



A NEW DAY: TURNING THE PAGE

BY ROB VANDENHEUVEL, PRESIDENT AND CHIEF EXECUTIVE OFFICER



ROB VANDENHEUVEL

is with great honor and a deep sense of responsibility that I step into this role.

As we turn the page to 2026, it is important to be direct about where we have been. Simply put, 2025 is best left in the rearview mirror. That is not to say the year lacked progress or positive developments; however, on our ultimate scorecard – the ability to pay a competitive milk price to our member-owners while generating a return on investment – 2025 fell well short of expectations. There are many important lessons to be taken from the year, but the most critical takeaway is the need for renewed urgency in transforming our underlying business.

At present, CDI is not structured to consistently deliver a competitive milk check and reliable returns without significant assistance from favorable market conditions or revenues associated with strategic depooling. Our central challenge is clear: too much of our production remains concentrated in commodity products that generate losses in most market en-

vironments. While plant efficiencies, recent make-allowance adjustments, and disciplined risk management can help mitigate this exposure, they do not fully offset the structural limitations of a predominantly commodity-based portfolio.

As a cooperative responsible for managing seasonal swings in milk supply and demand, large-volume commodity production will continue to play an important role in our business for the foreseeable future. Our long-term financial success, however, depends on redirecting a greater share of our milk solids into products that deliver positive margins across market cycles. The Board and management team have recognized this reality for several years, leading to the strategic investments that are now beginning to come online.

Many of you are already familiar with our significant investment in consumer-packaged beverage production at our Bakersfield facility. While the journey has been longer than anticipated, we are now seeing meaningful throughput and have a clear roadmap to continued volume growth throughout the balance of the year.

This represents a major step forward—not only in margin generation, but also in capturing greater value by diverting milk solids away from our lowest-value butter and powder production.

In many ways, this transformation mirrors how you manage your own herds. CDI operates a collection of assets, each producing different products with varying returns – both positive and negative. Our responsibility is to improve assets so they produce higher-margin products or, where appropriate, to “cull” underperforming assets and redirect milk solids toward assets that generate stronger and more consistent returns.

Beyond Bakersfield, we have made several additional investments that are critical to our ongoing transformation. These include:

- Expanded ultrafiltration capabilities in Tipton to enable year-round production of milk protein concentrates, isolates, and liquid UF;
- Lactoferrin production at Turlock North;
- Expanded retail butter capabilities ranging from spreadable and European-style products in Tipton to additional quarter-pound and whipped offerings in Visalia; and
- Enhanced capabilities in Visalia to produce custom fluid mixes, including ice-cream bases.

Importantly, there is more to come – particularly as we continue to build out the Bakersfield facility to its full capacity.

At the same time, we remain fully committed to strengthening our core commodity business, which will remain a significant part of CDI for years to come. We are examining every opportunity to streamline processes, reduce costs, and improve our product mix by targeting specifications and packaging formats that can deliver stronger margins. While there is still much work ahead, I am energized by the strategic direction we are pursuing, the meaningful investments we have made in pursuing that strategic direction, and the team we have assembled to execute it. I strongly encourage you to join us at the Annual Meeting on April 22 in Visalia, where we will take a candid look at where we are, how we arrived here, and – most importantly – where we are headed.

Thank you again for the trust you have placed in me and in our leadership team. We look forward to engaging closely with the membership as we continue this transformation together. And while my title has changed, my cell phone number has not – please feel free to reach out any time.

FROM THE FIELD

MEET JUAN NAVARRO



Juan Navarro was born in Pomona, CA, and shortly after, his family relocated to the Central Valley when his father moved with Scheenstra Dairy. After spending a few years in Visalia, the family settled in Tulare, where Juan was raised.

Juan attended several schools in Tulare, including Pleasant Elementary, Kohn Elementary, Mission Valley Elementary, Life Oak Middle School, and Tulare Union High

School. Throughout his youth, he stayed active playing soccer and tennis and participated in the local AYSO league. While he has retired from soccer due to a bad knee, he continues to enjoy playing tennis.

After graduating from Tulare Union High School, Juan enrolled at California State University, Fresno, initially pursuing nursing. During college, he began working weekends at Scheenstra Dairy, which eventually sparked his interest in the dairy industry. With guidance from academic advisors, Juan shifted his focus to Dairy Science and graduated in 2020.

Following graduation, Juan began his career as a field representative with Dairy Farmers of America in Modesto, CA, where he worked for four years. He later joined CDI as a field representative, bringing valuable industry knowledge and hands-on experience to the role.

Juan and his wife currently live in Tulare and are proud parents to their daughter, Amelia Solei Navarro.

MEET JACOB BEACH



Jacob Beach joined CDI as the District 4 Field Representative in early October. He was born and raised in Newman, CA, where he grew up on an almond and hay operation, raising livestock and competing in local and national agricultural events.

Jacob is a 2018 graduate of Orestimba High School, where he served as a team captain on league championship football and baseball teams. He continued his education

at Modesto Junior College, completing nationally in dairy cattle judging and earning his Artificial Insemination Certificate. He later transferred to California State University, Fresno, where he earned his bachelor's degree in Agricultural Business.

While attending Fresno State, Jacob worked multiple days a week at Moonshine Dairy in Crows Landing, CA, gaining hands-on industry experience. During this time, he also earned his Private Pilot Certificate through JB Aeronautics at Fresno International Airport. After graduation, he continued at Moonshine Dairy as an assistant manager before joining CDI.

Jacob and his wife currently live in Newman. Outside of work, he enjoys hunting, fishing, flying, and raising Wagyu-cross cattle.

A HEARTFELT FAREWELL TO PATRON PAYROLL MANAGER MARY REYNOSO



MARY REYNOSO

After 36 years of dedicated service to our member-owners, Mary Reynoso, our Patron Payroll Manager, has announced she will be retiring on May 1, 2026.

For many of our member-owners, Mary has been a steady, reliable voice on the other end of the line for decades. Her journey with the cooperative began in 1990 when she joined the Patron Payroll department at Danish Creamery. Since then, Mary has been a first-hand witness to the evolution of our industry and our organization.

Mary's tenure spans some of the most significant milestones in our history. Most notably, she helped navigate the 1999 merger that brought us together to form CDI. Through every technical shift and organizational change, Mary remained a constant professional,

eventually earning a promotion to Patron Payroll Manager in 2016. When asked about her long career, Mary is quick to point out what kept her here for nearly four decades.

"My favorite part of the job has always been working with the dairy farmers," said Mary. "This job has been a great experience and has provided so many good things in my life. I wish everyone nothing but the best."

While Mary has been meticulous with the patron payroll, her life outside of the office is full of passion and adventure. As she prepares to hang up her computer, she has a busy itinerary ahead. She is most excited about spending quality time with her grandson. She also has her sights set on the tropical beaches of Hawaii and the historic coastlines of Portugal. A diehard Dallas Cowboys fan, retirement won't slow down her team spirit. She plans to continue her "must-do" annual traditions, including attending the Cowboys' Training Camp and catching at least one live game every season.

Mary's expertise will be greatly missed in the office, but her impact on CDI will be felt for years to come. Please join us in thanking Mary for her 36 years of hard work and wishing her a long, happy, and touchdown-filled retirement!

ON FARM DRONE GUIDANCE

Drones are increasingly being used in nefarious ways from scouting properties searching for equipment to steal and by animal rights activists to gather footage from dairies and ranches. Newly implemented federal drone regulations have been implemented. Here are the recommendations you need to know:

When you see a drone near your property:

- Immediately request a response from local law enforcement explaining you are concerned about the safety of your employees and livestock.
- Capture cell phone video of the drone operator, particularly if they are on private land or are interfering with farm operations or endangering people or livestock.
- DO NOT threaten or accost the drone operator.
- DO NOT attempt to shoot down the drone.

Have responding officers interview the operator to determine if they are in compliance with the following requirements:

- The operator is certified as either a recreational or commercial drone pilot by the FAA.

- The drone is registered with the FFA and its registration number is visible on the airframe.
- The drone is broadcasting a remote ID code, readable by the DroneTag or similar app which are available for Android or Apple phones and can be downloaded for free by farmers and Law Enforcement.
- The drone is being operated within the line-of-sight of the pilot and not into roofed buildings.

The drone is not operating in a drone no-fly zone, such as airports and prisons, which can be located using FAA's B4UFLY app. Failure to comply with federal drone laws can result in steep fines and loss of the required pilot license. Unfortunately, farmers do not own the 400 feet of air space above their property, but more reported drone sightings will prompt a more swift and aggressive response from law enforcement and the FAA. Producers can also submit a Suspicious Activity Report (SAR) with their local Law Enforcement Intelligence "Fusion Center."

SCAN THE QR CODE TO FILE A SAR OR TO VIEW ADDITIONAL INFORMATION ON RESPONDING TO SUSPICIOUS DRONE ACTIVITY.



IN MEMORIAM



PIER VAN DER HOEK

Pier van der Hoek
September 13, 1947 –
March 31, 2026

Pier van der Hoek went to be with his Lord and Savior Jesus Christ on March 31, 2026, at the age of 78, passing peacefully at home on the farm surrounded by his family.

Born in Kubaard, Friesland, the Netherlands, on September 13, 1947, Pier was the fifth of eight children to Hans and Jeltje van der Hoek. He grew up working on the family farm and studying auto mechanics before immigrating to California at age 20 to help his brother, Minne, on his dairy.

While relief milking, Pier discovered a talent for buying and selling cattle. In 1972, he began working for Frank Leyendekker, whose children eventually talked him into an ice-skating outing where he met Darlene Lee. Despite his thick accent, Pier made her laugh; they were married on December 27, 1975, recently celebrating 50 years together.

In 1981, Pier and Darlene moved to their home on Avenue 360, where they raised their four children: Hans, Henry, Julia, Janelle. A founding member of the Friesian Horse Association of North America, Pier bought his first Friesian in 1984. He loved training his horses behind a cart, a passion he maintained alongside his cattle business. In 1989, he realized a dream by building his own dairy, eventually moving the operation to Helm, California, in 2004 to work alongside his sons and their families.

Always proud of his Friesian heritage, Pier was a true "people person" remembered for his boisterous laugh, teasing spirit, and endless jokes. He cherished his grandchildren and remained the "connector" for his siblings, keeping the family updated with regular calls. A man of steadfast faith, Pier read God's Word daily and found great comfort in traditional hymns.

After a courageous battle with metastatic prostate cancer, Pier finished his race. In a fitting tribute, the first foal of the year, a colt named Garrett Pier, was born on the farm just 15 minutes after his passing.

Pier is survived by his wife, Darlene; children Hans (Michelle), Henry (Ashley), Julia (Brad) VanderEnde, and Janelle (Aaron Hughes); 11 grandchildren; and siblings Minne, Roel, Hans, Otte, and Janny Bijlsma. He was preceded in death by his granddaughter, Eliana, and brothers Jelle and Raymond.

In lieu of flowers, the family welcomes memorial donations to Immanuel or Kerman Christian Schools in honor of Pier van der Hoek, as he was a supporter of Christian education.

CDI TOP QUALITY PRODUCERS

DECEMBER 2025

TOP QUALITY PRODUCER FOR DECEMBER

NAME	SPC	LPC	COLI	SCC
ED & LORIE MACHADO #2	1,000	13	15	60

TOP MEMBERS IN DISTRICT 1

NAME	SPC	LPC	COLI	SCC
G3 DAIRY	4,000	82	8	115
FRANK KONYN DAIRY, INC.	1,000	40	7	133
EL DORADO DAIRY #1	2,000	39	113	150
WESTERN SKY DAIRY, LLC	7,000	35	288	124
WHITESIDE DAIRY	56,000	106	131	169

TOP MEMBERS IN DISTRICT 2

NAME	SPC	LPC	COLI	SCC
JAMES JONGSMA DAIRY	8,000	48	55	101
JESSE & JAMES JONGSMA DAIRY	7,000	43	36	119
SHIRK DAIRY	1,000	37	5	133
HOLSTEIN FARMS	7,000	50	66	118
DE GROOT DAIRIES #1	4,000	14	160	112

TOP MEMBERS IN DISTRICT 3

NAME	SPC	LPC	COLI	SCC
SHADY ACRES DAIRY LP	1,000	16	25	61
SOUTH POINT RANCH EAST	3,000	35	7	77
CLOVERDALE NORTH	8,000	38	6	79
SOUTH POINT RANCH WEST	2,000	35	14	82
DOVER DAIRY FARM #1	10,000	107	68	88

TOP MEMBERS IN DISTRICT 4

NAME	SPC	LPC	COLI	SCC
ED & LORIE MACHADO #2	1,000	13	15	60
VANDER WOUDE DAIRY	2,000	28	12	101
JOE GOMES DAIRY	3,000	51	5	101
FIVE H FARMS	10,000	100	8	93
WAGNER DAIRY #2	14,000	85	13	102

CDI TOP QUALITY PRODUCERS

JANUARY 2026

TOP QUALITY PRODUCER FOR JANUARY

NAME	SPC	LPC	COLI	SCC
ED & LORIE MACHADO #2	2,000	31	7	52

TOP MEMBERS IN DISTRICT 1

NAME	SPC	LPC	COLI	SCC
G3 DAIRY	10,000	54	10	139
EL DORADO DAIRY #2	5,000	134	7	121
WESTERN SKY DAIRY, LLC	15,000	48	94	125
WHITESIDE DAIRY	22,000	26	11	161
BIDART DAIRY	7,000	76	11	172

TOP MEMBERS IN DISTRICT 2

NAME	SPC	LPC	COLI	SCC
JAMES JONGSMA DAIRY	5,000	60	31	105
SHIRK DAIRY	4,000	33	5	147
JESSE & JAMES JONGSMA DAIRY	7,000	64	49	132
DE GROOT DAIRIES #1	9,000	107	34	132
J & J VANDER POEL DAIRY	8,000	24	46	160

TOP MEMBERS IN DISTRICT 3

NAME	SPC	LPC	COLI	SCC
SHADY ACRES DAIRY LP	3,000	15	7	60
CLOVERDALE NORTH	8,000	30	7	72
SOUTH POINT RANCH WEST	7,000	37	11	88
SOUTH POINT RANCH EAST	3,000	39	24	85
CLOVERDALE SOUTH	13,000	40	12	143

TOP MEMBERS IN DISTRICT 4

NAME	SPC	LPC	COLI	SCC
ED & LORIE MACHADO #2	2,000	31	7	52
KOOLHAAS DAIRY #2	23,000	74	82	64
DUTCH DOOR DAIRY	2,000	42	13	110
FIVE H FARMS	12,000	82	17	96
PEDRETTI RANCHES	3,000	63	18	115

FEBRUARY 2026

TOP QUALITY PRODUCER FOR FEBRUARY

NAME	SPC	LPC	COLI	SCC
ED & LORIE MACHADO #2	1,000	30	9	50

TOP MEMBERS IN DISTRICT 1

NAME	SPC	LPC	COLI	SCC
FRANK KONYN DAIRY, INC.	2,000	84	6	122
EL DORADO DAIRY #1	7,000	38	35	135
BIDART DAIRY #2	8,000	51	20	139
WHITESIDE DAIRY	12,000	40	7	152
EL DORADO DAIRY #2	3,000	44	5	159

TOP MEMBERS IN DISTRICT 2

NAME	SPC	LPC	COLI	SCC
SHIRK DAIRY	2,000	26	30	125
NORTH CREEK DAIRY	11,000	22	24	146
JAMES JONGSMA DAIRY	8,000	66	39	131
DE GROOT DAIRIES #1	6,000	18	124	131
JONGSMA DAIRY #2	2,000	60	218	103

TOP MEMBERS IN DISTRICT 3

NAME	SPC	LPC	COLI	SCC
SHADY ACRES DAIRY LP	1,000	15	7	67
CLOVERDALE NORTH	3,000	25	6	69
SOUTH POINT RANCH WEST	4,000	23	91	86
SOUTH POINT RANCH EAST	4,000	26	109	85
OPEN SKY RANCH, INC.	6,000	39	7	150

TOP MEMBERS IN DISTRICT 4

NAME	SPC	LPC	COLI	SCC
ED & LORIE MACHADO #2 ***	1,000	30	9	50
KOOLHAAS DAIRY #2	3,000	72	63	69
FRANCISCO OR LAURINDA CHAVES #2	2,000	70	5	97
VANDER WOUDE DAIRY	2,000	23	55	98
JOE GOMES DAIRY	3,000	47	27	105



TEAM UPDATE: OUR PATRON PAYROLL SUPPORT

As we wish Mary Reynoso a happy retirement, we are pleased to share the structure that will continue to support our member-owners. These changes reflect our commitment to internal expertise and a streamlined approach to member service.

New Leadership: Mendi Webster

We are proud to announce that Melinda (Mendi) Webster has taken over as the Senior Manager, Patron Payroll. Mendi is an exceptional choice for this role, bringing 19 years of CDI experience to the position. She began her career with the cooperative in Patron Payroll before moving through various roles in Operations and Finance. While we recognize the deep institutional knowledge Mary has provided over the years, Mendi's diverse background and meticulous attention to detail gives us full confidence that she will quickly master our current systems and maintain the high standards of service you expect.

A New Way to Connect

We understand that many of our member-owners have built a strong working rapport with Mary over her many years of service. To ensure a smooth transition and the most efficient service possible, we ask that you follow your updated communication protocol:

- Reach out to your Field Representative first: For any payroll or account-related questions, your Field Rep should be your primary contact.
- A Direct Link: Our Field Representatives are fully prepared to assist you and will work closely with Mendi and the Patron Payroll team to resolve any complex inquiries on your behalf.

This structure allows our internal team to focus on the precision required for high-volume payroll processing while ensuring you receive personalized, local support through your Field Rep.