



800-4BUTTER
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**Dairy is more than our business.
It's our passion.**



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Summer 2014

Food Safety is Top Priority at Grassland and West Point Dairy

It has been 20 years since the E. Coli outbreak at Jack in the Box restaurants that resulted in the deaths of four children and 623 people sick in the Pacific Northwest.

The tragedy alarmed the country and widespread media coverage established food safety as a serious public health issue. In 1993, few people had even heard about E. Coli, and nobody believed that they could get so sick and die from undercooked hamburgers. The government reacted to the outbreak with a series of new laws and regulations.

The government established new food safety regulations by raising the cooking temperature for beef, upgrading state and federal health codes and mandating warning labels. In addition, the government created new inspection agencies to oversee and audit food manufacturers.

At Grassland and West Point, the highly trained quality assurance (QA) staff works closely with government agencies and third-party auditors to stay abreast of the latest safety standards and ensure regulation compliance. In addition, numerous food service companies send independent auditors to the USDA-approved facilities to ensure products exceed all QA standards. This includes compliance under the National Food Processors Association's program known as SAFE: Supplier Audits for Food Excellence.

As part of food safety preparation, Grassland and West Point closely follow the Hazardous Analysis and Critical

Control Points (HACCP) plan, a FDA and USDA management system that works to prevent hazards and ensure safe production processes. HACCP provides standards for plant-wide Good Manufacturing Practices (GMP) based on FDA and USDA requirements. These GMPs help to ensure product safety and prevent product recalls. HACCP guidelines have also been shown to

increase overall plant efficiency.

Grassland and West Point focus their GMPs on personnel cleanliness and hygiene, in addition to product handling and equipment cleanliness. The plants at Grassland and West Point use state-of-the-art equipment for both production and safety purposes. Clean-in-place (CIP) technology is performed at least every 48 hours and is monitored by daily recordings.

Raw milk and cream samples are tested immediately upon arrival at the plant. Samples of churned butter and dairy powders are taken systematically throughout

production and analyzed for quality. On the production line, metal detectors scan products and report traces of particles; reports are also run on product moisture, protein and acidity levels.

At Grassland and West Point, we are highly sensitive to food safety issues and take preventative measures to avoid public health tragedies like the Jack in the Box incident. The success of the company was built on the foundation of uncompromising quality, service and value.



Butter Market Update: May 2014

The Chicago Mercantile Exchange (CME) butter price celebrated May Day by settling above two dollars for the first time since September 2, 2011. And on May 2nd, the price advanced 7.25 cents to settle for the week at \$2.0750.

This counter-seasonal increase apparently was supply side driven; demand has been less than stellar. Commercial disappearance was lackluster in February, according to USDA calculations released April 25th and during Mar, according to my estimates, disappearance was down 15%. Therefore, commercial disappearance was up fractionally, just 0.4%, during the first quarter of 2014, according to my estimates based on stocks and production data thru Mar.

Butter production was below the year-earlier level for the fifth consecutive month during Mar, according to NASS



estimates released May 1st. This shortfall in supply has been getting bigger. Production was down about 3% in January, down 6% in February and down 9% in March.

Where will the U.S. price go from here? It will almost certainly remain over two bucks near-term and probably move higher. It will take time for milk and cream production to build; consequently, U.S. butter stocks will be tight and possible imports from Oceania or Europe will take some time to materialize.

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Grassland Dairy Products and West Point Dairy Products use sources that we believe to be reliable, but it cannot warrant the accuracy of any of the data or forecasts included in this report.

Customer Profile

Flavor Cupcakery Wins "Cupcake War" With High Quality Ingredients



For almost four years, Flavor Cupcakery has served up fresh baked goodness in the form of cupcakes. Starting out in a rented kitchen and selling cupcakes through online orders, Flavor Cupcakery grew and expanded and now has two locations outside of Baltimore, Maryland.

Starting out in Bel Air, Maryland, Flavor's customers encouraged the bakery to audition for one of the more popular food shows on television - the Food Network's "Cupcake Wars". In its first year of business, Flavor Cupcakery won the "War". Shelley Stannard, the owner of Flavor Cupcakery, said her decision to audition for the show was based on the enthusiasm and support from her customers to tryout. Winning Season Four on the Food Network show felt like a "win for my community", Stannard said.

After their success on "Cupcake Wars," customers traveled long distances to visit the shop and taste award-winning cupcakes. In April 2012, Flavor Cupcakery decided to add a second location about 35 minutes away from the original shop in Cockeysville, Maryland. A few months later, in November, the business purchased a Cupcake Truck. Stannard saw that

the Food Truck industry was growing in the Baltimore area and she knew it would be a valuable addition to the store offering mobile cupcakes and delivery to businesses and events.

Flavor customers are treated to the freshest baked cupcakes. Flavor Cupcakery prides itself on baking their cupcakes with real and fresh ingredients. Stannard insists on high quality ingredients, "I'll close my doors before I start lowering my ingredient standards. I use real butter in my baking because I think you can taste the difference instantly!"



Flavor Cupcakery started using Grassland Dairy Products' Fall Creek butter because of its quality. "Fall Creek was recommended to us as a great product and the manufacturer behind it is great to work with," Stannard said. The butter is used in almost every recipe for the shop: cakes, frostings, sauces and crusts. Flavor uses real butter and real fruit to create unique flavor combinations.

Stannard believes that "when it's time to splurge, every bite should be worth it!" Using quality ingredients like Fall Creek butter makes the difference in the cupcake war.



Product Profile

Enhanced Grade A Non-Fat Milk Solids

Grassland Dairy Product's new Enhanced Grade A Non-Fat Milk Solids (NFMS) offer the most cost-effective milk replacer for Non-Fat Dried Milk and Whey. Made from ultra-filtered whole milk, these 100% non-fat milk solids, with reduced protein and concentrated milk flavorants, deliver true non-fat milk flavor and texture.

Properties

- True milk flavor, texture and mouthfeel
- Contains no whey ingredient
- Low protein and reduced astringency

Benefits

- Concentrated milk flavorants for improved texture and functionality
- Easily substituted into formulations
- Clean label
- Cost reduction of over \$1 per pound when compared to NFDM

Application

Can be used as a non-fat dry milk replacer for:

- Dairy products
- Beverages
- Sauces and soups
- Puddings and fillings
- Salad dressings
- Compound chocolates
- Bakery products and novelty items

Unlike "non-fat replacers" our product contains no whey. Using a proprietary technology, natural milk flavors are concentrated, creating the most cost effective NFDM replacement. Grassland Enhanced Grade A Non-Fat Milk Solids offers reduced cost product functionality while providing true milk flavors and textures.

Grassland Dairy Products Recognizes Storms and Associates, LLC as 2013 Broker of the Year

Grassland Dairy Products, Inc. is proud to announce Storms and Associates, LLC as 2013 Broker of the Year.

Seventeen years ago Dennis Storms and his wife Karen started their food service brokerage business that has been indispensable to Grassland. Currently, Storms and Associates represent Grassland in Michigan and Ohio and along the East Coast from New York to the Carolinas.

Dennis Storms is a vital asset to Grassland with his expertise in business development. His experience and relationships in the foodservice and dairy industry have allowed him to evaluate competitive challenges and logistical solutions. In addition to working sales and building relationships with customers, Storms provides training for Grassland's distributors.

For over 35 years, Storms worked in dairy production facilities around the country manufacturing cheese, cottage cheese, sour cream and other dairy products. His experiences afforded him unique expertise to develop industrial business when developing his brokerage firm.



Storms and Associates is a growing business which continues to remain in the family with Brennen Storms as the current president and Chris Sanders, the office manager. Storms and Associates work daily with production managers, research specialists and sourcing managers to handle their butter and dairy powder needs.

Grassland is proud to honor Storms and Associates with the

2013 Broker of the Year award valuing their expertise, hard work and dedication to selling quality dairy products.



Check Out Grassland at the IFT Annual Meeting

Grassland will be exhibiting at the Institute of Food Technologists Food Expo in New Orleans, Louisiana. The IFT Annual Meeting and Food Expo takes place June 21-24, 2014. Visit Booth 4922 for all your butter and dairy ingredients needs!

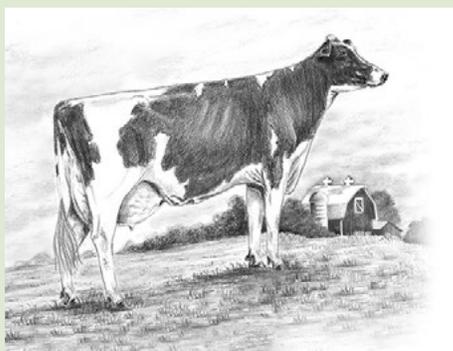
Over 18,000 food science and technology professionals attend IFT to discuss new products and technology development. This year Grassland has a new product in the dairy ingredient lineup: Enhanced Non-Fat Milk Solids. Come to the Grassland booth with your inquiries and talk to the experts; and try applications of our dairy ingredients in king cakes and café au laits!



About Us

Five Generations of American Dairy Tradition

Grassland and West Point preserve the Wuethrich family legacy of dairy product manufacturing as Grassland is the largest family-owned creamery in the United States. For over 100 years, Grassland has been recognized worldwide for quality, and is a leader in product research and development. Continuous technological improvements make Grassland and West Point one of the most advanced butter producers in the world. With a variety of product offerings, Grassland and West Point commit to exceeding the needs of their dairy retail, foodservice and industrial customers; insisting on uncompromising quality and exceptional value in every product.



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Grassland Dairy Products Receives Best of Class in World Championship Cheese Butter Competition



Grassland Dairy Products, Inc. received Best of Class for salted butter at the 2014 World Championship Cheese Contest hosted March 18-19 in Madison, Wisconsin.

Over 20 entrants from around the world competed in the salted butter competition. Grassland was awarded first place based on the judges' scores for package and appearance, flavor, body, color and salt attributes. In the unsalted butter category, Grassland and West Point Dairy Products placed in the top ten.

“At Grassland we are very focused on providing our customers with a quality product. Entering competitions like the World Championship Cheese Contest is one of the ways we can measure how our product stands against other buttermakers from all over the globe, not just domestically. We are excited to receive Best of Class in the salted butter category,” Trevor Wuethrich, Vice President of Grassland said.

Located in Central Wisconsin, Grassland is one of the largest family-owned butter production facilities in the world. Grassland is a leader in product innovation. Continuous technological improvements make Grassland a leader in dairy product manufacturing with a variety of product offerings in dairy retail, foodservice and industrial markets.

Grassland received the gold medal for their salted butter at the World Champions Awards Banquet on Thursday, April 24, 2014. The Awards Banquet was hosted at the Wisconsin Center in Milwaukee, Wisconsin as part of the 2014 International Cheese Technology Exposition.

