

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) sets forth the agreement among

- The Alliance for a Healthier Generation;
- Anderson Erickson Dairy, Co;
- Farmland Dairies LLC;
- Foremost Farms USA;
- Heartland Farms;
- National Dairy Holdings, LP;
- Shamrock Foods Company; and
- Wilcox Dairy Farms

regarding improving the health of American school children with the availability of milk products that meet the Alliance for a Healthier Generation School Beverage Guidelines.

### I. Overview

The Alliance for a Healthier Generation ("Alliance"), a joint initiative of the American Heart Association and the William J. Clinton Foundation, in collaboration with leading fluid milk processors to commit to working together to achieve broad availability to schools of milk products that meet the Alliance School Beverage Guidelines ("Guidelines"). These fluid milk processors include Anderson Erickson Dairy, Co; Farmland Dairies LLC; Foremost Farms USA; Heartland Farms; National Dairy Holdings, LP; Shamrock Foods Company; and Wilcox Dairy Farms ("Signatory Companies"). The execution of this MOU and the decision to support the Guidelines contained herein have been undertaken independently by each Signatory Company.

### II. School Beverage Guidelines for Regular and Flavored Milk

Regular and flavored milk must meet one of the following numbered nutritional criteria:

1. Fat-free or low fat milk;
2. Nutritionally equivalent milk alternatives (per USDA);
3. Nutritionally equivalent flavored milk with up to 150 calories / 8 ounces.\*

And meet one of the following numbered container size criteria:

1. Up to 8 ounces for elementary school;
2. Up to 10 ounces for middle school; \*\*
3. Up to 12 ounces for high school.

\* In recognition of the currently limited or lack of availability to schools of flavored milk with less than 150 calories / 8 ounces and the importance of milk's natural nutrients in children's diet's, flavored milk with up to 180 calories / 8 ounces will be allowed under these Guidelines until August 31, 2008. Because of California's unique milk regulations, the calorie limit for fat-free and low fat flavored milk in California schools is 180 calories / 8 ounces. Until August 31, 2008 fat-free and low fat flavored milk in California schools can have 210 calories / 8 ounces.

\*\* As a practical matter, if middle school and high school students have common access to areas where beverages are sold on a common campus or in common buildings, then the school community has the option to adopt the high school standard.

### **III. Time of Day**

These Guidelines shall apply to milk and milk alternatives sold on school grounds or at school activities during the regular and extended school day when events are primarily under the control of the school or third parties on behalf of the school. The extended school day is defined as the time before or after the official school day that includes activities such as clubs, yearbook, band and choir practice, student government, drama, sports practices, intramural sports, and childcare / latchkey programs.

These Guidelines do not apply to booster sales at school related events where parents and other adults are a significant part of an audience or are selling food as boosters either during intermission or immediately before or after such events. These school related events frequently occur during evenings and weekends. Examples of these events include but are not limited to interscholastic sporting events, school plays, and band concerts.

### **IV. Implementation and Execution**

It is the goal of each Signatory to optimize the availability and consumption of 100% milk products that meet the Guidelines by students in school. Each Signatory will urge school authorities, education leaders, and education organizations to offer all students only milk products that meet these Guidelines during the regular and extended school day in an effort to help children meet their nutrient needs including those that can most easily be met by consuming 3 daily servings of fat-free or low fat milk and milk products. Each Signatory Company will use its best faith efforts to offer new, lower sugar, lower calorie fat-free and/or low fat flavored milk products to all schools by the 2008-2009 school year. During the transition period that ends August 31, 2008, the Alliance and each Signatory Company will encourage schools to work with their vendor(s) to lower the calories and added sugar in the flavored milk they purchase and to purchase the lowest calorie flavored milk available to them.

Although the Alliance and each Signatory Company are committed to working together to achieve the goals set forth in this MOU, each Signatory Company may continue to work independently with schools. Further, this MOU does not prevent each Signatory Company from selling products that do not satisfy the Guidelines to schools who request them.

Notwithstanding any other provision of this MOU, the Signatories are subject to and must comply with all applicable federal and state antitrust laws, and will not as part of the activities under this MOU share cost or price information or engage in any anticompetitive activities.

### **V. Reporting**

Beginning in September 2008, and annually each year thereafter, the Signatory Companies will report to the Alliance the percentage of their school contracts that include only milk products that meet the Guidelines.

### **VI. Healthy Schools Program Standard and Other Standards**

The milk criteria included in this MOU are an addendum to the Alliance School Beverage Guidelines required for recognition in the Alliance's Healthy Schools Program. Through the end of the 2007-2008 school year, schools that meet the Guidelines with milk products between 150 and 180 calories / 8 ounces will be eligible for recognition under the Healthy Schools Program at the bronze level.

All Signatories recognize that some state legislation, district policy, or other standards may be different than these Guidelines. These Guidelines are not intended to usurp the authority of parents, educators, and their elected representatives or to undermine any local initiatives to set standards or change any laws.

We further recognize there may be state regulations that mandate additional calories beyond the applicable Federal Standard of Identity for fluid milk. Currently, regulations in California require the addition of milk solids that result in higher calories levels. The Alliance School Beverage Guidelines account for these regional differences.

## **VII. Communications**

All Signatories will actively support these Guidelines and their commitment to the types of beverages that should be offered for sale in schools on an ongoing basis.

All public use of names or representations in association with this agreement of President Clinton, the American Heart Association, and the Alliance must be approved in writing in advance by the Clinton Foundation, the American Heart Association, and the Alliance, respectively. Usage of the American Heart Association, Clinton Foundation, or the Alliance trademarks or service marks requires compliance with the respective policies of each organization and prior written permission.

All public use of names and representations in association with this agreement of the Signatory Companies as well as their products and services must be approved in writing in advance by the respective Companies. Usage of Signatory Company trademarks or service marks requires compliance with the respective policies of each Company and prior written permission.

## **VIII. Changes**

All Signatories recognize that new generally-accepted scientific evidence, federal legislation or regulations, recommendations from authoritative public health organizations, or compelling evidence regarding the feasibility of implementing these Guidelines in schools may arise at any time that could cause us to revisit and potentially revise these Guidelines or amend this MOU.

[Signatures of Authorized Representatives of Parties to this MOU appear on next page.]

**ACCEPTED**

Alliance for a Healthier Generation  
55 West 125th Street  
New York, NY 10027

By: \_\_\_\_\_  
Printed Name: Robert S. Harrison  
Title: Executive Director  
Date: \_\_\_\_\_, 2007

National Dairy Holdings, LP  
3811 Turtle Creek Blvd. Suite 1300  
Dallas, TX 75219

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2007

Anderson Erickson Dairy, Co  
2420 E University  
Des Moines, IA 50317

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2007

Shamrock Foods Company  
2228 North Black Canyon Hwy  
Phoenix, AZ 85009

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2007

Farmland Dairies LLC  
520 Main Avenue  
Wallington, NJ 07057

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2007

Wilcox Dairy Farms  
40400 Harts Lake Valley Road  
Roy, WA 98580

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2007

Foremost Farms USA  
E10889A Penny Lane  
Baraboo, WI 53913

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2007

Heartland Farms  
17851 E Railroad Street  
City of Industry, CA 91748

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2007