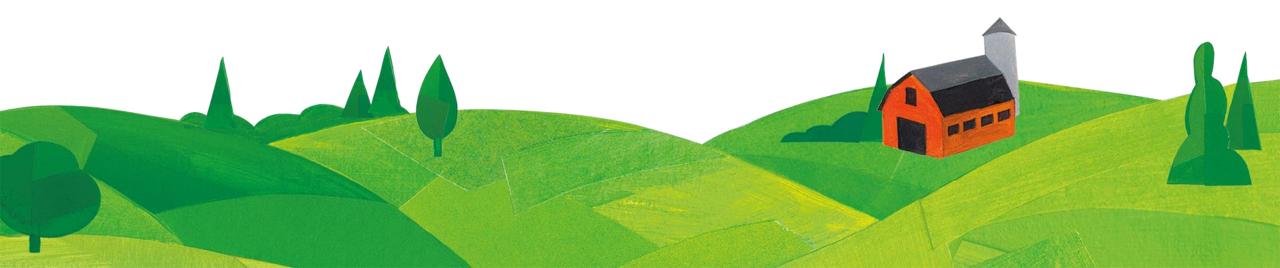
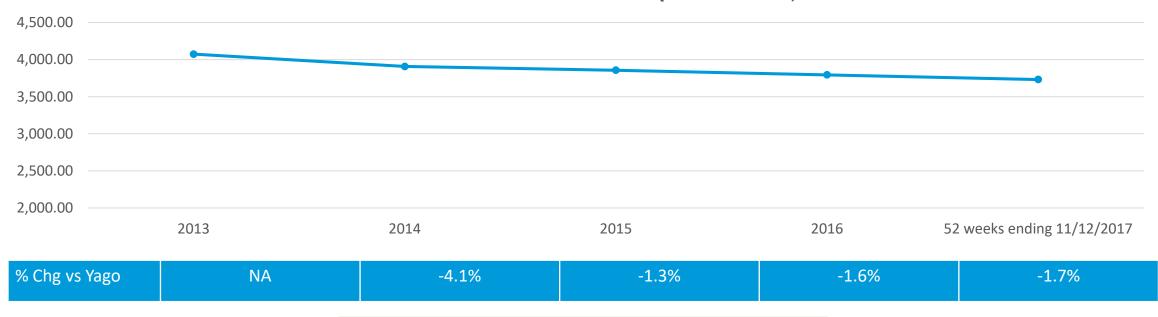
# **2019 VT Organic Dairy Producers Conference**

Gary Hirshberg
Chief Organic Optimist
Stonyfield Organic



#### Long-term decline in milk volume



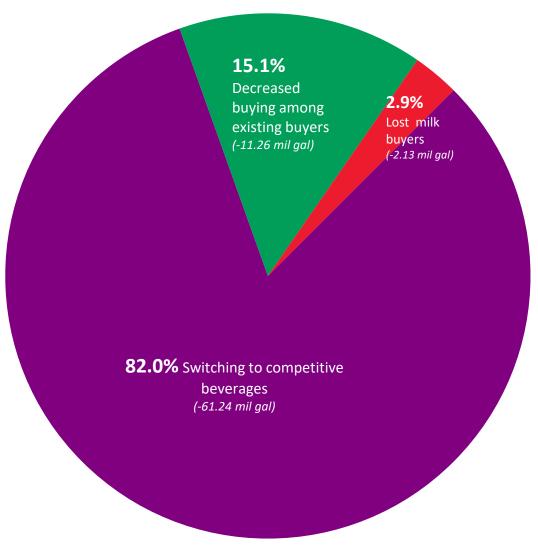


Milk prices in 2014 were high relative to recent years with white gallon costing \$.59 more per gallon than 2017



### Competitive switching drove 82% of White Milk's losses. Decreased beverage consumption among existing White Milk buyers drove an additional 15% of volume loss.

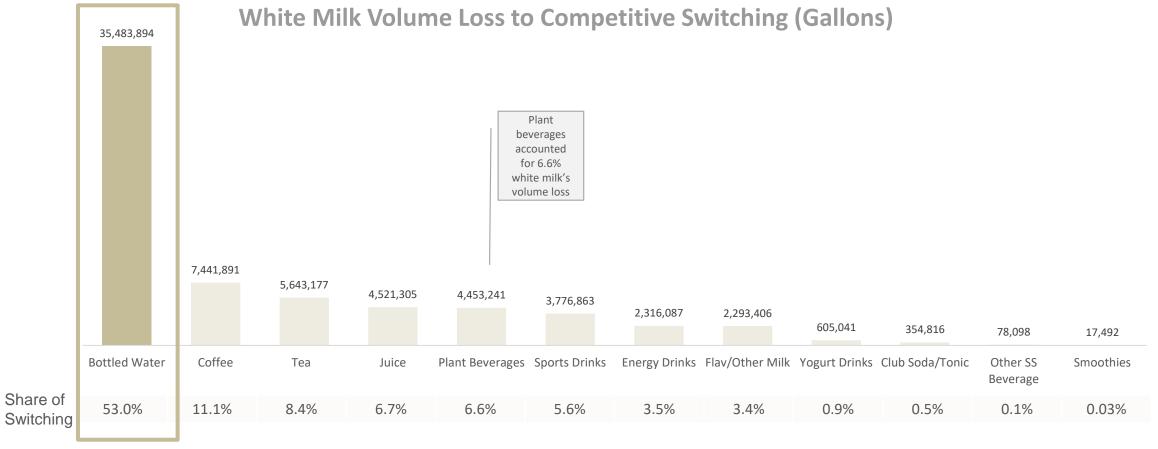
#### **Source of White Milk Volume Loss**



Lost milk buyers accounted for a small amount (2.9%) of white milk's volume decline



## Half of White Milk's loss went to Bottled Water. Coffee, Tea, Juice, Plant Beverages and Sports Drinks also gained from White Milk's decline.





#### **A Small Bright Spot:**

## White Milk gained some volume from a few beverages, with 60% of its gain linked to soda

Volume Gains Due to Product Sv	witching	Net Volume Change	Net % Chg Yago	Index	% of Switching Gains
Soda		3,433,979	+0.10	63	60%
Instant Coffee		1,353,076	+0.04	135	24%
Orange Juice		922,350	+0.03	127	16%
Single Cup Tea		39,368	+0.00	238	1%

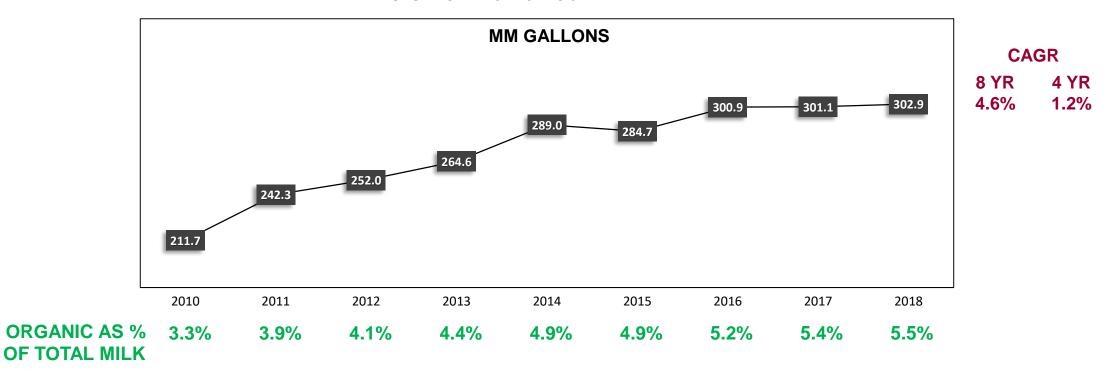
While white milk gained the most volume from soda, interaction was low for soda but higher for these products, indicating that consumers see them as more substitutable

Source: NCP; Total US - All Outlets; 52 Weeks Ending 11/12/2017 vs YAG

#### LONG TERM US ORGANIC MILK SALES TRENDS REMAIN POSITIVE

Since 2010, Organic Milk has grown 90MM Gallons or +4.6% CAGR. The last 3 years have seen flat volume at 300 mm gallons.

#### **ORGANIC MILK SALES IN U.S.**

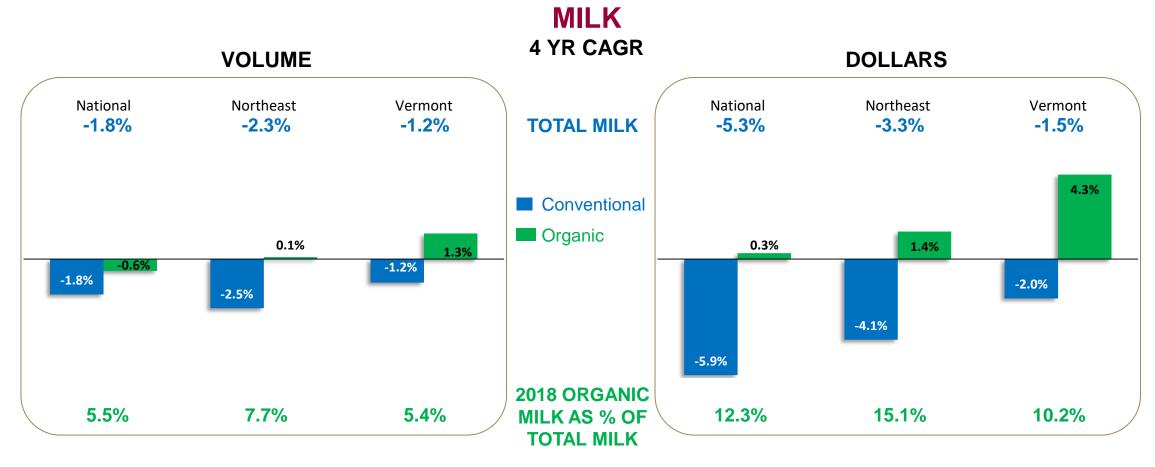


#### **Last Three YR \$\$\$ Details**

	Total Dairy		Organic Dairy	
Time Period	Dollars	\$\$ % Chg	Dollars	\$\$ % Chg
	_ 0.000.0			
Year Ended Jan 2017	\$51,582,053,011	(4.6%)	\$3,481,098,773	7.1%
Year Ended Jan 2018	\$51,434,846,315	(0.3%)	\$3,553,839,872	2.1%
Year Ended Jan 2019	\$51,668,990,046	0.5%	\$3,600,130,414	1.3%

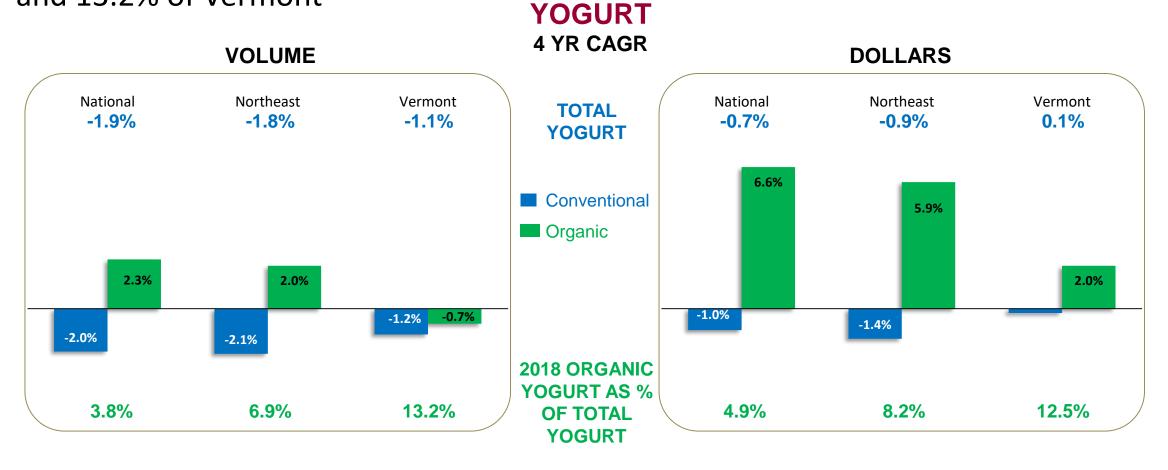
#### Northeast and Vermont Have Outperformed National Over Past 4 Years

Organic milk sale volume was flat to down slightly over past four years in US and Northeast. Conventional decline has been less in Northeast and Vermont, than national.



#### Yogurt Trend in Opposite Direction – Nat'l outperforms NE & VT

Organic yogurt represents 3.8% of national yogurt volume, while 6.9% of Northeast and 13.2% of Vermont

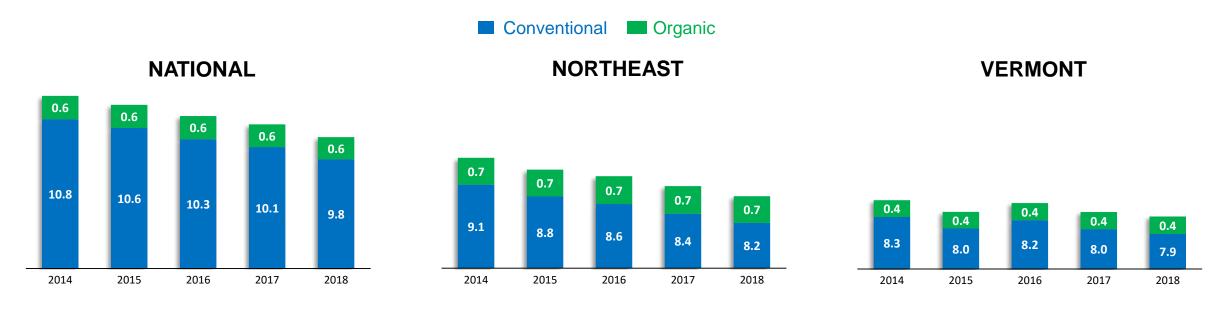


#### **Organic Milk Sales per capita**

US Organic milk sales per capita have held steady over the past 4 years. But Conventional milk sales have declined by 1 gallon per capita throughout the US and northeast.

The VT decline has only been half that amount.

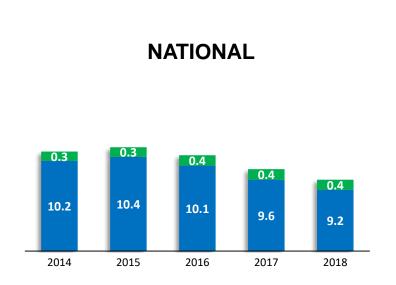
#### **SALES PER CAPITA (GALLONS)**

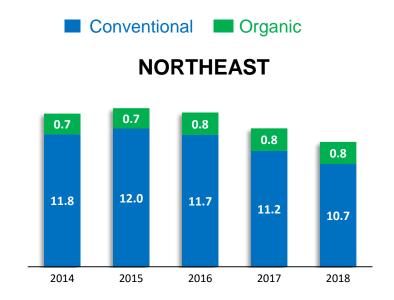


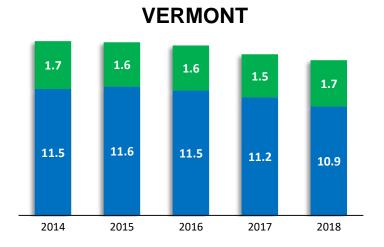
#### **Yogurt Sales per capita**

US Organic yogurt sales per capita have grown slightly or held steady over the past 4 years. Conventional yogurt sales have declined by 1 gallon per capita throughout the US and northeast. Organic is chosen less often in VT than US for milk, but 2X as often for yogurt.

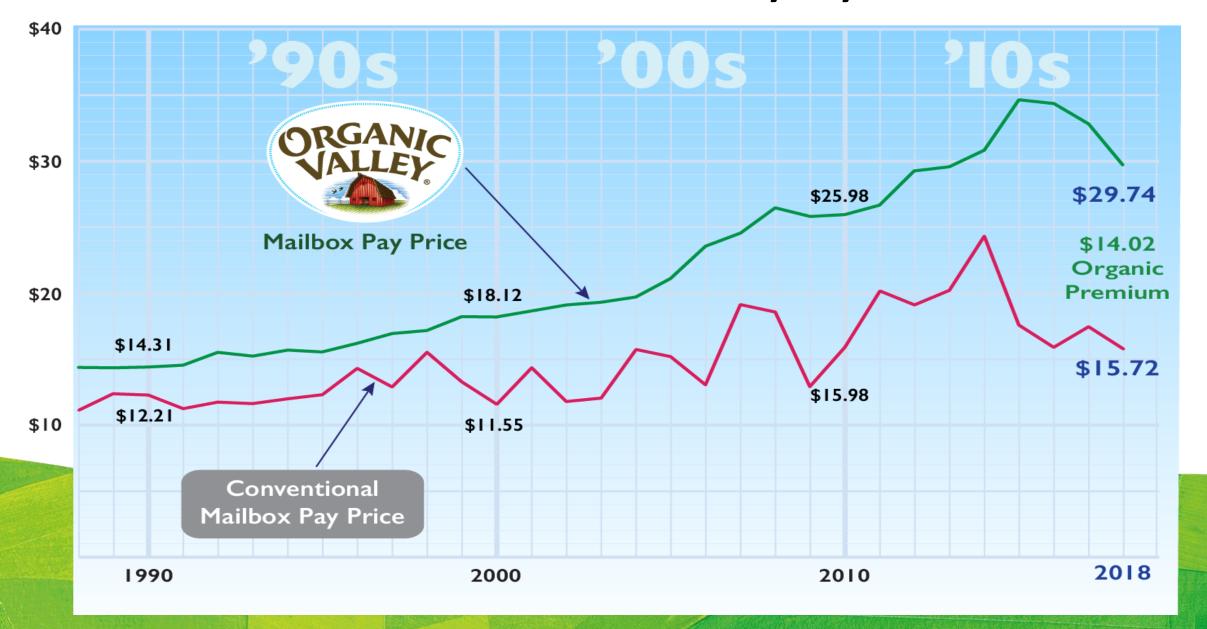
#### **YOGURT** SALES PER CAPITA







#### **30 Years of Sustainable Dairy Pay Price**





#### TOPS OF 2018: ORGANIC



Despite this growing popularity, organic products are not necessarily a fad. Sales of flat volume FMCG haven't waned, and given sales trajectory across the stoexperies pears to be an age-old growth driver that's here to stay overall has hime.

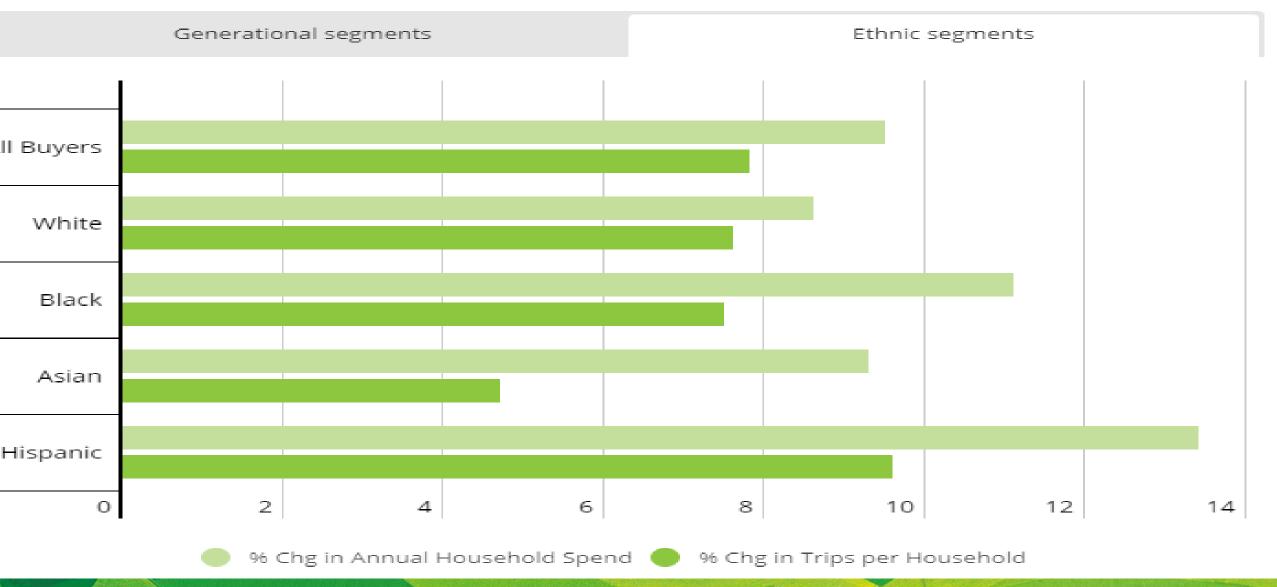
"And at a time when the FMCG industry this growth is hime."

account for more than \$21 billion in sales and are up nearly 9% in dollars and 8% in units. And at a time when the FMCG industry overall has experienced flat volume consumption, this growth is huge.

Gone are the days when organic products catered to a singular or specific audience. Today, organics have hit the mainstream. Not only are organic products boosting our industry's topline, they are being purchased more by all generational and age cohorts. That said, some segments of our population are leaning into organic more than others.

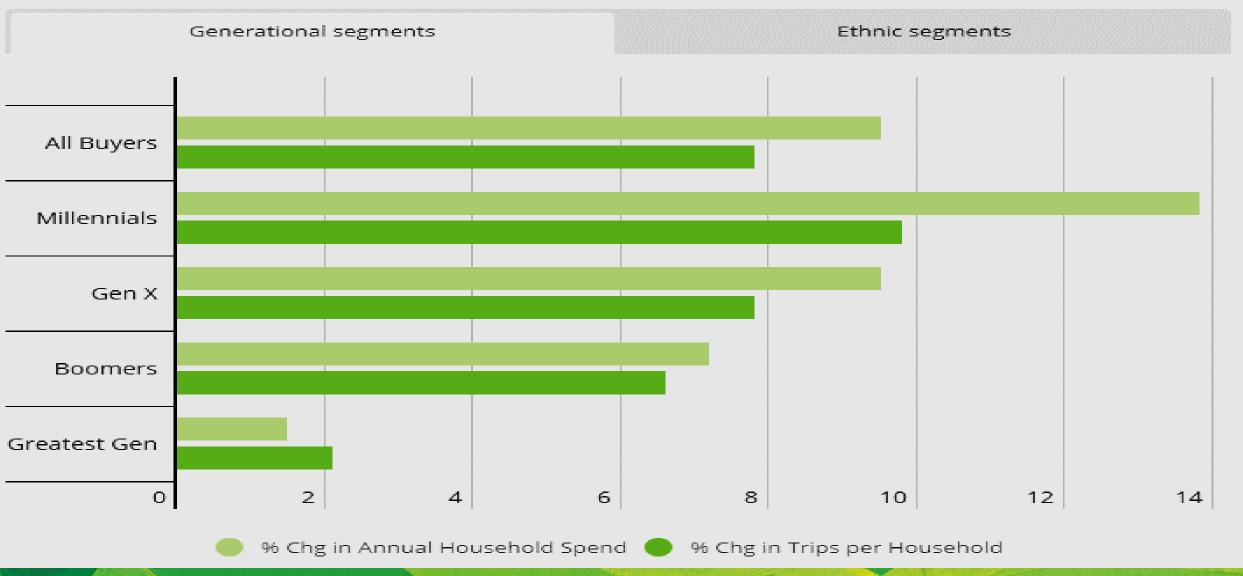
https://www.nielsen.com/us/en/insights/news/2018/tops-of-2018-organic.html

ategories ranked by highest organic dollar sales in the latest year.



https://www.nielsen.com/us/en/insights/news/2018/tops-of-2018-organic.html

#### Categories ranked by highest organic dollar sales in the latest year.



https://www.nielsen.com/us/en/insights/news/2018/tops-of-2018-organic.html

#### Values Matter to Millennials



75% of millennials are willing to pay more for sustainable offerings

66% willing to pay more to buy from companies committed to positive social and environmental practices



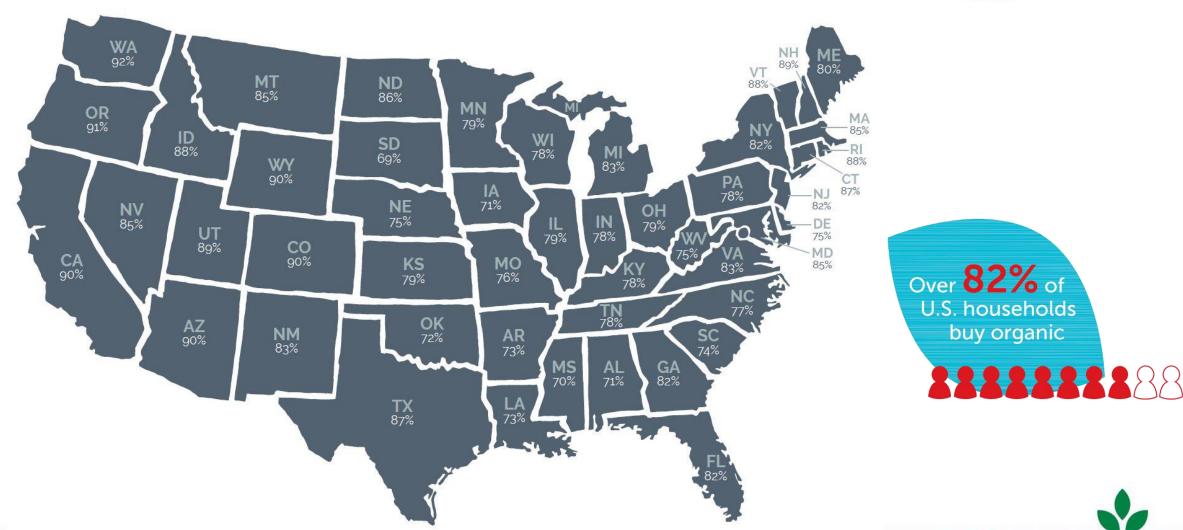


# New wave of organic shoppers

Currently, 25% of Millennials have children. Within the next 10-15 years, 80% are expected to become parents, equating to about 60 million potential organic shoppers.

The parenting kids receive also shapes their buying habits as adults. Heavy buyers of organic – whether Millennials with or without children – are much more likely to have been raised eating organic foods and being taught to make organic choices.

## Household purchasing









# **GRO ORGANIC**

Tap into the Fishbowl with your ideas and questions.

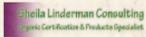


CLIMATE RESEARCH





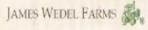
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Wolf DiMatteo

**IMERCARIS** Richard D Siegel Law Offices





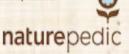




















Stonyfield

ORGANIC



HARMLESS





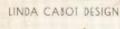




FEEL THE ORGANIC DIFFERENCE







On the Mark

FOUNDATION

foodguys

















greenology

products



SEED





















New Hope.

































## Jump-starting the next generation



of organic farmers



As the 1st organic dairy incubator farm in the U.S., Wolfe's Neck Farm will be a regional hub for research, demonstration, and teaching in sustainable organic dairy and pasture management.

Launched with a \$1.63MM grant from Danone Ecosysteme Fund and Stonyfield.



## New Studies About Pesticides/Health Come Out Monthly



Non-Hodgkin Lymphoma linked to glyphosate-based herbicide exposure

(J) Mar 04, 2019

A study recently published in the journal *Mutation Research/Reviews* in *Mutation Research* links glyphosate-based herbicides (GHB) like Roundup with higher rates of the cancer Non-Hodgkin Lymphoma (NHL). This formative paper combines a review of human studies with animal research that showed increased exposure to glyphosate increased NHL cancer in mice. The researchers also included a review of the mechanisms for how glyphosate causes cancer cell development, providing a critical link between the two.

Glyphosate is the primary active ingredient in Roundup, one of the most commonly used pesticides in the U.S. It has been detected in many foods, and people can also be exposed from contaminated water and dust. To test if the highest exposure to glyphosate-based herbicides would lead to increased risk of Non-Hodgkin Lymphoma, researchers analyzed six studies with nearly 65,000 human participants, and every publicly available study on glyphosate exposure and the development of NHL cancer in mice.



Photo credit: Charles O'Rear; USDA



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#### Glyphosate Was Found on Most Samples of Oat-Based Foods

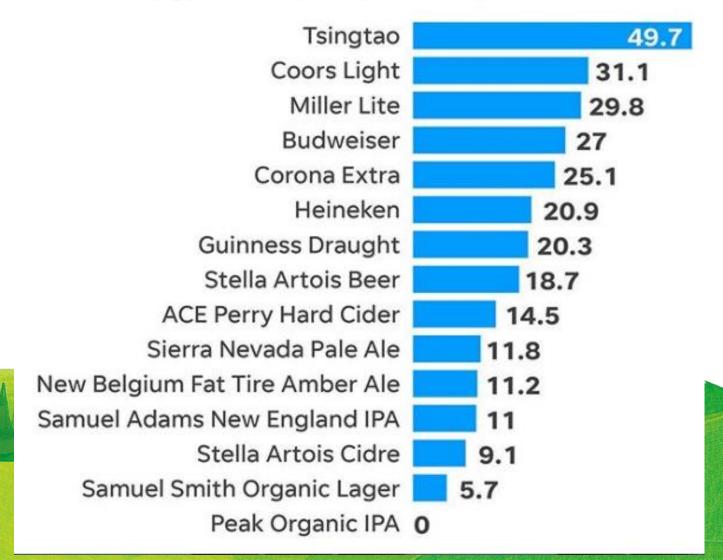
		Glyphosate (ppb)*		
Type of Food	Product Name	Sample 1	Sample 2	Sample 3
	Nature's Path Organic Honey Almond granola	ND**	ND	
Granola	Back to Nature Classic Granola	620	170	
	Quaker Simply Granola Oats, Honey, Raisins & Almonds	430	400	
	Back to Nature Banana Walnut Granola Clusters	30	30	340
	Nature Valley Granola Protein Oats 'n Honey	220	170	
	KIND Vanilla, Blueberry Clusters with Flax Seeds	50	60	

https://www.ewg.org/childrenshealth/glyphosateincereal/

#### **Hidden chemicals in beer**

The weed killer glyphosate was found in 14 of the 15 beers U.S. PIRG tested.

Amount of plyphosate (parts per billion)







OUR WORK

OUR EXPERTS

**OUR STORIES** 

**GET INVOLVE** 

**ABOUT US** 

New Scientific Paper: Broad Class of Pesticides Puts Children at Risk for Reduced IQ, Learning Disabilities



Ban entire pesticide class to protect children's health, experts say





Food • Perspective

The truth about organic produce and pesticides





and dignity

#### Pesticide Levels In Families Dropped By 60% After One-Week Organic Diet: Study

FEBRUARY 12, 2019 HEALTH AND WELLNESS



#### Pesticide levels in families dropped by 60% after one-week organic diet: study

A new peer-reviewed study shows that eating a completely organic diet—even for just one week—can dramatically reduce the presence of pesticide levels in people, a finding that was characterized as "groundbreaking" by critics of an industrial food system that relies heavily on synthetic toxins and chemicals to grow crops and raise livestock.

## Organic: The Best Way to Protect Yourself and Your Family





December, 2018

"Now a new French study that followed 70,000 adults, most of them women, for five years has reported that the most frequent consumers of organic food had 25 percent fewer cancers over all than those who never ate organic.

Those who ate the most organic fruits, vegetables, dairy products, meat and other foods had a particularly steep drop in the incidence of lymphomas, and a significant reduction in postmenopausal breast cancers."

### Los Angeles Times

Can organic food help you reduce your risk of cancer? A new study suggests the answer may be yes

By KAREN KAPLAN OCT 22, 2018 | 3:45 PM



ADVEDTISEMENT

#### **CHICAGO SUN-TIMES**

Does eating organic food prevent cancer? Yes, a new study suggests

The Washington Post

Health & Science

An organic diet may lower cancer risk.





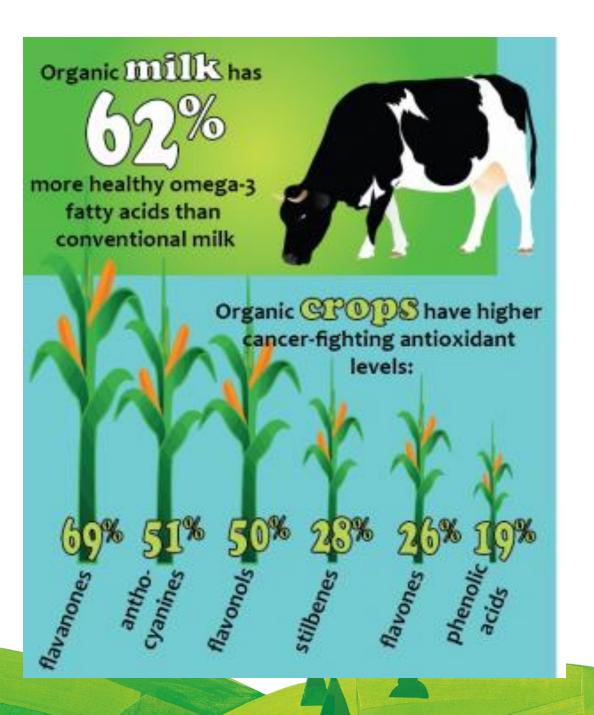
Organic foods cut your cancer risk, study suggests



#### Natural & Non-GMO Do NOT Mean Organic

#### ORGANIC vs. NATURAL vs. NON-GMO

ORGANIC	NATURAL	NON-GMO
NOT Allowed	Allowed	Allowed
<b>NOT Allowed</b>	Allowed	NOT Allowed
NOT Allowed	Allowed	Allowed
NOT Allowed	Allowed	Allowed
NOT Allowed	Allowed	Allowed
YES	NO	NO
YES	Not Necessarily	Not Necessarily
YES	NO	NO
	NOT Allowed NOT Allowed NOT Allowed NOT Allowed YES YES YES YES YES	NOT Allowed NOT Allowed Allowed NOT Allowed Allowed NOT Allowed Allowed NOT Allowed Allowed YES NO YES NO YES NO YES NO NO YES NO





Prohibited From Use On Organic Farms: Abamectin • Acept Chloride • Ammonium Sulfate • **Ammonium Nitrate •** Aqu • Bendiocarb • Bifenthrin • Boscalid • Bromadiolone • Capta Calcium Nitrate • Carbamates • Carbaryl • Carbendazim Cyflumetofen • Cyfluthrin • Cypermethrin • Cyprodinil • D Dicloran • Dicrotophos • Dimethoate • Dimethoate • Disulf

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Organic keeps these chemicals off the farm and out of your food. For more information about what's not allowed in organic production and handling go to amazanda.gov

ylparben • Sodium Benzoate • Sodium Nitrile • Sodium Propionate • ne • Buprenorphine • Butacaine Sulfate • Butamisole Hydrochloride • razine • Etodolac • Famphur • Febantel • Pyrantel • Fenprostalene • enol Sodium • Fluralaner • Fomepizole • Formalin • Furazolidone • iseofulvin • Guaifenesin • Halofuginone • Lincomycin • Halothane • idocarb • Insulin • Iodochlorhydroxyquin • Isoflupredone • Isoflurane • And if you buy organic, you'll never have to. rone • Promazine • Propiopromazine • Propofol • Prostalene • Pyrantel rolaner • Selamectin • Selegiline • Selenium Disulfide • Semduramicin · • Tylosin • Tylvalosin • Virginiamycin • Zeranol • Zoalene • Zilpaterol

yralid • Atrazine • Avermectin • Anhydrous Ammonia • Ammonium Here's a long list of chemicals you should zoxystrobin • Monoammonium Phosphate • Diammonium Phosphate never have to read. Patitud fun läyfe lägair Korn käynette skuptun säverepid sätte sällest. Siynnun skrangadd säveise säveren sättyöna korn - Norman fillinde säveren halpa säveresin Sittas säve kornan säverend Siynnun säverende Sauterin säverende säve

es · Carbofuran · Carbaryl · Cresote · Cryolite · Calcium Cyanamide Chlorpyrifos • Clopyralid • Clothianidin • Creosote • Cryomazine • rin • Diazinon • Dicamba (Banvel) • 1,3-dichloropropene (Telone Ii) • o) • Dinotefuran • Ethoprop • Ethoxyquin • Etoxazole • Fenpropathrin e • Fenbuconazole • Fenoxycarb • Fenpropanthrin • Flame Retardants nd Seeds - Hexaflumuron - Hydramethylnon - Hydrochloric Acid nbda-cyhalothrin • Lead Salts • Lime Mud • Magnesium Hydroxide • de • Metam Sodium • Methiocarb • Methoprene • Methyl Bromide •

alts • Nicotine Sulfate • Nithiazine • Novaluron • Organochlorides • des • Picaridin • Picloram • Piperonyl Butoxide • Potassium Carbonate Pyraclostrobin • Pyriproxyfen • Pyridaben • Resmethrin • Rockwool >tomycin • Strychnine • Sodium Fluoaluminate • Tetracycline • Triple

de • Toxaphene • Urea • Prohibited From Use With Organic Livestock: roxytoluene) • Butane • Gmo Feeds • Plastic Feed Pellets • Slaughter Calcium Formate - Calcium Sorbate - Dilauryl Thiodipropionate -

 Glycine • Lysine • Threonine • Tryptophan • Taurine • Acepromazine Sulfate • Aminopentamide • Aminopropazine • Amitraz • Ammonium e • Atropine • Trichlorfon • Avilamycin • Azaperone • Bacitracin •

ie Proxetil • Ceftiofur • Celphalosporin • Cephalexin • Cephapirin • in • Clindamycin • Clomipramine • Clopidol • Cloprostenol • Clorsulon

n • Decoquinate • Deracoxib • Deslorelin • Desoxycorticosterone • ne Citrate • Difloxacin • Dihydrostreptomycin • Dimethyl Sulfoxide • ramectin • Doxapram • Doxycycline • Doxylamine • Droperidol •

roxine • Lincomycin • Liothyronine • Lotilaner • Lufenuron • Luprostiol elengestrol • Meloxicam • Mepivacaine • 2-mercaptobenzothiazole • nycin • Mirtazapine • Mometasone • Monensin • Morantel Tartrate •

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Telmisartan • Tepoxalin • Tetracycline • Thiabendazole • Thial Trenbolone • Triamcinolone • Trichlorfon • Triflupromazine

• Fenpyroximate • Fenazaquin • Folpet • Ferric Phosphate • • Fluvalinate • Fipronil • Fluazifop • Fludioxonil • Fluoxast

Hydroprene • Iba (Indol-3-butyric Acid) • Imidacloprid • Iş

Magnesium Oxide • Mancozeb • Maneb • Manure Ash • Ma

Methyl Iodide • Metolachlor • Myclobutanil • Mgk-264 •

Organophosphates • Oxyfluorfen • Paradichlorobenzene • P Potassium Permanganate • Potassium Phosphate • Potassi

• Sewage Sludge • Spriomesifen • Sprirotetramat • Sulfur D

Superphosphate • Tebuconazole • Thiabendazole • Thiaclop

Antibiotics • Recombinant Bovine Growth Hormones (Rbg

Byproduct Feeds • Sulfa Drugs • Strychnine • Urea • Asc

Dexamethasone • Disteryl Thiodpropionate • Erythroboric

Sodium Sorbate • Sorbic Acid • Stanous Chloride • Tertiary I

• Maleate • Acetazolamide Sodium • Afoxolaner • Albendazı

Bituminosulfonate • Amoxicillin • Amphomycin • Ampici

Bambermycins • Betamethasone • Boldenone Undecylenat

Cambendazole • Capromorelin • Carbadox • Carnidazole •

Chloramine-t Trihydrate • Chloramphenicol • Chlorobutano Clotrimazole • Cloxacillin • Colistimethate • Corticotro;

Detomidine • Dexmedetomidine • Dichlorophene• Dichlorv

Dinoprost Tromethamine • Dipiperazine Sulfate • Dipren

Efrotomycin • Emodepside • Enalapril Maleate • Enrofloxa

Fentanyl • Fenthion • Firocoxib • Florfenicol • Flumetha:

Gamithromycin • Gentamicin • Miconazole Nitrate • Gles

Haloxon • Hetacillin • Hyaluronate • Hydrochlorothiazide •

Isopropamide • Itraconazole • Kanamycin Sulfate • Ketoprofe

• Maduramicin • Marbofloxacin • Maropitant • Mebendazo

Methocarbamol • Methylprednisolone • Metoserpate • Mił

Mupirocin • Nalorphine • Naltrexone • Naproxen • Narasi

Orgotein • Oxfendazole • Paclitaxel • Pegbovigrastim • Peni

• Ponazuril • Pradofloxacin • Pralidoxime • Praziquantel • Pra

Maleate • Pyrimethamine • Rabacfosadine • Ractopamine

Sevoflurane • Spectinomycin • Stanozolol • Streptomyc

# SKIP THIS RIDICULOUSLY LONG LIST OF CHEMICALS AND JUST GO WITH ORGANIC

To skip the full li

Don't Click Here

ONLY ORGANIC PROTECTS YOU AND YOUR FAMILY FROM OVER 700 CHEMICALS.





See Them All ▶



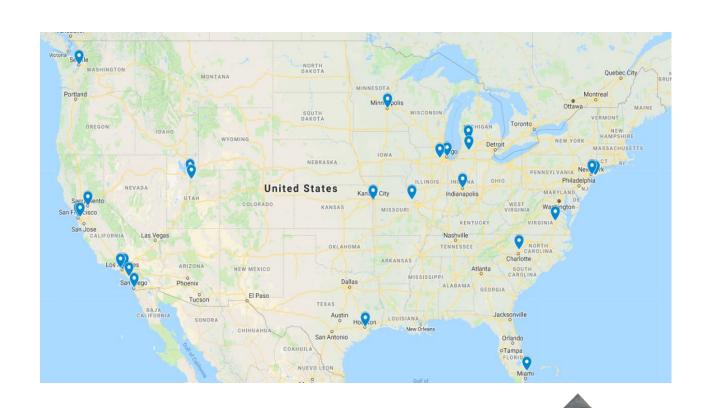
SKIP THIS RIDICULOUSLY LONG LIST OF CHEMICALS AND JUST GO WITH ORGANIC.

Don't Click Here ▶



# 2017-2018 Stonyfield Influencer Farm Tour Overview

We invite bloggers from across the USA to join us on our Farm Tours to help them learn the organic difference of our company.



#### THE 2017 STONYFIELD VERMONT FALL FARM TOUR



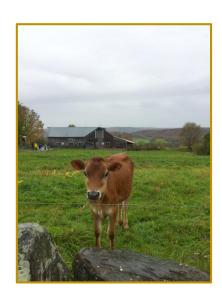


#### **GABRIELLE BLAIR, 450,000 Followers**

### Design Mom: Why I'm Obsessed with Organic Farming

"I'm telling you, if you've had worry over dairy, it would totally disappear if you saw Julie's farm. It's basically a super healthy mini ecosystem. The cows nourish the earth, the earth nourishes the cows. With no chemical run-off, no algae blooms, no dead zones, no waste...it's amazing."









#### **GABY DALKIN, 1.2 Million Followers**

## What's Gaby Cooking



#### **GINA HOMOLKA, 18 Million Followers**

#### Why Purchase Organic Dairy?

- It's better for you. Because it comes from cows that are
  actively grazing on grass, as nature intended. Organically
  raised cows spend their days outside on pasture so the milk
  they produce is significantly higher in Omega-3 fatty acids
  and CLA (conjugated linoleic acid), heart-healthy fats that
  can help lower bad cholesterol and increase good
  cholesterol. There's also compelling evidence that many
  organic fruits and veggies are more nutritious, too.
- It's better for our children's health. Research has demonstrated that an organic diet can dramatically reduce pesticide levels in kids' bodies.
- It's good for the planet. One of the main goals of organic farming practices is to avoid soil contamination as well as rivers, drinking water, and air with toxic persistent chemicals.
- It's also better for the farmer and their neighbors, as they aren't exposed to potentially carcinogenic herbicides.





It's better for the bees."

#### 2017 VT Fall Farm Tour

7 blog post total
Blog UVM Combined: 860,000
Instagram combined: 1,451,800
Engagement Rate Average: 7.10%
CPM Average: \$10.15

#### 2018 Stonyfield & Blue Apron Farm Tour

7 blog post total Blog UVM Combined: 12,386,000 Instagram Combined: 3,440,500 Engagement Rate Average: 1.54% CPM Average: \$12.83

#### 2018 West Coast Farm Tour

6 blog posts total
Blog UVM Combined: 2,281,500
Instagram combined: 661,600
Engagement Rate Average: 3.7%
CPM Average: \$5.74

#### 2018 Southern VT Fall Farm Tour

7 blog post total Blog UVM Combined: 3,174,000 Instagram Combined: 663,000 Engagement Rate Average: 3.5% CPM Average: \$7.52

#### **TOTAL: 41.4 MM Impressions!!!!!**

Average ER: 3.96% (Industry benchmark 1-3%) Ave CPM: \$9.06 (Industry benchmark \$11-\$30)



