



QUARTERLY NEWSLETTER

Second Quarter 2011

YOUR QUARTERLY SCOOP

The Importance of Waste Reduction

Safeway Stores, one of the finest supermarket chains in the country, founded its business 80 years ago with the slogan "Distribution Without Waste". When you think about it, isn't that curious? Wouldn't you think that the top concern that Safeway would want to communicate would be customer service, or quality, or low prices? Maybe Safeway was simply ahead of their time, with the realization that the minimization of waste was so important that it would lead to the success of their company.

This isn't anything new to us. Our parents told us "Waste not, want not", "A penny saved is a penny earned", and "Haste makes waste". We now use more sophisticated terms like source reduction and carbon emission abatement, but the bottom line is that, just as Safeway said, waste reduction is a survival issue for every company.

Here in 2011, we are experiencing major cost increases in everything from diesel fuel to milkfat, and it certainly doesn't look like there is any relief coming soon. Higher energy costs are showing up in everything we buy. This situation makes it even more important that all of us are involved in reducing waste and shrinkage, throughout the company, in every material and supply that we use. It's simple: as our costs go up, waste reduction has a greater effect in keeping us cost competitive.

In our strategic plan, one of our main goals is to reduce plant shrinkage by 10% against last year. Just about every functional group in TEAMS incorporates that goal. So far in 2011, we have made progress, but there's certainly plenty of room for additional improvement. We all need to be involved, to be actively looking for ways to eliminate waste in all our operations, and to know what the results of our efforts are.

Last year, in our "Fresh Ideas Start Here" employee suggestion program, only 2 out of 25 awards were given for waste reduction ideas. Take a fresh look at your daily activities: a good idea just might get you an award, help your group meet its TEAMS goal, and keep us competitive in this higher cost environment.



If you have something that you would like to see in the next newsletter, contact Emily in HR at ext. 2212.



FOUNDERS' DAY

This year Byrne Dairy celebrated its first Founders' Day, commemorating 75 successful years thanks to the Company's original founders. This years Founders Day was celebrated on February 3rd and was celebrated in the Company's various locations.

One of the highlights of this years celebration was the special edition chocolate milk (left) created by Mary Kamm and the quality team. The milk was made manually in the facility's test lab with special ingredients including Hershey's chocolate.



In Lafayette Bill Byrne and Carl Byrne were invited for lunch which was Catered by Limp Lizard. Bill and Carl spoke about Matt Byrne, the founder of Byrne Dairy and also told stories on the Company's history while sharing photos from the past.



At ICC, A collage of pictures was displayed on the wall in the front room which contained photos with the theme of "Family devoted to Quality". Along with this was a lunch buffet for all employees.

Around 9.2 million cows are being milked on 110,000 farms in the United States. More than 99% of all dairy farms are family owned and operated.



The Byrne Plant also celebrated with food and milk. On left, John Jemola and Larry Garvey toast to Founders Day with some of the special edition chocolate milk .

At the Rochester Depot, employees celebrated by firing up the grill!
(Right)



At the Worcester Depot, employees also enjoyed some food with some wings and pizza.



Milk is better for cooling your mouth after eating spicy food. Milk products contain casein, a protein that cleanses burning taste buds.

SAFETY KUDOS!

All Byrne Dairy facilities recently completed their third, annual Safe Quality Foods (SQF) audits. Kelly Natali, our corporate SQF practitioner, reported that while all the plants retained their level 3 certification status, the Ice Cream Center should receive extra kudos for attaining an Excellent Rating on their audit. Mike Haldane and his team should be very proud of their rating. Their attention to housekeeping details and level of Good Manufacturing Practice compliance were what set their facility apart. Matt Callard, the Ice Cream Center SQF Practitioner, also deserves accolades for his work in assuring the successful outcome of this year's audit. We also appreciate the fact that Kelly, who is expecting her first child this Spring, held off going out on maternity leave until she could coach us through the 2011 audits!

ARE YOU UP FOR A CHALLENGE?

Corporate Challenge season is here and this year's event will be held on Tuesday June 21st at Onondaga Lake park. Whether you are a serious runner, jogger or walker, you can join our team in the 3.5 mile challenge! Proceeds of the event go towards raising awareness on the importance of early childhood education. If you have any questions about signing up, or about the event in general, contact Aaron Connors at extension 2384.



AROUND THE COMPANY

The U.S. enjoys an average of 48 pints of ice cream per person, per year, more than any other country



CFO Scott Matukas got his head shaved as part of the St. Baldrick's Day fundraiser at Kitty Hoynes on March 27th. Scott and his son helped raise money to fight childhood cancer. In all, the event raised over \$393,000.

Congratulations to February's MilkPEP Award Winner, Eric Greiner! Eric and his team took advantage of Refuel with Chocolate Milk Finish Line Kits and brochures to leverage the "Refuel" message throughout the Adirondack Canoe Classic event. MilkPEP stands for Milk Processor Education Program which runs the "Got Milk?" campaign, and is a program designed to promote the consumption of milk and milk products by promoting the different health advantages of drinking milk. At the Canoe Classic, Eric and other MilkPEP representatives helped promote the muscle healing powers of fat free chocolate milk that research has shown is a good alternative to traditional sports beverages in repairing muscles after strenuous activity!



Help Wanted

We are looking for volunteers to serve on the Employee Community Outreach Committee through October 2011. We need an employee representative from each of the following Departments: Oneida Street Plant, Cooler Ultra Plant, Court St. Warehouse, Ice Cream Center, Garage, and Erie Cooler.

What will I have to do on this committee?

The committee meets just once every other month to review requests for contributions submitted by our employees or received via mail. The committee then decides how Byrne Dairy will spend the annual budget earmarked for giving.

Contact Judy Murphy in HR at Ext. 2204 if interested. DEADLINE June 1st