

## CONSENT AGREEMENT

M-005-06

THIS CONSENT AGREEMENT is entered into pursuant to 7 U.S.C. §§ 6501-6523 (OFPA) and 7 C.F.R. part 205 (National Organic Program (NOP) regulations) by the United States Department of Agriculture, Agricultural Marketing Service (AMS), and Aurora Organic Dairy and its responsibly connected persons (AOD) (or, collectively, the parties). It is the sole agreement between the parties and supersedes all other communications regarding the April 16, 2007, notice referred to herein.

### CONSENT FINDINGS

- 1) AOD currently has eight valid organic certifications under the NOP.
- 2) On April 16, 2007, AMS served on AOD a Notice of Proposed Revocation (hereinafter the notice) that focused primarily on production practices at AOD's Platteville, Colorado, operation.
- 3) AOD operated its Platteville certified organic dairy livestock facility at all times material hereto under organic system plans (OSPs) and certifications issued by the Colorado Department of Agriculture, acting as an accredited certifying agent of AMS.
- 4) The inconsistencies between AOD's OSPs and the NOP regulations alleged in the notice are fully addressed through this agreement.
- 5) The parties wish to settle their differences with respect to the allegations in the notice pursuant to the provisions set forth below in paragraphs six through fourteen. AOD agrees to submit and implement amended OSPs in accordance with the terms of this agreement and to comply with all applicable NOP regulations, and AMS agrees that the notice is dismissed with prejudice.

### CONSENT TERMS AND CONDITIONS

- 6) On or before September 7, 2007, AOD shall file an amended OSP for its Platteville operation.
- 7) The amended OSP for Platteville shall provide that, on or before October 15, 2007:
  - a. the certified organic dairy animals currently present at Platteville that transitioned under the "80/20 rule" shall be retired and removed, and each one shall be sold or otherwise utilized as a conventional animal and not be relocated to any AOD certified operation;
  - b. all dairy animals incorporated into the Platteville organic milking herd shall be under continuous organic management from the last third of gestation;

*[Handwritten signature]*  
BOR

- c. all dairy animals, whether lactating or dry, shall receive daily access to pasture during the growing season, typically from May 1 through September 30, in accordance with current or amended NOP regulations;
  - d. the lactating organic milking cows at Platteville shall have access to pasture at a grazing density that does not exceed four animals per acre;
  - e. the dry cows at Platteville shall receive access to pasture at a grazing density that does not exceed five animals per acre;
  - f. the number of dairy animals at the Platteville operation shall be reduced in accordance with the pasture metric described above;
  - g. the calves born to animals at Platteville shall be permitted to remain at the operation until weaned and ready to be put on pasture, typically between 4 and 6 months of age; and
  - h. the certification for the AOD Woodward facility located in Greeley, Colorado, shall be removed from the OSP and shall not be renewed as of the date of the submission of the amended OSP.
- 8) AOD will address all other issues raised in the notice in its amended OSPs.
- 9) No milk or milk products produced after September 7, 2007, from the animals referred to in paragraph 7(a) shall be sold or represented as organic.
- 10) On or before September 7, 2007, AOD shall file an amended OSP for its Dublin, Texas, facility requiring that written agreements be entered into with all suppliers of animals for that facility no later than October 15, 2007, that will provide that all animals supplied under such written agreements have completed the transition to organic and are certified by an accredited certifying agent.

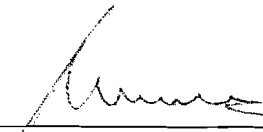
#### **Compliance with Consent Agreement/One-Year Review**

- 11) This agreement becomes effective on the last date shown below, and it incorporates by reference any applicable changes in the NOP or OFPA subsequently enacted.
- 12) Except as set forth in this agreement, AMS or AOD's certifying agents may take any action authorized by the NOP or OFPA with respect to AOD, and AOD retains all pre-existing rights under the NOP and OFPA.

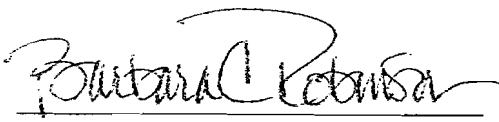
13) The parties agree that, at any time within one year of the effective date of this agreement:

- a. AOD's certifying agent may determine that the terms of this agreement are not being reasonably complied with, and, upon such determination, shall serve upon AOD a notice pursuant to 7 C.F.R. § 205.662;
- b. AMS may determine that the terms of this agreement are not being reasonably complied with, and it may withdraw from this agreement and proceed on the original notice pursuant to 7 C.F.R. § 205.660; and
- c. AMS may serve notice of its intent to conduct an inspection of Platteville and AOD shall bear the reasonable costs of such inspection.

14) The parties agree that, at the conclusion of the one-year review period, AOD shall verify in writing to its certifying agent that it has implemented fully the operational changes set forth in this agreement, and has operated in compliance therewith since October 15, 2007.

  
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Marc Peperzak  
Chief Executive Officer  
Aurora Organic Dairy

8/23/07  
DATE

  
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Barbara C. Robinson  
Deputy Administrator  
Transportation and Marketing Programs  
United States Department of Agriculture

8-23-07  
DATE