





COMMIT. ACT. IMPACT.

Climate Collaborative Commitment Areas



How many companies have committed?





How many companies have committed?



THANK YOU TO OUR DONORS!

Alter Eco Annie's Associated Brands Califia Farms California Olive Ranch Cheer Pack Clif Bar & Company Connective Impact DanoneWave Decker and Jessica Rolph Dr. Bronner's Elk Packaging Gaia Herbs

GrandyOats GreenSeed Contract Packaging General Mills Guayaki Happy Family INFRA KeHE Kuli Kuli Foods Lotus Foods Lundberg Family Farms MegaFood Melt Organic

MOM's Organic Market Mountain Rose Herbs National Co+op Grocers Natural Habitats Nature's Path New Hope Network Numi Nutiva Oregon's Wild Harvest Organic India Organic Valley **Outpost Natural Foods**

Patagonia Plum Organics Pluot Consulting Presence Marketing Rebbl Stahlbush Island Farms Stonyfield Studio Fab Tacoma Park Silver Spring Co-op Trayak



Tell your story!





"The business community must lead the way toward climate change solutions. Our investment in solar power for our bakery is an example of a win-win for sustainability and the bottom line, and we hope our positive experience can help other businesses head down a similar path."

> AARON ANKER CHEIF GRANOLA OFFICER GRANDYOATS



2018 Tracking Progress

This short survey enables us to track and share the impact that companies are having as they work toward implementing their climate commitments.

- One response is needed per company
- You only need to provide information for the commitments your company has made
- No measurement or metrics reporting is required, and we have kept the update as short as possible to remove any reporting burden on your end





Climate Collaborative 2018 Tracking Progress Update

9. What other commitments have you made? Please select one at a time.

\bigcirc	Agriculture
\bigcirc	Energy Efficiency

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)	Food	Waste

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)	Forests	
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>	war a sa c
)	Packaging

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	POLICY	Engagement

)	Renewable	Enorgy
1	nenewable	LICISY

) SLCPs

◯ Transportation

No other commitments





What are the questions we ask?

• Has your company started implementing the commitment?

- We have made the commitment but have not yet determined how we will approach implementation.
- We have made the commitment and are in the midst of planning how we will take steps to implement it.
- We have completed the planning process and have begun taking steps on implementation.
- We have made good progress on implementing the commitment.
- We have taken robust steps to implement the commitment and are seeing results.

• Are you quantifying the emissions reductions from these actions?

- Yes
- No
- If yes, please describe measurement and progress: ____
- [Optional]: Please provide any further details on progress against this commitment, especially as it relates to emissions reductions and/or finding business value through your climate action.

Other questions:

- Is filling out the survey required? All committed companies that made commitments before January 1, 2018 are expected to provide a short annual update on their progress.
- What if we haven't made any progress yet? Let us know where you are in your journey to implement commitments, even if it's just planning. You'll be able to provide context and information on any challenges to implementation you're encountering, from resource barriers to financial constraints and more.





The Climate Impact Reporting Journey

Digging Deeper into Climate Metrics

30. April. 2018







ABOUT SFTA





<u>Mission</u>

Build the capacity of the organic food trade to transition to sustainable business models.









THANK YOU to our SPONSORS!!





THE JOURNEY





The Journey





The Journey





METRICS TYPES & REPORTING EXAMPLES





Reduced GHG Emissions

Qualitative

Tactical

Normalized

Reduced GHG Emissions

PROS

- Focus on descriptions
- Less emphasis on quantified analysis
- Great way to begin reporting
- Stories that connect to consumers

Focus on describing the efforts a company is making to mitigate climate change, rather than the numbers or quantified results. Examples include:

- *Goals:* Goals you may have set around climate.
- *Policies:* Overarching guidance for employee and company practices
- *Best Practices:* Actual programs in play or actions being taken. "Walking the Talk"
- *Climate Events/Initiatives:* Participation or leadership in climate events, and/or company initiatives that are focused on raising awareness or results around climate.

Normalized

Tactical CONS

- Harder to "prove" impact
- Open to greenwashing allegations
- More difficult to catalyze action to the next step



Qualitative



Table of Contents

THE BEGINNING OF BLISS 4 BLISS TODAY 5 WHY WE DO IT 6 **RECOGNITION 7** INGREDIENT SOURCING 8 BLISSFUL GIVING 12 BLISS HQ 13 **BLISSFUL CULTURE 14** BLISS PRODUCTION 15 SUSTAINABILITY MISSION STATEMENT 16

Company Mission Statement: itsion Statement. ces through exceptionally delicious, ces can trust. We egrity, and respect for our employ ers. We are an example of how business ca bing and kind to the Earth and all beings.

The farmers of cocoa and coffee typically own < 5 acres of land and have little negotiating leverage in a global market. Without a collective voice, the farmers and their families may be impoverished for generations. The fair trade movement empowers producers at the local level by paying them fair wages for their labor, improving their local living conditions, and giving them a stronger voice in the market. This is accomplished through producer cooperatives who receive training to deal directly with market buyers and demand a living wage. To certify as a Fair Trade cooperative, portions of the farmers' revenue must be reinvested into the community. The cooperative directs these investment funds to more training, purchasing equipment, building schools, and healthcare programs.

Our cocoa, coffee, and chocolate are all certified Fair Trade. We are proud to be part of the fair trade movement that supports these farmers and their dedication to work and community.





Organic Fair Trade Dark Chocolate



Organic Fair Trade Cocoa and Coffee



*TOTAL = 94







Describes results of tactical measures taken to reduce emissions, such as:

- Pounds: packaging/waste reduction
- Gallons: water, gasoline
- Energy Units: kWh, BTUs
- *Dollars:* climate education efforts, organic products
- Percentages: % of employees participating in alternative commuting program

PROS

- Real-time improvements
- Clear correlation to goals
- Can sound impressive
- Tactile nature resonates with stakeholders

CONS

- How does this translate to climate impact?
- Missing the forest through the trees?
- Greenwashing?



Tactical



What does sustainability mean at Organically Grown Company?

To keep sustainability at the forefront of our work we use a science-based framework in our decision making, planning processes, and conduct of our business. Everyone at OGC is trained to evaluate how our efforts impact people and the planet through the Natural Step model 'take, make, waste, harm': What does it take from the earth? What does it make that will be left behind? What biodiversity does it waste? And who does it harm in its development?

Through our annual sustainability report we have the opportunity to review our successes and opportunities for improvement. Our five long-term sustainability goals give us targets to strive for as we move towards a better food system for people and the planet:

- Achieve carbon neutrality and eliminate fossil fuel use
- 2 Eliminate solid waste and toxic substances
- Achieve on farm sustainability and small/medium farm viability
- Foster a healthy and fulfilling workplace





GOAL 1 Achieve carbon neutrality and Fu We seek fossil fuel alternatives, fleet efficiencies, alternative transportation Fue SMART Commute Program and methods and energy efficiencies. We were aut awarded the Western Region Sustainable **Commuter Cars** and Private/Small Fleet Award at the 2017 Green m To reduce the "carbon footprint" of daily Tactical At Transportation Summit for our efforts. commuting, coworkers are reimbursed for tra utilizing alternative transport to work. In 2016, we also purchased two fuel-efficient (41.2 mpg) commuter cars to reduce fuel consumption and mileage reimbursements costs. At the end of 2017, the cars had been 6.23 AVG MPG used an average of 3,551 miles per month resulting in an estimated savings of over An incremental increase from 6.20 MPG in 2016 \$13,000.



Our fleet has been 100% Clean-Air Certified under the Federal Diesel Emissions Reduction Act since 2014

Our Fleet

B-line

delivered

301 tons

of produce

for OGC in

Portland by

cargo trike,

avoiding driving

3,241 miles with our trucks, eliminating

9,771 lbs of CO₂ emissions



36 Trailers • 27 Tractors • 6 Box Trucks • 4 Cargo Vans

Driving Fuller Trucks

We strive to keep our trucks full by coordinating backhauls with outside vendors, which helps us leverage our fuel/energy use. The organic industry is fast growing and dynamic; as a result we sometimes experience small changes in our account and vendor relationships that will impact our sustainability data. For example, a slight drop in cases shipped per mile in 2017 to 2.41 from 2.79 in 2016. Cases backhauled also went down slightly from 867,353 cases to 749,851 primarily because of changes in strategies of two of our larger scale growers.





to the food Irade Trade Trade

Attendee Poll



Which tactical measure might be most appropriate for the Food Waste commitment?

- a) Total pounds of inventory reduced at source
- b) Pounds of waste diverted from the landfill
- c) Pounds of compost created from food waste
- d) All of the above

Which tactical measure might be most appropriate for the Renewable Energy commitment?

- a) Total Reduction of BTU used
- b) % of Energy generated by on-site solar panels
- c) Total pounds sold per kWh
- d) Total reduction of products manufactured



Intensity 7,032 **Energy Use per Capita** 5,113 3,610 3,811 3,868 2,757 ^{2,997} 2,029 1,371 5

"Normalizing" climate measures can help create "apples to apples" comparisons between companies in a similar sector, or to reflect improvements in climate management, despite an increase in absolute growth which could increase overall emissions. Examples include:

- Tons of CO2 per pound of product made
- Pounds of product made per kWh consumed
- Pounds of gasoline used per pound of product delivered

PROS

- Can track improvement despite absolute growth
- Help peers benchmark performance

CONS

- Context-based; can be misleading
- Can be difficult to isolate cause of improvements
- Risks greenwashing claims

Metrics Types



Food Irada

PG 13



Metrics Types: Scopes 1, 2, & 3





Attendee Poll





Sustainability Program & Reporting Tips...

Context is Everything

"Why Sustainability Metrics Fail to Measure Achievement, and How to Fix Them" - Green Biz, September 21, 2016

Intensity Metrics

- Outsourcing
- Economies of Scale
- Change in Product Mix





News Release



Bacardi Limited Pioneers Groundbreaking "BEST" Method

Innovative System Combines Science and Accounting to Track Sustainability Progress

Hamilton, Bermuda, March 6, 2014 – Bacardi Limited today announced that it has pioneered a new auditing method that accurately measures performance and progress against key environmental sustainability objectives. Called BEST – Bacardi Environmental Sustainability Tracking – the new system represents an innovative best practice in assessing a variety of metrics typically included in sustainability initiatives.

Critical Context Can Include:

- Percentages
- Benchmarking to Peers
- Transparency in Methodology



TOOLS & CALCULATORS





SFTA Tools

- State of Sustainability &/or Climate Action Assessment
- Climate Metrics Guide & Metrics Inventory
- Sustainability Reporting Framework
- Opportunity Analysis and Resource Support (OARS)

Sus Tra Sus	de	2. DISTRIBUTION POLICY, PRACTICES, 2.01 Policy, Practices, Gui a) What is your company footprint of Distribution & 5 b) Describe your Distributi and efficiency upgrades c) Please state any quant	4. CLIMATE CHANGE AND AIR EMISSIONS A CLIMATE CHANGE AND AIR EMISSIONS A CLIMATE CHANGE AND GOALS 4.01 Policy, Practices, Guidelines and Goals: Please answer the following: a) What is your company's current policy regarding Climate Change and Air Emissions? CORE METRIC - Management Note: You may also provide document or URL.) b) Describe your Climate Change and Air Emissions practices. Please include any conservation and efficiency upgrades made since last report. c) Please state any quantitative and qualitative objectives and goals for your next reporting year. 4.02 Does your organization engage in activities that could directly or indirectly influence climate change policy? [ex. direct engagement, trade associations, funding research organizations, etc.)
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n SFTA Sustainability Framework Metric, or a bes splained in the "rationale" section. While somew kerse as the climate change milligation practices lease Note: Tracking of year-over-year results (strends) of me	t practic hat com a comp trics is s	e encouri prehensk arvy uses trongly e	hat can be tracke aged by a Climat ve, this is NOT al Please review th ncouraged to ga	e Collaborative (n exhaustive list) as Climate Collab uge progress ove	tess or efforts around mitigating climate change. Each metric is associated with ommamment Area. An explanation of why there are relevant metrics are of climate related metrics. Merces — especially qualitative metrics — are as anatiwi's Emission Reduction Best Practices Short List for more information. r time. May be presented as % increase/decrease vs. prior year.
Where an increase or decrease in a metric might Metric	-	ric Type		CC CC Category	or decrease in greenhouse gas emissions are indicated with an asterisk (*). Rationale
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Reporting Tools & Calculators...

Additional Reporting Formats



<u>Global Reporting Initiative (GRI)</u>: The <u>GRI standards</u> address a multitude of potential social and environmental sustainability reporting areas, including emissions. These can be read to help identify best practices in climate mitigation efforts and measuring.



CDP: Not-for-profit that runs the global system for investors, companies, and governments to manage environmental impacts. <u>Climate Change, Supply Chain, Water,</u> and Forests questionnaires contain a variety of metrics and questions to consider.


- EPA <u>Simplified GHG Emissions Calculator</u>: simplified calculation tool to help small business and low emitter organizations estimate and inventory annual GHG emissions.
- 2. Greenhouse Gas Protocol <u>Calculation Tools</u> (all Scopes): These tools enable companies to develop comprehensive and reliable inventories of their GHG emissions.
- 3. CalRecycle <u>Commercial Climate Calculator</u>: helps businesses assess the financial, climate, and environmental benefits of reducing waste generation and recycling their discarded materials.
- 4. EPA <u>Waste Reduction Model (WARM) Tool</u>: helps track and report on GHG emissions of baseline and alternative waste management practices: source reduction, recycling, anaerobic digestion, combustion, composting and landfilling.
- 5. Cool Farm Alliance Cool Farm Tool: Online greenhouse gas, water, &biodiversity calculator for farmers
- 6. CO State University/USDA <u>COMET Farm Tool</u>: A farm and ranch carbon and greenhouse gas accounting system that can compare current practices to projected practices to compare environmental impacts.



THANK YOU!

5) 🔒

For more information:

Lisa Spicka Associate Director Sustainable Food Trade Association 707.407.5375

lisa@sustainablefoodtrade.org



Sustainability Program & Reporting Tips...

Make it Relatable



2016 Community Food Co-op Impact Report



used alternative transportation (electric car, bike, walking, bus, or carpool)



alternative transportation miles traveled









Transparency & Trends

- Contextualizes results
- Helps turn data into knowledge
- Critical to identify what does/doesn't work



Sustainability Program & Reporting Tips...

Data vs. Stories

- Highlight your Best Stories & Practices
- Balance of narrative and visuals
- Transparency in results!



8

DISTRIBUTION

Transportation is an area we can directly control as a company, as we own and operate our fleet of distribution trucks. 65% of our products are transported on our own fleet, and the remaining 35% are picked up by less than truck load (LTL) shippers, or by our customers in the Factory Store.



Sneak Peak: in March 2016 we added a truck with CNG dual fuel technology to our fleet; this truck is expected to get over 7.5 mpg and emit up to 40% less greenhouse gasses than our regular 20% biodiesel trucks.

In 2015, GloryBee:

- Continued using onboard recording devices to better measure efficiency.
- Held two sustainable driver trainings, and developed an efficient truck driver incentive.
- Delivered 61,676 pounds by bike, an increase of 14% over 2014.
- Continued to use 100% of routes for haul backs.
- We had an average of 6.56 mpg in 2015.

POUNDS OF PRODUCT PER GALLON



In 2015 our fuel efficiency (pounds carried per gallon) decreased, because our trucks traveled the same distance and used about the same amount of fuel per mile, but carried less weight on average than previous years. To improve our fleet efficiency we are adding more efficient trucks to our fleet, and implementing a sustainable driver incentive.



Sustainability Program & Reporting Tips...

Make it Your Own

- Pick most relevant metrics
- Blend with your brand story
- Be creative
- It is a PROCESS!

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CLIMATE EMISSIONS: SCOPE 1 & 2 and the BACK YARD

A <u>fun</u> climate action journey with Straus Family Creamery



ORGANIC PRODUCTS MISSION & PRACTICES ABOUT

NOURISHING FARMS, FOOD, PEOPLE & EARTH

DRIVEN BY OUR MISSION

CTRAUS FAMIL



LEARN MORE

CLIMATE ACCOUNTING Profile – History - Context





COMPANY PROFILE

- Owned 100% by Albert & Jean Straus
 - First organic dairyman in the West
- Operating since 1994
- Creamery in Marshall, CA (Marin)
- Logistics in Petaluma, CA (Sonoma)
- First 100% Organic creamery in US
- Largely West Coast regional footprint
- 30-mile milk sourcing footprint
- Present in most dairy categories
 - milk (cream-top in returnable glass)
 - yogurt
 - ice cream
 - butter
 - sour cream
- Farmer-first business model
- Social-mission based
- Always Organic
- High quality milk supply
- *Delicious*, minimally-processed, products
- Everything is made in-house (no co-packing)



CLIMATE ACCOUNTING TIMELINE

2010: First reported on scope 1 & 2 climate emissions via Sustainable Food Trade Association (SFTA). Now in 8th year of tracking scope 1 & 2 emissions.

Jebrati,

AN

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MARSHALL + CALIFORNI

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- 2016: Started accounting for all scope 1 & 2 in-house.*
- 2017: Climate Collaborative Commitments.
 - Active commitment projects in agriculture, energy efficiency, renewable energy, policy, food-waste, short-live climate pollutants, transportation, and packaging
- **2018:** Started 2-year project to assess dairy farm emissions (primary scope 3) using COMET-Tool.

5 KEY CLIMATE IMPACT FACTORS

- 1. SFC has two facilities that are only 20 miles apart.
- 2. Local transport is in-house (between independent dairies & creamery & warehouse).
- 3. All dairies are located within 30 miles of creamery.
- 4. Dairy product manufacturing requires a lot of process heat.
- 5. Electricity sourcing is controlled by climate-friendly local government agencies.



CLIMATE ACCOUNTING Starting Tips – Tracking - Monitoring





JOSEPH'S TIPS TO CONSISTENT MEASUREMENT OF SCOPES 1 & 2

- **1. Get Familiar:** Understand scope categories...later on...de-educate yourself.
- 2. Get Educated: Take a course in climate math or accounting. (It helps).
- 3. Track GHG's In-House: If feasible (will depend on size of business).
- 4. Budget Time: This is an accounting practice. It takes a level of rigor.
- **5.** Analyze the Data: DO NOT report for reporting sake. Understand the scale, breadth, seasonality, complexity, and interplay of your emissions.
- 6. Share Your Work: Join SFTA or a like-organization that will help you improve the quality of your tracking and reporting.
- 7. Report Results: Consistent reporting gives life and meaning to the data.

TRACKING SCOPES 1 & 2

- 1. Be comprehensive. Track everything with accessible data.
- 2. Determine where tracking data originates. Map it.
- 3. Enlist co-workers (finance, administration, department heads, etc...) to help you track down and upload data.
- 4. Create a protocol for monthly data updating.
- 5. Understand the most "material" or critical elements and several of the spend time tracking those yourself.





Monitor Your Results. Provide Insight. Share Results.

December	January	February
110.7	114.18	116.19
metric tons C02 emissions	Metric Tons C02e Emissions	Metric Tons C02e Emissions

SOURCE	2011 emissions	2012 emissions	2013 emissions	2014 emissions	2015 Emissions	2016 Emissions	2017 Emissions	2018 Emissions
Propane	#############	##############	#############	#######################################	#######################################	#############	#############	###############
Electricity (Scope 2)	#############	#######################################	#############	#######################################	#######################################	#############	#############	#######################################
Diesel (Vehicles)	#############	##############	#############	#######################################	#######################################	#############	#############	#######################################
Unleaded Gasoline	#############	##############	#############	#######################################	#######################################	#############	#############	#######################################
Diesel (Equipment)	-	-	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################
Natural Gas	#######################################	#######################################	#######################################	#######################################	#######################################	#############	#######################################	#######################################
Refrigerant	#############	##############	#############	#######################################	#######################################	#############	#############	#######################################
Total	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################
MT GHG/Milk Ton	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################
% Change (MT GHG/Milk Ton)		#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	######################################
% Change Total GHG Emissions		#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################
Scope 1 Summary	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################	#######################################

CLIMATE ACCOUNTING Reduction Highlight



Zeroing Out Scope 2 (almost)



Take Advantage of Climate Emission Reduction Opportunities. Measurement Will Help Make the Case...and...Tell the Story. **CLIMATE ACCOUNTING Educating & Reporting**



CONTEXT IS IMPORTANT

Provides reality check

Focuses priorities

Impacts overall strategy

STRAUS FAMILY CREAMERY 2017 GHG EMISSIONS IN CONTEXT



0.0017 MtCO2e Total SFC Emissions in 2017 0.000004% of 2016 CA Emissions *Includes SFC Scope 1 and 2 GHG emissions, but does not account for Scope 3 Emissions.



427 MtCO2e Total California Emissions in 2016 6.8% of USA Emissions



6,319 MtCO2e Total USA Emissions in 2016 13.3% of Global Emissions



47,350 MtCO2e Total Global Emissions in 2016

Mt= Million Tonnes CO2e= Carbon Dioxide Equivalent

CATEGORICAL EMISSIONS

• What categories are of greatest impact?

• What categories have the lowest hanging fruit?

 How can you utilize this to inform investment priorities?



STRAUS FAMILY CREAMERY 2017 GHG EMISSIONS

Gasoline

0%

Diesel 1*

23%

Diesel 2**

Scope 1: 97.2%

Direct emissions from sources directly owned or controlled by SFC.

Scope 2: 2.8%

Indirect emissions from the consumption of purchased energy generated upstream from SFC.

Scope 3: Not Reported

Indirect emissions that are a consequence of the operations of SFC, but are not directly owned or controlled by SFC.





**Diesel consumed at the Creamery location.

Propane 53%

CO₂

Natural Gas 0%

Electricity

3%

NORMALIZED EMISSIONS

- Measuring efficiency.
- Informs a more accurate multi-year comparison.
- Can boost moral on climate action.
- But...DO NOT forget that our real goal is reducing absolute emissions.



BENCHMARKED EMISSIONS

• Get outside of your house.

GHG EMISSIONS FOR FLUID MILK: PROCESSING EMISSIONS



job at controlling emissions?

Are you actually doing an OK

- Creates healthy competition.
- May help inform when you can/should really focus elsewhere, like Scope 3 (Don't scrape an empty bowl).

THE AVERAGE OF 50 MILK PROCESSING PLANTS IN THE US. 51% BELOW THE INDUSTRY CLIMATE EMISSIONS BENCHMARK.

*NUMBER NORMALIZED TO REFLECT SFC'S 2017 PRODUCTION



STOP

CLIMATE ACCOUNTING Forget the Scopes. Operationalized Emissions.



We've covered the house (1&2). Now don't forget the backyard (Operational 3)





A few notes on improving your emissions strategy.

- 1. Standardized climate accounting is necessary.
- 2. But...you don't need to act on climate within that framework.
- 3. Most businesses have tremendous control over certain Scope 3 items.
- 4. You should consider treating these the same as Scope 1 & 2.
- 5. To name a few (FYI most of these have readily available climate measuring tools):
 - 1. Water Conveyance.
 - 2. Employee Commute.
 - 3. Business Travel.
 - 4. 3rd Party Trucking.

- 5. Waste Management.
- 6. Waste Water.
- 7. Sourcing (localization)
- 8. Packaging





18 Metric Tons CO2e Avoided

(-)

- Don't neglect the realities of your direct supply chain.
- One project on a dairy farm is equivalent to offsetting all the Scope 1 & 2 emissions of our business.
- 14% of global emissions come from livestock agriculture.
- For the climate, the single most important thing we can do is to help model and champion a low-carbon, environmentally friendly dairy system.



Greenhouse Gas Emissions for U.S. Fluid Milk: Contribution by Supply Chain

U.S. Fluid Milk Carbon Footprint

COMET-Farm



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