

THE COMMENCEMENT ADDRESS (Rivier College, May 14, 2011)

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Graduates, and parents and family of graduates, I know that many of you overcame incredible odds to be here today – you have juggled family, jobs, money and time to make this day possible.

I am here to honor all of you, but especially you graduates. In fact, in reflecting on your situations and on my 28-year business career, I recognize that you are beginning your journeys, exactly as I began my business: **Broke, clueless about the future and in debt.**

(Everyone broke, in debt and clueless, please raise your hands.)

And parents and family members, it is no less a day for you. Mixed in with your justified pride over your child's achievement are a wide range of emotions:

- Disbelief that he or she actually made it
- Shock at how fast this phase sped by, and
- Terror that they might in fact move back in with you.

(Parents and family members, who share these feelings, please raise your hands.)

In short, for perhaps the first time in your recent memory, graduates and family actually can agree on something: the future is scary as heck.

Let me offer up a couple of other sobering reports about the world that awaits you. There is bad news and there is good news.

Let's get the bad part over first.

The scariest part of the economic malaise that has gripped our country and our world is that we now know we did it to ourselves. It's now clear that we allowed ourselves to believe in a sort of modern

day mythology about the infinite resilience of our finance system, and to allow greedy, short-term thinking to get the upper hand.

In a nutshell, we got into this mess as individuals and as a nation by borrowing money we didn't have, to buy stuff we didn't need or couldn't afford.

We, our bankers and our regulators have lived in a fantasy land, and we all allowed our better judgments to take a back seat. It will likely take a while for us to purge the recklessness from our systems of commerce.

As a manufacturer and as a son and grandson of NH manufacturers who came before me, I have a deep appreciation for the power of making stuff that people want and need; of the simple, honest transaction that takes place when my colleagues and I can combine raw materials into something better, in this case, healthier, for people, something that not only feeds and nourishes, but also improves health and thus reduces health care costs. After all, the most effective approach to health care is to avoid getting sick in the first place.

But the challenges we face are not just economic, they are also deeply and profoundly ecologic and threaten both the health of our planet and ourselves. Indeed, we are seeing signs of failure in every single aspect of our relationship to the planet.

It is not too simplistic to say that we have brought the same short-sighted, greed-driven sense of entitlement that we have used to guide our economy, to our relationship to the earth. Our desire for short-term gratification has allowed us to be self-deluded about the real limits of our economic and ecologic systems.

For instance, let's briefly check in with what we now know about climate change. There is now global consensus that we are warming the planet at an alarming rate that will spell catastrophe for generations to come. 400,000 years of ice core records confirm that we have entered a zone that is unprecedented in human history in terms of atmospheric CO-2 concentrations. The tornadoes that recently killed many of our southern neighbors are widely understood by scientists to have been yet another global warming event, like Hurricane Katrina was, and we've got more coming. More heat in the atmosphere causes more violent storms.

And this spells special challenges for the 42% of our fellow humans who already don't have access to clean water, the 20% of who live at or near sea level, and indeed all aspects of the world's agriculture and public health, let alone our tourism and other industries.

In fact, if we stopped all fossil fuel burning this afternoon, the Earth's fever would continue to rise for 40 more years before it began to break. Moreover, necessary efforts to reduce our fossil fuel burning through efficiency and conservation will still leave our atmosphere at levels of greenhouse gasses twice as high as has ever been recorded. So we need to go much, much farther, into a whole new technological wave of renewable energy and carbon trapping and a different attitude about limits.

Another example is how reckless we've been with toxic chemicals during a 70-year chemical spree. People often say that organic farming is a nice idea, but it's not really proven. Actually, I would say it's the chemicals that are not proven. Organic foods have been around forever. Think about it, every famous person in history ate organic foods: George Washington, Napoleon, Mozart....

But today, informed estimates place the number of human-made chemical compounds in our everyday lives as high as 100,000. And, nobody has seriously looked at the synergistic impacts of how they interact, since there are some 3 billion potential combinations. Only a fraction has ever been tested for toxicity in adults, let alone children. Yet we walk around with somewhere between 200-400 toxins in each of our bodies and a baby born in Lowell or Los Angeles this morning will have over 250 toxins in

her cord blood, traced to pesticides, stain removers, wood preservatives, heavy metals, industrial lubricants, and flame retardants.

The President's Cancer Panel last year concluded that 41% of Americans now alive will be diagnosed with some form of cancer. That's nearly half of us. And this esteemed panel found that the #1 cause of this epidemic is daily exposure to hazardous chemicals, notably in our foods.

In recent years we've seen data linking pesticide exposures to auto-immune diseases, autism, Lou Gehrig's disease and even ADHD diagnoses. Research published only 2 weeks ago links prenatal pesticide exposure to a lower IQ in children by age 9.

The truth is that every aspect of humanity's connection to the planet reveals the same patterns of denial and delusion:

- a failure to recognize that we are part of nature and must understand and respect her laws
- a failure to understand that the earth is not a subsidiary of our economies, i.e., something that is here for the taking and a place for us to dump our waste
- a failure to learn that the entire concept of waste is a uniquely human phenomenon. In nature, waste from one organism is always the food for another.
- And then there is the idea of a mythological place called "away" where we can send our waste.

When we at Stonyfield had to build a waste treatment plant a few years back, we learned that the traditional waste processing system, which employs another myth that the solution to pollution is dilution, would have led us to produce a truckload of sludge of every week. When we asked the local authorities where we would dispose it, they told us to ship it to Vermont. I pictured Ben and Jerry's being told to ship their sludge to New Hampshire, and didn't want to have any of that, so we built an innovative biogas digester that produces a clean burning gas that we use instead of buying propane, and also produces no sludge. So, now we don't have to make midnight runs to Vermont and we've turned a major cost into a source of profits. The point is there is no place called AWAY and we need new solutions to stop deluding ourselves.

And by the way, when it comes to waste, Recycling is well intentioned and important, but it focuses on the wrong end of the problem. Recycling is actually the failure to have reduced or reused. By using lighter weight plastic resins for our cups, Stonyfield has avoided the production of over 3 million pounds of plastics that never have to be reused, let alone recycled, both of which take energy. But that is not really success. Success will be when you finish eating the yogurt, you will eat the cup.

Anyhow, the bad news is we've got some big problems out there waiting for you. Aren't you glad that you invited this really depressing guy to speak to you?

So, in the face of these challenging circumstances, what useful words can I offer you as you head out to hopefully become productive members of society?

The Good News is that we've got the knowledge and the opportunities to make huge and positive strides right now. The Good News is that all of the signs indicate that the old fossil fuel dependent and polluting economy is dead, and that we are ready for the next wave of technology innovation, of cleaner and healthier foods and homes and ways of living. And from a jobs perspective, the Good News is that we don't have to choose between doing good and doing well. Indeed in my experience, the best ecological practices have turned out to be the most profitable. For 28 years, I have been riding that wave by focusing on lessening our footprints, and promoting organic foods and renewable energy. And now the biggest companies on earth are investing heavily in renewable energy, organic food production and

less polluting practices, little household brands like Wal-Mart, Frito-Lay, Dannon, Fuji Film, and GE. Even the automobile industry is starting to see that those rolling parthenons we sent out on the world's roads need to make way for much more fuel efficient alternatives.

The Good News is that those of you, who can recognize the incredible opportunities to fix a lot of these messes, will have profitable and highly fulfilling careers.

So, since I began my journey as you are beginning yours, I thought I would offer you a few lessons I've learned that might come in handy.

1) Always Endeavor for Superior Quality

I have learned that, whatever you choose to do, there is no point in producing the same quality as anyone else. In fact, that is likely a strategy for failure, for you are almost certain to be out-competed by someone who is better capitalized. So we have always prided ourselves in making yogurts, including our organic Greek Oikos, that simply taste better than anything that is out there. *(You wouldn't expect me to miss this opportunity to plug my products, would you?)*

2) Even when the chips are down, you must believe in yourself

When we began, we had 7 cows, 2 families a struggling organic farming school and my partner Samuel Kaymen's amazing yogurt recipe. We knew nothing about business, but we knew a lot about the coming perils of climate change and the importance of growing and eating organic foods that avoid adding toxins to our soil, water, air and bodies, and supports family farmers.

But talking about this stuff was pretty lonely because there weren't too many folks listening.

Actually, we had a wonderful business; the only problems were that we had no supply and no demand. But we stuck with it and this year our annual sales will be \$370MM and we've generated over \$2B in revenues.

3) Make sure your decisions are evidence--based

We have met more than our share of "experts" and advisors who would have led us right to, and over some cliff, charging us big daily consulting fees as we plummeted to our financial deaths. There were venture capitalists who smoothly spun sticky webs to trap us in their attractive sounding, but ultimately (we learned later) deadly wrong strategies. We learned from countless such experiences to be sure that we always base our decisions on facts and not take lazy short-cuts based on hopes, promises or fantasy.

For instance, right now, many have seized upon the idea that we need genetically modified crops to feed the world because the big chemical companies have told us that these technologically advanced seeds produce higher yields. Oh and by the way, the same companies who are telling us this stuff own the patents on the seeds and the CEO of Monsanto recently announced that half their profit growth this year will come from seeds. So they've whipped us and our policy makers into frenzy that genetic engineering is the only hope for our future. The only problem is that 13 years after introducing genetically modified corn, soy, cotton and other crops into the American food system, not only have they failed to fulfill the promises of higher intrinsic yields, but farmers using these crops have increased herbicide use by 380 million pounds for a 10-fold increase in reliance on systemic toxins. (Did I happen to mention that these companies sell herbicides?) So, my advice is plain and simple, use your educations, check the sources, use real data in making choices for yourself and your family, and don't just buy into what the big and well-funded entrenched interests tell us.

4) BE DETERMINED AND TAKE RISKS

Albert Einstein once said: "Anyone who has never made a mistake has never tried anything new."

In 1984, we had been trying to get our yogurts into Bread and Circus (now Whole Foods) in Cambridge for about a year to no avail. They already had a half dozen organic or natural yogurts made by some nice hippy in NH or Vermont and they did not feel they needed another. So, one July afternoon, about 20 of my Boston area friends came to the farm to celebrate my 30th birthday, and when I blew out the candles, I thanked them for coming, but told them that if they really wanted to give me a great birthday gift, they should go to Bread and Circus and ask for our yogurt. That was a Sunday. On Wednesday of that week, the buyer called from Bread and Circus and told us that "demand for Stonyfield yogurt had suddenly gone through the roof and would I please make a delivery at once?" Naturally, we made our first delivery that day, and soon after became their number one selling yogurt and we have been ever since, for 27 years.

5) Challenge the Conventional Wisdom (ask Why Not)

A key tenet of our success has been to question authority, which is often over-rated. Lily Tomlin says that "Reality is the leading cause of stress for those who are in touch with it," so we have always found that reality needs to be challenged.

One morning in the 1980's a couple of Boston morning talk show guys named Joe and Andy mentioned us on air. Joe, an athletic healthy guy had been lecturing Andy, who was most definitely not into healthy eating, that he ought to try eating Stonyfield. Andy replied that he would rather eat camel manure than yogurt. Now most reasonable companies would have tried to duck down and stay under the radar screen until the camel manure reference had dissipated from the public's consciousness, but we saw this as an opportunity to strut our stuff. Bensons Animal Farm was still operating in nearby Hudson, and they had camels. So one wintry morning, Meg and I drove over to Bensons and filled a large yogurt container with frozen camel "nuggets" and drove to their studios with yogurt for Joe and camel manure for Andy. Of course by the time we got to Boston, the manure had thawed and the odors leaking out of the cup were especially noxious. We won our first endorsement as Andy, faced with a difficult menu choice, agreed that Stonyfield did taste better than camel dung.

Questioning conventional authority is a powerful way to succeed in business and in life. A couple of engineers from UPS once asked "why not try to design our routes to minimize the number of left-hand turns," with their 95,000 big brown trucks.

Now you might ask what is wrong with a left-hand turn? Well, when you are turning left, you have to wait for the on-coming traffic to pass by before you can turn, and this burns a lot of gas while idling. ***By the way, I tried to explain this in a speech in London 2 years ago and no one understood.*** But UPS found that by avoiding left hand turns with 95,000 trucks, they could save 3.1 million gallons of fuel in a year, or at that time, around \$12 million dollars. That is a powerful reward for thinking differently.

When the Demoulas Market Basket chain agreed to start selling our yogurts in the 1980's, their first question was what we were going to do for advertising to help excite consumer interest. Needless to say, we had no money for advertising, but at the time we did some cows. So we decided to put cows up for adoption. Consumers could send in 5 yogurt lids and receive a photo of "their" cow, a certificate naming them the co-owner of "their" cow and then twice per year their cow would send them letters about life on the farm. That was then. Today, these carbon-conscious cows send out 4 emails per year thus avoiding paper. Some of the cows are twittering. Anyhow, hundreds of thousands of people have adopted cows. We challenged the conventional notion that purchased advertising is essential.

At a societal scale, those of you who question conventional thinking will be in the best positions to seize the next wave of jobs and economic opportunities. I predict that many of these will come from new forms of energy like solar and wind. Consider for instance, that with the amount of sunlight that strikes the US each day, we would need only 10 million acres of land—or only 0.4% of the area of the United States—to supply all of our nation's electricity using solar photovoltaics.

Solar isn't just for Arizona anymore, either; right now in New Hampshire there are homes powered completely off the grid – built at competitive costs. For less than half the normal garage roof space, you can power your house with no fuel, no pollution, and no ice storm outages. Soon it'll be down to one-quarter of that garage roof. And we haven't even talked about solar hot water, which is even cheaper than solar cells, or wind power, which is cheaper too. Best yet, these power sources are built, installed, and maintained locally, right here in America, unlike the billion dollars per day we “export” out-of-country for oil, for example.

6) Finally, Never underestimate the value of performing service and doing “good”

The question we asked ourselves when we started the company in 1983 was: is it possible to create a business that could help be part of the solutions to our planet's ecological challenges while also making money? The answer today is a resounding yes.

Today, our milk purchases support over 1,300 organic dairy farms who currently earn 40% more than what they would receive for non-organic milk.

Stonyfield purchases support more than 215,000 chemical-free acres of farmland, has brought back hundreds of animal species to healthy pollution-free streams and fields of carbon rich topsoils.

Our solid waste management program has kept more than 30 MM lbs of waste from landfills and incinerators.

And for the doubters out there, our company wide teams who are focused on reducing our overall carbon, water and waste footprints have, since 2006 saved our company \$18.2 MM. That's the equivalent of 84 NH jobs or 23% of our workforce. So we've done all of this while generating profits at the top of my industry. And we are continuing to grow, even in this economy.

Conclusion: So how is all of this relevant to you?

I hope that you will take away three key messages:

First, be a force for positive change – it will pay off. The graduate sitting here who can promote alternatives to many of the economic and ecological myths I mentioned, stands to create incredible opportunity, both financial and societal. I can assure you that there will be more jobs in renewable energy, energy efficiency, preventative health care, organic/non-toxic agriculture, textiles and cleansers than in continuing with the polluting and resource consumptive alternatives. (I have yet to meet the consumer who prefers to eat the yogurt with more pesticides or synthetic hormones).

Second be clear, as you reflect on your educations, that the true measure of your achievement here is not the facts you have absorbed and what you now know, but whether you have **learned to learn**, to adapt to new realities, because realities are changing so quickly.

Einstein said: “Education is what remains after one has forgotten everything he learned in school.”

And **Third**, be relevant, in terms of what you do and what you buy. The world needs those of us who've had the blessings of an education to attend to its needs. It doesn't matter where you set down a stake; it only matters that you contribute. As consumers, we wield enormous power to choose the polluting, consumptive and failed ways of the past or the renewable and sustainable ways of the future too. When we purchase anything, we are voting for the kind of communities, society and planet we

want. And I have learned that corporations spend billions of dollars to tally those votes. If with your consumer dollars, you vote to support energy efficient vehicles, products and appliances, less packaging, smaller footprints, organic food and renewable energy, I assure you that those are the products that corporations will sell.

Humanity has always progressed through waves of innovation. From harnessing wind for transportation to employing water power and steam power to internal combustion engines, petrochemicals, aviation, space travel and digital technology.

I believe that we stand at the edge of the next wave, the sustainability revolution in which we use green chemistry which leaves behind no toxic residue, cradle to cradle technology which generates no waste, renewable energy with no carbon footprint, industrial ecology with waste from one process being the food for another, these will be the norms.

So whether as producers in the new economy or consumers, as you graduate into the “real world”, this now becomes your moral obligation, but also your opportunity.

I don't know what the future holds and neither do you. But I do know WHO holds the future.

And I do know that Gandhi was right when he said that anyone who feels that they are too small to make a difference has never been in bed with a mosquito.

So, graduates, go forward, do good work. But for today, celebrate your success. You've earned it. I honor and congratulate you and your families.