

How Dairy Sustainability is Evolving



Michael Boccadoro
Executive Director
Dairy Cares, CCOA
(Moderator)



Chase DeCoite
SVP, Food Industry Relations
Innovation Center for
U.S. Dairy



Paul Myer
CEO & Founder
Athian



Dr. Mike McCullough
Sr. Economist
ERA Economics



Planet-Smart Dairy





Evolving Expectations of the Dairy Value Chain

Chase DeCoite
Sr. Vice President, Industry Relations



PRIORITIES



ADVANCE WELL-BEING



REGENERATE THE ENVIRONMENT



CARE FOR ANIMALS & COMMUNITIES



U.S. DAIRY STEWARDSHIP COMMITMENT

SUPPORTING STRATEGIES

- Communications
- Community, Food Industry, Thought Leader Outreach
- Science & Strategic Intelligence

MISSION

Collaborate to advance solutions for a more sustainable world and a thriving U.S. dairy community.

VISION

U.S. dairy unlocks transformative good for people and the planet, becoming a catalyst for a healthy, sustainable future.



Advance Farmer Priorities

✓ **Elevates dairy farmer priorities** with the rest of the value chain

✓ **Puts farmers in direct conversation** with industry leadership on topics that affect **trust and sales**

Evolving Expectations

- Regulatory
- Stakeholder and Shareholder Pressures
- Scorecards
- Activist and Interest Groups
- Surveys and Audits



Areas of Customer Interest



Animal Care

- Freedom of movement
- Social Housing
- Cow-Calf Separation
- Pasture Access

Antibiotic Stewardship

- Reduction of use
- Antibiotic Resistance

Biosecurity



Environmental Stewardship

- Regenerative Agriculture
- Greenhouse Gas Emissions
- Water Quality & Quantity
- Nutrient Management
- Soil Health
- Biodiversity



Workforce Development

- Training and Supervision
- Housing
- HR practices
- Safety
- Wages

Driving awareness, engagement, support and alignment

Supporting farmers and the U.S. dairy community to ensure leading food companies are aware and supportive of U.S. Dairy's vital role and progress in a healthy and sustainable food system.



Bring farmer voices to the table and **build support** for pre-competitive industry programs

Companies who see **U.S. dairy programs as a solution**, are less likely to build their own assurance programs.

Key dairy customers are close to the consumer, engagement lays the **groundwork for sales**.

Build trust and shared understanding.

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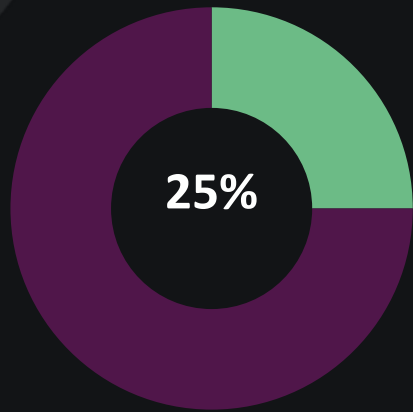
California Creamery Operators Association

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PAUL MYER, ATHIAN CEO

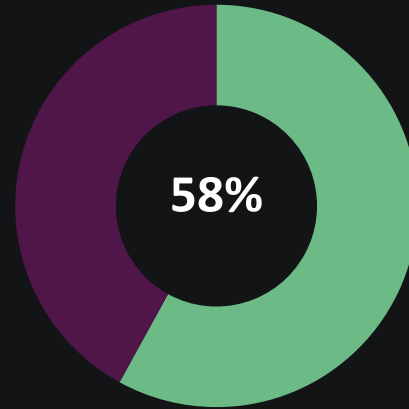
A Global Supply Chain Challenge & Opportunity

MARKET DEMAND



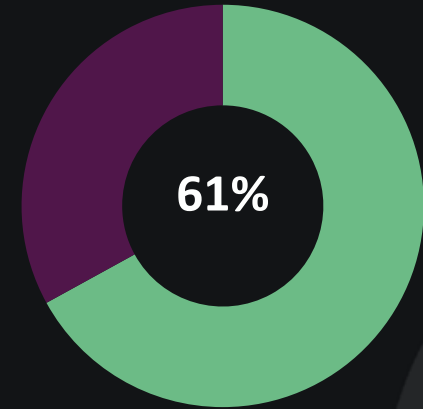
Of packaged goods were marketed as sustainable in 2025

CONSUMER DEMAND



Of consumers expect clear label information on ingredient origins

BUSINESS DEMAND



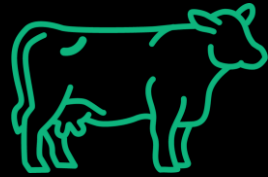
Increase in global companies with climate goals in 2025

Continuing to Scale Dairy Sustainability Solutions



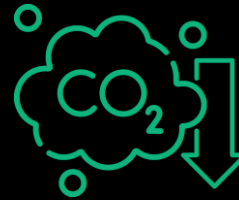
8 Protocols

like feed, digester cap
& flare, manure
management, with
more in 2026



10% of U.S. Dairy

including a variety of
farm sizes ranging
from 200-20,000 cows



Nearly 600K MT

of reductions in
greenhouse gas
emissions across 20+
processors

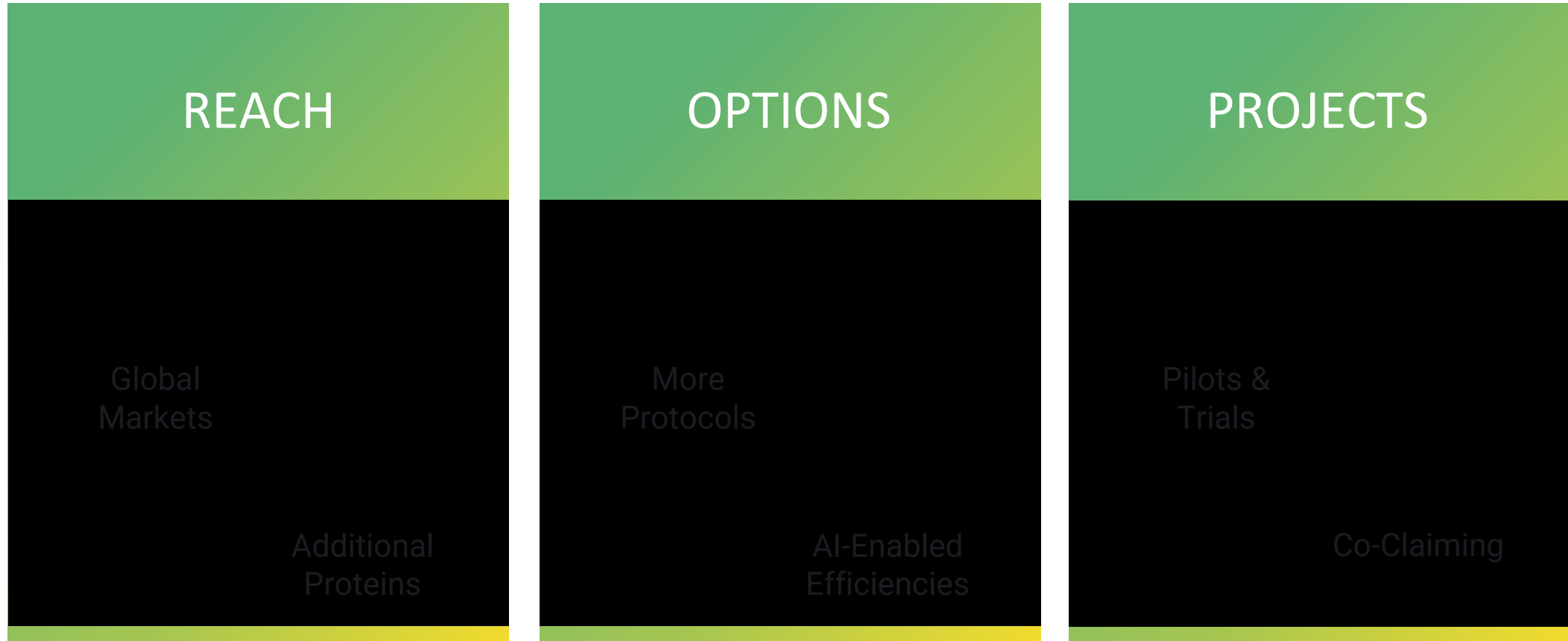


\$25+ Million

paid to farmers for
practices resulting in
verified GHG
reductions



What's New & What's Next



STRATEGIES FOR THE FUTURE

Buyer Partners:



McDonald's USA

Processor:



Cooperatives/Ingredients:



2 Dairy Supply Chain GHG Reduction Projects

\$2.75+
Million

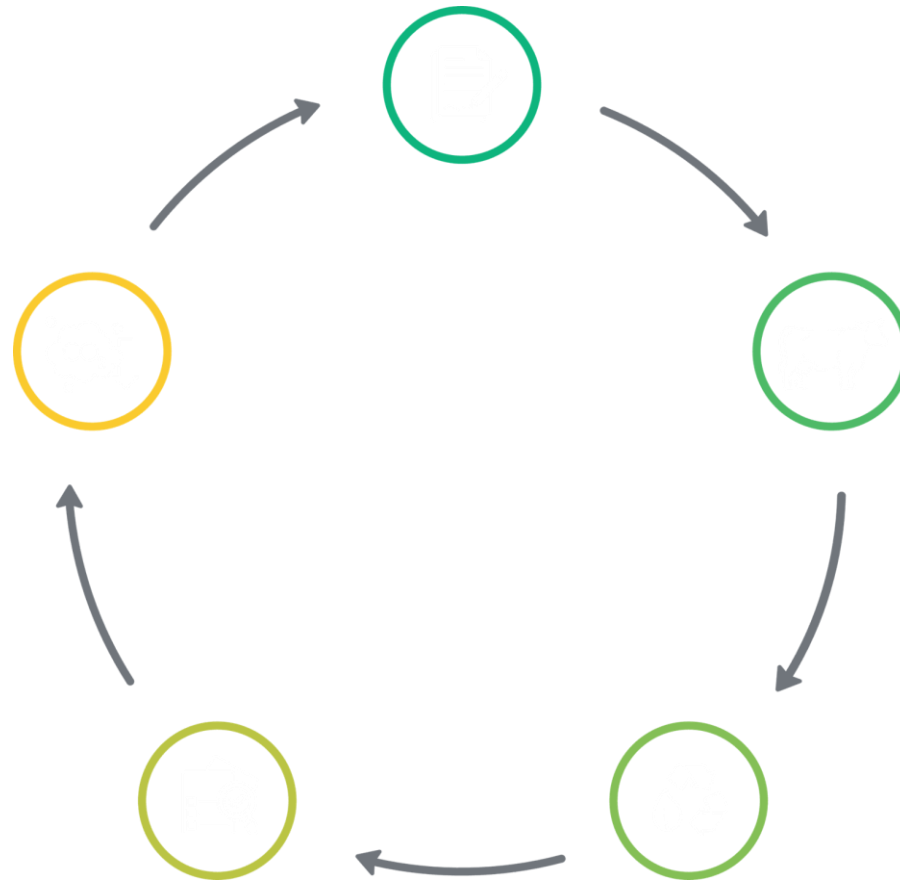
Total Buyer
Investment

3+
Farms
Across 2
Supply Sheds

26,000+
MT CO₂e
Verified
Reduction Possible

5
U.S. States
Across
Both Projects

Partnership from Start to Finish



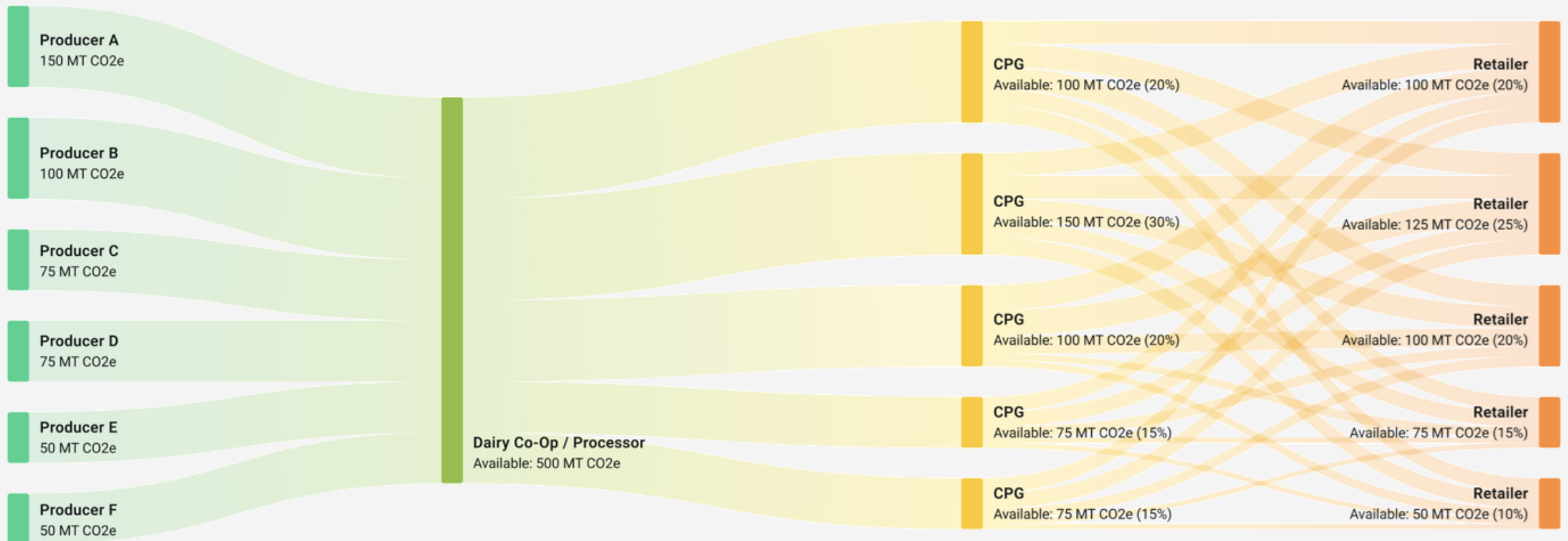
Athian Investors Represent Farm-to-Fork Continuum



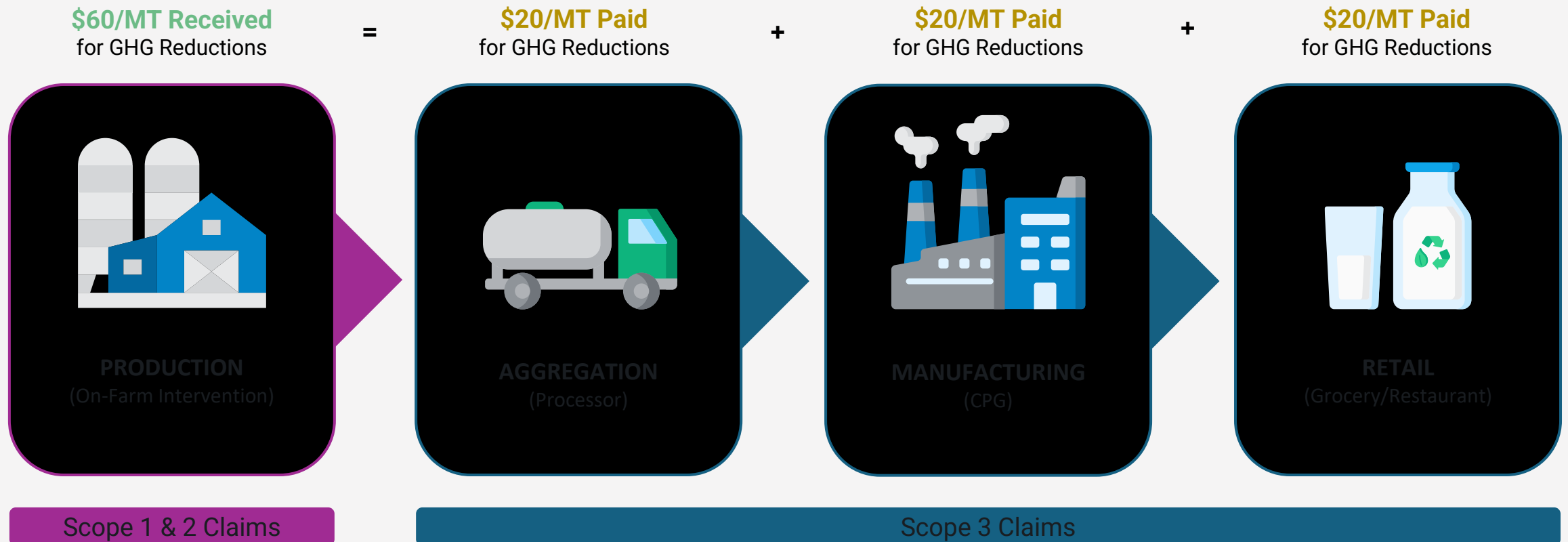


Paul Myer • Paul@athian.ag • [Athian.ag](https://athian.ag)

Verified & Credible Scope 3 Outcomes Shared Across Partners



Making Supply Chain Changes More Sustainable



California Dairies:

Decreasing returns and increasing regulatory costs make it harder to be sustainable.

Michael McCullough, ERA Economics



Topics



Market Conditions

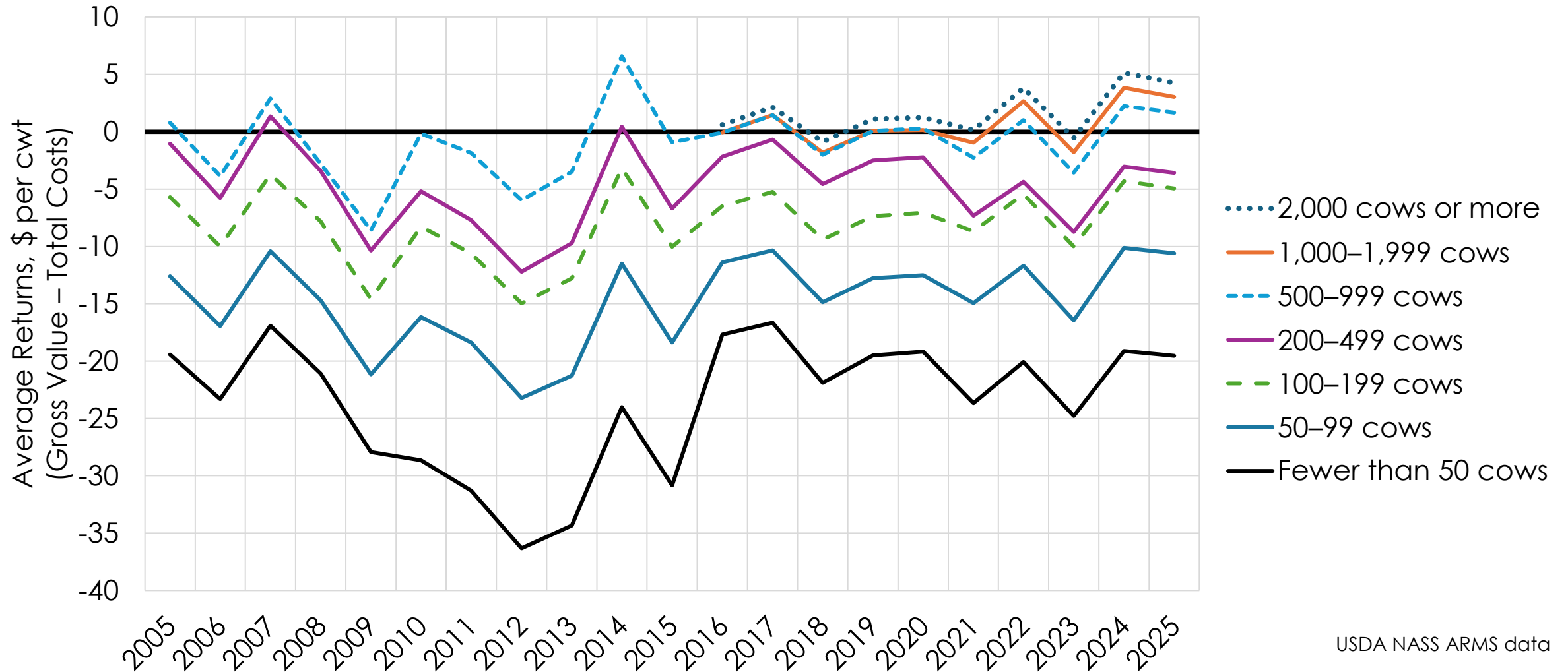


Evolving Regulatory
Costs



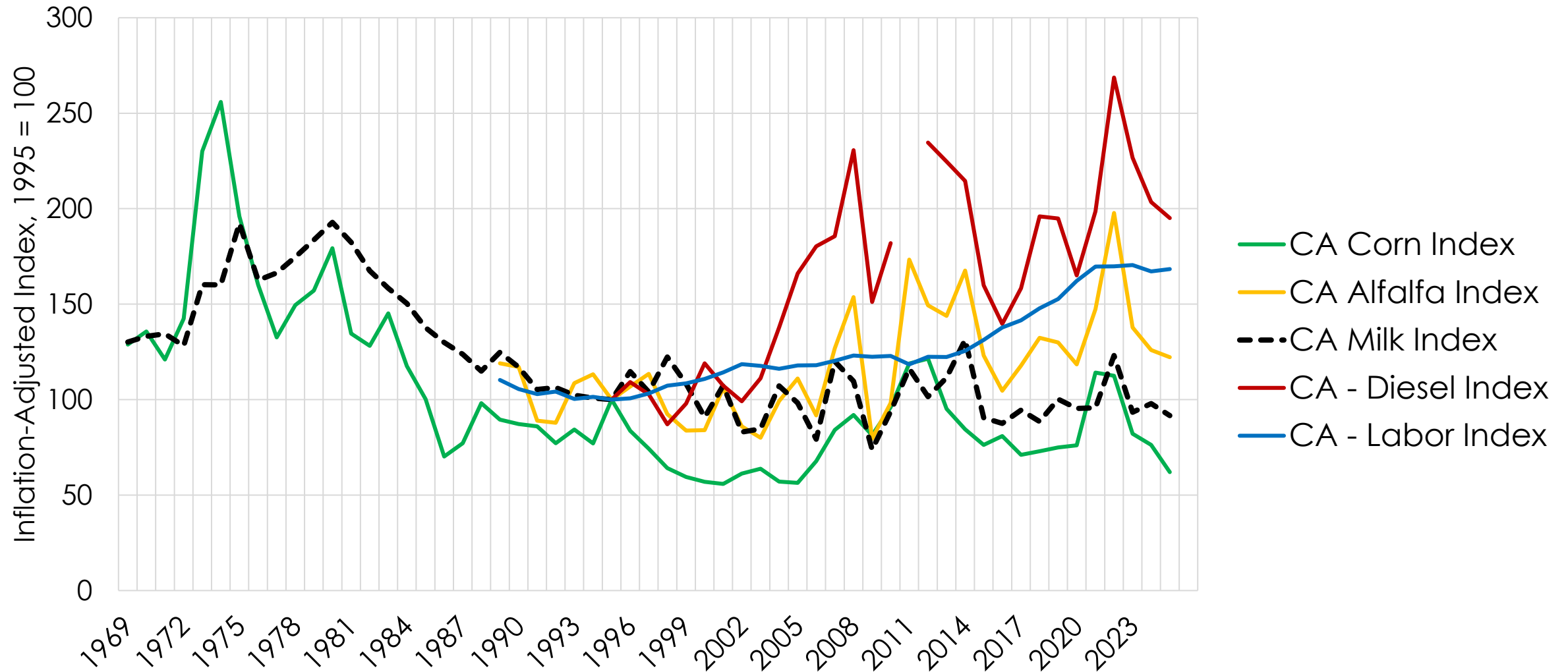
Case Studies

Margins are lower for smaller dairies



USDA NASS ARMS data

Costs are increasing and prices are decreasing



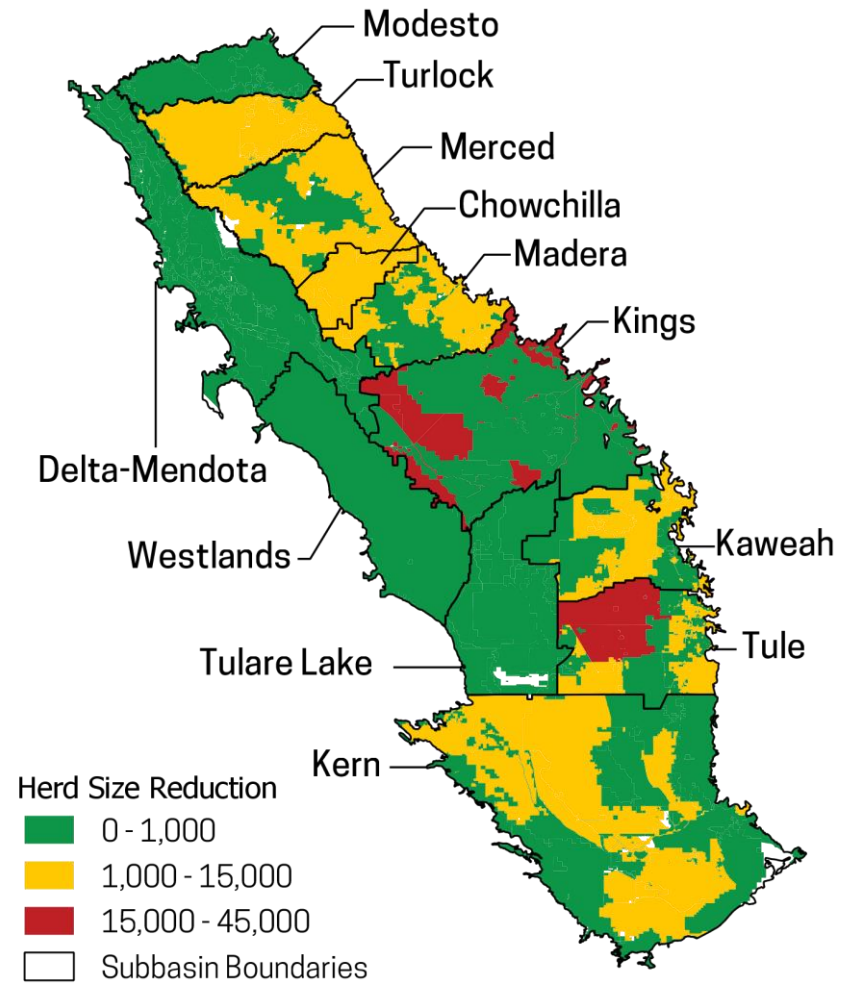
New laws and regulations continue to evolve

Water Quality	Waste Discharge (Dairy Order (WQ 2026-XXXX))
	Waste Management Plan (WMP)
	Nutrient Management Plan (NMP)
	CV Salts
Air Quality	Conservation Management Plan (CMP)
	Methane Emission Reductions (SB 1383)
	On-Road Truck Regulation (SB 1)
	Low Carbon Fuel Standard (LCFS)
	VOCs (Rule 4570)
Labor Related	Overtime Pay (AB1066)
	Minimum Wage (SB 3)
	Healthy Workplace, Healthy Family Act (AB 1522)
Water Quantity	Sustainable Groundwater Management Act (SGMA)

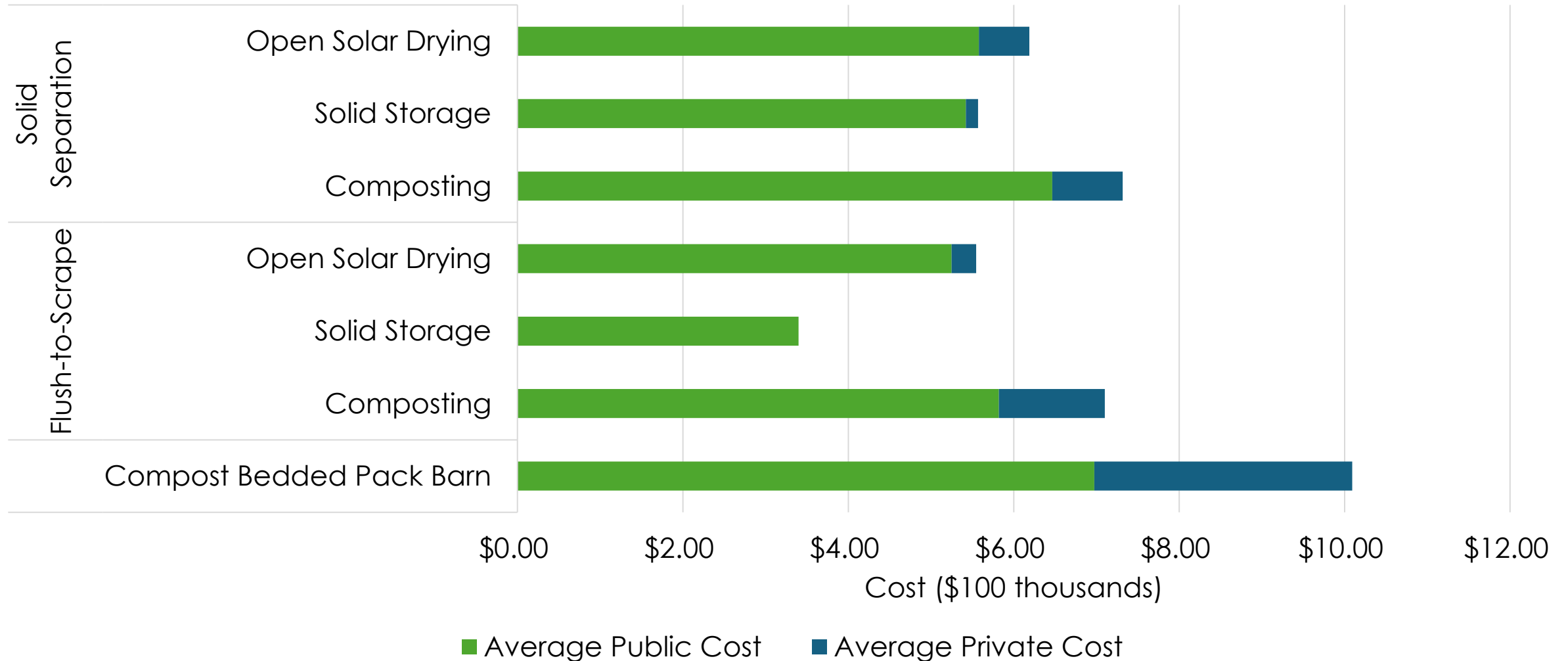
SGMA impacts will be critical to monitor

Region	Head Reduction	Percent Reduction
Modesto, Turlock	10,000	8%
Delta Mendota, Merced, Chowchilla, Madera	31,700	25%
Kings	17,000	13%
Tulare Lake* , Kaweah	6,600	5%
Tule*	58,400	45%
Kern	5,400	4%
Total	129,100	10%

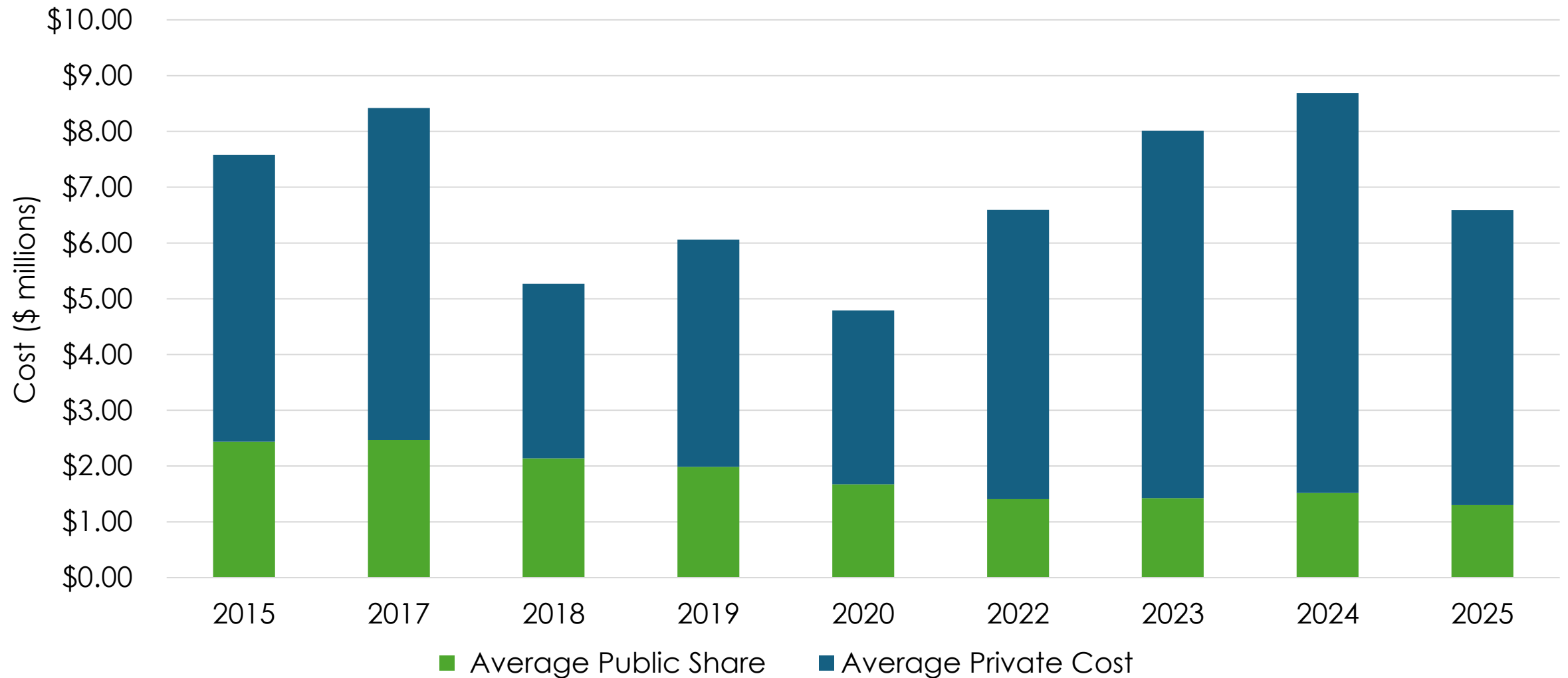
*Tulare Lake and Tule Subbasins are currently designated as Probationary and under State Board intervention



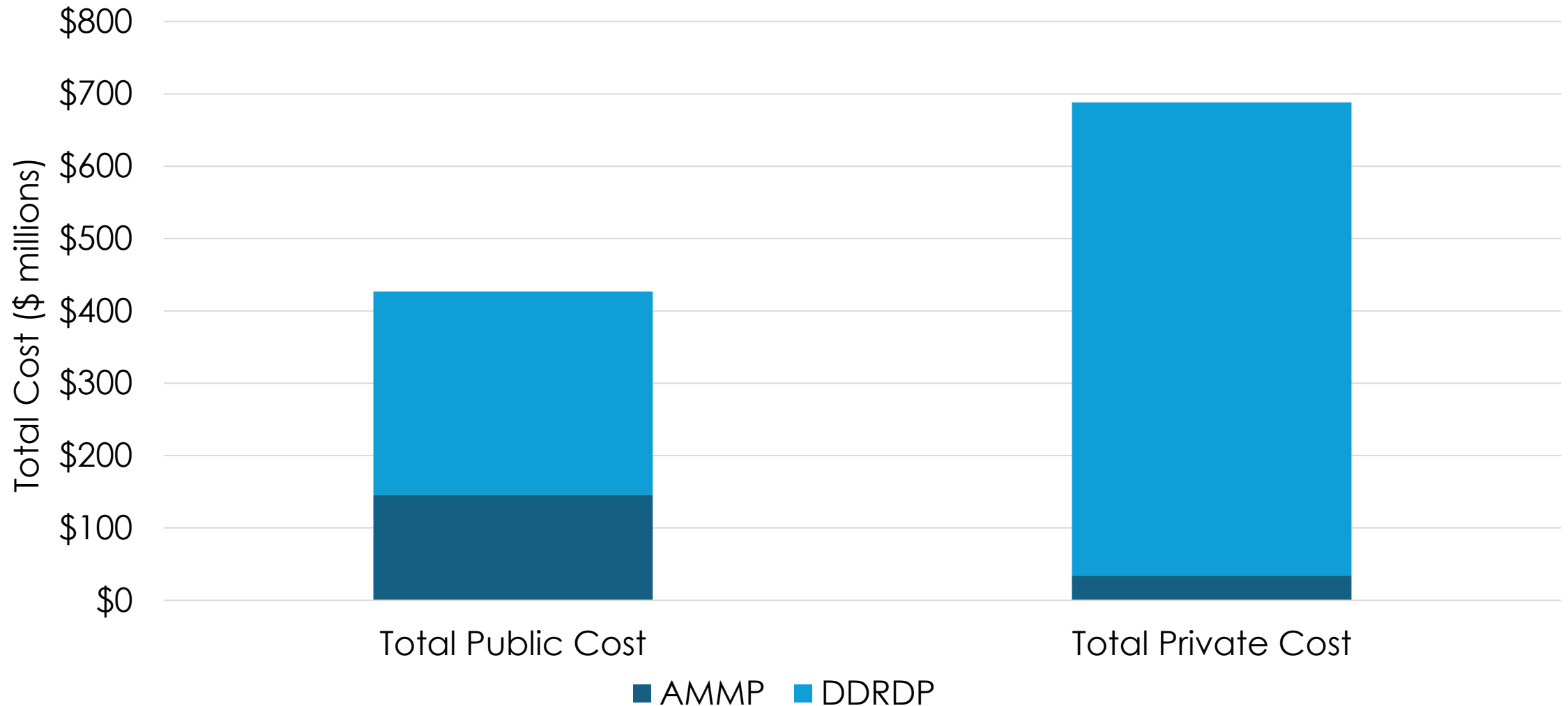
CDFA funding supports effective AMMP projects



Private partnerships are critical for DDRDP projects



Private and public funding help achieve GHG emission targets



Regulatory Cost Case Studies



Why not build a digester?

Contract commitment
Low LCFS prices (\$67)



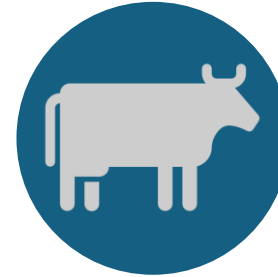
Regulatory cost burdens

\$0.30–\$1.06/cwt
1.6–4.8% of costs
Varies by size and region

Closing Remarks

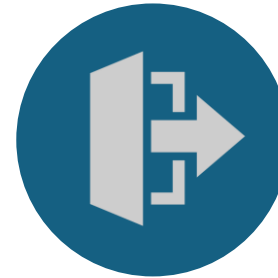
**Increasing
costs lead to:**

Consolidation



Large farms insulated;
capital intensive tech

Attrition



Small farms more likely to
exit California

Policy leakage



Production and emissions
move out of state

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