

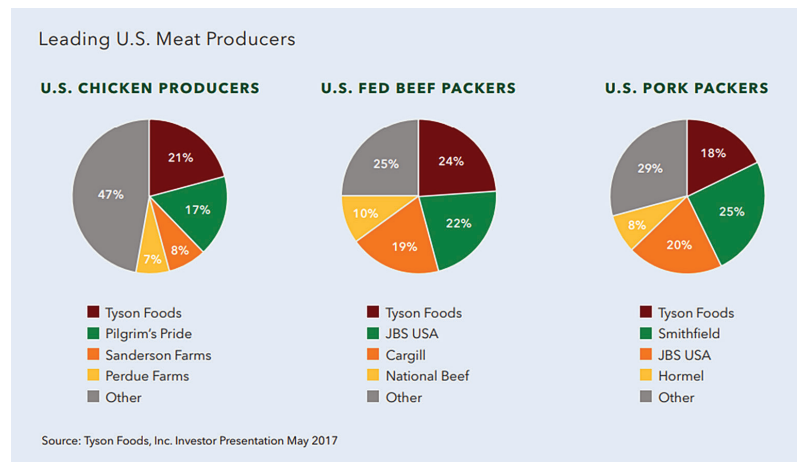
State of the Industry

The agriculture industry in the Midwest is a well-developed market system streamlined for two crops: corn and soybeans.

These crops are mostly grown to feed livestock or produce alternative forms of fuel like ethanol and have become the image the public has come to associate with farming in the Midwest. To meet the incredible demand for corn and soybeans, agriculture has become more specialized with production concentrated into larger and larger operations. Family farms have largely become a thing of the past. Farmers either have to keep up with, and join, these highly industrialized practices or are they forced out of business.

When it comes to raising livestock, many farmers are often contracted to corporate parents that control the entire supply chain — from all the inputs and animals to distribution, processing, and packaging. This leaves farmers subject to the whims of corporate buyers and forced to comply with production practices outlined by the corporate owner. Without a vertically integrated supply chain like often seen for conventional meat, many farms find it too challenging and expensive to raise and sell sustainable meat. Average farm income in Minnesota is at its lowest in over 20 years, mainly due to this continued drive for consolidation.

- More than 95% of farm animals in the United States are raised in factory farms.
- The majority of beef, poultry, and pork markets are controlled by the top four processors in the industry (Tyson, Cargill, JBS, and ADM) with similar consolidation for corn and soybean farming
- Tyson Foods alone makes up about 20% of the beef, poultry, and pork markets — it supplies one out of every five pounds of meat that people in the U.S. consume.
- These companies use the feed grown in the Midwest to finish raising their animals in feedlots and concentrated animal feeding operations (CAFOs) before processing, packaging, and ultimately selling their product to food service companies, restaurants, and supermarkets .
- While there may appear to be a wide variety of brands on the shelves, majority of the meat we eat falls under the control of these few industry leaders (For example brands Tyson operates include Jimmy Dean, Hillshire Farm, Ball Park Franks, State Fair, and Sara Lee).



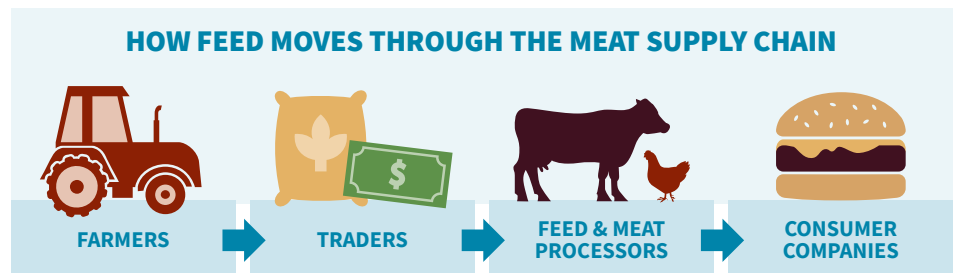
Meat Industry – Environmental Issues & Solutions

There are three big environmental issues with the production of meat – feed sourcing, manure processing, and climate change:

Raising meat takes vast quantities of feed. Millions of acres have been plowed over for large, monoculture crop fields dedicated to feeding livestock. Deforestation for agriculture is a problem in South America, but the Midwest is losing its native prairies and grasslands for farming. Converting natural habitats to agricultural fields releases carbon pollution, contributing to climate change. These crop fields are treated with toxic chemicals and doused in fertilizers, usually in higher quantities than the plants can use, leaving all the excess to runoff into surrounding waterways.

If it's not being sprayed onto fields, manure is typically stored in open lagoons that are susceptible to overflow during flooding or leakage due to faults. This releases harmful substances like antibiotics, bacteria, pesticides, and heavy metals into the surrounding environment. As the manure decomposes it releases emissions including methane, ammonia, and carbon dioxide which further contribute to climate change. On top of all of this, livestock emit methane (burps) during digestion and further emissions are released during the processing and transportation of the animals.

The entire supply chain of the meat industry contributes to an array of environmental issues affecting climate change and our water quality.



So what can we do?

We can demand that corporate agriculture implement the policies needed for a sustainable supply chain AND we can influence their customers – grocery stores, restaurants, and food service operations – to implement policies within their own supply chains to only source sustainable products.

Solutions:

1. Sustainable Feed Sourcing

- a. Raise all meat on feed from suppliers verifiably implementing practices to prevent agricultural run-off pollution, soil erosion, and native ecosystem clearance across their supply chain.
- b. Enrollment in nutrient optimization plan to prevent excess fertilizer application
- c. Implementation of cover crops and conservation tillage to protect soil health and reduce run-off
- d. Policy against clearing native ecosystems
- e. Incorporation and support of diverse crop rotation to improve soil health

2. Responsible Manure Management

- a. Provide centralized processing facilities to process manure generated
- b. Policy against placement of new or expansion of CAFOs in watersheds already classified as “impaired” from nutrient pollution

3. Greenhouse Gas Emissions Reductions

- a. Time-bound goals to reduce emissions across supply chain
- b. Require meat suppliers to reduce emissions from direct and contract suppliers as well as feed production