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## **Organic Valley Celebrates 20 Years of Progress Through Partnership**

### ***2007 Sales at \$432.5 Million***

**La Farge, Wis. – March 14, 2008** – Twenty years ago, a group of Wisconsin farmers formed Organic Valley Family of Farms with a shared vision the cooperative still maintains: Work in partnership to produce healthy, nutritious organic food; keep family farmers farming; help revitalize rural communities while serving as stewards of the earth; and always offer a stable, sustainable pay price to its member farmers.

Today, Organic Valley is the nation's largest farmer-owned cooperative, with more than 1,200 farmers in 34 states and one Canadian province. And, as the organization prepares to celebrate its 20<sup>th</sup> anniversary this year with a variety of events and activities, Organic Valley is reporting its 2007 revenues reached \$432.5 million, a 29 percent increase over 2006 and an almost 250 percent increase over the past five years. *(Full revenue figures are at the conclusion of this release.)*

In 1988, when prospects for American family farmers were as dismal as they had ever been, the founding produce and dairy farmers of Organic Valley sought a workable alternative to the disappearing family farm. By doing so, in an age when corporations dominated all facets of business including government, energy, agriculture and global food supply, Organic Valley became a true "un-corporation," serving small family farmers and rural community health by combining two alternative business models – the family farm and the cooperative.

"When we first got together back in 1988, our goal was to save our farms and family farming culture. We saw organic agriculture and the cooperative business model as our opportunity to do this," explained George Siemon, one of the original Organic Valley farmers and its chief executive officer. "Within our first year we set the target farmer pay-price for organic milk almost 50 percent higher than that of conventional milk. We kept our organic pay price at a fixed amount for the entire year, an unprecedented move in the dairy industry. This became the foundation for stable pay pricing that we maintain today.

"The first years were encouraging and exciting, though nail-biting times," Siemon added. "We pitched in to overcome every challenge. We milked cows by day and balanced the co-op's books at night.

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“But, we remained confident because we had partners along the way who shared our vision and helped assume our risk: regional distribution coordinators, natural food co-op grocers, supermarket managers, our dedicated staff, citizen partners who chose and still choose organic foods, and – today now more than ever – a new generation of organic farmers seeking to carry this tradition onward,” he continued.

With this spirit of collaboration in mind, Organic Valley’s theme for 2008 is “20 Years of Organic Partnership.” The cooperative will devote much of its marketing focus to events and initiatives highlighting its partners’ contributions to the co-op, including its April Annual Meeting of cooperative members; its July community celebration, The Kickapoo Country Fair ([www.kickapoo-country-fair.org](http://www.kickapoo-country-fair.org)), near its La Farge, Wis., headquarters; a variety of product launches; numerous trade show activities; anniversary branding on select products; and, Earth Dinners, eat-local celebrations that Organic Valley will sponsor around Earth Day and throughout the year ([www.earthdinner.org](http://www.earthdinner.org)).

### **Key Moments in Organic Valley’s 20-Year History as a Cooperative**

- **1988:** One year after farmland values reach an historic low, a group of Wisconsin farmers form the Coulee Region Organic Produce Pool (CROPP), Organic Valley’s original company and brand name. They offer produce and dairy (including the nation’s first organic cheese). Annual revenues are \$107,000.
- **1989:** CROPP purchases the La Farge Creamery, its first facility with a warehouse, dock, cooler space, office area and large cheese making room. It grows to 48 farmers and revenues of \$412,000.
- **1990:** With a \$50,000 grant from the Wisconsin Department of Agriculture, CROPP launches its first marketing program and creates the Organic Valley brand.
- **1991:** As recession grips Southwest Wisconsin towns and small and mid-sized conventional farmers continue to face serious decline, Organic Valley begins to add jobs in the area with warehousing, trucking, processing, packaging, sales, clerical and managerial positions. It also launches the first certified organic butter available in America.
- **1994:** Organic Valley products become available in 50 states. From their first load of milk, Organic Valley has processed their products through existing, local processors to reduce their investment in “brick and mortar” and in order to create a regional production model. This model also helps to reduce the distance products travels from farm to table and results in fresher products. To date, Organic Valley has been instrumental in influencing 91 processors to become certified organic.

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- **1995:** The first regional group of dairy farmers outside the Midwest comes on board in the Pacific Northwest, launching the co-op's regional model of growth by pooling and processing milk from local farms to serve local citizen partners. Today, Organic Valley has eight producer regions across the United States—New England, Northeast, Southeast, Heartland, Texas, Rocky Mountain, California and Northwest.
- **1996:** The cooperative begins producing meat without the use of antibiotics, synthetic hormones or pesticides, and insists on third-party organic meat certification long before federal standards are set. It is the first in the industry to ban animal by-products from its cattle's diet. Today, the co-op sells its certified-organic meat products under the Organic Prairie brand.
- **1998:** Organic food sales grow 20 percent annually, as Organic Valley employs 65 with annual sales at \$28 million. Ten years in, the co-op pays record prices to its farmer members, \$3 more than conventional averages.
- **2000:** With 350 family farmers and 150 employees, Organic Valley launches its Web site and "Farm Friends" program to strengthen its connection between rural farmers and urban dwelling neighbors and customers.
- **2001:** Thanks in part to growth from key mass-market partners and natural food retailers, Organic Valley reaches \$75 million in sales.
- **2004:** Staying true to its rural roots, Organic Valley hosts more than 300 people who gather in La Farge to celebrate the grand opening of the co-op's \$5.9 million "green" design headquarters. It also introduces the first Earth Dinner celebration, and co-hosts the first-ever Kickapoo County Fair.
- **2006:** As consumer awareness and demand for organics grows, Organic Valley's annual sales reach \$285 million with 783 member farmers.
- **2007:** Organic Valley adds its 1,000<sup>th</sup> farmer-member and the co-op opens a \$17.5 million distribution center in Cashton, Wis., its primary warehouse and distribution center, located in the heart of rural Southwestern Wisconsin.
- **2008:** Organic Valley begins its 20<sup>th</sup> year with 1,201 farmers, a focus on celebrating the value of its partners, and a commitment to fostering the next generation of organic farmers.

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## Organic Valley 2007 Sales Figures and Facts

- **Number of U.S. farmers:** 2.06 million, as of 2006.
- **Number of U.S. organic farmers:** Over 10,000 certified organic farms as of 2007.
- **Percentage of U.S. organic farmers in Organic Valley cooperative:** Approximately 10 percent.
- **Number of Organic Valley Farmers:** 1,201 as of January 2008.
- **Organic Valley farmers by region:** California: 15; Pacific Northwest (WA, OR, ID): 71; Rocky Mountains (CO, UT, NM): 5; Central (IA, IL, IN, KS, LA, MN, ND, NE, SD, TX, WI): 764; Great Lakes (OH, MI, IN): 151; Southeast (FL, KY, LA, MS, NC, TN, VA): 14; Northeast (NY, PA, MD): 162; New England (MA, ME, NH, VT): 146.
- **Organic Valley new farmers in 2007 by region:** California: 5; Pacific Northwest: 26; Rocky Mountains: 3; Central: 122; Great Lakes: 69; Southeast: 12; Northeast: 92; New England: 58.
- **Organic Valley farmers by type or “pool”:** Some farmers produce for more than one pool. Dairy: 937; Egg: 87; Produce: 127; Beef: 146; Pork: 26; Poultry: 3; Juice: one cooperative made up of 14 members; Soy: one cooperative made up of 12 members.
- **Organic Valley new farmers by type or “pool”:** Dairy: 335; Egg: 13; Produce: 25; Beef: 7; Pork: 5; Poultry: one.
- **Age of U.S. farmers:** 55.3, based on 2002 (most recent) farmer census
- **Age of Organic Valley farmers:** In 2007, 47.4. In addition, 14 percent are under 30; 36 percent are under 40; and 75 percent are under 50.
- **Organic Valley Average Farmer Pay Price per Hundredweight:** 2007: \$25.74.
- **Conventional Average Farmer Pay Price per Hundredweight:** 2007: \$19.05 - \$19.15.
- **Organic Valley Sales:** \$432.5 million in 2007, compared to \$334 million in 2006. Organic Valley currently projects \$539 million in 2008 sales.

## Organic Valley Family of Farms: Independent and Farmer-Owned

Organic Valley is America's largest cooperative of organic farmers and is one of the nation's leading organic brands. Organized in 1988, it represents more than 1,200 farmers in 34 states and one Canadian province, and achieved \$432.5 million in 2007 sales. Focused on its founding mission of saving family farms through organic farming, Organic Valley produces a variety of organic foods, including organic milk, soy, cheese, butter, spreads, creams, eggs, produce and juice, which are sold in supermarkets, natural foods stores and food cooperatives nationwide.

The same farmers who produce for Organic Valley also produce a full range of delicious organic meat under the Organic Prairie Family of Farms label. For further information, call 1-888-444-MILK or visit [www.organicvalley.coop](http://www.organicvalley.coop), [www.organicprairie.com](http://www.organicprairie.com) and the cooperative's farmer website, [www.farmers.coop](http://www.farmers.coop).

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