

MILCHWELT

The Official Magazine of the DMK Group

DECEMBER 2021



FORWARD-LOOKING



INNOVATIVE



PLANT-BASED

CRYSTAL CLEAR

Where we are, what we plan to do.

Bonus:
Comes with
a large sheet
of Christmas
wrapping
paper!



SUSTAINABLE



IN ONE VOICE

Did you know?

The Naming of the Milky Way

According to Greek myth, even as a baby, Heracles was so strong and sucked so hard at his mother's breast that her milk sprayed throughout the sky, creating the Milky Way.

The Royal Whey

Prince Charles, the heir to the British throne, runs his car on a biofuel that is made out of surplus whey from cheese production. Whey to go!

Of Mice and Milk

German has a wonderful phrase to express frustration. When things just aren't working out despite every effort, Germans say it is "zum Mäusemelken," which translates as like trying to milk a mouse. A quick look at the science suggests that milking a real mouse would yield a mere 0.00025 liters. So if you wanted to produce a liter of milk, you would have to milk your mouse 4,000 times.

Sources: WasIstWas / ARD Planet Wissen / BBC



A Clear Goal in View

Oliver Bartelt
Global Head of Corporate Communications



Dear readers,

"Crystal clear" is our cover story in this issue of the magazine and as DMK's director of communications, I am tempted to add an exclamation mark after many of the issues for further emphasis. Nevertheless, I often realize while I am talking to colleagues, farmers, the media and customers that this message is not necessarily clear to everyone and that some further explanation might help.

We are not a single-site dairy, and we cover almost the entire range of milk and dairy products out there. So we are looking for answers as a cooperative to urgent questions that are affecting the whole industry, from restructuring the company to meeting societal demands.

Ingo Müller and Dr. Frank Claassen provide an update on which tasks we have already completed and where challenges still lie ahead on pages 14-15. We take an in-depth look at current issues in our main section, with farmers and employees sharing their views on pages 12-35. We also take a look at non-dairy foods, climate protection, developing areas of our business and the challenges our DMK farmers face on their farms.

We are managing to deal with all this change thanks to Strategy 2030 - it was and still is the basis for us to transform the company from the inside out and make it fit for the future. We can only do all of this together. Believing in a WE means embracing the power of teams, being motivated and talking to one another. That is also the word from farmers and employees who discuss how they see the situation at the company right now, on pages 30-31.

It is also clear that WE is still a delicate plant that cannot survive alone but needs all of us to nurture it. But we are taking good care of it: That is also something we make clear in this issue of Milchwelt.

The Milchwelt team hopes you enjoy reading this issue and we all wish you a Merry Christmas and a healthy and successful start to 2022!

Best regards,

Oliver Bartelt

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VEGAN EVOLUTION

The non-dairy products category brings plant-based alternatives into the DMK product world.



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The successful start of the new cheese plant in Bobrow, Russia.

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Less CO2, more animal welfare and biodiversity: DMK's food production is more sustainable and digital than ever.

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The internal "PASSION" program is helping employees rise through the ranks.



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Note on language: All terms apply equally to everyone.

North Sea

Baltic Sea



NEUBÖRGER PLANT
 + Process optimization for commissioning of a new heating plant and a new filling plant
 + Conversion of an energy-efficient refrigeration plant

NORDHACKSTEDT PLANT
 + Construction of a mozzarella line that meets the latest energy standards
 + Reusing water for use in the boiler
 + A range of water conservation measures
 + Heating water by using waste heat from a biogas plant
 + Using a photovoltaic system
 + Construction of an energy-efficient refrigeration plant with safety upgrade
 + Wastewater treatment extension

HOHENWESTSTEDT PLANT
 + Partial switch to producing plant-based products
 + New construction of an energy-efficient refrigeration plant
 + Installation of a heat exchanger

DARGUN PLANT
 + Process optimization
 + Preventing product losses
 + Installation of an efficient compressed air system
 + Installation of a heat exchanger

HOOGVEEN PLANT
 + Reducing air emissions
 + Processing brine for reuse

GEORGMARIENHÜTTE PLANT
 + Optimizing the refrigeration plant
 + Site-wide low-temperature waste heat utilization and connecting heat sources and heat sinks
 + Wastewater treatment of vapors to reduce emissions

EVERSWINKEL PLANT
 + Optimization of the wastewater treatment plant
 + Replacing burner technology
 + Construction of a retention basin

WAGHÄUSEL PLANT
 + Autoclaves installed with a water and heat efficiency system
 + Use of a photovoltaic system

STRÜCKHAUSEN PLANT
 + Constructing a new efficient energy center with a combined heat and power plant and refrigeration plant
 + Reconstruction of the treatment plant
 + Reducing wastewater by optimizing cleaning processes in the drying tower
 + Construction of an energy-efficient drying plant & reducing air emissions

HOLDORF PLANT
 + Water efficiency project
 + Infrastructure project recirculating condensate, wastewater treatment and new burner technology

BEESTEN PLANT
 + Construction of a spray-drying plant with waste heat recovery
 + Optimization of the wastewater treatment plant

ZEVEN PLANT
 + New energy center with 2 highly efficient boiler plants and combined heat and power plant
 + Measuring station network to monitor waste water flows
 + Optimizing wastewater treatment
 + Conversion of an energy-efficient refrigeration plant
 + Flowering meadows
 + Using waste heat in spray drying plants

EDEWECHT PLANT
 + Reusing water
 + New energy-efficient boiler plant
 + Site-wide low-temperature waste heat utilization, linking heat sources and heat sinks
 + Participation in EU research project B-WaterSmart
 + Flowering meadow

ERFURT PLANT
 + Condensate recovery to use waste heat
 + Making plant-based products
 + Energy-efficient refrigeration plant

WAREN PLANT
 + Reduction of wastewater
 + Biomass heating plant
 + Conversion of an energy-efficient refrigeration plant
 + Waste heat utilization, building a heat exchanger

ALTENTREPTOW PLANT
 + MARS project: System to reuse water and heat
 + Optimization of refrigeration
 + Treatment plant expansion to produce biogas

PRENZLAU PLANT
 + Energy efficient refrigeration plant

BOBROW PLANT
 + Conversion to more environmentally-friendly refrigerant
 + Separation of packaging for recycling
 + Construction of a highly modern wastewater plant 1+2

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... sustainable projects and many more are under way or have already been completed at numerous DMK sites. This map does not show them all, just a selection of the initiatives that are making production more environmentally-friendly.





2021

... marked the launch of our new recruitment campaign, "Milk is more colorful than you think." We designed it to show how appealing and varied training is at the DMK Group. Every year, some 100 junior employees can pursue one of 15 different professions. We are proud of this diversity and have put our trainees and educators at the heart of our new campaign. This banner at the Zeven plant provides a sneak peek before we roll out our campaign across Germany and at milch-vereint.de.

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PHOTO
CONTEST!

An aerial photograph taken from the perspective of someone inside a small aircraft, looking out over a vast landscape. In the immediate foreground, the white, curved structure of the aircraft's wing or fuselage is visible on the left. Below, a large industrial facility, likely a dairy processing plant, is situated in a green field. The plant consists of several large, interconnected buildings with grey roofs and numerous cylindrical storage tanks. A single wind turbine stands prominently in the foreground to the right of the plant. In the background, a vast expanse of agricultural fields in shades of green and brown stretches towards a horizon dotted with a large number of wind turbines under a blue sky with light clouds.

minutes up, up in the air was Andreas Woting's birthday present to his wife Doreen. He took her up in a small Cessna and they headed from their home in Neubrandenburg to the Altentreptow plant where they both work – all on a bright sunny Sunday in August.



FORWARD-LOOKING:
The first choice. For always.



SUSTAINABLE: The plants are using resources more efficiently.

CRYSTAL CLEAR

Where we are and what we plan to do.

Sometimes, it is easy to lose a sense of the bigger picture, even though that is a helpful compass to stay strong and focused on the importance and value of our own performance. The pandemic has forced our employees and farmers to adapt to extraordinary circumstances, find new ways to cooperate, handle new environmental standards and respond to highly dynamic patterns of consumer behavior. At times like these, our shared goals aren't only important but are the engine that drives us forward and helps us to keep going. We need a strategy and a vision to ensure we can continue to succeed, and DMK's Vision 2030 is the foundation that is making us stronger, inside and out, and helping us on our journey. Not just throughout the pandemic, either, as we show in the following pages how we have achieved the goals we set, have grown closer together as a company and aligned our units for greater efficiency. Read on to find out how we are doing, where more work is needed and how even though times are tough in agriculture, we can see light at the end of the tunnel.

INNOVATIVE: Farmers are finding ways to develop and improve their sites.



PLANT-BASED: DMK is making non-dairy alternatives available.



IN ONE VOICE: Employees and farmers are supporting DMK.

It is helpful to take a look back at all that we have **achieved since the pandemic** emerged eighteen months ago, to keep our goals into focus. DMK boss Ingo Müller and CFO Dr. Frank Claassen on Strategy 2030 – and how it gives us courage in times of crisis.

After all these months of crisis, how can we manage to keep looking ahead during times like these?

Ingo Müller: We defined DMK's strategy in 2019 and have been following this path and working our way through these plans ever since. And our work is gradually bearing more and more fruit.

Frank Claassen: Transformation processes are never easy and often enough mean sacrifices and changing familiar work processes. But despite difficulties, our production, processing and marketing staff all made sure that food supplies continued to flow from farms to supermarkets during the past few months. That achievement is thanks to their perseverance and to the fact that we developed a concrete road map in Strategy 2030 that is now guiding us through the crisis.

What have we achieved so far?

Ingo Müller: We implemented projects according to plan: We sold Sanotact and our ice cream plant in Haaren, we fully acquired DV Nutrition and integrated it into wheyco, which provides a massive boost for our whey business. We pushed ahead on building our new plant in Russia and started restructuring BU Baby. And we also integrated the Alete group in this area and are now working on ways to make processes even more efficient.

“We are on the right path”

“Transformation processes are never simple and often mean sacrifices and changing familiar work processes.”

Dr. Frank Claassen, CFO.

“There are almost no processes that do not touch on a second process in some way, no wheel that does not help drive two or three other cogs.”

Ingo Müller, CEO.

Frank Claassen: DMK's basic direction is set and the major pillars are in place. We're continuously improving in the plants and are continuing to grow together as DMK across the German-Dutch border. These are not easy times for our employees and farmers, but all these are milestones that deliver promising prospects for the future, for them and for the company.

Tougher climate targets in the future will be a challenge for farmers. How does DMK see this?

Ingo Müller: Future climate targets again show that Strategy 2030 was right on target. Two years ago, we laid the foundations to align DMK so that we can work more efficiently, develop new products, identify trends, and cooperate beyond our national borders.

Frank Claassen: We knew that environmental protection and cutting emissions were major issues even before Germany's elections. In the markets where we're active, there are hardly any parts of society that aren't involved in these debates. Food production is right at the heart of this discussion. We get queries from shoppers and customers almost every day, asking about the carbon footprint of our products and how it compares to plant-based alternatives.

What other challenges does DMK still face?

Frank Claassen: Lots, but none that we cannot overcome. On the one hand, we have to keep our costs under control. We are experiencing the highest increase in the inflation rate in a long time, with almost all of our raw materials, packaging, feed, energy, etc. becoming more expensive. That applies to the processing industry as well as on the farms. On the other hand, we also have to respond to consumers' wishes, which are changing all the time ...

Ingo Müller: ... for example, the plant-based alternatives segment is developing a lot faster than the classic milk segment, as shoppers worldwide increasingly call for non-dairy products. Even if DMK's target group is pretty flexible and still buys dairy products, plant-based alternatives have now become part of the mainstream. Younger target groups associate them with enjoyment, variety, health and sustainability. As a responsible and forward-looking dairy cooperative, that is a trend we cannot ignore. So we are addressing the topic in almost every part of our business.

Frank Claassen: We see that dairy and non-dairy products can coexist well together, side by side, providing dynamic growth opportunities. We can only access the money in this market if we are active in the market.

What can employees and farmers draw from the goals that have been reached so far?

Ingo Müller: That we are on course – more more than ever! That means that we have a goal in view and as we move to achieve it, we are continually reassessing our position, each day, and adjusting our course as needed. What we have to bear in mind is that we are not just a single-site dairy, but a complex fleet network. You can't reorganize a company of this size within the space of a weekend. There are almost no processes that do not touch on a second process in some way, no wheel that does not help drive two or three other cogs.

Frank Claassen: It always makes sense to look far ahead in a future-oriented company like DMK, particularly in times of crisis. It helps to keep the big picture in view – and the importance of our own individual contribution, which is so valuable for DMK.



Our basic conditions are changing with amazing dynamism.

Everything in Transition

Why sustainability matters so much.

We only have one Earth, unfortunately, rather than several, though that would be nice. “If the world’s whole population acted, lived and behaved the way we do in Europe, we would need nearly three Earths to provide the necessary resources,” says Thorben Schwiebert, Senior Insight Manager Corporate Environment DMK. Something has to change in terms of how we live, he underlines. All over the world, people are demonstrating for climate protection, demanding transparency when it comes to food production and more exact information about farming methods.

Take milk as an example that sums up the conflicting goals involved in these issues, however. Organic milk, for example, has a higher carbon footprint than conventional milk. It is not hard to explain why: Organic milk involves less intensive production per cow, so a farm’s CO₂ output is measured against a smaller quantity of milk than on conventional farms. On the other hand, organic milk is popular with shoppers

concerned about biodiversity and animal welfare, as cows have more space to roam. A company like DMK needs to find smart solutions to meet consumer needs as well as those of the planet, in ways that make most sense.

Reducing greenhouse gases is also high on the political agenda. In the Netherlands, for example, companies face a carbon tax aiming to reduce emissions significantly. Germany seeks to become climate-neutral by 2045 and the Green Deal and Farm to Fork strategies also set ambitious targets. Politicians, the population and companies around the world must rethink and act - and that includes DMK.

Taking responsibility

More than 90 percent of households consume milk and dairy products. Consumers like them, appreciate the variety, and value the way these products help contribute to a balanced diet. But at the same time, sustainability and future-oriented management are so closely linked that the industry needs and wants to find ways forward.

What is the best way to address this important issue, in an agitated, polarized world riven by ideological debates? What is clear is that a company like DMK cannot simply duck the issue. And it isn’t - the company has been steadily expanding in terms of sustainability over the past few years and Strategy 2030 made these goals even more concrete. “We are taking action in terms of climate protection, animal welfare, biodiversity and people,” says Dr. Philipp Inderhees, Global Head of Corporate Strategy at DMK. He plays a key role in developing and implementing sustainability topics in the company. “Purchasing, agriculture, occupational safety, environmental protection, energy management and quality management are all part of implementing this and underpin what we do.” He and his team created specific strategies for DMK which are now taking shape in many places.

Concrete CO₂ cuts

“Our goal is to reduce CO₂ emissions per kilo of milk,” he says. “By 2030, by

25 percent compared to 2017, throughout the entire value chain.” Those are not just empty words, either, as is shown by measures to save energy at the plants.

The Edeweicht plant has a waste heat recovery system and heat sources have been linked with heat sinks, measures that will save around 4,250 tons of CO₂ per year. “We are still a long way from reaching our goal,” says Inderhees. “But we have already made some progress to reduce our energy consumption and have managed to reach several milestones.” The plant has reduced its energy consumption by more than 15 percent since 2011. It has also slashed its water consumption by 5 percent since 2015. Progress has also been made through 140 ecological balance sheets created together with TÜV Rheinland and the LWK Lower Saxony: “Calculating these ecological balance sheets showed that the average CO₂ value per kilo of milk produced by the DMK farmers who took part is less than 1 kilo of CO₂ per kilo of milk, so well below the European average of 1.6 kilos,” says Inderhees. To



KEY DMK FIGURES 2020



More than **25 million** kWh energy savings through efficiency measures



95% waste utilization



97,3% of DMK farms used predominantly regional feedstuffs in 2019



~99% cocoa and palm oil from sustainable sources.



achieve this goal, the company prefers the use of home-grown feed as it has a smaller carbon footprint, among other measures.

Better animal welfare

Animal welfare is the central sustainability issue in dairy farming. It is also a topic of substantial concern among politicians, consumers, retailers and NGOs and is driving the general debate. Animal welfare covers many detailed issues as well as the general question of how food of animal origin is made. Cattle health is the very foundation of responsible milk production as it influences the quality and safety of the milk and of all other products made using the milk. DMK takes an all-encompassing approach: "Enclosures in which cows can move freely at all times are by far the most common farming system used by DMK farmers," says the sustainability expert. That is already a big step in terms of animal welfare. A bonus system gives people an incentive to adopt this approach and 87 percent of DMK's milk producers already do so.

Promoting biodiversity

Animal welfare is also important for biodiversity. Biodiversity refers to every living organism in the soil, water and land. It is based on diverse ecosystems, genetic diversity and the wealth of species in animals, plants, fungi and microorganisms. Biodiversity is one of the most important foundations of our lives and needs to be protected in the long term. "Most of the farms use regional feed," says Thorben Schwiebert, who is also deeply engaged in the issue of sustainability at the company. "This not only reduces pressure on rainforests and other



LiMO-Pro - Reducing piles of paper

LiMo Pro is a digitization tool that the plants are using to help optimize processes and avoid using stacks of paper. At the Neubörger plant, for example, the IT system is able to spot when a pot or bucket causes a glitch in the production machines. The system can identify precisely when the machine came to a standstill or was cleaned. Additional input material such as pots and plates are scanned in the batch tracing process. All the information is recorded live, digitally, so nothing goes astray. That is an improvement on the past when errors arose as everything had to be recorded manually. LiMo Pro make a great deal of sense as well as saving time and paper.



B-WaterSmart - preventing water scarcity

The Edeweicht site uses a special process to treat vapors extracted during whey concentration. Scientists are supporting the project, which is set to run for several years, to show this is comparable to drinking water, as a way to preserve resources.



ecosystems, but also provides valuable support for regional feed production." DMK also promotes the cultivation of catch crops, which supply the soil with organic matter between plantings. These help contribute significantly to environmental, soil and water protection by reducing problems such as soil erosion and nutrient runoff, and improve soil fertility.

Creating habitats

Even more measures are in place. DMK farmers have also planted flower strips to provide habitats for insects and wildlife. "We're trying to help insects by creating new refuges that cover a total of 100,000 square meters, the equivalent of about 16 soccer fields."

All that is good news for a globally active company like DMK. Nevertheless, there is still room for improvement in many parts of agricultural production, though "we always have to consider the individual circumstances," Schwiebert says.

Meeting needs

It has long been known that the issue of sustainability is inextricably linked to the future of a company. Last but not least, it makes the company an attractive player for young generation Z professionals, who are highly interested in health and nutrition. All these efforts are directed towards not only them but people in general as a crucial resource. "Without our employees, a shared goal and the will to pull together, we will fail as a company," says DMK HR Manager Ines Krummacker. Working remotely or job rotations are not new needs that emerged during the coronavirus era, she says, but existed long before that. A new generation of employees is eager to work more flexibly, get more involved and help shape the company - but also understand and follow company strategies and decisions. Internally, that will also require a great deal

Monitoring wastewater

Fifteen kilometers of rain and sewage channels crisscross the floor of the Zeven DMK plant. Even with modern technology, losses can occur during production and purification processes. A smart measuring system uses sensors in the sewer network to detect faults with a high degree of accuracy and alerts operating personnel. In addition to saving water, this also significantly reduces the quantities of wastewater - and therefore cuts pollution.



of transparency, which creates a lasting sense of trust among employees. "In my experience at careers fairs, ratings platforms such as Kununu, application processes, schools and also personally, I see that potential applicants are less keen to go and work in a conventional industry," says Krummacker. They prefer employers who enable staff to take part and do what they can to make production 'better,' as they want to help improve the world.

All of this is high on DMK's agenda and has long been part of Strategy 2030. "What makes us a modern employer is the combination of a sense of belonging, individual advancement and flexibility when it comes to work," says Philipp Inderhees. For him, the positive focus on the future throughout the company is the way forward. "This means nothing can stop us from implementing the goal of sustainability in all areas."



Heat exchanger - reducing energy waste

In Edeweicht, a thermal store and an intelligent heat network help use heat from the chimney to run heating processes necessary for hygiene, saving some 5,000 metric tons of CO₂ per year from 2023. The German Energy Agency dena selected this project as one of 13 industrial lighthouse projects for CO₂ savings throughout Germany.



Philipp Inderhees,
Global Head of Corporate
Strategy, on the importance
of sustainability.

Why we are so committed

What is DMK doing in order to do justice to this area?

At DMK, we have been working hard on a sustainability strategy ever since 2011. We are actively working on climate protection, animal welfare, biodiversity and people. Many parts of the company are involved in implementing this, including purchasing, agriculture, occupational safety, environmental protection, energy management and quality management. This broad range of expertise has brought the strategy to life in many places.

What is the goal?

We want to reduce CO₂ emissions per kilo of milk - by 2030 by 25 percent compared to 2017 throughout the entire value chain. We will achieve that by saving energy in the plants, among other things.

Animal welfare is also part of the strategy.

What are you doing in this area?

DMK is taking an all-encompassing approach. Enclosures where cows can move freely at all times are one step towards animal welfare and this system is by far the most commonly used among DMK farmers. A bonus system incentivizes this approach and 87 percent of DMK milk producers already use this system.

What role do employees play when it comes to sustainability?

We could not have a sustainability strategy without them, a shared goal and everyone's willingness to pull together in the same direction. We have to work on retaining them in the long term and maintaining their engagement. That is also sustainability. The new generation of employees wants to work more flexibly, get involved, help shape decisions and also understand the company's decisions, routes and strategies. That requires a great deal of transparency internally, which promotes a long-term sense of trust among employees.



The Climate Among Farmers

Environmental standards are at the top of politicians' agendas. For farmers, all this spells new constraints as well as more support. They shared how the situation is shaping up for them.

“Brave steps are needed.”

Dairy farmer **Patrick Witte** has 120 cows on his farm in North Rhine Westphalia, in Germany. He assumes that the farm will be forced to embrace new areas of business in the future.

“Our last major acquisition was a feeding robot, which was important as we had to replace our feed mixer truck and we wanted to optimize our work processes. Now our smart assistant makes sure the animals receive many small combinations of feed throughout the day, which makes for more peace and quiet in the barn.

We also benefit from a bit more flexibility in our daily routine, as we can fill the storage bunkers once or twice a day, depending on the weather. Our whole family works together to manage the farm and when we look ahead to the future, our feelings are pretty mixed, to be honest. We wish that politicians, retailers and processors in Germany would all stand by the regulations in future and also impose them on anyone who wants to export goods to Germany as well. At the same time, we face an enormous economic challenge on our farm, as the milk money does not balance out what we pay for feed for yield and compensatory feed. However, we see ourselves as a strong family and hope to pass on this beautiful farm to the coming generations. Agriculture needs to open up to new areas of business, which means some brave steps will be needed.”



“You really can’t make any major progress.”



Farmer Henning Lefert looks after 120 cows at his farm in North Rhine Westphalia. Grappling with high lease payments and new regulations, he worries about the rising costs for dairy farmers.

“Our two milking robots were an important investment. They enable us to organize our day more freely without being tied down by fixed milking times, and it improves our quality of life as a family. We also had the yard paved at the same time, so things look pretty smart round here now. Looking back, I don’t know if I’d be able to lay out the same sums today as I did back then. You can’t really make any major progress at

the moment. Every day I pray that I won’t get any massive bills in the mail, and that the machines won’t break down. The high rent makes it really hard to run the business. If I had leased everything then and gone to back to work, I would have more money today. I take a sporting view of the standards for agriculture - it’s a challenge you have to face. If I let things slip for too long, then it takes time to get caught up again. When I’m cleaning out the barn, I like to think about ways forward.”

Brothers Luuk and Stijn Fox live in Lattrop, the Netherlands, and will be the fifth generation of dairy farmers on their family farm. Despite many challenges, the 19-year-old and 17-year-old are optimistic about the farm’s future.

“We try to make sure we don’t need to call out the veterinarian as far as possible - keeping our 105 Holstein cows in the best possible health is really important to us. That’s why we have a pasture behind the barn for the animals to move around freely after calving, it gets them used to fresh air. We give our animals feed that is free of genetically modified organisms. And we use fresh bedding in the cubicles for better hoof health, a mixture of straw, lime and water. We also focus on sustainability on our farm and we have a solar system on the roof. We both know that we want to take

over the farm, though one thing is still unclear: There’s a nature reserve that’s part of the EU’s Natura2000 network of areas to protect endangered plants and animal species alongside the farm. If the reserve expands, we wouldn’t be able to extend the farm. Then it would be harder for us to make further investments like low-emission flooring, the bank wouldn’t help us, as the farm would have lost value. We will know more next year. We definitely want to continue being farmers, it’s why we started studying at the Aeres University of Applied Sciences in Dronten. We’ll see what happens after we graduate.”

“We definitely want to continue being farmers.”



“Care pays off.”

The Dutch have a special system to assess cattle welfare. **Hein Verhoef’s** dairy farm in the province of Gelderland gets high marks for the way calves are raised.

“Our farm is divided into two parts. Our cows live on one site and on the other, we raise the calves once they are six months old. When they’re born, they’re initially kept in igloos out in the open, rather than being housed in the young cattle barn. That may not sound practical but the advantage is that keeping different age groups separate reduces the risk of spreading disease. Once they are six months old, we move them to the new location. That means they can get used to each other and they are fed the same food which helps them grow at a similar rate and prevents too much difference in terms of size. We also start out early using doses of colostrum, the milk



the cows first produce after calving that is extremely nutrient-rich and promotes animal welfare. We set up a whiteboard in the tank room to show the calves’ feeding times and quantities. This care pays off - for my farm at least. The calves are bigger than average and our loss rate is low. And in terms of our rating, we get 4.5

out of 5 possible points when it comes to how we raise the young animals. The assessment covers nutrition, housing, animal welfare and calves. Everything has to be clean and the animals’ health is the most important thing.”

Hermann Birkenhake’s farm in North Rhine Westphalia has been family-owned for more than 500 years. He is frustrated about the requirements farms face.

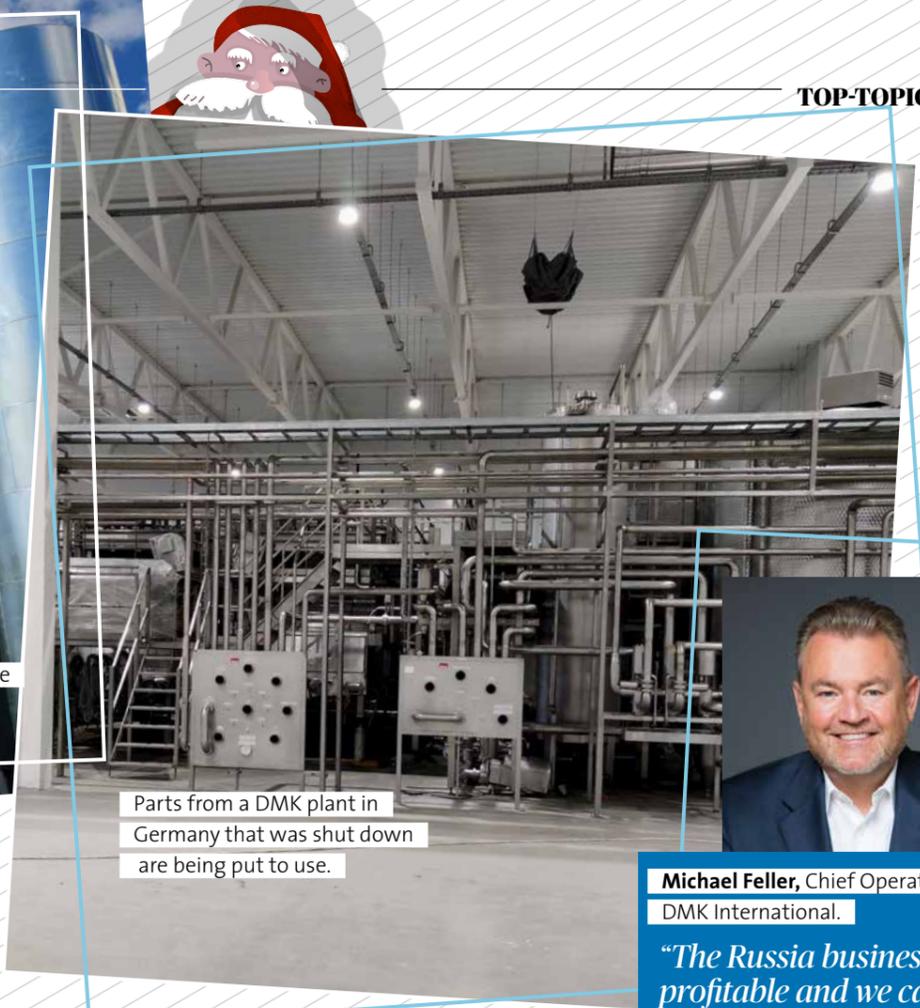
“We are fighting for our future.”



“Our cows’ welfare is very close to our hearts. We significantly expanded the space where we keep our animals over the past few years, providing deep-litter straw, fans and an outdoor exercise yard. We also built a new calf barn and a moveable silo facility. You can only ask the cows to give their best if you provide the best possible conditions. We’re facing a lot of demands from

politicians, retail and society and we dairy farmers cannot afford it anymore. The situation is really difficult due to the low milk prices over the past few years. Right now, the raw material supplier gets the very least in the whole value chain. Farms will die out even faster if the milk price doesn’t improve and stay higher in the future. Every cent goes into keeping the family farm going. We are fighting for our future.”





Growing in Russia

In Bobrow, DMK is setting up a second site to generate further profitable growth.

The Bobrow plant is 700 kilometers away from Moscow.

The first plant reached its capacity limits, so a second one will enable DMK to avoid supply problems.

Parts from a DMK plant in Germany that was shut down are being put to use.



Michael Feller, Chief Operating Officer
DMK International.

“The Russia business is profitable and we can expand it.”

What have we achieved so far?

After buying Richart, a Russian company that makes cheese specialties in Bobrow, about 700 kilometers south of Moscow, DMK expanded capacity at the site and added a whey drying facility and a blue cheese dairy. Now, 344 employees process up to 350,000 kilos of milk, transforming it into Tilsit, Gouda, Goya and Maasdam in bricks, cylinders and spheres. They also make Mascarpone and blue cheese, which is popular throughout Russia.

Why did we need to do that?

Doing business abroad with our dairy products is vital as local markets are saturated, as DMK clearly identified in its Mission 2030 statement, long before the pandemic broke out. The expansion strategy aims to enable the company to keep up with the competition and be in a position to pay farmers a competitive milk price. Our focus is on esta-

blishing and expanding sustainable, profitable business in third countries through exports from our plants in Germany and the Netherlands, as well as local value creation, with a balanced country and product portfolio.

Why Russia?

Since the Crimean crisis in 2014, a major sales market collapsed for German dairies when Russia imposed a trade embargo. The market remains closed to Western European dairies, so no cheese can be delivered there. Nonetheless, business in Russia is still profitable and there is room to grow. The Bobrow site was chosen because of its good infrastructure and raw milk supply - and how well the products sell. The project initially ran as a joint venture, before being gradually taken over.

How are sales going?

Very well. According to COO Michael Feller, who has lived in

Russia for a long time and is strategic manager of the business there, the plant is reaching its limits in all areas so DMK decided to build a second site in Bobrow. Old equipment from one of DMK’s sites will be installed in a new plant building in the Bobrow industrial area.

What comes next for DMK there?

The plan is not to sell products indiscriminately, at any price, but on markets where DMK can create value. That enables DMK as a dairy to be profitable - and also farmers. Markets such as Russia, China, Japan or the MENA region are promising outlets. What matters most is not the number of markets we are in, but that business is stable. Generally, the business has to earn more money than in Germany to cover the cost of operating in a country where the risk is higher.

Different forms of Goya, Maasdam and Gouda have won fans in Russia.



Oleg Maister, Managing Director
Russia & CIS DMK.

“In Russia, DMK is doing particularly well with its high-value specialties. For example, we are the biggest producer and seller of blue cheese and processed cheese. Our focus is on business that is stable, sustainable and profitable, in this market, rather than a steep and speedy increase in sales.”

Together is the Only Way

DMK has been focusing on WE for a long time. After all, no company can expect to make progress in these globalized times without exchange, shared goals and a sense of inner satisfaction. DMK employees and farmers talked about how they see the company today and what they want to see next.



Lukas Ringen,
Team Leader Controlling Services,
Platform Zeven, Global
Business Services.

“The top goal for us all has to be to achieve the best possible payout price for farmers. But we also have a shared interest in issues such as sustainability, animal welfare or price hedging. I grew up in a village and I am deeply familiar with agricultural issues. I used to love helping out on farms, chopping corn was a real highlight for me. I think farmers and employees need to move even

closer together, as we can only succeed together. Maybe some ways to help could be a communication platform for farmers and employees to exchange their thoughts, joint projects and events, or farm visits. If I were the head of DMK, I would optimize the plants’ IT systems across all the locations. We really need a well thought out plan and clear responsibilities here in this area. I would also like to see some serious thought into ways to make sure we have the talent we need from the younger generation as the experts and managers of tomorrow, across all departments and at all levels within the company. We are already moving in this direction through initiatives like Grow, Passion, or the mentoring project.”



Nadja Knobel,
Sales Assistant Food
Service, Business
Unit Brand, DMK
Group.

“Every single thing we do at DMK should be leading towards a good milk price and to give the farmers greater planning security. That means we all want the same thing. Paying a suitable milk price is important to secure farmers’ livelihoods and move forward as a company. I found how closely we are connected already with Marc Mahl and the BU Baby management team. We visited a farmer near our Baby production site in Strückhausen in September. It was a family farm with 80 cows, and had some of the latest technology, including milking robots and solar power. The milk went directly to our production site. I could really see how closely the farmers work with our colleagues at DMK. For me, that was another sign that there is already a strong sense of WE.”

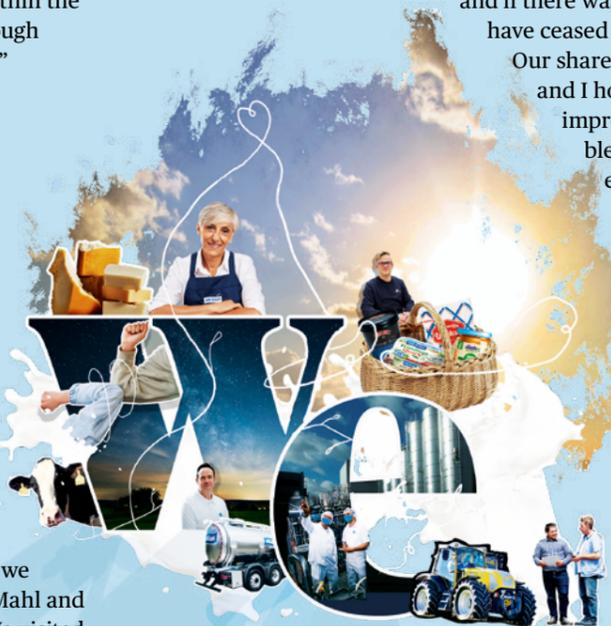
Patrick Bochet,
BU Baby, Managing Director
for Humana Sales (Humana
brand and Alete for
Germany).



Harald Mulder,
farmer from Moorweg,
near Esens.

“I think it’s important that farmers and producer-advisers have a strong relationship, as these are the people we are mainly in touch with, in our work at DMK. But it is also important to have a strong sense of ‘we’ on our farm. We have an apprentice and a permanent employee who has been with us for twelve years - our farm is also his farm. Without people like that, we would be unable to run the place. He doesn’t just work for me, he’s a friend and a member of the family. I trust him and that’s the only way things can work as well as they do. That is not something you can take for granted. We have been in the cooperative for over 20 years now and if there wasn’t a sense of WE, I would have ceased to be a member ages ago.

Our shares in the dairy connect us and I hope that the milk price will improve. We are under incredible pressure. Prices are rising everywhere except the payout price for our products. Honestly, I am not hoping for more mergers, I think we are big enough already.”



“You always get a sense of WE if you know people personally. Back during my school internship, I was in the daily laboratory and that was my bridge to the company. I was thrilled to see how much employees identify with their company. You only get to experience that if you meet people from different areas and get a chance to talk to them. That is one area we haven’t worked on enough yet. I believe farmers are afraid that misunderstandings could arise if employees come to the farms, so nobody tries. But actually, I think it would mostly work out well. When people come into contact, it helps break down preconceptions and prejudices. I have a personal relationship with milk as a product, starting with the birth of a calf. Then you milk it for the first time, and then again and again, and then it reaches the store. I also like the cooperative model. I myself am active as a volunteer, I’m able to get involved and can do my bit to make a difference. A lot could certainly be improved but only by working together. I benefit from being in contact with company employees, but that is something that many of my colleagues don’t have. More exchange would help build bridges.”



Bernd Pils,
farmer from Klein Meckelsen
and advisory board member
at DMK.

Sibout Rolsma,
HR Director / Human Resources,
BU Industry.



“I don’t see any difference between a farmer’s goals and the goals of an employee like me: we all want the company to do well on the global market. Not only for today, but also for future generations. My mother comes from a farming family and their farm was sold recently. It was located right on the German-Dutch border. My father is an engineer and in the early 90s, he was involved in building the Altentreptow plant. The DMK feeling runs through my whole family. If I were the boss of DMK, I would let everyone join in an annual pitch meeting, to select the best and wildest ideas. That might help us create something totally new, and maybe discover something innovative?”



Stieneke van Nes,
Coordinator Sustainability,
DOC Kaas.

DOSSIER

VEGAN ALTERNATIVES

We're benefiting from a whole new branch.

Why we need plant-based products, now and in the future.

Whether made out of oats, soy, peas or rice, the range of plant-based products is growing at a record pace. Companies like Danone now make around ten percent of their sales from vegan products. The product category has become a permanent fixture in supermarket refrigerated aisles.

This development may initially seem frightening to dairy farmers, but it doesn't have to be if we approach it actively and deal with it head on. Consumers value animal welfare, environmental protection and sustainable production chains as they have done for some time. According to the GfK market research institute, one in three households in Germany now buys plant-based alternatives instead of animal proteins.

At this year's DMK Trend Summit, Nick Lin-Hi, Professor of Economics and Ethics at the University of Vechta, went even further: "The world's largest (food) company will be 100% vegan in 20 years."

DMK does not share this bold assessment but we cannot afford to underestimate the potential of

vegan products worldwide. What does that mean for DMK? That we absolutely must make plant-based products in order to meet consumer demands and stay competitive. However, this new "green" product line is not intended as a substitute for our dairy and cheese lines. Milk is and remains DMK's main, core product. The average consumer of DMK products is not vegan, but is one of the large number of people who care about healthy eating and include plant-based alternatives in their daily diets.

DMK's vegan goods therefore make up part of the product range, but are never the main ingredient. But it is high time for DMK to ensure it is well-positioned in the non-dairy sector.

This is now in motion, with several products that started as ideas then made it through market research and taste tests set to go on sale in early 2022. Look forward to dairy-free chocolate and vanilla pudding, vegan cocoa, a vegan rice dessert and a vegan cheese alternative. Check out this dossier to discover the creation and value of our company's plant-based product range.

5 billion €

This is the sales forecast for vegan products in the EU in 2025, up from around 3 billion euros in 2019.

Sources: Barclays Research (2019), Munich Strategy, Mordor Intelligence, Mintel GNPD, NIELSEN, ING Research, Euromonitor 2020.

+102%

This is the increase in sales of plant-based alternatives in the EU and UK from 2010 to 2019.

CO₂ 43%

of people say "climate protection and a better carbon footprint" motivates them to buy plant-based products.

40%

of people say "taste" is an important reason to buy a product.

63%

That's how successful vegan alternatives to milk are among consumers, followed by alternatives to butter, yogurt, cheese and cream.

54%

of people say "contributing to animal welfare" is as a reason to buy vegan products.

Good to Know

No additives, carriers, flavors or enzymes, or processing aids of animal origin are used to make or process vegan foods. Only vegetable raw materials are used. Vegetarian products are meat-free, but may contain milk or eggs for example.

Source: Ministry of Consumer Protection



VEGAN

Why Dairy Free?

Plant-based alternatives have become a must for food producers. DMK's range now includes a clutch of cool new products.

One thing is clear: milk will always be this company's core business. Nonetheless, DMK faces growing challenges both at home and on the global market. To keep up and stay in the business as an agile food producer, the company has to respond to consumer needs. Right now, these require us to expand our portfolio, so alongside our main product, milk, in future we will also offer plant-based alternatives.

Responding to the market

Customers who choose DMK know, love and value the traditional dairy products they have been enjoying since they were children. However, at the same time, they are also more and more open to the world of vegan products. Sales of plant-based alternatives are forecast to reach around five billion euros in the EU in 2024, according to a study by ING Research/Euromonitor in 2020. That's a major increase on last year, when they amounted to just under three billion euros. This is happening in Germany, too, where sales of vegan foods have increased by 87 percent in four years. Consumer behavior is changing, particularly among Generation Z - the under-30s - and we have to respond to this. Rea-

sons for these changing preferences include global population growth, the increasing consumption of resources, climate protection, growing health awareness and taste. Animal welfare is also becoming increasingly important to consumers.

More foresight

DMK does not view this development as a difficulty but as an opportunity to expand our product range and reach new target groups. "Entering the business area of plant-based alternatives is an obvious move for us," CEO Ingo Müller said at an internal launch event. "We want to help shape this development in order to live up to our vision of 'The First Choice. For Always'."

Concrete results

What has happened so far? DMK is launching a vegan offensive in 2022, expanding our range with a set of new products: Chocolate and vanilla puddings, rice desserts and a cocoa drink with added calcium. The company is also offering vegan cheese alternatives for industry customers, Food Service and for use in a range of hot meals including pizza.

All the company's extensive knowledge concerning the preparation and taste of dairy products has been incorporated into the development of the vegan products. DMK is drawing on years of success with its traditional brands, and extensive experience with a broad range of customers. "With vegan alternatives, development was mainly focused on one thing: to create a product that tastes and works significantly better than the current market standard when processed," says Lisa Mammen, project manager,

egan

42%

Consumers aged between 18 and 39 generate almost half of dairy-free alternative drink sales.



79%

2025

By this year, the share of vegan products among dairy products in the EU may reach 4.1 percent, up from 2.5 percent in 2019.

This is the rapidly rising sales share of plant-based milk alternatives among mixed dairy drinks in the first six months of 2021, up from 35 percent in the first half of 2020.

78%

This is the high growth rate of plant-based desserts in the first half of 2021 compared to last year.



Sources: Barclays Research (2019), Munich Strategy, Mordor Intelligence, Mintel, GNPD, NIELSEN, ING Research, Euromonitor 2020



Clearly vegan, the bold, trendy design also highlights the MILRAM brand.

Non-Dairy Alternatives. "This combined expertise is enormously important when it comes to making vegan products."

Not a short-term trend

Plant-based alternatives are now mainstream, moving on from being an urban hipster trend long ago," says Mammen. "We are also seeing this in the B2B sector more and more, where the consumption of ready-made and convenience products is growing steadily, as it is in the catering industry: Vegetarian and vegan products are now a must on menus." When it comes to plant-based alternatives, Strategy 2030 has achieved its aim of complementing the value chain so DMK can keep positioning itself as Germany's innovative, largest cooperative. "And that can only be in the interest of every employee and farmer."

DMK will also make vegan cheese alternatives for industry customers, Food Service and for use in a range of hot meals, as of 2022.

VEGAN

Erfurt's Evolution

The plant in Erfurt has been churning out high-quality dairy products for decades and soon, vegan products will also be rolling off the production line. Project manager Nina Rempe spells out how, and why this matters so much.

Plant-based alternatives are now becoming standard - is DMK switching completely to vegan products?

No, processing the milk provided by our farmers' cows is and remains DMK's core business. We live and love our raw material, because no other food can deliver such variety and so many nutrients as part of a healthy, balanced diet. But we can see that younger consumers in particular are becoming more and more interested in vegan products. It is not really important whether we, as a traditional dairy, welcome this trend or not, it is a fact. So we took a good long look at the market and have developed some non-dairy alternatives. DMK is not driving the rise of vegan products but is using this trend as a growth opportunity in the market.

What vegan products do you make in Erfurt?

We have developed a rice dessert, a chocolate pudding and a vanilla pudding. The advantage at our location is that on the one hand, we

have milk production experts here, while on the other hand, we do not have to change our production line completely. The rice dessert now contains coconut fat instead of milk and the puddings are based on gluten-free oats.



Nina Rempe,
Project manager
at DMK.

Do you use the same machines to make dairy products too?

Partly. We do a deep clean on all the components before switching our production, that's what we mean when we talk about hybrid production. We want to make the best possible use of our current equipment. We are also meticulous about managing allergens.

Do goods have to be labeled accordingly?

Yes, where necessary, we clearly label raw goods and finished products "May contain traces of milk" so as to avoid any potential confusion. We also train production employees to be aware of this. And our branded products, for example, are externally certified and we feature the V-label on the packaging.

What did DMK have to do to get that certification?

We proved our products are made exclusively from vegan ingredients and that we do not use any additives derived from animals during the production process.

How do you make vegan desserts taste good?

We really focus hard on which plant-based raw materials are best suited to which product. Not all products work for all product categories. Oats are great for sweet puddings that taste a bit like cereal, but don't work as well in spicy products. Coconut oil is ideal as a base for our desserts because it has fewer bitter notes than olive oil, so the flavor of the other ingredients develops better. In creating our products, we really benefit from our experienced staff who have spent many years working on flavor for dairy products and do a great job applying that expertise to vegan products.

What challenges did you face while developing the products?

We had to add fat when making our vegan pudding out of plant-based ingredients

which the milk otherwise would have provided. And we had to make sure we got the mixture right so there weren't any unappetizing streaks on the surface. But our research and development employees figured all that out really fast.

The employees had only worked on dairy products up until now - how did they handle vegan goods?

As we all work on dairy products each day, all of us were naturally a little skeptical at the start. We wondered how a vegan product would compare to our dairy products and how they match our demands, in terms of the taste and feel? Then we tried a first spoonful of the vegan dessert we produced - that was so exciting - and it was delicious! Now, everyone has their own particular favorite. Mine is chocolate pudding.

The plant has only carried out test runs so far. When will your products reach supermarket shelves?

We are about to start initial production of our first vegan goods. Our MILRAM products will reach the classic retailers in March.



"Our team does a really good job: We only had to carry out two production runs to adjust to vegan production. That's thanks to how well the product development and production teams worked together. I was skeptical at first about whether vegan pudding would actually taste good, but the new product won me over completely."

Marco Wandrowec,
Team Leader, Plant 2.



The first vegan products will come off the production line at the start of 2022.

Christian Bauer-Karrasch
Department Manager
Quality Assurance and
Maria Makowski,
Assistant Laboratory Manager.

The new products are based on gluten free oats and coconut fat.

Our Cheese Expertise

DMK's new marketing campaign shows how **passion and expertise** melt together as the company creates and produces cheese. Meet the new kid on the block: a vegan cheese.

BORN TO CHEESE



Find more information and videos at [dmk.de](https://www.dmk.de)

Gouda is one of DMK's traditional cheese products.



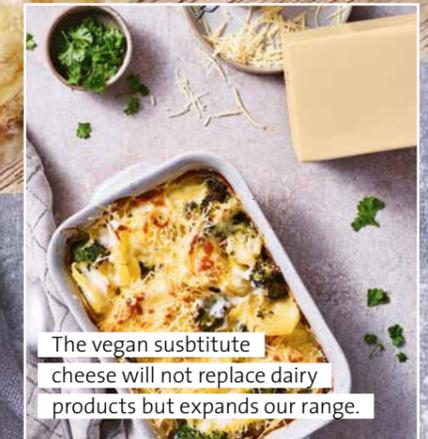
DMK's vegan cheese melts like any other cheese.



Mozzarella enhances manufactured pizza.



Heiko Antoniewicz, chef and cookbook author, was a driving force at the Anuga.



The vegan substitute cheese will not replace dairy products but expands our range.

How much heart and soul goes into the creation of a good product? How can a company express how much it appreciates it? The Industry Business Unit is offering up all the love and experience that goes into developing and producing a range of different types of cheese each day, in a new campaign called "Born to Cheese" that will feature in trade magazines, social media and on DMK's website.

Pushing cheese forwards

"We would like to share with our colleagues and customers our passion and expertise when it comes to cheese," says Dr. Annika Schrader, Marketing Director of BU Industry, of the thinking behind the campaign.

These two aspects are reflected in videos that can be watched on DMK's LinkedIn channel. Viewers can see how the production line turns out blocks of cheese or the melting strands of pizza topping, in golden images. The videos also show employees from development, marketing and sales, and business intelligence who describe their daily work as part of the Cheese Team, and how it all adds up to make great cheese. Alongside the traditional products, which make up one of DMK's most important product ranges, the cheese makers have also come up with a vegan cheese alternative for processing. Heiko Antoniewicz, one of the driving forces on the German culinary scene, describes this as a genuine innova-

tion. "There is nothing comparable on the market," he says, pointing out that other plant-based cheeses do not brown in the same way when topping pizza or other oven-baked dishes.

Romy Pöpke, Team Leader Product Development Cheese, also appreciates how well all that development work has paid off. At the outset, no-one knew how they would manage to integrate a vegan product into the range.

At the start, given the strong consumer and customer demand for plant-based alternatives, the focus was on ensuring that the product performed well when used in other dishes, as well as that it tasted good, of course. That is something the team is proud to have achieved.

In-house expertise

The product is made using only natural ingredients without any allergens, an ideal basis for a perfect vegan recipe. "We are currently experiencing a real food evolution: food has to be healthy, good for the environment and delicious all at once," says Christine Barjenbruch, Senior Business Intelligence Manager. It is a trend that the professionals are well placed to address and implement, as all have a significant level of expertise from their many years spent developing cheese. The raw material is not the only critical factor, as in-depth knowledge of product development, application technology and production all play a key role.

The team had a further, challenging goal: to create a product that is significantly better than the current standard

on the market when it comes to processing, i.e. one that has all the necessary functionalities to replace a cheese made out of milk. Like a conventional cheese, the product had to be usable not only on pizza and other oven-baked dishes but also as a filling in vegan products to replace meat and for pasta, and be capable of melting, browning, forming stretchy strings and tasting great too.

"Here in Industry we have developed a cheese substitute that we can give customers with a real feeling of confidence," says Schrader. For her and the team, the development process was a challenge and a dream at the same time: "When do you get the chance to start on a completely blank page?" DMK will be producing the vegan cheese for industry at the Edeweicht site, as of next year.

No substitute for milk production

"Born to Cheese" sums up our passion and our expertise when it comes to cheese in all its tasty variety: Whether in portions and pieces, sliced or grated, created for the cheese counter or the refrigerated aisle, whether for use in the catering trade, processing or in canteens: thanks to the company's expertise and modern facilities, no customer needs are left unfulfilled when it comes to cheese.

For Dr. Annika Schrader, the vegan niche is an opportunity to respond flexibly and serve the needs of the market. "Our range is all about consumer choice," she says. "Flexitarians are really driving the trend toward plant-based products." Nothing more, nothing less.

Milk is calling!

Industry-wide communication began with a bang in October, addressing consumers nationwide.

The industry-wide communication campaign uses advertisements and posters promoting diversity, pleasure and personal reflections on milk.

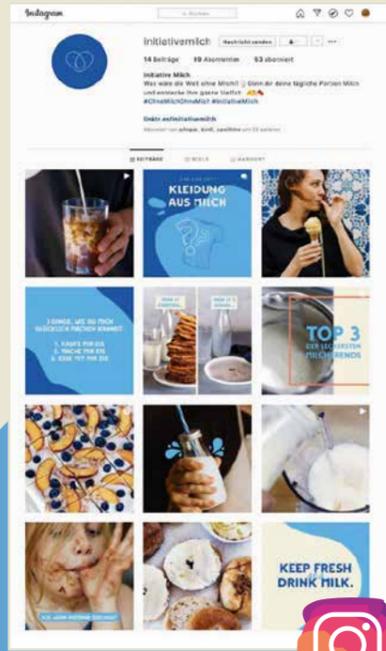


Initiative Milch

It feels a lot like a dream as all you can see are white walls, white milk bottles and white Tetrapaks. No other colors are to be seen, no matter where you look. The visitor is in an outsized XXL refrigerator, in an interactive experience room in Cologne's Supercandy Pop-Up Museum. It's packed with works of art you can approach, touch and use as a backdrop for selfies. The Initiative Milch is also present here in this trendy location, as the dairy industry's sector-wide communication shows itself to be tangible and ready for action and interaction. The Initiative's Managing Director Kerstin Wriedt says this unusual campaign is important, "to attract attention, start a dialogue and enhance the appeal of milk, especially for the younger generations." It is the young who are increasingly questioning how food is produced, how sustainable it is and whether the animals involved are healthy and well. That is something she notices particularly on Instagram, one of the most popular social media sites that mainly features images. Here, too, the sector-wide communications approach is present,

with a dedicated channel to provide interesting facts all about milk, along with recipes and lifestyle tips. The aim is to provide clarity, as the public knows too little about modern dairy farming, says Wriedt. It is also important to respond to the critics. "It's a matter of taking a stand and reaching out, seeking to communicate with them." Most Instagram users approached were enthusiastic about the way milk is being presented in all its diversity. Beyond Instagram, the Initiative also has its own website and a webcast on YouTube which features young farmers who talk about their daily lives, working with animals and what motivates them, as well as interesting facts about milk. "We work in a communications galaxy with lots of different target groups online, in magazines or on the street," says Wriedt. She and her team get a lot of positive feedback from consumers and dairy industry representatives. Media coverage has been open too, she says. "I think we are on the right path."

The Instagram channel Initiativemilch features influencers and others presenting the product.



Leading magazines such as Germany's Wirtschaftswoche have also covered the launch of the Initiative Milch.



A webcast on YouTube provides information about modern dairy farming.



Celebrities such as Franziska van Almsick and Mirja du Mont visited the walk-in refrigerator at the Cologne Super Candy Pop-up Museum, with the interactive space open until the end of the year.



Everything about the Initiative Milch.

BU Industry
“The packaging is what counts!”

DMK’s developers see unending potential for research in the enormous field of **packaging**.

Jens Welzel,
 Packaging Engineer.

For Markus Stein and Jens Welzel, packaging is a commitment, as well as their profession and vocation: They develop and integrate packaging for BU Industry’s products. Their focus goes far beyond making sure everything looks good, as they seek to protect the product, deliver functionality and optimize processes.

“The product always includes the packaging, both have to be in perfect harmony with each other,” says Markus Stein, who has worked developing packaging at several DMK locations, as a trained dairy engineer and packaging developer. He is now responsible for BU Industry’s major players: From the smallest unit, a 2 liter bag-in-a-box, to a 24-ton tanker that carries sweetened condensed milk.

There is plenty in between, too, such as 25-kilo powder bags, for example, or the 1,000 kilo Pallecon.

These containers have to be shaped in such a way that they can protect the contents and keep them stable, even if they contain a high level of acid or fat. Full-fat cream, at 70 percent, is the most challenging product when it comes to packaging: “You could say we need a packaging vault that prevents any light, oxygen or aroma from entering,” says Stein.

They also need to be able to integrate any processes at customer sites, the area overseen by Jens Welzel in Packaging Application Technology. A qualified packaging engineer, he has spent the past two and a half years at BU Industry, traveling out to customer locations to provide technical advice, as he is best able to address their individual requirements when he is on site. Packaging, for example, has to match certain pallet sizes, fit into automatic high-bay warehouses or suit any pump that is in use. “We do not always find the solution by altering our packaging,” says Jens Welzel. “Sometimes it makes more sense to optimize the customer’s process in order to achieve our goal. That might mean buying a piece of additional equipment or altering a particular process, for example.”

With all the different customer requirements, which include specific national and legal guidelines in each country, Markus Stein and Jens Welzel have to maintain a balance: On the one hand, they need to fulfill all of the customer’s wishes. On the other hand, it is not economical for DMK to have too many different packaging variations.



Markus Stein,
 Packaging Developer at DMK.

“Often, the solution is to bundle different customer requirements to a standardized packaging solution. Then we can use that for as many customers as possible,” says Markus Stein.

The team creates special documents to list the properties of each form of packaging, describing the technical parameters such as its dimensions, film thickness and the colors used to print it. “This is our packaging library and an important foundation of our work.”

With all the meticulous care and passion involved, you might imagine they would both enjoy gift wrapping and perhaps take presents to a new level? “I have to admit that the job has affected me,” says Markus Stein. “I can’t walk past a package without taking a closer look and analyzing it.”

Three, Two, One

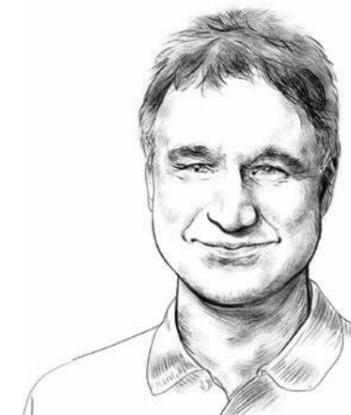
How DMK is saving big money by holding auctions online.

DMK needs two million disposable gloves every year for employees at almost all of its plants, adding up to annual costs of around 245,000 euros. “Could money be saved here?” our purchasing department wondered. They found a solution, using online auctions as a platform to negotiate prices, based on a simple and effective principle. Qualified and certified suppliers can all enter their prices in an online tool within a certain time. The provider with the lowest price is awarded the contract, in a method that guarantees transparency and fairness for all suppliers. And in terms of procuring disposable gloves, this achieved cost savings of 37 percent in the space of just 90 minutes. Unsurprisingly, given this significant success, the company is now considering which other items or product groups could also go under the hammer.

Stefan Herzog,
 Category Buyer
 OPEX & Energy
 Corporate Procurement leads the auctions.



Marco Bode,
 European Football Champion



Stay Focused, Particularly in Times of Change

When DMK presented its Vision 2030 back in 2019, it was accompanied by a short film that showed ways our world would change in the decade ahead from a range of different perspectives. I represented the world of sport and explained the importance of playing as a team. Both companies and athletes can lose their way as they journey towards their long-term goals, or unexpected events can occur and put them off the track. One good example of this is the pandemic. You could compare it to an athlete who suffers a severe injury. In other words, even companies cannot just assume that they will be able to achieve a

far-away goal by the shortest possible route, as here, too, obstacles pop up, particularly during change processes. So everyone needs to keep their eye on the map or the compass (or the score!) in order to stay oriented and know exactly where they are at any given moment. In my experience, it is important to stay focused on your long-term goal, while at the same time remaining flexible to respond to change, or be agile as we say these days. To not maneuver around changes or ignore them but actively deal with them. Changes are coming thick and fast these days, in all areas of life. I like what Mark Twain said, namely if you don’t know where you’re going, you’ll wind up somewhere else.

“It is important to stay focused on your long-term goal.”



Podcast: **Denkfutter**

Discussions about succeeding in football and in business. Available from all podcast providers, search for “Denkfutter.”

Room for Improvement

An internal program helps employees develop their skills and rise within the company.

What you need:

In order to take part in "Passion," you need to have completed an apprenticeship or a bachelor's degree and have two years' work experience. You will also need to be employed in a permanent role and be willing to work in different places. Applicants undergo a selection process that includes a potential assessment.



Professionally, everything is fine, good enough aside from a nagging sense that something is missing. It feels like treading water, not making any progress despite all the effort. Those feelings can be tough but DMK has found a way to help employees who are frustrated and help them move forward, with the new "Passion" development program. Later on, talented people from outside the company will be eligible too.

The "Passion" program enables all those who are accepted to explore their own potential, and later on, to find a post as a specialist and manager within the company. "Employees who are satisfied and healthy do a better job - that's not rocket science, it is just a simple equation," says Sabina Wieczorek, who manages the program that she also helped to develop. "We spend a lot of our days at work and we need tasks and an environment that bring us joy and where we can live out our passion!"

New challenges

The program is made up of several parts. First, applicants need to send in a video that explains what excites them about DMK and what they want to achieve. Once the selection process is complete, participants take part in three group training sessions. After that, the other parts are tailored to the individual's needs with a personal development plan. Participants are given a mentor and they work in different parts of the company on a series of projects, within a period of 12 to a maximum of 24 months. "The focus is always on getting to know yourself, and everyone is given an analysis of their potential that serves as the basis for their development plan," Wieczorek explains. DMK's aim is to fill new vacancies internally.

More responsibility

The candidates are not given specific targets at the outset. "Paths form when you walk along them," says the Passion manager. The approach allows participants to identify the areas they are most excited about. That is why it is so important that applicants have integrity, are team players who love their work.

The Passion project is close to Sabina Wieczorek's heart. She has been working at DMK for eight years, initially as a personnel development clerk. "I always had my bosses' full backing. That and my own drive enabled me to keep on developing - first as a junior personnel marketing officer, and now as a manager for the past two years." She is motivated by the chance to promote people who have potential within the company. On one hand, that is good for DMK - while on the other, it is motivating for applicants.



Sabina Wieczorek, HR Development Manager.

"We want to use people's strengths, leverage their potential and transform their passions into careers."



Eick Wetter, 24, Team Coordinator Drying, Zeven.

As a trained master dairyman, Eick Wetter can finally do what he had been unable to do as a dairy technologist, namely reach his full potential.

Initially you were a dairy technologist, now you are a dairy master - how did you manage that?

First I completed my training in Edewecht, then I moved to Zeven to the drying department. As a plant operator, I ran pre-processing, the spray tower, the bagging line and the department's laboratory...

... but all that was not enough - what did you do next?

I wanted to realize my potential so I started further training in August 2020 to become a dairy master, and completed that in June 2021. Right afterward, I became team coordinator in Zeven's drying department. That was really something!

What was your main motivation?

I wanted to expand my knowledge and skills, learn how to lead employees, get to know other areas besides the production process, and take on more responsibility.

How did you find the training?

I completed the preparatory course to become a master dairyman full-time within ten months. I acquired plenty of technological knowledge and learned about business management, among other things. I also completed a qualification so I can provide training and manage employees, and did an exam in that area. I wrote my master's thesis in eleven weeks. I totally recommend going to the master craftsman training for anyone who is interested and committed to their work, as you are then qualified for higher positions.

How is that helping you at the moment?

Alongside my technical skills, I also developed as a person. I now feel really enthusiastic about my future professional life.

LINK
You can find out more about us as an employer at our website: www.dmk.de/en/working-for-us/

Graduate Master Craftsman Finished at Last



Alexander Klein, 25, Team Coordinator Fresh and Dessert Production, Erfurt.

Alexander Klein was no longer satisfied working as a chef. New professional perspectives opened up after he trained as a dairy master craftsman at DMK.

You trained as a dairy technologist at DMK, after having trained as a chef. What made you want to change?

Even while I was training to become a chef, I realized that I wanted to train for another profession with good future prospects. I looked into a range of areas as I wanted to stay in the food sector. Training as a dairy technologist really appealed to me. And I was totally prepared to go to Erfurt right away in order to start my dream apprenticeship. I never had any regrets.

Training to become a master craftsman is not something you can just do in your spare time. How did you stay motivated?

I wanted to take on more responsibility professionally, and also to learn more about how business works.

How did you find the training?

Really good, despite the restrictions imposed due to the pandemic! I chose to pursue the course full-time and that took eleven months. That broke down into eight months of theory at LUFÄ NordWest in Oldenburg, including a final examination, and three months to write my graduating thesis. In the theory part we also learned about business administration, law and management. And I completed a project at DMK in Erfurt for my final paper.

Now you are a master craftsman - how does that feel?

It's a good feeling and it's a relief! I am now Team Coordinator for Fresh Produce and Dessert Production and so I can apply everything I learned in practice. I'm looking forward to proving myself in my new job and I'm excited about what is ahead.



“We are still finding new trends”

Nicole Peiler has set herself the goal of making a powerful brand even stronger. The Marketing Director of Brand Retail spells out what the future holds for MILRAM.

23%

MILRAM has positioned itself afresh, with a new language, new products and a stronger social media presence. Why was it important

CHEESE: A SUCCESS STORY OUR SALES VOLUME AND TURNOVER GREW SIGNIFICANTLY MORE THAN THE MARKET.

MILRAM brand. Our porridge is very successful in catering and the BU Brand Food Service, for example. In the second quarter of 2022, we plan to launch the popular porridge in German supermarkets, in snack size and with a 400-gram version to eat at home. We are also planning a design relaunch that will communicate even more clearly how all of the products are part of the MILRAM family. Our MILRAM packaging reaches more than 220 million consumers every year. If people can get an even clearer sense of our brand, that will pay off in terms of its strength and relevance.

-9-
... 9 OUT OF 10 SHOPPERS KNOW THE MILRAM BRAND

to do that?

A few years ago, we realized that shoppers are thinking pretty hard about nutrition, so we wanted to make it easier for them to identify with our new products.

MILRAM is all about northern German nonchalance, which the beach hut really sums up. We want them to feel a sense of freedom when they enter our brand world - that's what makes MILRAM appealing and relevant. However, the repositioning also involved discovering trends, for example in terms of nutrition. Some of our shoppers are turning to competitors' products as MILRAM does not offer anything comparable. We are changing that and have developed non-dairy products that will be launched on the market next year.

WITH MILRAM SPRING QUARK WE ARE THE UNDISPUTED NUMBER ONE IN THIS SEGMENT WITH AN ALMOST 50% SHARE OF THE SALES MARKET.

48%

Can you give us some more details about what is happening in 2022?

We will continue to spot trends and use them for the

The Osterland brand is currently only known in eastern Germany but it's gradually becoming available nationwide - what is the thinking behind this?

Osterland is eastern Germany's best-selling dessert and we have been expanding its availability to consumers for several years. We have also been receiving numerous inquiries and requests for the product from western Germany. So we carried out initial tests with retailers in the north - with resounding success!

What is your goal with the brand?

We are delighted with the success of MILRAM, but we always have a clear goal in mind: we want everything we do to contribute to a better payment for the farmers. After all, without them, MILRAM products would not exist at all.



Nicole Peiler, Marketing Director Brand Retail

In 2021, MILRAM ...

... reached more people, made the beach hut its focal idea.

... promoted sustainability, created flower meadows.

... expanded its cheese and spiced quark portfolio.

... launched a new segment with Bakedlove and PizzaLove.

... improved packaging and developed bags that recycle well.

... won over new consumers with India CurryQuark.

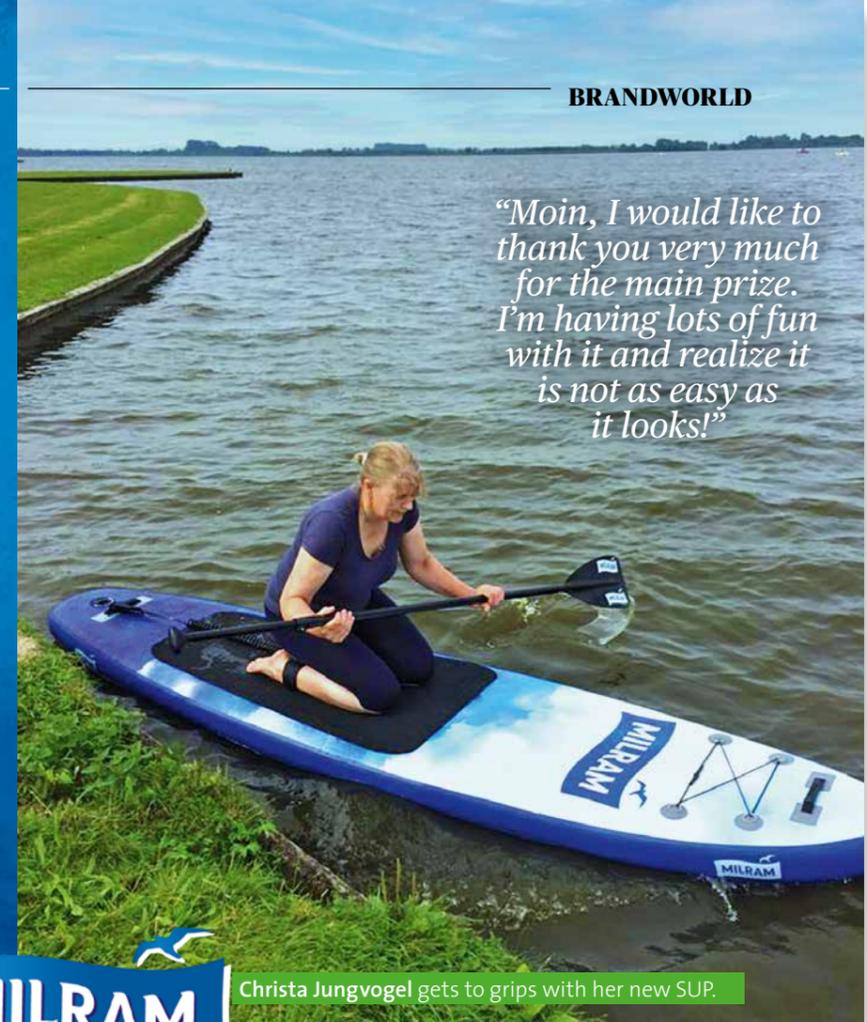
... promoted the brand through social media, influencer marketing and PR.

... expanded its TV presence with ButtermilkDrinks and the beach hut.

Cast Off

The main winner of our MILCHWELT competition is exploring the Grosse Meer in East Friesland on her brand new MILRAM Stand Up Paddle Board.

Fools rush in where angels fear to tread, which is why farmer Christa Jungvogel, who won the main prize in our last competition, decided to kneel initially as she tested her new MILRAM Stand Up Paddle Board. It all worked out smoothly and she is now getting excited about longer excursions next summer, accompanied by her son and son-in-law. They also tried out the paddle board and have now caught the SUP bug. We wish them all a safe journey and a hand's breadth of water under their keel.



“Moin, I would like to thank you very much for the main prize. I'm having lots of fun with it and realize it is not as easy as it looks!”



Christa Jungvogel gets to grips with her new SUP.

MILRAM The Beach Hut is Open Again

The new TV ad focuses on the variety of cheese available.



The MILRAM beach hut is ready to roll for its next assignment.

The MILRAM beach hut is going from strength to strength. It will be the setting for the DMK Group's latest television commercial in January 2022, in a continuation of MILRAM's communication strategy. This time, cheese is the star, as one of DMK's most successful products. Beach hut owner Enno and his daughter Lisa serve guests a wide range of the delicious cheeses MILRAM makes, with sliced cheese and two MILRAM grated cheese products all on show. The ads will run right at the start of the new year, featured on TV, online and at MILRAM.de. We recommend watching them while biting into a tasty cheese sandwich: Imagine you're at the beach, hearing the sound of the waves.

Chefs on the job at MILRAM

The Taste of the Future

Eating habits are changing rapidly so an external **team of chefs** is testing products for tomorrow's meals.

For Thomas Behrens, operations and kitchen manager at a major catering company, it is perfectly clear that in the future, when it comes to nutrition, sustainability, packaging, animal welfare and health will be of central importance. He and his colleagues Khaldun Saidavi, Ralph Sommer and Ralf Opitz are members of MILRAM's team of 30 chefs. All are drawn from different settings, ranging from luxury hotels to canteens or educational institutes. Their collective expertise now provides a key part of the research and development of new DMK products that are due to reach the wider market, with the focus on making sure they are suitable for restaurants and canteens. Four times a year, DMK sends the chefs boxes packed with new, classic and vegan foods, which they test and assess in terms of processing, taste, portioning, packaging and usability. They

share their evaluations and feedback in meetings held online and in person, with the results providing crucial input for research & development, marketing and sales. The four top chefs are unanimous: Veganism is a trend that is here to stay. "In the university cafeteria in Bremen, they sell 30 percent more vegan or vegetarian dishes than classic meals," says Ralf Opitz, explaining the situation at his workplace. "Eating habits have changed completely in the last few years." Khaldun Saidavi, who works as a chef in an educational setting, adds, "The issues of allergens and reducing fat and sugar are also getting bigger and bigger."

"It's about sustainability, packaging, animal welfare and health."

The most important task for the four chefs? MILRAM's products need to be healthy and delicious. In the past, vegan dishes in particular often tasted pretty similar, as a limited range of ingredients was used. But things have changed. "Take MILRAM's new vegan grated cheese for oven-baked meals, for example. It tastes great and has first-class melting properties," says Ralph Sommer, chef at a home for senior citizens. He says what counts is to let new ingredients such as oats or peas shine through and show off their flavors. These dishes should sparkle in their own right and flaunt their own flavor. The aim is not to try to make vegan versions of classic dishes

that everyone is familiar with. "In the end, what counts is that our customers enjoy the meals, whether or not they contain animal products."

Packaging is a further key area for the four professionals. "Waste reduction is the most important thing, along with hygiene," says Khaldun Saidavi. "More and more catering businesses are wondering how they can find the space to put things?" The need for answers is more and more urgent, given the growing importance of convenience food that is ready to eat, but also comes with additional packaging. That trend is partly due to staff shortages in the catering industry. "The more ready-to-use the ingredients we can get, the fewer people I need to prepare them," says Thomas Behrens. Accordingly, MILRAM Food Service offers not only large wheels of cheese but also cheese that is already sliced up into exact portions, and grated cheese. More flexibility in terms of portion sizes will be needed in future, too. "Since the pandemic, we have seen a major drop in the number of guests, particularly in large-scale catering," says Ralf Opitz, sadly. "We are talking about a drop of up to 70 percent." So there's a lot to do for the four chefs in MILRAM's team of professionals. Ralph Sommer is already looking forward to the challenges ahead: "We are fully focused on the market."

"We are fully focused on the market."

Khaldun „Kalle“ Saidavi, 54, was born in Berlin and raised in Syria. "Kalle" gained and perfected his skills in luxury hotels with Michelin star restaurants.

He currently runs the kitchen of an educational center, serving customers between the ages of seven and 80 and creating everything from vegan and vegetarian meals to chicken nuggets. Like Ralph Sommer, he has also been a member of the team of chefs right from the outset. He is highly concerned about reducing packaging waste. His favorite MILRAM products are India CurryQuark and cottage cheese. The motto he lives by is: Convenience for all – but always along with healthy and high quality.

Ralph Sommer, 58, dreamed of becoming a ship's cook and he joined the navy after completing his training.

He later worked at luxury hotels. He now manages the kitchen at a home for senior citizens. Many of his customers used to have their own cooks, so they have high standards. Products that are low in fat, lactose- and gluten-free are of central importance for him. Sommer has been a chef for ten years and has been a member of the team of chefs right from the start. His favorite MILRAM products are porridge and all of the different types of cheese. He does power training and endurance sport to keep fit.

Thomas Behrens, 33, trained as a cook and master chef. His roots lie in French cuisine.

He later refined his skills in more than 30 settings, from a vegan restaurant to a five-and-a-half star hotel. He now works for a large catering company which focuses on high-quality canteen concepts. He has been a member of the MILRAM chefs team for five years, testing both vegan and classic products for MILRAM Food Service. His motto is that whatever tastes good, is good. In his spare time, Behrens makes heavy metal music.

Ralf Opitz, 43, decided to become a chef against his parents' wishes.

What followed can only be described as a dream career: working at top-class hotels and restaurants, as celebrity chef at galas and receptions, and as former chancellor Gerhard Schröder's curry-sau-sage specialist. Inspired by oriental cuisine and the rich range of spices, he has fully immersed himself in all there is to know about vegan and vegetarian food. Today Ralf Opitz is production manager of Bremen University's canteen. He has been a member of the team of chefs for four years. His latest hobby is gardening.

30 chefs are testing new Food Service products for DMK.

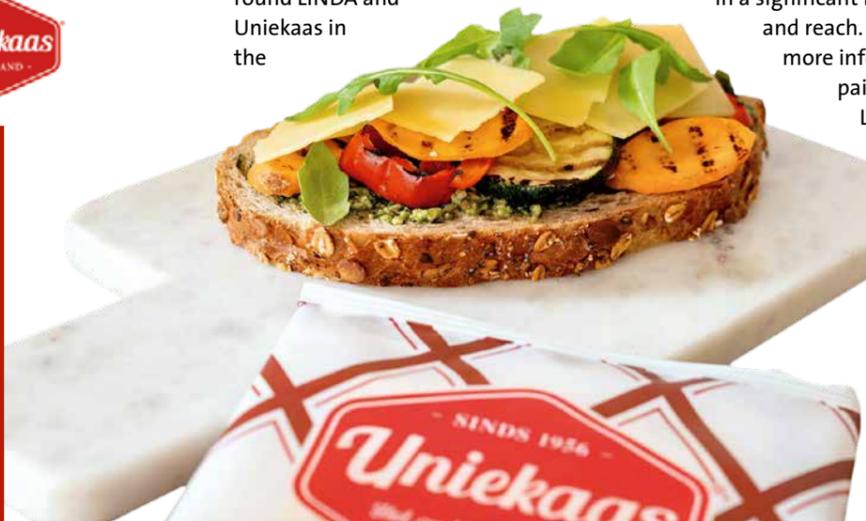


A Golden Dream Team

Celebrity TV presenter **Linda de Mol** was a brand ambassador for Uniekaas in the Netherlands this fall.

She was everywhere: On Facebook, Instagram, YouTube, on homepages, television and packaging: Linda de Mol's popular cross-media communication platform, Linda.nl, presented the Uniekaas brand world for eight weeks. From talk videos to recipe videos, advertising clips, special retail sales areas, stickers on packaging – there was no getting round LINDA and Uniekaas in the

Netherlands this fall. The publicity measures were also linked with special barcodes and people could access them online, too. All those efforts paid off, with the communication campaign reaching millions of people. Uniekaas was positioned more attractively for all relevant target groups thanks to this unique and successful collaboration, resulting in a significant increase in market penetration and reach. Readers can find insights and more information about the campaign at www.uniekaas.nl or on LINDA's homepage, at Linda.nl/jongbelegen.



LINDA and Uniekaas presented new recipes.

All Too Tasty!

The **LINDA brioche roll** recipe, with sweet caramelized balsamic onions and medium Uniekaas.

Ingredients for 2 people:

- 2 tablespoons flavorless oil
- 2 red onions (about 125 g), sliced into very fine rings
- 1 tablespoon balsamic vinegar – the older, the better
- 2 brioche buns
- Slices of medium Uniekaas
- a handful of arugula
- optional: mustard sauce

Preparation time:
20-25 minutes

Instructions:

Step 1:
Heat the oil and fry the onion rings for at least 20 minutes over a low heat, stirring regularly until they are soft and brown. Add the balsamic vinegar and sauté for another 5 minutes, stirring regularly, until most of the liquid has evaporated.

Step 2:
Remove the onions from the pan then briefly brown the insides of the brioche buns after slicing them in two. Spread with mustard then top with the caramelized red onions, cheese and arugula.

Enjoy!



Prize-winning Cheese



Zoeteweyjde is the tastiest cheese in the Netherlands.

Uniekaas wins coveted Gouda cheese award.

In the end, the jury of the Gouda Cheese Awards was in full agreement: Zoeteweyjde is the best Gouda of the 23 cheese brands entered in the 48+ category. Uniekaas, with its brand Alteveer, came out top in the special competition which saw consumers pick

the most delicious cheese. Now, Zoeteweyjde holds the title "tastiest cheese in the Netherlands" for a year. The new award-winning cheese is currently at the heart of retail talks aiming to get Zoeteweyjde into as many store shelves as possible.



MILRAM has converted arable land into **flowering meadows** in a pilot project to protect wildlife. These flowering strips are helping several species survive the winter.

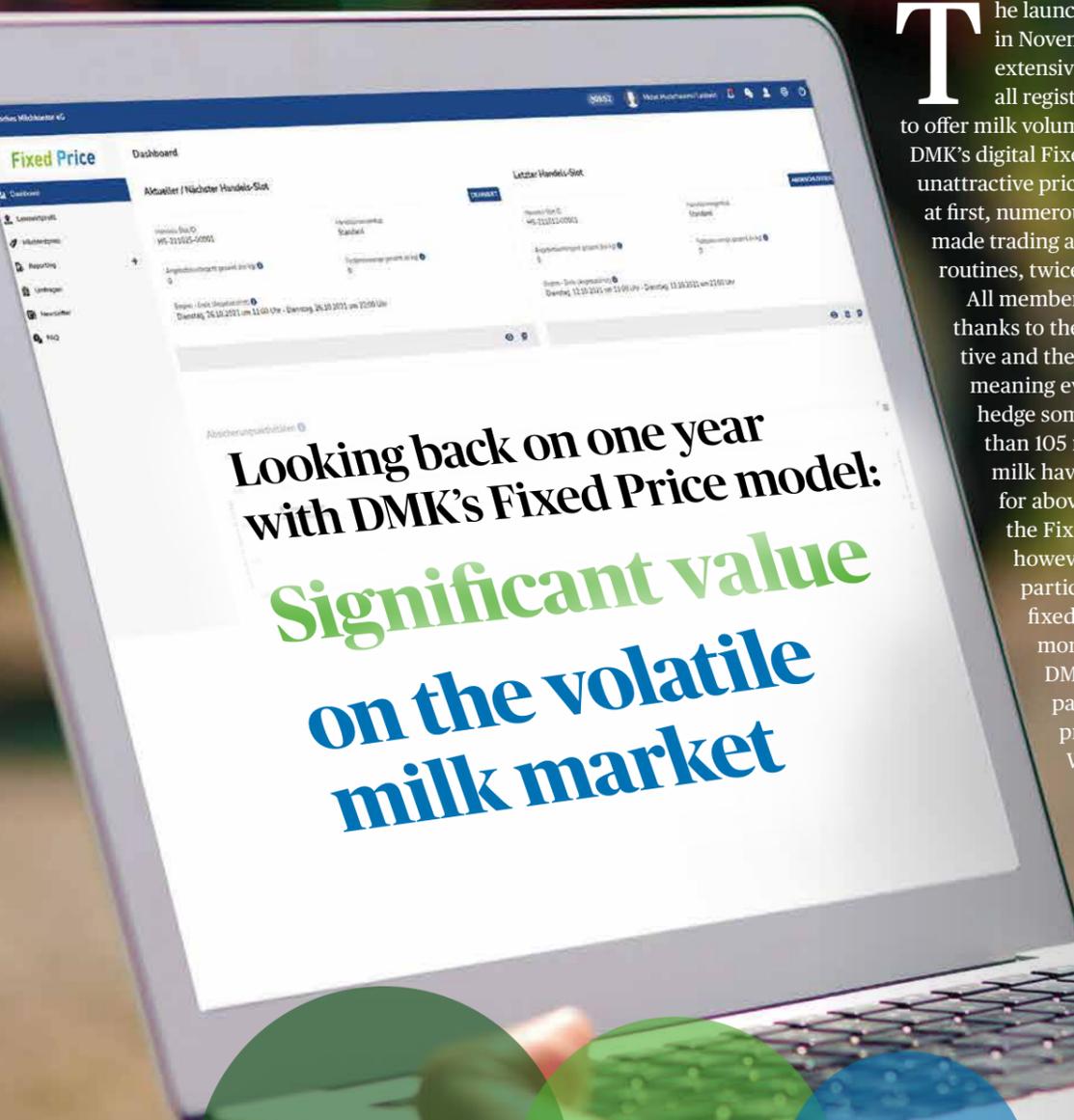
Flowering areas are green oases of diversity, providing protection and a safe haven for insects, birds and small mammals to feed, as well as a habitat for reptiles. MILRAM worked with eight farmers to convert 10 hectares of land into flowering meadows in spring, with the helpful support of an environmental group, Mensch.Natur.Landwirtschaft. The farmers sowed a mix of regional wild plants for the pilot project that is set to run for three years. The association notes that flowering meadows also provide crucial support in winter, offering many wild animals much-needed shelter. The plants also provide a layer of insulation from frost and snow, protecting hibernating organisms from cold and ice. Caterpillars, for example, can crawl into cavities between dry stalks to find a place of refuge.

Flowering areas protect and support wildlife even in winter.



View a video about the flowering areas.

Fixed Price



Looking back on one year with DMK's Fixed Price model: Significant value on the volatile milk market



We asked DMK farmers: "Why do you use Fixed Price?"

The launch date finally arrived in November 2020, after an extensive testing phase. At last, all registered farmers were able to offer milk volumes for a fixed price on DMK's digital Fixed Price platform. While unattractive prices made many hesitant at first, numerous farmers have now made trading a regular part of their routines, twice a month.

All members can participate, thanks to the size of the cooperative and the Fixed Price structure, meaning even smaller farms can hedge some of their milk. More than 105 million kilograms of milk have already been hedged for above-average prices using the Fixed Price model. "For however much they hedge, participants can receive a fixed price for up to twelve months, instead of the DMK base price for those particular months," says project manager Mirko Wätjen.

That gives participants greater planning security for their operations, as they know in advance how much money they can expect. Before trading, it makes sense for people to work out their own personal hedging strategy, to prevent any uncertainties during the process. Fixed Price is not about obtaining the highest possible price. Rather, farmers can weigh up their operating costs then decide when it makes sense to hedge prices in the long term, instead of just betting on short-term opportunities, as market conditions mean fixed-price offers can also fluctuate significantly in the short term.

Jes Thomsen followed developments during the first few months after Fixed Price was launched. He wrote his master's thesis at the University of Applied Sciences Kiel on the topic of "Participation motivation and further development of a fixed milk price model at a dairy company," in cooperation with DMK. He found a range of interesting insights which will be used to further develop Fixed Price. He created a questionnaire and surveyed participants, and found people mainly had two reasons for hedging, namely the desire to have a say in the milk price (72 percent) and wanting greater planning security (67 percent). He also found that 46 percent of users wanted to reduce the price fluctuations that have long marked the milk market. Sixty-seven farmers took part in Jes Thomsen's survey.

"Overall, it became clear that Fixed Price as a model for hedging the price was a really solid foundation to establish a risk management tool for prices. In my view, this delivers considerable added value given the highly volatile dairy market," says Jes Thomsen.

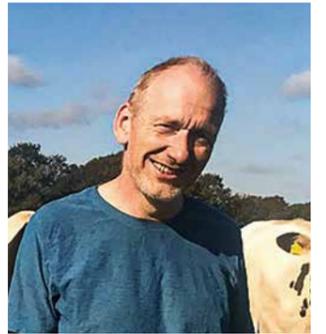
Professor Dr. Holger Thiele, of the ife Institut and Kiel University of Applied Sciences, is Professor of Agricultural Economics. He supported Jes Thomsen in his master's thesis and emphasizes that: "Fixed price models for milk improve the supply relationship between milk produ-

cers and dairies, as they address precisely the area where there has been a lot of criticism of dairies, namely price setting. The ife Institut sees the advantage of this, in that milk producers for the first time have the chance to independently set the milk price for the next few months for a portion of their volumes. This improves their ability to plan to a certain extent. However, fixed-price models also need to be offered by dairies and implemented efficiently using modern digital means, as is the case with DMK. As the supervisor of Mr. Thomsen's research, I am pleased with the result that shows many of the participating suppliers really know their milk production costs well and secured future margins once the fixed price offer fit," says Professor Dr. Thiele.

"Fixed price models for milk improve the supply relationships between milk producers and dairies."

One year on, the feedback from farmers is positive: "The issue of trading has been on my mind for a long time. When it became clear that DMK was offering a fixed-price model, I was pleased that I didn't have to deal with this complex topic. The process is really simple with Fixed Price, and I don't have to have long discussions with the bank, as DMK provides the liquidity, not me," says Michael Lausen, DMK farmer from Harrislee and a regular user of Fixed Price.

DMK's Fixed Price model is a pillar that will continue to evolve in line with market developments. An internal team is working continuously to identify fresh possibilities and work out how to implement these to benefit DMK farmers in 2022 and beyond in the best possible way.



Michael Lausen
DMK farmer from Harrislee and regular Fixed Price user.



Jes Thomsen wrote his master's thesis at Kiel University of Applied Sciences.



Professor Dr. Holger Thiele of the ife Institut and Kiel University of Applied Sciences.



Mirko Wätjen, Fixed Price Project Manager.



milkmaster

Making Agriculture More Climate Friendly

The Milkmaster program measures the carbon footprint of farms based on 17 criteria.



Dirk von Aschwege, Manager Agriculture, Sustainability.



Dr. Philipp Inderhees, Global Head of Corporate Strategy.

Filmtip:
“Kiss the Ground”
 Science experts and celebrity activists unpack the ways in which the earth’s soil may be the key to combating climate change and preserving the planet.
 On Netflix.

NETFLIX

There is a lot of discussion about sustainability, particularly when it comes to agriculture. It is a topic that has been a key part of the Milkmaster program, the interface with our milk producers, ever since 2015. The program covers issues such as animal welfare, the environment, biodiversity and especially the climate. Milkmaster also offers DMK farms a bonus system to promote responsible and sustainable milk production.

Timely program

Farmers receive targeted assistance for promoting climate protection, quality or animal health and their efforts are recognized and rewarded. The

program is constantly being improved and adapted in line with social, market and sector-wide developments. Attention has been increasingly focused on climate protection over the past few months, with a focus on agriculture in particular, though climate change affects all areas of life and society, animals, people and plants. Many farmers in Germany and throughout Europe are experiencing the consequences of increasing climate change at first hand, whether suffering extremely heavy rainfall or extended periods of rain, heat and drought. All these factors have caused considerable losses in terms of income and quality.

All these are reasons why the Milkmaster program is set to focus

even more on issues relating to climate protection in the future.

Less complexity, greater acceptance

The program was relaunched in 2020 in order to better meet the changing requirements that farmers face, plus customer and societal demands. The aim was to simplify the previous program, reduce complexity for farmers and focus on the areas that are most relevant to society. With the help of farmers from the committees, the program was modified to make it easier to integrate into farmers’ daily routines. “Through these adjustments, we have managed to better shape the program while also reducing its complexity,” says Philipp Inderhees. “This

has significantly boosted its acceptance among farmers.” The program is now so finely tuned that it can also respond well to future challenges.

Farm climate check as of 2022

The global aim is to reduce or stop the rate and impact of global warming and reduce emissions of greenhouse gases that are responsible for climate change, that are released in large quantities in agriculture and other areas of activity. So DMK is including an “Agricultural Climate Check” in the Milkmaster program starting in 2022, which will affect DMK farmers’ bonuses. It assesses the carbon balance of farms that produce milk, using 17 criteria, based on the BEK standard

(a standard way to calculate an operation’s carbon footprint). It is not hard to use as it is integrated into DMK’s online platform www.myMilk.de, where farmers can fill out the answers to a set of questions. The system not only calculates the farm’s carbon footprint but also provides advice on ways to manage and reduce an individual farm’s emissions so each participant can find ways to improve sustainably, and help to achieve the climate targets.

Adaptable and flexible

The climate situation is both a challenge and an opportunity, as agriculture can also bind CO₂ and even benefit economically, with the right environmental approach. Dirk von Aschwege,

Sustainability Manager in the Agriculture department, has focused on the Milkmaster program and is driving its further development. “When it comes to sustainability, we are operating in a dynamic environment, so climate protection has become more important, alongside animal welfare and animal health that are already included in the program,” says von Aschwege.

“We carry out regular assessments of Milkmaster to see whether any adjustments are needed to meet society and stakeholder requirements, based on its results. So the Milkmaster program never stands still.”

“Meeting up in person keeps the cooperative spirit alive!”



They last met up two years ago. October's **meeting** was held in person at the Hannover Congress Centrum.

At this year's representatives' meeting, one thing was clear to see: everyone's joy at being able to meet up again in person, even with protective measures in place. The pandemic has left its mark, as was clear from the presentations and everyone's conversations.

The speeches addressed supply chain disruption, price increases for procurement, changes in consumer behavior and the rising sales of plant-based alternatives. DMK CEO Ingo Müller emphasized the importance of cohesion within the company. All the discussions in Hanover concluded that major challenges can only be mastered by pulling together as a team, in a spirit of solidarity. Ingo Müller and Dr. Frank Claassen made it clear to the representatives that DMK is gradually making progress in implementing its long-term strategy. The industry is facing profound changes, even beyond political policy. Nevertheless, all of the measures DMK has identified to strengthen the company are on track, despite the pandemic. The company has laid its future foundations, in the form of Vision 2030.



DO IT YOURSELF

Ingredients

- 1 liter fresh whole milk 3.5% fat
- 1 1/2 teaspoons of citric acid (powder) mixed in 120 ml water or 4-5 tablespoons of concentrated vinegar
- 1 teaspoon of salt
- Also:
 - 1 pot
 - 1 bowl with a sieve and / or cheese cloth
 - 1 ladle
 - 1 pair of disposable gloves (for pressing the cheese)
 - 1 cloth

Do it yourself Mild Mozzarella

Bella Italia! Whether topping your pizza or matched with tomatoes – this creamy delicacy is always a welcome addition to Mediterranean dishes.

Text: Stephanie Riedel

- Heat the milk to **65°C**. Stir in the mixed citric acid or vinegar essence and continue stirring gently for 1 minute. The liquid should turn slightly yellowish and the cheese should curdle, if not, add some more acidity. Then let the mixture rest for 10 minutes.
- Line the sieve with a cloth and pour in the contents of the pot. Let it drain for around 10 minutes.
- Return the drained whey to the pot and add salt, then heat to approx. **85°C**. Put on the gloves and divide the mass lying in the sieve. Put half of it in a ladle and place this in the hot whey for 1 minute. Then remove and shape it into a ball. Place the ball back in the hot whey for 10 seconds and then press it together, repeating this step 3-4 times. Repeat this whole process for the second half of the mixture.
- Place your cheese in a cloth, and wrap it into a ball. Then place it in cold water for approx. 10 minutes.
- Now place your cheese in some whey for storage and put it in the refrigerator. The mozzarella will develop its full aroma in 12 hours.



To see this recipe as a video tutorial, head to dmk.de



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MILCHWELT INTERNATIONAL
Alongside English, MILCHWELT Magazine is of course available in the original German language and now in Dutch, too. You can find all the editions available for download as PDFs at www.milchwelt.de

In the media

From regional newspapers to international magazines, the media often reports about DMK. In the past few weeks, the focus was on changes within the company, plant-based alternatives, personnel and shareholdings.



agrarheute, 7 October, 2021
DMK reduces its shareholdings from 51 percent to 10 percent in Fude + Serrahn Milchprodukte GmbH & Co. KG and Fude + Serrahn Milchprodukte Verwaltung-GmbH.

LebensmittelZeitung, 8 October, 2021
Size alone is not a yardstick for success, according to DMK CEO Ingo Müller. Germany's largest dairy churns out more than 400,000 t of cheese (including 100,000 t of cold cuts), more than 300,000 t of powder, 120,000 t of quark or 80,000 t of butter, plus baby food and ice cream every year. But without the right strategy, "DMK would soon wind up deep in the weeds," says Müller.



Ingo Müller, CEO DMK Group, auf der Vertreterversammlung seiner Genossenschaft.
Auf der Vertreter-Versammlung der DMK Genossenschaft kündigt CEO Ingo Müller Veränderungen an, die die Ertragskraft des Molkereieriesen weiter steigern sollen.

MOLKEREIBRANCHE
DMK steigt in den veganen Markt ein

Lebensmittelpraxis, 11 October, 2021
DMK Group is making vegan products. The dairy cooperative presented its first plant-based alternatives at the Anuga, including vegan cheeses and oat-based desserts. They are to be launched on the market in spring 2022.



Ingo Müller, CEO der DMK Group (Mitte), im Gespräch mit Wirtschaftsminister Dr. Bernd Althusmann und Landwirtschaftsministerin Barbara Otte-Kinast über die EU-Forschungsinitiative „B-WaterSmart“ und über das Thema Ausbildung.
Genossenschafts-Magazin WESER-EMS, 13 October, 2021
Important guests at one of

Lower Saxony's most important employers: Barbara Otte-Kinast, Lower Saxony Minister for Food, Agriculture and Consumer Protection, and Dr. Bernd Althusmann, Minister for the Economy, Labor, Transport and Digitization, visited the DMK Group's production site in Edeweicht at the end of August.

DMK mit neuem Markenverantwortlichen



absatzwirtschaft, 6 October, 2021
Germany's largest dairy cooperative, the DMK Group from Bremen, has appointed a new head for its brand business, chiefly Milram. Carsten Habermann is taking over, succeeding outgoing COO Matthias Rensch.

Milk on Social Media

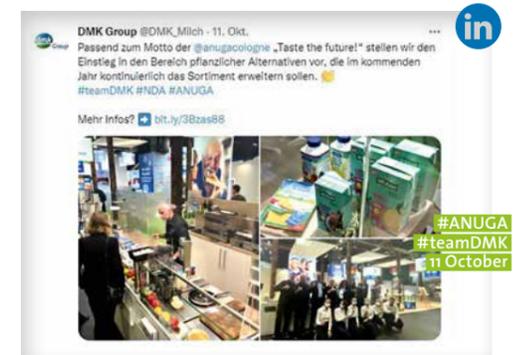
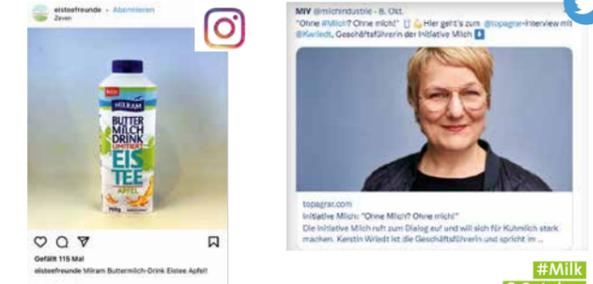


Users discuss milk on social media platforms

TWITTER
www.twitter.com/DMK_Milch



LINKEDIN
www.linkedin.com/organization-guest/company/dmkgroup



Regional Managers of the Cooperative

The regional managers are the principle points of contact for all the concerns of milk suppliers and shareholders of our company



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Masthead

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Congratulations to the winners of our last contest:

- 1 x Milram football table
Paul Hooijen CM Tilburg
- 10 x DMK bread basket:
Nico Schwindt Edewecht
Annika Dohm Neuenkirchen
Hans-Peter Jessen Joldelund
Franziska Beug Waren/Müritz
Guido Dahlke Feldberger Seenland.
Matthias Hägermann Hagen
Jesper Christensen Bremen
Stefan Menke Rastede
Manfred Schöbe Erfurt
Eric Schmidt Oldenburg
- 10 x DMK insulated bottle:
Monika Petersen Schlichting
Denise Wolter Oldenburg
Leandros van Dongen Rijen
Timo Door Zeven
Timo Evert Harsefeld
Sönke Kotowski Hohenwestedt
Hans Reissmann Hoogeveen
Dennis Amler Kirchheim
Susanne Ann Topp Derental
Wiebke Tammen Oldenburg
- 20 x DMK Bottle opener
Elisabeth Schwarz Recke
André Schoppmann Warendorf
Ranoe Vos Hollandscheveld
Judith Dijkstra Dedemsvaart
Petra Mussehl Lindetal
Gerold Schneider Bremerhaven
Jörg Eichler Troisdorf
Max Gegelmann Hamm
Stefan Kerfeld Hunteburg
Malte Krohn Kummerfeld
Josef Schulte Südhoff Handrup
Celina Zilke Lingen
Olaf Stelling Breddorf
Carsten Diekmann Hatten
Gabriele Kemper Paderborn
Norman Heinsohn Beverstedt
Georg Mayer Seesen
Mathias Röttger Walsrode
Mareike Langenken Jade
Elke von Häfen Ovelgönne

Hunting for Santa - where is he?

Our Yuletide puzzle is all about Santa Claus, famed for his white beard, red robe, and sleigh led by reindeer, complete with a sack of toys. He is on our minds as the go-to person for wish lists, presents and delighting kids on Christmas Day. Santa Claus has also swept through MILCHWELT as you can see from the clues he left on our pages. Can you find all the pictures of him hidden on pages 1-55 in this issue of our magazine?

Grab your magnifying glass and get counting and time will fly until the big day. With a bit of luck, you'll get an extra present, too. The total number is the answer to this puzzle.

Good luck!

FOTOWETTBEWERB!

Readers' Pictures

Send us a picture:

We feature the best pictures sent to us by DMK readers at the front of the magazine*. Send us your favorite photo and tell us who and what is in the picture. We would also love to hear why you like the image and what it means to you. Capture a **special moment**, whether it's an artistic still life, a lively group shot or a moment of delight – **your creativity knows no limits!**

* (e.g. see FACTS & FIGURES pages 10-11). Eligible: Employees + cooperative members of the DMK Group

Here's how:

- Email your picture to:** milchwelt@dmk.de with "Reader photo" in the subject line.
- Important:**
1. Please include your first name and surname, address, job title and DMK location!
 2. The picture has to be high resolution and in landscape format
 3. No photo collages please!
- Deadline for entries: 31.01.2022**

Keep your eye on these prizes:



TRAVEL VOUCHER worth 300 euros

2x



JBL BLUETOOTH Speaker

10x



10x

ENAMEL cup

Send us the number:

By email to: milchwelt@dmk.de, with "Puzzle" in the subject line,

or by post to: DMK Deutsches Milchkontor GmbH
Katrin Poppe
Flughafenallee 17
28199 Bremen

Important: Please include your first name and surname, address and DMK location!

Deadline for entries: 31.01.2022

Only employees and cooperative members of the DMK Group are eligible to participate.

The answer to the last puzzle: 26

Heavenly treat

Our seasonal carrot cake topped with sour-cream frosting promises an extra level of luxury this Christmas. Santa won't be the only one rubbing his tummy and smiling.

Rabbits are not the only fans of carrots. They are the ideal baking ingredient, with a juicy natural sweetness and crunchy texture. No wonder carrot cake is so popular all around the world. So it is high time to try our special seasonal recipe. **Enjoy!**

Und so geht's in rund 80 Minuten inkl. Backzeit.

Step 1:

Preheat the oven to 180°C. Grease and line 2 cake tins measuring 22 cm across. Whisk the eggs and sugar in a bowl until fluffy, then add the vegetable oil, flour, baking powder, spices and buttermilk. Stir the mix.

Step 2:

Finely chop the walnuts. Peel and coarsely grate the carrots. Fold both into the cake mix then divide the batter evenly between the two cake tins (you will probably have around 875 g of batter in each).

Step 3:

Bake your moist carrot cake in the center of the oven for 40-45 minutes. Make the frosting by mixing the sour cream and butter, then gradually adding the icing sugar and pinch of salt until you have a spreadable consistency. Allow the cake to cool and level it if necessary.

Step 4:

For the filling, spread half of the frosting on one of the layers, then place the second layer on top. Spread the rest of the frosting on top of the cake but keep the sides free. Decorate with cookies and rosemary pine trees.

Difficulty level: Easy



LINK

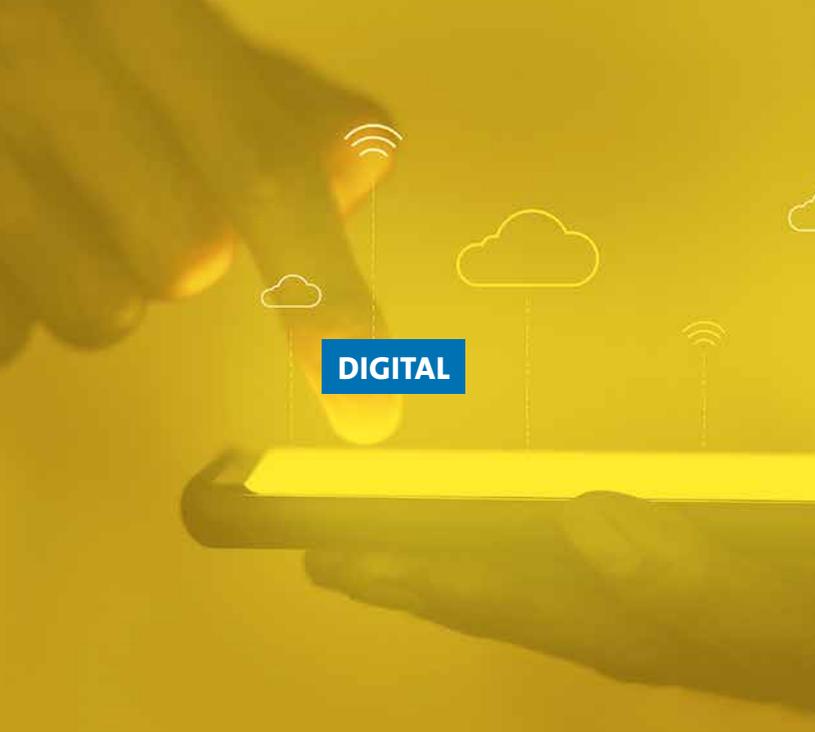
Recipes at www.milram.de

Ingredients for 16 pieces For the cake

- 4 eggs
- 200 g sugar
- 100 g brown sugar
- 1 pack of vanilla sugar
- 175 ml flavorless vegetable oil
- 325 g flour, type 405
- 1 teaspoon baking powder
- 2 teaspoons cinnamon
- 2 teaspoons ground ginger
- 1 teaspoon allspice
- 250 ml MILRAM buttermilk drink
- 100 g walnuts
- 500 g carrots

For the frosting

- 250 g MILRAM sour cream
- 100 g MILRAM "Good Butter" at room temperature
- 125 g icing sugar
- 1 pinch of salt



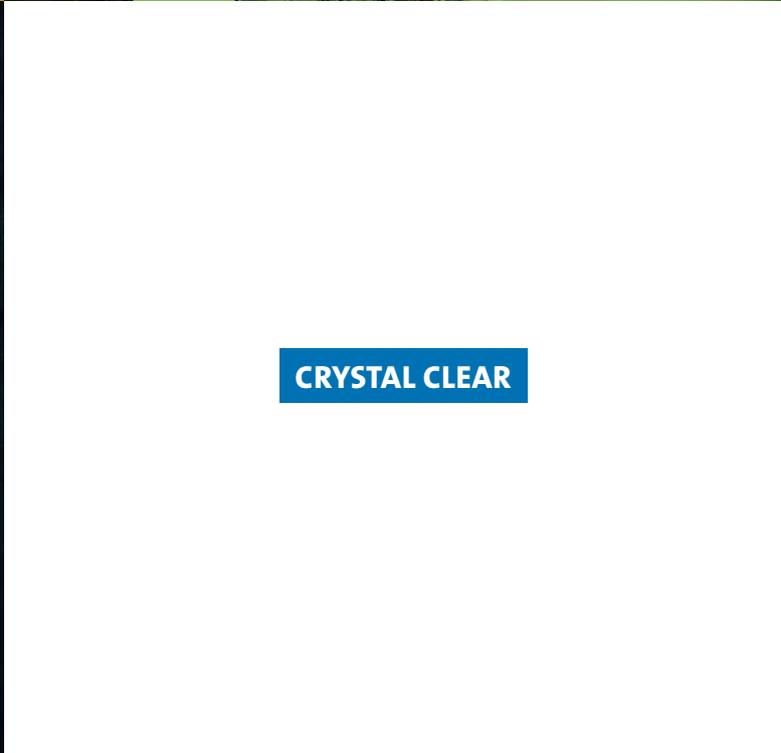
DIGITAL



TOGETHER



dmk Group



CRYSTAL CLEAR



EFFICIENT



CARING