



# SUSTAINABILITY REPORT



2020





# INTRODUCTION

*Our business is essential, and our mission is vital.*

2020 was a year like no other. The Covid-19 pandemic changed how we produce, distribute, and consume food. Seeing grocery store shelves empty was a reminder that our food system is fragile. When large, complex supply chains broke down, local producers were needed to feed their communities. Straus Family Creamery’s mission is to sustain family farms in Marin and Sonoma Counties by providing high quality, minimally processed organic dairy products. The pandemic demonstrated just how vital our mission is. Sourcing locally made it possible to adapt our operations to meet the needs of our community. Our Farmers’ Market team handled a 37% increase in sales, ensuring that local customers always had access to our products. We also donated 174,000 pounds of product to the Redwood Empire Food Bank, preventing waste and helping feed families in need. We were able to overcome many unexpected challenges thanks to the perseverance of our essential employees and the commitment of the family farms that supply us.

We also continued to make progress toward our sustainability goals, launching new projects in farming, packaging, and ingredient sourcing. This report describes that progress and celebrates our resilience through one of the most challenging years in memory. Now in 2021, we are excited to expand into our new creamery, to help support the next generation of organic dairy farmers in our region, and to face future challenges with the tenacity we cultivated in 2020.

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*“In the last year, we have shown that having a local, sustainable, organic farming system is vital to supporting our communities. We look forward to the future with our new processing plant and continue our efforts to make it as environmentally sound as possible while advancing our mission to sustain family farms and revitalize rural communities.”*

- Albert Staus  
Founder & CEO, Straus Family Creamery  
June 2020





## MISSION

*To sustain family farms in Marin and Sonoma Counties by providing high quality, minimally processed organic dairy products.*

*To support family farming and revitalize rural communities everywhere through advocacy and education.*

Straus Family Creamery’s mission has never been more important than in 2020. Covid-19 had a devastating impact on farmers nationwide, especially dairy farmers. Unlike most agricultural products, which are harvested seasonally, dairy farmers produce milk daily and rely on processors to pick up milk daily, too. Supply chain disruptions during the pandemic forced some dairy farmers to dump their milk because they had no way to store or process it. The loss of demand from the foodservice sector also hurt farmers and contributed to thousands of farm closures across the country. The number of dairy farms in the U.S. fell by 7% last year (approximately 2,500 farms), continuing a decades-long decline that mostly affects small, pasture-based farms.

Throughout the pandemic, Straus Family Creamery has remained committed to supporting the 12 family-owned organic dairy farms that provide our milk. The pandemic had significant, adverse impacts on our business by forcing our foodservice customers, such as restaurants and coffee shops, to close. Even when our sales declined, we continued to purchase milk from our farmers, process, and donate it to the local food bank. Doing so provided some stability to these family farms while also helping to feed our community members in need. While 2020 was a difficult year for all of us, it also proved the resilience of our local business model and demonstrated the need for strong local food systems.

## Our Local Dairy Supplier Network

**12 FAMILY FARMS**

*Number of local family farms that supply Straus Family Creamery.*

**275 COWS**  
*Average milking herd size.*

**8,563 ORGANIC ACRES**

*Total certified organic acres of land managed by dairy farms.*

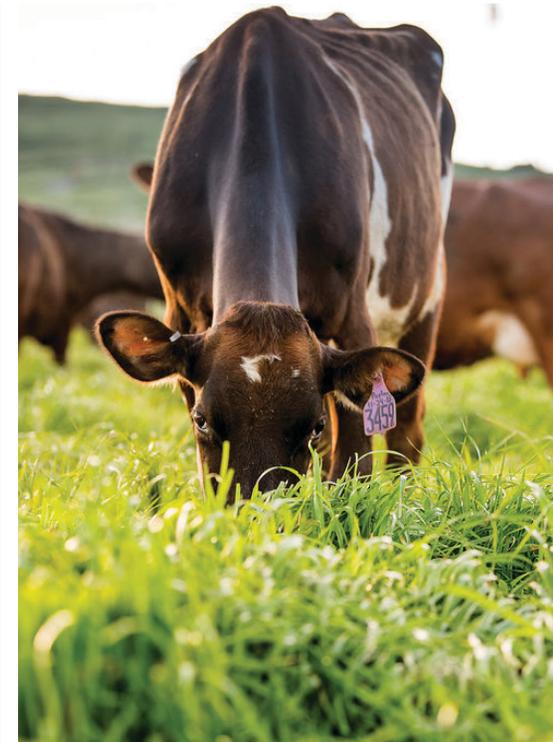
**20 MILES**  
*Average distance from farm to creamery.*

**26 YEARS**  
*Time that Straus Family Creamery has been in business to support local, organic farming.*

**3 GENERATIONS**  
*Dairy farmers spanning three generations.*

### Strengthening Our Commitment to Our Mission

Straus Family Creamery is a California benefit corporation, a business structure that makes us legally accountable to upholding our mission. For us, that means building collaborative relationships with our partner farmers and paying them a price that reflects the true cost of production for high-quality, organic milk. In 2020, we paid our contract farmers an average price of \$34.62 per hundredweight.



# 2020 Operational Footprint



MILK PROCESSED +0% over last year			
2019		2020	
56,133,790 lbs	28,067 tons	56,032,656 lbs	28,016 tons

DIESEL +1% over last year (per milk ton)			
2019		2020	
	per milk ton		per milk ton
56,280 gal	2.01 gal	56,569 gal	2.02 gal

PROPANE +9% over last year (per milk ton)			
2019		2020	
	per milk ton		per milk ton
175,554 gal	6.25 gal	190,562 gal	6.80 gal

ELECTRICITY +4% over last year (per milk ton)			
2019		2020	
	per milk ton		per milk ton
3,231,038 kWh	115.12 kWh	3,513,663 kWh	119.16 kWh

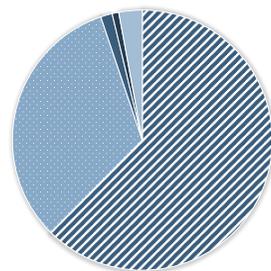
WATER +3% over last year (per milk ton)			
2019		2020	
	per milk ton		per milk ton
10,021,456 gal	357.06 gal	10,306,736 gal	367.89 gal

GHG EMISSIONS +8% over last year (total)			
2019		2020	
	per milk ton		per milk ton
1,596 MT CO <sub>2</sub> e	0.057 MT CO <sub>2</sub> e	1,727 MT CO <sub>2</sub> e	0.061 MT CO <sub>2</sub> e

**Our greenhouse gas emissions increased 8% last year. Why?** Our Scope 1 & 2 emissions increased because we were operating two creameries instead of one for part of the year! The 2020 data includes energy usage at the new creamery as we worked on construction and began production trials. We expect emissions to stabilize by 2022 after we complete the transition into the new creamery.

## Scope 1 & 2 GHG Emissions



- Propane
- Equipment Diesel
- Natural Gas
- Vehicle Fuels
- Electricity



# OPERATIONS

2020 was a transformative year for Straus Family Creamery's operations. When pandemic restrictions went into place in the spring, we were forced to transform our operations overnight. We adapted our production schedule to meet changes in demand and implemented new measures to ensure the safety of our essential workforce. Our top priority was supporting the well-being of our community through this crisis. Even still, we maintained sustainability across our operations by powering our Marshall creamery with zero-carbon electricity from Marin Clean Energy, capturing and reusing water in our production processes, and diverting 93% of our waste stream away from landfill.

Looking ahead to 2021, we are ready for our next transformation. We recently completed construction on our new creamery located in Rohnert Park, California. Since 1994, we have manufactured all products at our original creamery in rural West Marin. Although the old creamery served us well, it was time for a change. The new creamery is designed to fit our current operations with room to expand. More space and modern equipment will enable us to innovate and improve efficiency. The new creamery is also located closer to the neighborhoods where our workforce lives, which will reduce commute times by more than 70% and improve work-life balance. To help fulfill our mission, the new creamery will make it possible to grow our local supplier network, protecting the future of organic farming and food production in our community.



## PEOPLE

Here at Straus Family Creamery, we have always believed that people are our most valuable resource, and 2020 demonstrated the true value of a great team. When California issued its first lockdown in March 2020, life was transformed overnight: schools closed, events cancelled, businesses shuttered. Yet, people still needed to eat. As an essential business, we knew we had an important duty to continue feeding our community while also prioritizing the health and well-being of our workforce.

We immediately implemented measures to improve the safety of our essential facilities, such as social distancing and enhanced personal protective equipment. We provided masks, gloves, and sanitizer to all our employees - even when supply shortages forced us to get creative (for example, by buying hand sanitizer made by a local craft distillery). We offered flexible paid time off to encourage employees to stay at home if they contracted or were exposed to Covid-19. Our People & Culture Team worked tirelessly to ensure that every single team member had access to resources for taking care of their mental and physical health during the pandemic. Our essential employees met these unprecedented challenges with tenacity, capability, and resilience. Their commitment enabled us to continue providing high-quality, organic dairy products to our customers and community.

## Supporting Our Community



**HEALTH + WELLNESS**  
Fully sponsored healthcare and dental insurance for all employees.

**FINANCIAL STABILITY**  
401k with employer match up to 4% and profit-sharing through quarterly bonuses.



**2020 SAFETY RECORD**  
55 total incidents and 1 incident per 5,682 hours worked.

### 2020 Workforce Statistics



## 2020 CHARITABLE GIVING

*A few of the fantastic nonprofits we supported last year:*

### Marin Agricultural Land Trust

Continued 7-year tradition of donating a portion of glass bottle sales to the Marin Agricultural Land Trust (MALT). We gave a total of \$14,000 in 2020, helping MALT protect 54,000 acres of farmland in West Marin.



### La Cocina

Donated \$1,000 in holiday giving campaign to support La Cocina, an incubator program in San Francisco that empowers immigrants and women of color to become successful food entrepreneurs.



### Redwood Empire Food Bank

Provided 174,000 pounds of product to the Redwood Empire Food Bank in 2020, helping to meet a 79% increase in demand due to Covid-19 and feed more than 100,000 families across Northern California.



# Building a Sustainable Supply Chain

Taking a systematic approach to sustainable sourcing. In 2020, we developed new, long-term strategies for making sustainability a key consideration in all our purchasing decisions, in addition to other critical factors such as cost and product quality.



## INGREDIENTS

- 37** Ingredients used to make Straus Family Creamery products.
- 99%** Proportion of ingredients (by weight) are certified organic and non-GMO.\*
- 5** Core ingredients we use the most: milk, sugar, cocoa, vanilla, and eggs.
- 15** Number of suppliers that completed a sustainability survey in 2020.



## PACKAGING

- Total pounds of packaging material purchased in 2020. **3,015,144**
- Disposable packaging materials widely recyclable or compostable. **69%**
- Glass bottles returned for reuse by Straus customers last year. **2,822,566**
- Overall return rate for Straus glass bottles in 2020.\*\* **66%**



## SOURCING

At Straus Family Creamery, we take pride in sourcing organic milk from local, family farmers. However, we also rely on complex, global supply chains to procure the other ingredients and packaging materials involved in making our products. In 2020, we launched two new sustainability initiatives for reducing the upstream social and environmental impacts of our supply chain.

We conducted a risk assessment of our entire ingredient supply chain and led a supplier survey to better understand where and how our ingredients are produced. Based on this research, we developed *The Sustainable Sourcing Framework*, a plan for aligning our ingredient supply chain with our mission and values. We adopted new sustainable sourcing goals for 2021 to improve the ingredient traceability and deepen supplier engagement.

*The Sustainable Packaging Roadmap* evaluates the environmental footprint of Straus Family Creamery's packaging using a lifecycle approach, which includes how the raw materials are produced, shipped, manufactured, and disposed. *The Roadmap* identifies viable short and long-term improvements to help Straus Family Creamery reach our ultimate goal of eliminating petroleum-based plastic from our packaging and supporting systemic change to reduce the food industry's dependence on these materials.

\*Some ingredients, such as salt, are ineligible for organic certification.

\*\*Prior to last year, our average bottle return rate was 75%. Returns fell significantly in 2020 due to the changes in grocery store operations and consumers' shopping habits related to Covid-19.



## CLIMATE

Dairy farming has an outsized impact on climate change because cows are ruminant animals that naturally produce methane, a potent greenhouse gas. Although cows are part of the climate problem, they are also an important part of the solution. Straus Family Creamery has a bold plan to make organic dairy farming carbon neutral. (Yes, it's possible!) We are collaborating with the Straus Dairy Farm to develop a carbon-neutral model for organic dairy farming that is both ecologically sustainable and economically viable for family farms. Our model integrates regenerative land management practices with innovative technologies for reducing greenhouse gas emissions. Our goal is to achieve net-zero emissions on the Straus Dairy Farm by 2023.

In 2020, we partnered with the Cool Farm Alliance to measure the carbon footprint of the Straus Dairy Farm using the Cool Farm Tool (CFT). Based on CFT analysis, the farm's baseline emissions\* in 2000 were approximately 2,810 MT CO<sub>2</sub>e. An upgraded biodigester system installed in 2020 as part of a technology trial project reduced manure methane emissions by nearly 90% compared to baseline. Carbon farming practices such as planting hedgerows and applying compost offset an additional 137 MT CO<sub>2</sub>e annually. The Straus Dairy's carbon footprint is now approximately 1,863 MT CO<sub>2</sub>e, one-third of the way to the goal of carbon neutrality.

\*CFT measures farm-gate emissions, which includes upstream emissions from the production of purchased feeds.

\*\*Carbon footprint taking into account estimated carbon sequestration.

## A Climate-Smart Organic Dairy Model



### **The Solution Begins with Organic Agriculture**

Organic practices are the foundation of the Straus Dairy Farm's model for carbon neutral dairy farming. Organic, pasture-based farming is better for the climate and provides environmental cobenefits such as enhanced water quality and biodiversity.



### **Methane Biodigester Converts Manure into Renewable Energy**

The biodigester on the Straus Dairy Farm takes in manure from the barns and captures the methane biogas to generate electricity. The biodigester reduces manure methane emissions by 90% and offsets the additional emissions from grid electricity.



### **Seaweed Supplements to Suppress Enteric Emissions**

Enteric methane emissions (commonly known as 'cow burps') represent 33% of baseline greenhouse gas emissions on the Straus Dairy Farm. Next year, the farm will trial a red seaweed feed supplement that could reduce enteric emissions up to 95%.



### **Carbon Farming Practices that Enhance Soil Health**

Carbon farming is a set of land management practices that build healthy soil and sequester atmospheric carbon. The Straus Dairy Farm has a Carbon Farm Plan developed by soil scientists at the Marin Agricultural Land Trust.



### **Electric Farm Equipment to Eliminate Fossil Fuels**

The Straus Dairy Farm aims to eliminate fossil fuel emissions by converting all farm equipment to electric. The farm already uses an electric feed truck powered by renewable electricity from the biodigester.



### **The BHAG**

We call it our big hairy audacious goal (BHAG for short): the Straus Dairy Farm aims to become net carbon neutral in 2023 by advancing innovative technologies and regenerative practices.



*Nourishing Farms, Food, People, and Earth*  
*strausfamilycreamery.com*

