



DEAN FOODS COMPANY
ANNUAL SHAREHOLDERS' MEETING
Dallas, TX

May 19, 2006



Horizon Organic Our Mission . . .

To provide the highest quality organic dairy products at affordable prices to as many consumers as possible. By doing so, we will:

- Provide greater benefits to the environment, converting more acres to organic production, decreasing the use of pesticides and harmful chemicals
- Promote and sustain the livelihoods of hundreds of family farmers
- Provide healthy products to more and more organic consumers



Our Position on Organic Standards

We fully support:

- Strengthening and clarifying the organic standards
- Strict and uniform enforcement of those standards
- USDA's efforts to clarify requirements as to pasture and organic born dairy animals



Our Milk Supply Today – The Facts

- Current Milk Supply for Horizon
 - 340 family farms dedicated to Horizon Organic – 200 more are in transition (**540 total** farms)
 - **80%** of our organic milk supply is from family farms



Our Milk Supply Today – The Facts

Of our 340 family farmers:

- 337 have **500 or fewer** cows
- **3 families** have over **1,000 cows** – all 3 have certified farms, pasture for their animals and provide the highest level of care for their animals
- Our smallest – a **12 head farm in Vermont**, our largest - a **3200 head farm in California** – **both fully comply** with the organic standards
- Our newest addition to the Horizon family of farms – a **200 head farm in Vermont**



Our Milk Supply Today – The Facts

Future Supply Needs:

- With **20% growth**, our industry needs to add **168,000 cows** in the next **5 years**
- Will require **additional farms of all sizes** – in all parts of the U.S.
- All will be **required to strictly comply** with organic standards
- The rules and standards are **exactly the same** for **small, medium or large farms**



Building a Growing Community of Hope

H  **P** **E**
HORIZON ORGANIC PRODUCER EDUCATION

Partners in Sustainable Agriculture



Supporting Our Family of Farms

\$15M - \$20M in financial assistance for family farms over the next 5 years

- Financial support during **third year of transition** (high organic feed costs while milk is sold at conventional prices)
- Education and greater awareness of organic agriculture
- Hands-on training and guidance through transition and certification
- **Our Advisory Team** of dairy animal and land conservation experts are working to improve and develop **best practices**



Our Company Owned Farms

20% of our milk supply comes from our two farms

- Kennedyville, MD (500 milking head) – certified organic in 1998
- Paul, ID (4400 milking head) – certified organic in 1994



Our Maryland Farm

- Located on the **sensitive Chesapeake Bay waterway**
- Inspired neighbors to convert their farms to organic, **improving the environmental quality of the Chesapeake Bay**
- **Model organic dairy** – host foreign dignitaries, Congress, educators, farmers, etc. for pasture walks and organic education
- Research projects on **farm animal welfare and animal health** with University of Pennsylvania, Cornell and private veterinarians



Our Original Idaho Farm

- This is the organic dairy farm responsible for making the **organic milk industry viable**
- Considered revolutionary, in 1994 it **proved that treating cows holistically** ...using only alternative and homeopathic remedies (no antibiotics or hormones)...**was achievable** on a large scale
- Location on the **Snake River Aquifer** furthered our commitment to preserving and protecting our environment
- **70,000 conventional acres** in Idaho have been **converted to organic** to support our farm
- **2 million pounds of pesticides** annually are kept off the land and out of the Snake River



Our Original Idaho Farm

- Our animals are **never confined**. They are **free to move about** and exhibit their natural behaviors
- Since 2002, we have been **acquiring additional pasture land** and transitioning it to organic
- **All of our animals are grazed on pasture daily**
- **1200 acres of organic pasture** today with 2500 additional acres of organic pasture available in 2006 – 2007 (**3700 total pasture acres**)
- We utilize **best in class organic composting practices** – capturing all waste from our farm for compost to fertilize and grow our crops



Our Future Idaho Dairy

- Our \$10m investment will be used to build a new, **state of the art dairy facility**
- We will divide the herd – **2200 to 2400 animals at each site** – not expand the herd
- Will allow **greater time on pasture** for animals, all can be on pasture simultaneously
- On-site **raising of replacement heifers** (beginning September 2006)
- Humane certification – will meet or exceed **highest standards for animal welfare**
- **Managed grazing systems** intended to **regenerate the land, restore biodiversity** and improve the quality of the water and mineral cycles



Our Commitment

We will work to grow the organic dairy industry in a manner that:

- Exemplifies the **highest standards** of organic stewardship
- Embraces the letter as well as the **principles of the organic industry**
- Improves the **quality of our environment**
- Respects **our animals**
- Helps support and **sustain our family farmers**



Our Commitment

- We are proud of Horizon Organic's legacy as a pioneer and a leader in the organic industry.
- We will protect, preserve and continue to build on that legacy.



HOPE

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