



# Legacy & Leadership

**Rick Smith** is president and CEO of Dairy Farmers of America Inc. (DFA), Kansas City, Kansas. He began his career in the dairy industry in 1982, when he joined Dairylea Cooperative Inc. as vice president of administration and general counsel. He served as CEO of Dairylea from 1988 to 2005 before he assumed the role of president and CEO of DFA in 2006. Prior to his employment with Dairylea Cooperative, he was an attorney with Bond, Schoeneck & King in Syracuse, New York.

At DFA, Smith has established a values-based culture for the organization and instilled operational discipline and efficiency. Under his leadership, DFA has undertaken several strategic initiatives designed to bring its family farm-owners increased value, expand the cooperative's global footprint and grow its commercial businesses. He has played a key role in elevating DFA's focus on its family farm-owners in alignment with its mission, vision and values, improving its sustainability efforts and strengthening the cooperative's relationships within the industry.

Smith also serves as chairman of Global Dairy Platform, and is a director on the boards of National Milk Producers Federation, National Council of Farmer Cooperatives and the Innovation Center for U.S. Dairy.

He holds a Bachelor of Arts degree (cum laude) in political science from the University of Massachusetts (Amherst) and a juris doctorate degree from St. John's University School of Law. He served as editor of the St. John's Law Review and student editor of The Catholic Lawyer.

**Q** How is the dairy industry uniquely positioned as an essential industry to feed the nation and world during the COVID-19 crisis?

**A** What we found through this pandemic is that our industry is truly resilient and that consumers truly value and appreciate dairy's value proposition — from a cost/benefit and nutrition standpoint.

Dairy farmers are some of the most dedicated and hardworking people on this planet. They get up 365 days a year and they milk cows. So, when the pandemic hit, our farm families continued to milk cows and produce milk, and our essential workers worked diligently to continue getting the raw milk to our customers' plants and facilities with minimal disruption.

Our farm families, as well as our nearly 20,000 employees across the United States, take great pride in helping feed their local communities, and they used this same passion, dedication and focus to keep going and persevere throughout the last year.

**Q** Can you comment on the steps you have taken to establish a "values-based" culture at the cooperative?

**A** What we do is important, because at the core, we are all about providing value to our family farm-owners. But how we do it is equally as important. At DFA, our mission, vision and values are the foundation of who we are and guide us in everything that we do. Our cornerstone values — integrity, passion, quality and community — are the compass directing us on how to achieve long-term success, all while keeping the focus on our family farm-owners as we continue to evolve.

These core values are not just words for us. They are a set of standards that we empower our employees to live by each

and every day. These values bind our entire cooperative to our family farm-owners and strengthen the connection with our employees, our customers and our consumers.

**Q** How has DFA evolved to have more of an international footprint in the past decade?

**A** Since the creation of DFA in 1998, we have made a concerted effort to grow our understanding and capabilities with regard to the opportunities in the global dairy arena. Our family farm-owners and the U.S. dairy industry continue to grow. Exports present a huge opportunity for the U.S. dairy industry to gain access to new and developing markets.

We wanted to establish DFA as a consistent supplier to the global market with our first greenfield, global-oriented facility in the 20th century, built in Fallon, Nevada. This facility was a signal that we were committed to investing in capabilities to produce global ingredients in line with global standards to better meet the needs of our global customers.

As we continued to build our global customer base, we have continued to invest in new facilities and new capabilities. In 2017, we opened a state-of-the-art ingredients plant in southwest Kansas that has helped support and enhance our global ingredients strategy. We also established a satellite customer and sales office in Singapore that allows us to have more direct customer interaction across Asia, Southeast Asia and the Indian subcontinent area.

As chair of the board of directors for Global Dairy Platform (GDP), a pre-competitive organization made up of leading dairy companies around the world, I have seen firsthand the opportunities and importance for U.S. dairy to be involved in the global market. This is not just from a product standpoint, but also on other issues such as climate change and broader sustainability topics.

We are also committed to supporting and having leadership roles in the U.S. Dairy Export Council, which is helping the overall industry increase its insight into global demand for U.S. dairy products and ingredients.

**Q** How do your members continue to stay competitive with the emergence of alternative "milk" sources like plant-based, etc.?

**A** We want to be able to offer "choice" for consumers. Overwhelmingly, those who purchase and consume "alternative milk" products also are strong dairy consumers. So, we know it's important that we continue to challenge ourselves to remain relevant and develop innovative products that appeal to the wants and needs of today's consumers. One way we are doing this is by looking at new ways to reach consumers. Our Live Real Farms brand launched a new beverage, Dairy+ Milk Blends, which combines all the nutritional benefits of real cow's milk with the flavor and texture of plant-based options like almond or oat beverage. This product is ultimately rooted in real, wholesome milk but gives us an opportunity to fulfill a need and provide a unique taste experience for consumers who might be exploring other beverage options.

**Q** Please comment on the importance of accuracy, product quality and reputation to the longevity of a business.

**A** Quality is paramount in whatever you do; it is directly linked to an organization's reputation and the trust you need with stakeholders and consumers. At DFA, quality is a core value, and food safety is an expectation that is not negotiable. And, there is always more we can do.

We understand that families depend on DFA to deliver safe food from our farms to their tables. We owe it to our farm families to drive growth by raising the bar every day in our commitment to producing safe, wholesome, high-quality dairy products and ingredients. The importance of this cannot be overstated, and we continue to find ways to advance the strong food safety culture that exists within DFA.

Another critical impact to reputation is how your employees protect your brand. Everyone at DFA has an individual responsibility to carry out business activities with the highest standards of ethical conduct and demonstrate commitment to doing the right thing. When everyone across the cooperative understands that they contribute to the success and reputation of DFA by acting with integrity in all their work, it enables our reputation to successfully grow alongside the cooperative.

**Q** How do you encourage creative thinking within your organization?

**A** We cannot stand still as a cooperative or industry. We must continue to challenge ourselves to explore opportunities to provide new ways to deliver value to our family farm-owners, as well as customers and consumers. This includes new ideas and thinking in how we get milk to market, partner with our customers, develop new products, services, packaging, marketing and more.

Several years ago, we established an innovation program to encourage our family farm-owners and employees to participate in innovative thinking and solutions. The program has evolved over the years and is now called CoLAB, with a focus on encouraging more cooperation and collaboration across the cooperative, as well as inspiring new ideas and creative thinking.

**Q** What has been your favorite thing about working in the cheese and dairy industry?

**A** Two things — first, working for our farm families. Dairy farmers and their families are some of the most dedicated and tenacious people you will ever meet. And they love what they do. DFA exists because of our family farm-owners. They make the work we do so important. We make decisions through the lens of the potential positive or negative ramifications on our farm families. I have such pride in working for these farmers and leading our organization in demonstrating our commitment to our farmers — to secure markets for their milk and deliver value to their operations.

Secondly, and I think the U.S. cheese industry leads in this area, is creativity and resiliency.

Working for dairy farmers, nothing has been more important to farmer income and future growth than the innovation and adaptability of the U.S. cheese industry.

**Q** What, in your opinion, does the dairy industry need to do to attract the next generation of leaders?

**A** To be relevant to today's consumers, the dairy industry needs talented, skilled people who can lead through change and evolving consumer preferences. As we think about how to grow and attract the next generation of leaders, mentorship and internship programs play an important role in how we can introduce those new to the industry and showcase all it offers. Mentor relationships also provide grounding and support as future leaders begin their careers. CMN