

MEMORANDUM OF UNDERSTANDING

between the
International Dairy Foods Association
and the
U.S. Environmental Protection Agency

I. Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish a working arrangement between the U.S. Environmental Protection Agency (EPA), its ENERGY STAR Program, and the International Dairy Foods Association (IDFA) (collectively, the Parties) to promote increased industrial energy efficiency among U.S. dairy processors and manufacturers.

This MOU supports a variety of activities which aim to assist these manufacturing companies to initiate and implement a productive energy management program, adopt clean energy-efficient technologies, and achieve continual improvement of their facilities' energy efficiency and intensity. IDFA and EPA intend to coordinate in helping IDFA member companies improve energy management and in measuring and documenting the energy savings achieved in IDFA member company manufacturing facilities as impacted by activities conducted under this MOU.

This MOU represents a non-binding expression of intent for IDFA and EPA to work together to promote manufacturing energy efficiency in the dairy processing industry.

II. Background

In the United States, the manufacturing sector utilizes nearly 32,000 trillion British thermal units (Btu) (approximately a third of U.S. energy use) to produce goods¹. Through normal market forces and deliberate action taken by manufacturing companies, energy intensity in the U.S. manufacturing sector (i.e. energy per product) improves by approximately 1.3% annually². At the same time, studies show that further efficiency improvements are possible.

International Dairy Foods Association

The International Dairy Foods Association (IDFA), Washington, D.C., represents the nation's dairy manufacturing and marketing industries and their suppliers, with a membership of 550 companies representing a \$110-billion a year industry.

IDFA is composed of three constituent organizations:

Milk Industry Foundation (MIF)
National Cheese Institute (NCI)
International Ice Cream Association (IICA)

¹ DOE/EIA, Annual Energy Review, 2005

² DOE/EIA, Annual Energy Outlook, 2007

IDFA's 220 dairy processing members and their divisions, subsidiaries, and joint ventures run nearly 575 plant operations, and range from large multi-national organizations to single-plant companies. Together they represent more than 85% of the milk, cultured products, cheese and frozen desserts produced and marketed in the United States. In addition, 320 member companies provide processing equipment and supplies, packaging equipment and materials, ingredients and a wide variety of products and services to the dairy processing industry. More than 15 state and regional trade associations are also members of IDFA.³

IDFA is a U.S.-based trade association that assists member companies to effectively manage production operations and profitably market their products and services. IDFA also promotes the interests of the dairy processing industry before the legislative and executive branches of the federal government. With the direction of its members, the professional staff of IDFA provides support in the areas of technology, management and education to further activities that will enhance the economic progress of the dairy processing industry.

U.S. Environmental Protection Agency

The mission of the EPA is to protect human health and the environment. EPA promotes industrial energy efficiency as a means of reducing energy intensity and air pollution related to energy use. ENERGY STAR, a voluntary program supported by business and introduced by EPA in 1992, enables businesses to clearly identify the energy management practices that enable companies to achieve energy savings. Through ENERGY STAR, EPA offers support to U.S. manufacturers in designing and operating strategic energy management systems and programs.

III. Collaborative Objectives and Acknowledgments

Both Parties acknowledge that energy efficiency offers a cost-effective opportunity to reduce energy use and costs. Further, EPA and IDFA recognize that existing information and tools are currently available to assist manufacturers to improve the energy efficiency of their operations. EPA and IDFA also share a common recognition that those manufacturers seeking opportunities to manage energy more effectively may have difficulty locating and using those resources. Therefore, both Parties believe that through outreach efforts and by sharing those resources, EPA and IDFA can reach a greater number of dairy processors, help them progress toward greater energy efficiency, and establish systems capable of delivering and sustaining energy savings in the long term. At the same time, both Parties believe that advanced energy management tools (such as an ENERGY STAR plant energy performance indicator), which currently do not exist, would be helpful to the dairy processing industry in improving energy efficiency.

IV. Understanding

The Parties intend to provide their specific expertise and services necessary to educate and enable U.S. dairy processors, regardless of company size, to strategically manage energy in their operations. Toward this goal, the Parties plan to deliver specific tools and resources. To facilitate this collaboration, the Parties intend to share success stories, lessons learned, and other relevant information (excluding Confidential Business Information). The Parties agree to jointly

³ IDFA, website homepage, 2010

and separately promote their participation in this initiative, to coordinate messaging, and to participate in outreach events and participant communications.

IDFA has access to the majority of U.S. dairy processors, having the means to communicate and encourage adoption of energy management practices. IDFA intends to:

- Introduce and engage the participation of U.S. dairy processors in the ENERGY STAR program, in ENERGY STAR's Focus on Energy Efficiency in dairy processing, and in the use of ENERGY STAR's energy management tools and resources.
- Provide the opportunity for forums where industry, IDFA and EPA may interact on tool use and development.
- Assist EPA in evaluating performance of this initiative.

EPA, through ENERGY STAR, has a host of tools, expertise, and services oriented toward corporate energy management. EPA intends to facilitate access to:

- A suite of energy management program development guidance and management tools,
- Listings of energy service and product providers,
- End-user networks,
- Web and teleconference based trainings,
- Formal recognition of energy performance achievements of dairy processors, for example through participation in "The ENERGY STAR Challenge for Industry."
- An ENERGY STAR Industrial Focus on Energy Efficiency in Dairy Processing, including a national plant energy performance indicator (EPI) to evaluate the energy efficiency of select types of dairy processing plants in the U.S.

IDFA will be permitted to use the ENERGY STAR logo for demonstration purposes only upon receiving prior approval from EPA for such use. EPA, when referencing or using the IDFA name or logo, agrees to adhere to IDFA guidelines.

V. Limitations of the Understanding

All commitments made by EPA in this MOU are subject to the availability of appropriated funds and budget priorities. Nothing in this MOU, in and of itself, obligates EPA or IDFA to expend appropriations or to enter into any contract, assistance agreement, interagency agreement, or to incur other financial obligations. IDFA will not undertake any effort that could result in IDFA being considered a federal contractor or grantee. Both Parties agree not to submit a claim for compensations for services rendered in connection with any activities carried out in furtherance of this MOU. This MOU is neither a fiscal nor a funds obligation document. Any endeavor involving reimbursement, expenditure, or contribution of funds between the Parties to this MOU will be handled in accordance with applicable laws, regulations, and procedures, and will be subject to separate subsidiary agreements that will be effected in writing by representatives of the participating Parties.

This MOU in no way restricts EPA or IDFA from participating in similar activities or arrangement with other entities or federal agencies.

This MOU does not create any right or benefit, substantive or procedural, enforceable by law or equity against EPA or IDFA, their officers or employees, or any other person.

This MOU does not create any obligation on the part of the individual IDFA member companies nor does it direct or apply to any person outside IDFA or EPA.

VI. Authorities

The authorities governing this MOU are as follows:

- The Energy Policy Act of 2005, Section 131A.
- The Clean Air Act, Section 103 of 1990, as amended.

VII. Effective Date

This MOU is to take effect upon signature by the Director of EPA's Climate Protection Partnership Division and the President & CEO of IDFA. This MOU may be amended at any time by the mutual written consent of the parties. The parties are to review this MOU every year to determine whether it should be revised, renewed, or cancelled. Either party may terminate this MOU upon 90 days written notice to the other Party.

VII. Points of Contact

For EPA:
Rebecca Hindin
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., NW (6202J)
Washington, D.C. 20460
Phone: (202) 343-9939
Email: hindin.rebecca@epa.gov

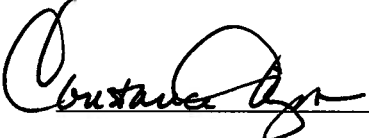
For IDFA:
Clay Detlefsen
International Dairy Foods Association
1250 H Street NW #900
Washington, DC 20005
Phone: (202) 737-4332 x3554
Email: cdetlefsen@idfa.org

VIII. Other MOU's

There are no superseding MOU's on this topic between the parties.

 1/20/10

Ann Bailey Date
Acting Director
Climate Protection Partnership Division
U.S. Environmental Protection Agency

 1/22/10

Constance Tipton Date
President & CEO
International Dairy Foods Association