dairy*  
 Lima  
*East Side Jersey Dairy Subsidiary*  
 Dayton (Plant)  
 Huber Heights

**OKLAHOMA**

*Hiland Dairy Joint Venture*  
 Ardmore  
 Chandler (Plant)  
 Enid  
 Lawton  
 McAlester  
 Muskogee  
 Norman (Plant)  
 Oklahoma City  
 Ponca City  
 Tulsa

**TENNESSEE**

*Prairie Farms Dairy*  
 Cookeville  
 Huntington  
 Johnson City  
 Knoxville  
 Nashville  
*Turner Dairy Joint Venture*  
 Covington  
 Jackson  
 Memphis (Plant)

**TEXAS**

*Hiland Dairy*  
 Dallas  
 Houston  
 San Antonio  
 Waco

**WISCONSIN**

*Prairie Farms Dairy*  
 Bristol  
*East Side Jersey Dairy Subsidiary*  
 West Allis





# Prairie Farms & Hiland Dairy SUSTAINABILITY EFFORTS TO DATE

At Prairie Farms and Hiland Dairy, we don't just talk sustainability; we put it into action in a variety of ways every day. In fact, in the last year, we put up some pretty impressive numbers.

- We have over 600 projects in place or coming soon, focused on sustainability
- We saved over half a million pounds of resin through sustainability efforts
- We saved nearly **100 MILLION** gallons of water through water conservation efforts

Our sustainability efforts in the last year alone saved:



## 2,421,998

kWh of electricity. That's enough to power the average home for 82,959 days.







## Prairie Farms & Hiland Dairy **RECYCLING EFFORTS TO DATE**

At every step of the production and delivery chain, we find ways to recycle a number of materials, lowering costs and helping the environment along the way.

**Last year, Prairie Farms and Hiland Dairy Recycled More Than:**



**1,383**

tires. That's enough to equip 345 cars.



**6,669**

batteries. That's 18 years worth of continuous power.



**9,125**

barrels



**39,932**

gallons of oil. That's enough fuel to provide a full tank for over 2,500 cars.

**145,056**

wooden pallets. That's over 7 million lbs. recycled.







# Our Vendor Partners PARTNERING FOR SUSTAINABILITY

It's not enough that we at Prairie Farms and Hiland Dairy exert ourselves daily to be more efficient and sustainable in the production, distribution and sales of our dairy products.

We request that our vendor-partners, too, operate in a similar manner. After all, it wouldn't make sense for us to go to all the trouble of producing an environmentally friendly product only to have it put into non-recyclable containers. Nor would it be proper to sell our products in stores that don't follow sustainability guidelines.

Sustainability isn't the job of one person or one company; it's the responsibility of everyone who enjoys the myriad benefits of life on Planet Earth.

**To that end, we work with partners who focus on sustainability as much as we do, some of their efforts include:**



## PACKAGING

Made from renewable paper from managed forests



## PLASTICS

Innovative efforts toward recycling



## FOOD SAFETY

Strict standards for keeping food supplies safe and secure



## SUSTAINABILITY METRICS

Continuous improvements of sustainable efforts



## FUEL CONSERVATION

GPS tracking to ensure efficient routing of trucks







## Prairie Farms & Hiland Dairy **SAVINGS TO DATE**

At Prairie Farms and Hiland Dairy, it's not just about recycling; it's about how we can make our world a better place.

Last year, Prairie Farms and Hiland Dairy Recycling Programs Resulted In:

**3,699 TONS** 

of cardboard recycled, saving 24,416.5152 million BTUs of energy.

**29.52 TONS** 

of office paper shredded and recycled, saving 502 trees.

**862 TONS** 

of plastic saved, saving 121,034 kWh of electricity. That's enough to power the average home for more than 11 years.

**6,095 LBS** 

of aluminum recycled, saving 30.5 cubic yards of landfill space.

In addition to benefiting the environment, Prairie Farms and Hiland Dairy's recycling efforts help create jobs. In fact, studies show that for every 13 jobs lost in the virgin materials and waste disposal industry, recycling creates 100 jobs.







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