



Dakota Provisions, LLC
2015 Corporate Responsibility Report



Dakota Provisions Float for the 2015 Christmas Parade in Huron, SD

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Letter from our CEO.....

The poultry business can be a very rewarding and fulfilling business but can also be a very trying one.

Dakota Provisions has finally fully recovered from the effects of the 2015 Avian Influenza outbreaks in the Midwest and have rededicated our company to do all in our power to prevent a reoccurrence.

This trying situation however; did not deter our company from continuing to fully support our Dakota Provisions Sustainability Program. In fact, we have strengthened our program by appointing a full time associate to administer and guide this effort. The selected individual had administered our program in the past along with several other duties. Today that individual is dedicating all of her efforts toward Dakota Provisions Sustainability Program and is a direct report to the CEO.



I am proud of our past accomplishments and am looking forward to and expecting that we can provide even greater emphasis on this important portion of our company efforts.

To all of our associates participating in this effort, I want to express my heartfelt thanks and remind everyone that “Serving Our Customers While Preserving Our Earth” is a daily part of our work efforts.

Cordially,

Kenneth D. Rutledge
President/CEO

The “Dakota Provisions” Story:

Dakota Turkey Growers, LLC aka Dakota Provisions LLC manufactures and produces poultry and protein products that are specially designed for retail and food service partners. Located just east of the James River, Dakota Provisions was founded by a co-op of growers, most of whom are members of Hutterite communities.

The mission of Dakota Provisions is:

Owned by Growers—Managed by Professionals—Driven by Customers

Dakota Provisions was founded with a focus on the family farm, a commitment to quality and the dedication to building a world-class facility in Huron, S.D. Our commitment carries on to delivering the highest quality product to you, our customer. Leading the industry in food safety is our No. 1 objective. The plant employs over 900 employees and plans to employ more within the next few years.

Dakota Provisions came from the vision of 44 turkey growers who were looking for new ways to keep their family turkey farms thriving. The growers realized that for their farms to survive, they needed to not only grow but also to process the turkey they raised. Under the leadership of Kenneth D. Rutledge, who had 31 years of experience in poultry processing, the growers invested in a technologically advanced processing facility in Huron, South Dakota.

The Dakota Provisions processing plant opened in December 2005. What began as a grassroots effort of 44 growers across the heart of the Midwest has turned into a world-class processing facility that produced 206 million pounds of product in 2015.

Dakota Provisions is devoted to the heritage and survival of our family farmers, many of whom are members of Hutterite colonies. With more than \$120 million invested in their own state-of-the-art live turkey production facilities, the Dakota Turkey Growers formed Dakota Provisions in 2004 to help preserve their farms.

As the first new processing facility built from the ground up in 20 years, we have dedicated ourselves to not only meeting regulatory demands, but exceeding them. Just a few of the unique features that set us apart are the following: extensive food safety training for employees, use of both E-Verify and SSNVS to verify the authenticity of potential employees' identification for employee eligibility, segregated raw and cooked areas with no transition available between areas and micro-resistant wall and floor surfaces.

Our Sixth Report

Thank you for your interest in Dakota Provisions Corporate Responsibility Report. As the sixth report, we continue to reference the Global Reporting Initiative (GRI) Sustainability Reporting guidelines for our sustainability report. Unless noted otherwise, all data in this report covers the company's fiscal year 2015, which ended January 3, 2016. Our reporting boundary covers all activities for the processing facility, the corporate office, cold storage facility and two warehouses which are all located in Huron, South Dakota. It also includes two employee stores, Wyshbone Market in Huron, SD and Wyshbone Market in Brookings, SD. Expert opinion was solicited in the first year to help offer a third party perspective of the company's strengths and weaknesses as they relate to sustainability. Key persons in charge of collecting various data sets provided information that were streamlined into a registry and qualitatively and quantitatively assessed. The resulting list of suggested performance indicators was then presented to select group of stakeholders in order to gauge their opinion on the relevancy of the highlighted topics to our involvement in the workplace, the community and the marketplace. Key decision makers issued the final approval of reportable indicators. We now are owned by 42 growers in South Dakota, North Dakota and Minnesota.

This report supplements additional information available on our corporate web site www.dakotaprovisions.com.

The GRI content index we reference is included in the back of this report. More information on this initiative is available at www.globalreporting.org. Dakota Provisions LLC plans to publish its next Corporate Responsibility Report in the summer of 2016. For questions regarding the report please contact Cindy Lowery, Director of Food Safety/QA (605) 353-9637 or at cindyl@dakotaprovisions.com.

Retail and Food Services: 55% of products produced are ready-to-eat with 40% going to food service and 15% going to retail. Most products are shipped throughout the U.S. Approximately 45% of product goes out raw. Besides shipping domestically, trim and raw materials are exported to Mexico, Hong Kong, the Middle East and the Caribbean among others. Sales equaled over \$206 million in 2015. Over 180 different products were produced for the reporting period – at least 30 of them were new products.

At present we have over 900 employees working for Dakota Provisions. This includes employees at Dakota Gobblers (cold storage warehouse), both Wyshbone Markets (the employee stores), and the DP Warehouse which stores processing supplies. It does not include employees at DaPro, a joint venture between Dakota Provisions and the Boyer Valley Company to use the by-products from Dakota Provisions facility.

We are proud to announce that Dakota Provisions has received the following awards/certificates in 2015:

- SQF Certification “Level 3” for our HACCP Food Safety and Quality Program
- “Certified Organic” to the USDA National Organic Program
- Recognized by the Secretary of State of South Dakota for our “Spirit of Entrepreneurship”

Governance and our commitment to corporate responsibility

The strategic plan incorporates a balanced approach needed to realize a 10% per year average annual foreseeable growth in volume without sacrificing the health of the environment or the community in which it operates and serves. We follow GAAP standards, USDA/FSIS regulations, FDA regulations and EPA regulations. We use the E-verify system, background checks and SSNVS (Social Security Number Verification System) as part of our evaluation process for applicants before they are hired. Our short-term goals include maintaining certain quality standards, enforcing security mechanisms, managing natural market volatilities and sustaining a strong workforce. The company's long-term financial strategy is fixed on distributing 70% of its volume to be sold further processed and 30% to be sold raw and in 2015 we moved closer to this strategy. As poultry processing generally carry a number of risks associated with contamination and the health and safety of the animal, the environment, the workforce and the consumer, continued emphasis on taking a proactive role in minimizing overall impacts is one of our goals. The company's model of prioritizing quality, health and safety, environmental and human resources at the forefront of business objectives contributes to its economic performance. However, the outbreaks of Avian Influenza were a difficult period for all of the poultry industry.

Operational entities include the manufacturing facility, corporate office, cold storage facility, two warehouses and one employee market, which are all located in Huron, SD. It also includes another employee market in Brookings, SD. Ken Rutledge, President/CEO, reports to a Board of Directors. Rutledge's management team consists of the Director of Operations, Chief Financial Officer, Director of Sales & Marketing, Director of Procurement, Director of Logistics, Director of Human Resources, Director of Food Safety/Quality Assurance and the Director of Raw Material Supply who each oversee their own organizational hierarchies.

Various committees are responsible for setting organizational strategy and oversight. One such committee is the Sustainability Committee, which is served by the Director of Operations, Raw Operations Manager, RTE Operations Manager, Plant Engineer, Corporate Purchasing Manager, Industrial Engineers, Director of Food Safety/Quality Assurance who also oversees the committee. Three groups of Safety Committees coordinated by the Safety Manager complete daily safety audits, meet once a month to discuss safety topics and review the previous month's injuries. Another Safety Group meets monthly to review accidents, near misses and make updates to the Safety and Health Program. The Wellness Committee is also served by hourly employees. The CIT Team (Continuous Improvement Team) meets at least twice per month to discuss ways to improve employee safety, production processes, improve products, upgrade equipment, etc., and consists of different degrees of management from all areas of the company.

Dakota Provisions LLC participates in [SEDEX](#) (Supplier Ethical Data Exchange), which is a non-profit membership organization dedicated to driving improvements in ethical and responsible business practices in global supply chains. It is a web-based platform for sharing information and audit results on four pillars: (1) labor standards; (2) health and safety; (3) environment; and (4) business integrity. As a member, Dakota Provisions LLC is committed to conducting audits and sharing these results within SEDEX.

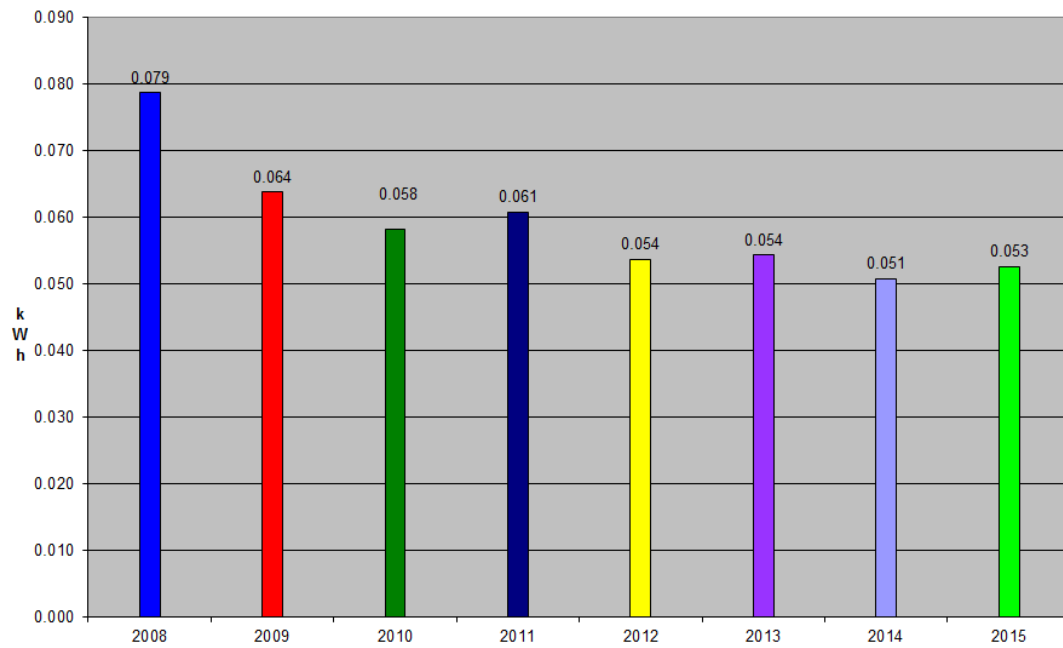
Stakeholder Dialogue

Key internal stakeholders are owner colonies, top management staff, and employees. Key external stakeholders are Farm Credit Services of America, the City of Huron and customers providing sales in excess of 10% (equals less than 7 customers). Internally, colonies are informed of financial situation at routine Board of Director (BOD) meetings. Top management is provided a monthly recap of performance and has at least two semi-annual meetings to review financial information. Externally, major lenders have quarterly financial information (internal unaudited) delivered to them and receive annual audited financial statements. The value brought includes positive PR, openness for future lending or investment in DP, and managerial commitment to continued success and process improvement.

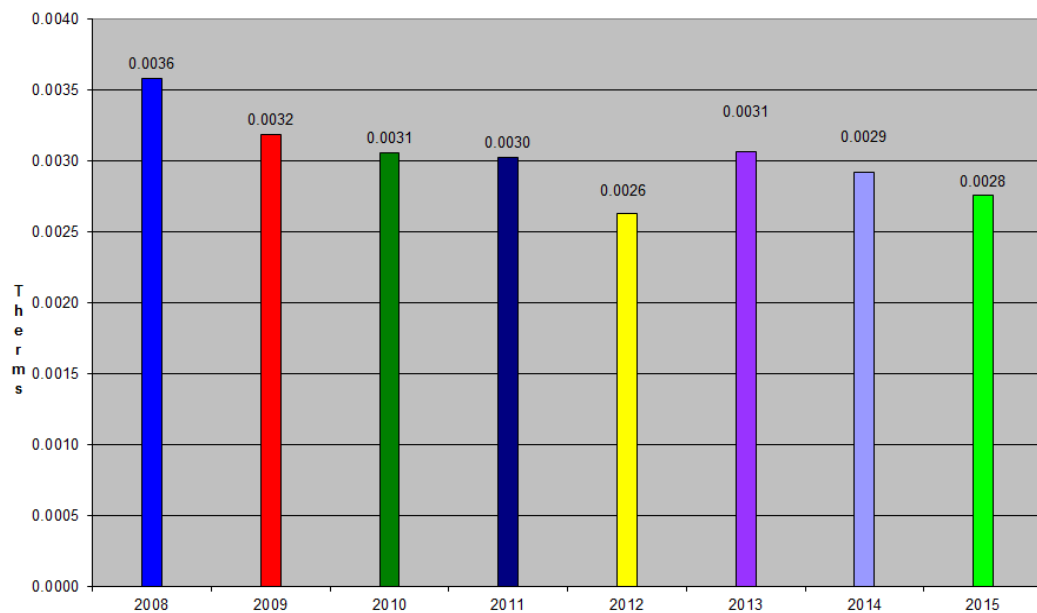
STAKEHOLDER	INTERESTS	DAKOTA PROVISIONS RESPONSIBILITY
INVESTORS	ENSURE THAT OUR BUSINESS IS ETHICAL, RESPONSIBLE, PROFITABLE AND SUCCESSFUL.	OPENLY COMMUNICATE OUR BUSINESS STRATEGY AND PLANS TO ACHIEVE LONG TERM SUSTAINABLE GROWTH.
CUSTOMERS	DELIVER SAFE QUALITY FOOD TO MEET CUSTOMER NEEDS AND DEMANDS.	CONTINUOUSLY IMPROVE THE QUALITY OF OUR PRODUCTS IN A TIMELY MANNER AT A REASONABLE COST.
EMPLOYEES	ASSURE EMPLOYEES WORK IN A SAFE, RESPECTFUL PROFESSIONAL ENVIRONMENT.	TO ENSURE THAT THE COMPANY'S COMMITMENT TO ETHICAL AND RESPONSIBLE BEHAVIOR STARTS AT THE TOP.
SUPPLIERS	COORDINATE TOGETHER TO ASSURE CUSTOMERS NEEDS ARE MET.	PROMOTE THE RELATIONSHIPS WITH BUSINESS PARTNERS TO ENSURE DAKOTA PROVISION'S COMMITMENT TO FOOD SAFETY AND QUALITY, ENVIRONMENTAL, SOCIAL AND ECONOMIC RESPONSIBILITIES.
GOVERNMENT	OPERATE IN ACCORDANCE WITH ALL LOCAL, STATE AND FEDERAL LAWS.	PROVIDE ADEQUATE RESOURCES TO ENSURE OUR FACILITIES OPERATE IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.
ADVOCACY GROUPS	OPEN DISCUSSIONS WITH SPECIAL INTEREST GROUPS AND ISSUES WITH SOCIETY	COMMUNICATE OUR POSITION AND PROGRESS CLEARLY ON IMPORTANT ECONOMIC, SOCIAL AND ENVIRONMENTAL ISSUES RELATED TO OUR COMPANY AND OUR BUSINESS.

Environmental

Electric Usage – kWh per processed pounds

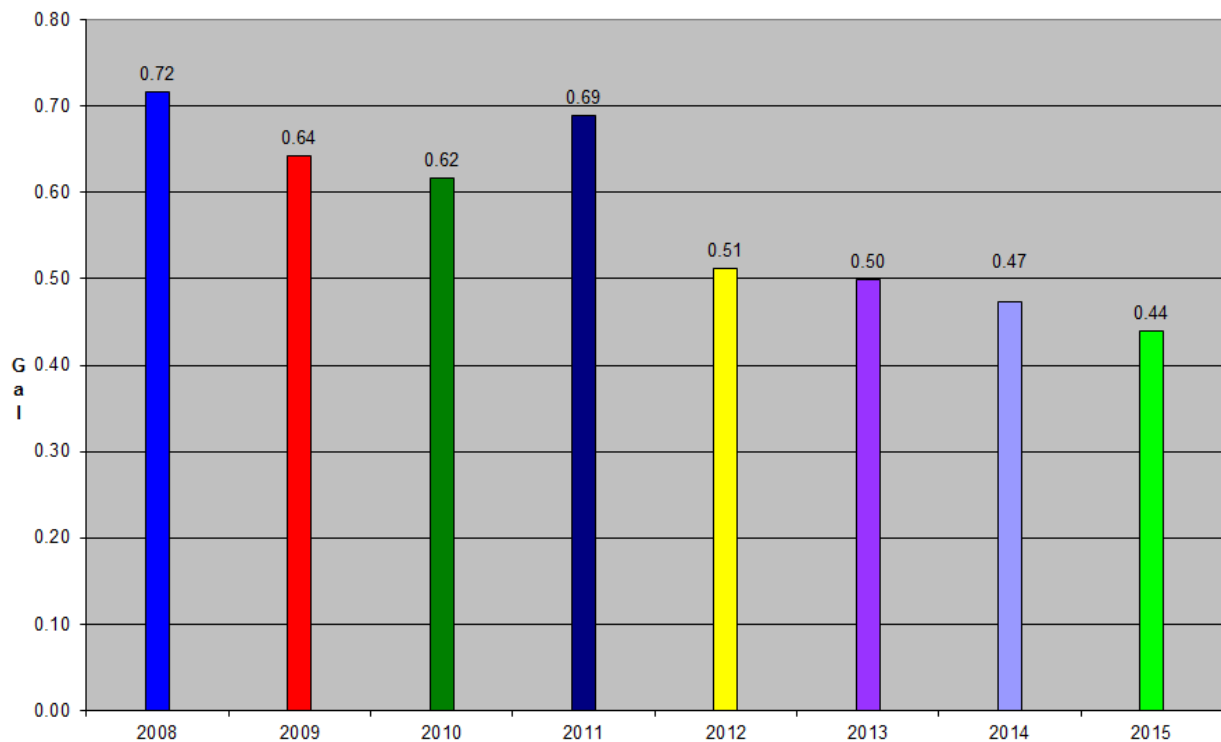


Gas Usage -- Therms per processed pounds

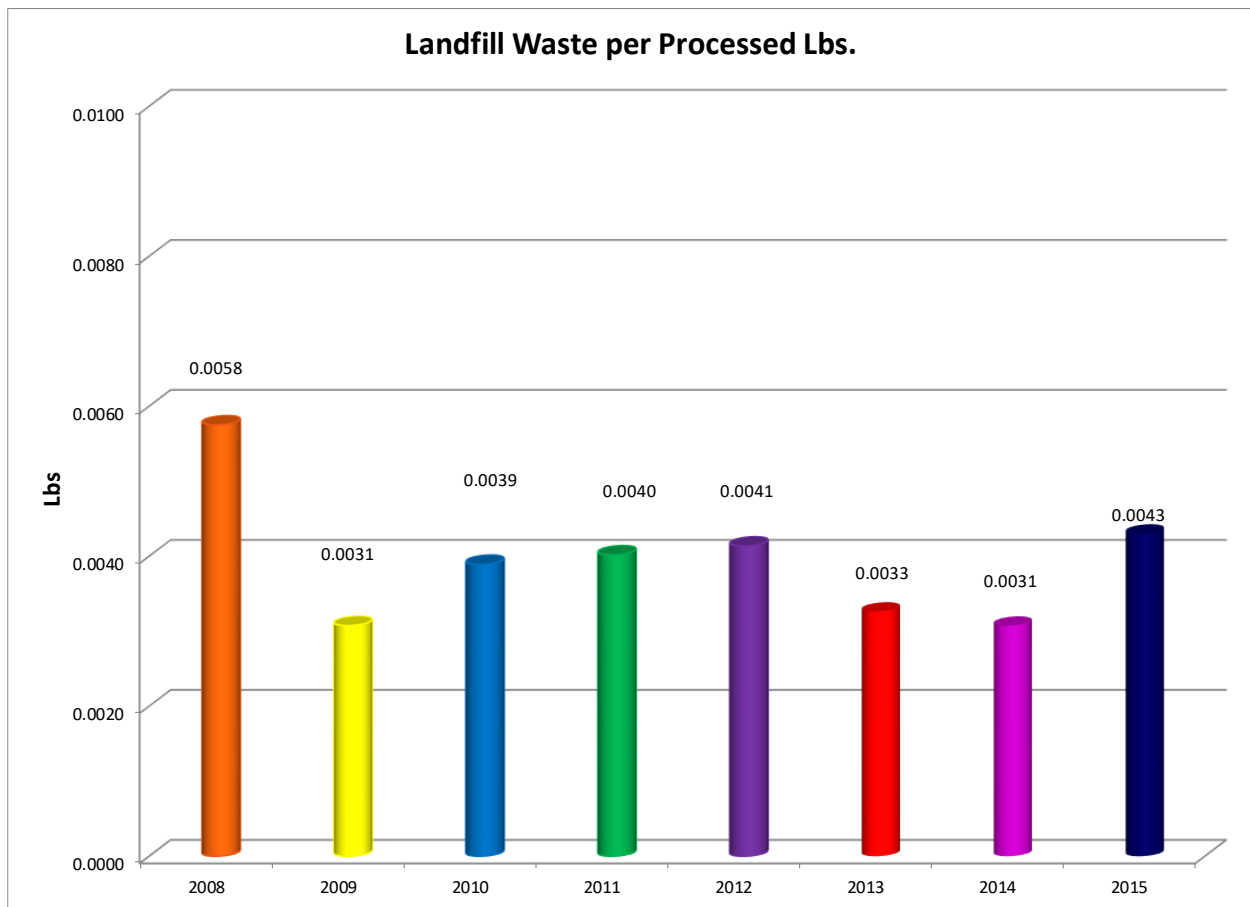


Our goal in 2010 was to reduce energy (electricity and gas) usage by 15% per processed pound in the next five years (2015) as compared to 2008 usage. In 2015 we not only met those goals but surpassed them – we reduced our electricity usage per processed pound by 20% and our gas usage per processed pound by 22%. We will continue with our 5 year goals set in 2010 until 2016 when we will set a new 5-year goal.

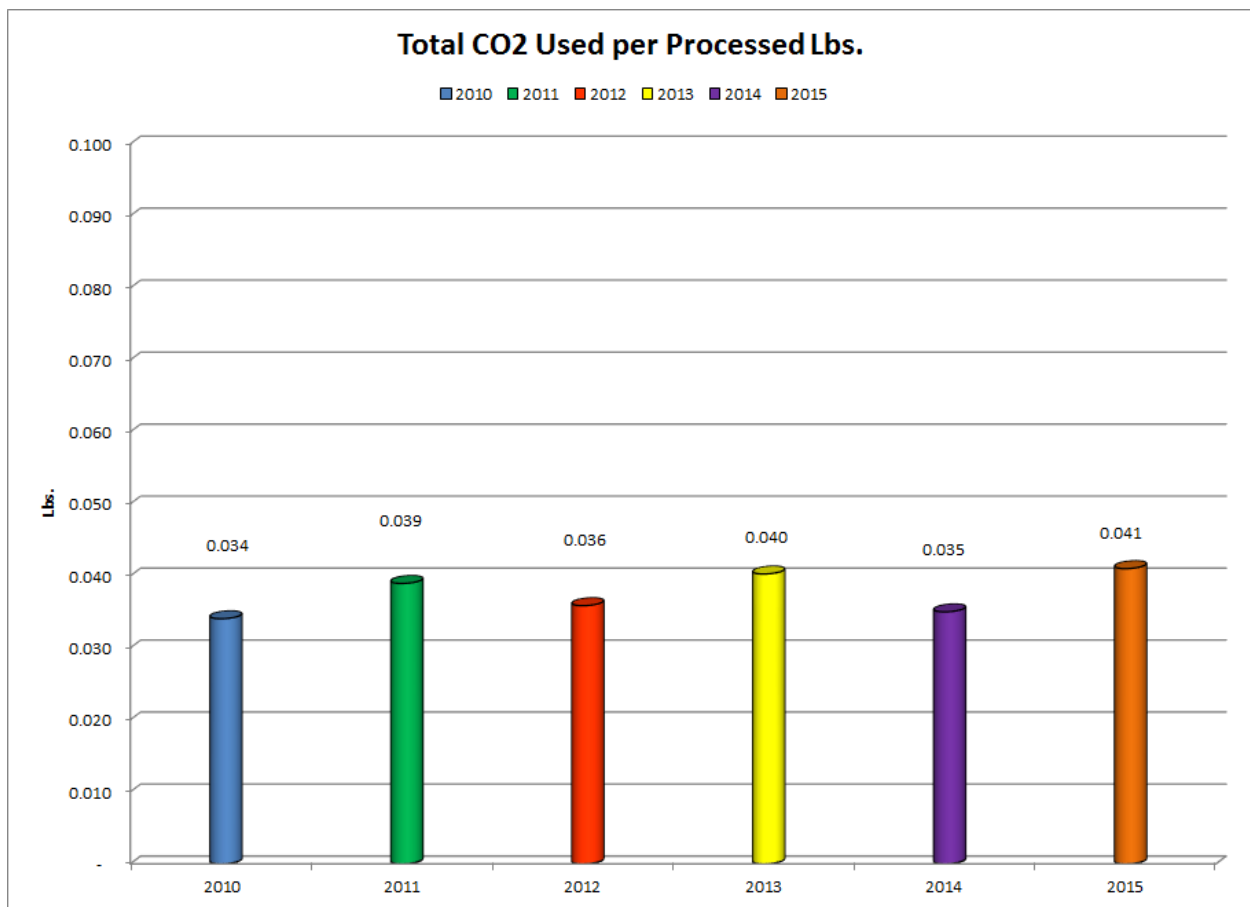
Water Usage – Gal per processed pounds



Our goal in 2010 was to reduce water usage by 15% per processed pound in the next five years (2015) as compared to 2008 usage. In 2015 we surpassed this goal by reducing our water usage per processed pound by 38%. We will continue with our 5-year goal set in 2010 until 2016 when we will set a new 5-year goal.



Our goal in 2010 was to reduce solid waste going to landfills by 20% per processed pound in the next five years (2015) as compared to 2008 amounts. We surpassed this goal in 2015 by reducing our waste 25%. In 2016 we will set a new goal for reducing and eliminating solid waste. We continue to review different ways that we can eliminate solid waste going to the landfill by reviewing packaging materials to see if we can use less, monitor packaging machines to eliminate waste on film, bags, etc. We continue to recycle corrugated, aluminum cans, plastic bottles, shredded paper and newspapers. Efforts continue to be made to use green and environmentally friendly materials. Dakota Provisions works with the City of Huron and other local business to help with recycling and reducing waste sent to the landfill. We were one of the major businesses in Huron that assisted the City of Huron with implementing their new recycling program in 2013. We held numerous meetings at our facility for the employees to help them sign up for the recycling program and teach them the proper way to recycle. At the end of 2015 82% of the households in the City of Huron that requested containers were recycling instead of sending all waste to the landfill. 9% of all garbage (over 670,000 lbs.) was recycled instead of going to the landfill.



Greenhouse Gas Usage

Our 2010 goal was to reduce our total CO2 usage by 20% per processed pound in the next five years (2015) as compared to 2010 emissions. We are struggling with this goal as we have increased and reduced during the past five years due to the amount of product that uses CO2 for cooling purposes. At the end of 2015 we increased 20% from our usage in 2010. In 2016 this will become one of our priorities to re-evaluate our usage of CO2 and look at other opportunities for cooling product.

Suppliers/Transportation

Our direction has always been to include sourcing from locals and/or minority groups whenever possible. We obtain quotes from vendors, including locals/minorities, review quotes and make selection based on criteria – i.e. pricing, service, quality, and other pertinent information.

We continue to use SAP software in all facilities to help increase our efficiency and management of our information. The SAP software tracks of all our processing steps from farms to final product. SAP also tracks number and usage of supplies and other information pertinent to our business.

At present we lease trucking companies to transport our products, supplies, etc. Most of our companies are already members of the SmartWay Transport Partners and Affiliates (EPA). We encourage all trucking companies we do business with to also become members.

Employees

Currently Dakota Provisions employs over 915 employees. This total also includes the Corporate Office, Gobblers Cold Storage, two warehouses (that store our packaging materials) and our employee store, the Wyshbone Market. These employees are paid at least entry level wages that are above local minimum wage. In addition to wages and salaries, employees are offered benefits including; medical, eye care and dental benefits, disability, 401k, life insurance, worker's compensation. Our Health Services Department has one full time RN nurse and three fully certified EMT's on duty at the plant. The nurse also coordinates our Wellness Program that offers "No Smoking" Classes, Healthy Lifestyle Programs (eating plans and exercise programs), mammograms, flu shots and colorectal screenings. We offer Employee Assistance Program and Family and Medical Leave to our employees. We have three Safety Committees that are headed up by our Safety Manager to ensure the workplace is safe for all employees. Health and workplace safety training starts during an employee's orientation. Monthly meetings are held with processing departments covering topics such as health, employee safety, food safety and quality.

For employees that have just moved to the USA our HR Manager offers personal training to help them adapt to our culture such as: Home Ownership; Money Management; Pest Control; Game, Fish and Park Regulations; Drug & Alcohol Prevention; Retirement Plans for Your Future. We also encourage our employees to attend Cornerstone Career Learning Center English Second Language Classes and SMART Training for career development.

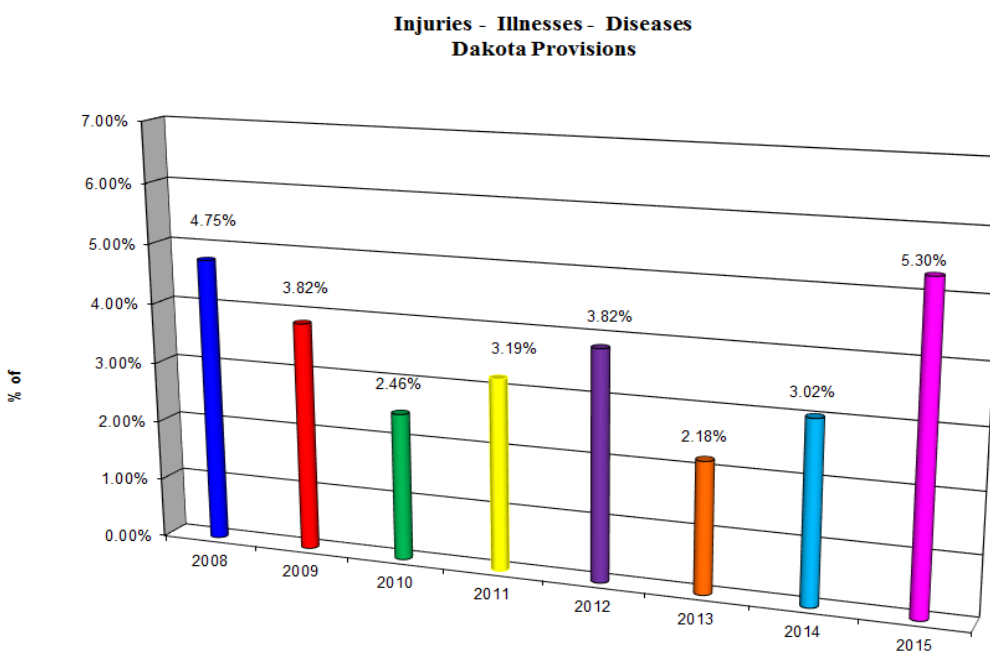
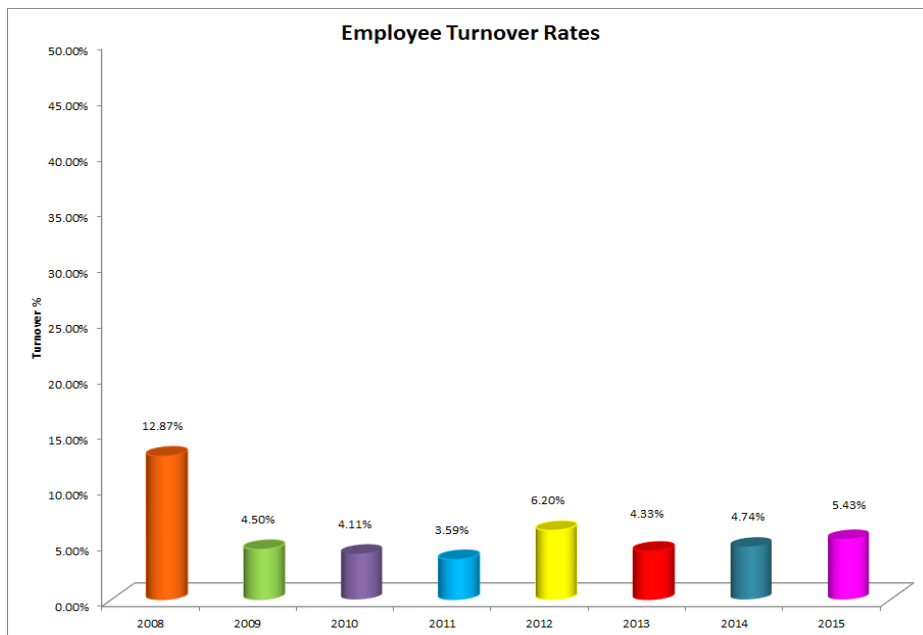
Dakota Turkey Growers became the first business in South Dakota to participate in the IMAGE Program. This participation was first approved in 2014 and a special award was given to Dakota Turkey Growers for participating. We reapplied in 2015 and was approved for two additional years. This program helps to assure that all employees hired meet US requirements.

Each Dakota Provision's employee is given a handbook in their native language that covers information on the following issues: At-Will Employment, Equal Opportunity Policy, "Open Door" Communication, Confidential, Proprietary and Trade Secret, Personnel Information, Outside Work and Conflicts of Interest, Privacy and the Right to Inspect, Solicitation and Distribution, Becoming a Regular Employee, Your Supervisor, Alcohol and Drug Free Workplace, Policy on Harassment and Sexual Harassment, Visitors Policy, Security Conditions, Threats of Violence, Rules of Conduct, Reporting Non-Compliance, Mail and Telephone Calls, Requests for Time Off, Food Safety Inspection Service (FSIS), Food Safety, Prohibited Conduct Toward Government Inspectors, Bribery, Threats or Intimidation, Consorting with Government Inspectors, Product Quality, Personal Hygiene and Plant Sanitation, South Dakota Food Safety Certification, Animal Welfare, Rest and Meal Periods, Payday, Hours of Work and Overtime (Production), Temporary Assignment, Holidays, Jury Duty, Funeral Leave, Vacations, Leave of Absence, Military Duty/ Full Time Active Duty, Attendance Policy, Safe Work Practices, Safety Committee, Health Services, Personnel and Medical Files, Employee Assistance Program (EAP), Family and Medical Leave Policy (FMLA) and Health and Dental Insurance.

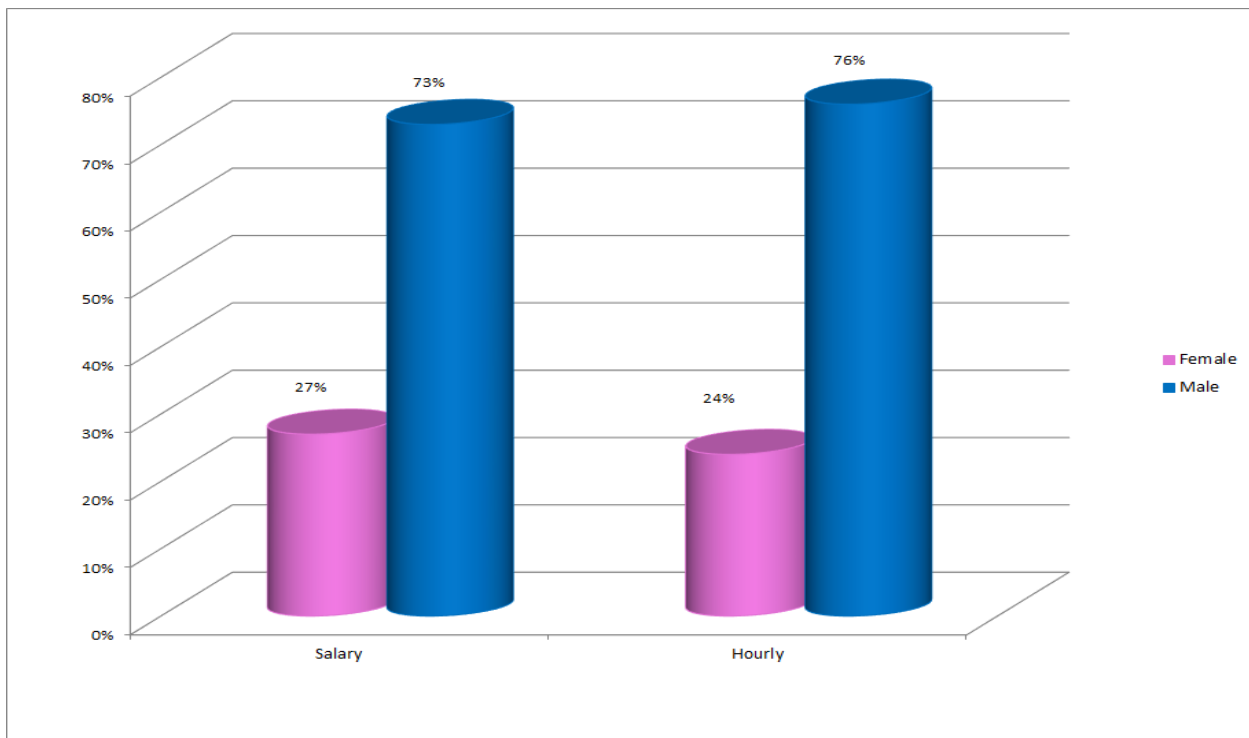
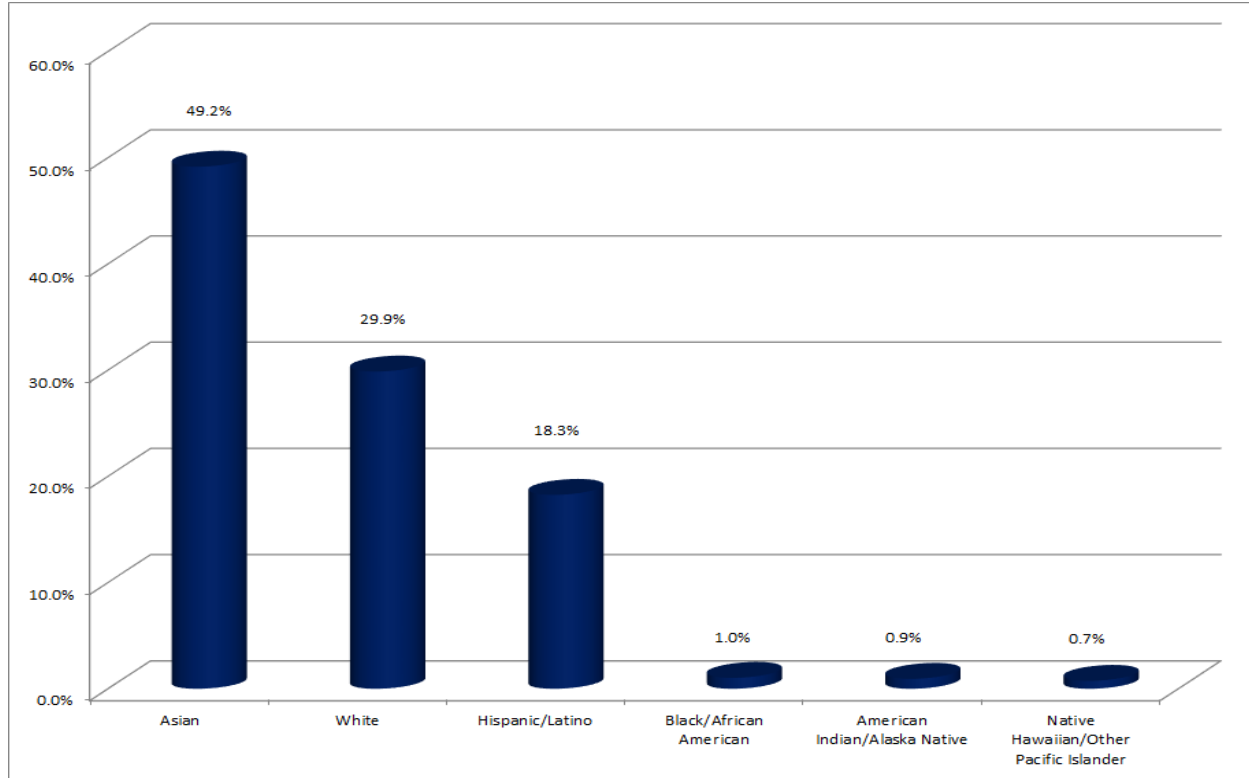
In October 2015 we expanded and opened another employee store – Wyshbone Market II in Brookings, South Dakota. This is our second employee store – the first one opened in 2012 is in Huron, South Dakota.



2015 saw a slight increase in turnover for Dakota Provisions from 2014. Most of this was due to the fact that we lost a great number of turkeys due to the Avian Influenza outbreaks which caused reduced work hours for the employees. Industry turnover averages 11 to 13% and Dakota Provisions has been well below that in the last seven years. Our injury/illness rate also increased. No fatalities due to work related injuries or illnesses were recorded but our priority in 2016 was to make the workplace safer for our employees.



Employee Diversity at Dakota Provisions



Customers

The Dakota Provisions Team believes in one thing - extremely high standards for extremely safe and clean food handling. From beginning to end, exceeding our customers' expectations is paramount.

Our facility is designed and developed to be completely food safe and easily sanitized. By taking a progressive approach to addressing food safety, we are also taking a proactive approach to the quality of our product that includes real time PCR testing to detect pathogens, multiple interventions to test contamination, and a facility that never mixes raw and cooked products. In addition, training and education are essential to our programs. Each employee is required to complete Food Safety Orientation courses on good manufacturing practices, employee hygiene and possible hazards to food safety. Our Food Safety Orientation was reviewed and approved by the South Dakota Animal Industry Board.

More than 500 years of combined industry experience give Dakota Provisions the confidence and know-how to produce high-quality products for our customers. Our strengths lie in experience, educational background, high-tech machinery and the unsurpassed customer service we provide. Equipped with the latest knowledge in new product development, process engineering, product matching, food safety and quality control, we are skilled in the development and improvement of product, processes and packaging.

If and when we receive a customer complaint it is forwarded directly to the Director of Food Safety/QA. The Director will then contact the appropriate manager and discuss the problem and how it will be resolved. The customer is contacted by phone and a written response within 10 days is generated and sent to the customer stating what corrective actions and preventative measures will be implemented to prevent the problem from occurring again.

Community

Two major initiatives include a ten-year monetary commitment to the GHDC community fund that finances economic development in the Huron/Beadle County area. Additionally, Dakota Provisions is a partner in a Housing Development group that has seed-financed the construction of three- three (33). We encourage and support our employees in volunteering for community projects. Many of our employees served on committees or assisted with the Huron Chamber of Commerce, Day of Caring, Emergency Preparedness Board, Huron Clinic Board, Huron Community Foundation Board, Huron Convention & Visitor's Bureau, Huron Country Club Board, James Valley Housing Board, Kiwanis, National Turkey Federation, Relay for Life, School Diversity Board, Sertoma Club, South Dakota Retailer's Association, South Dakota Poultry Industries Association, United Way of Huron, U.S. Poultry and Egg Export Council, Green Energy Task Force of Huron, Delta Waterfowl, Sioux Council Boy Scouts, the First Baptist Church BOD and the Veterans March. Last year Dakota Provisions employees not only donated their time but also donated almost \$58,000 of their wages to the Heartland Region United Way! Other ways we contribute to the community are participating in the FAT Friday Chili Cook-off during the South Dakota State Bar-B-Q Championship and the Scarecrow Festival for the Lion/Lioness Club (see photo below).

Scarecrow Festival for the Lion/Lioness Club 2015
Our “It’s the Great Pumpkin Charlie Brown” Display
3rd Place Winner of the Business Humorous Division



Dakota Provisions donated \$7500 to help Ruiz Foods for the Ruiz 4 Kids Scholarship Program in March of 2015. These scholarships help numerous students turn dreams of going to college into a reality. Dakota Provisions donated \$10,000 to help Firehouse Subs with their Public Safety Foundation. We donated turkey meat for the Brookings Poultry Crawl in Brookings, SD. The Poultry Crawl is designed to acquaint consumers with local poultry farmers and encourage consumers to eat poultry while dining out. We also donated turkey meat for the South Dakota Animal Industry Board to serve on Ag Appreciation Day at the South Dakota State Fair.

The Mammogram Bus visited the plant to give mammograms to our employees. Nurses came in and conducted health screenings and employees received flu shots in the fall.

Report Content Summary

Throughout the report, Dakota Provisions has included key performance indicators identified by the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. We will evaluate the prospect of using a third party assurance for subsequent reports. A context index showing the specific location of the GRI performance indicators included in this Corporate Responsibility Report is below.

In instances where financial risk is eminent, financial impact is reported in appropriate reporting. Costs incurred by the company due to environmental and social risks over the past year are confidential in nature and will not be specifically revealed.

GRI DISCLOSURES	PERFORMANCE INDICATORS		PAGE
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