



DMK Group introduces vegan products with MILRAM

Bremen, March 28, 2022. As part of its Strategy 2030, DMK Group is expanding its product range to include plant-based products. With its MILRAM brand, Germany's largest dairy cooperative is now also launching vegan puddings, a cocoa drink, and a rice dessert. Products in other important categories will follow by the first quarter of the new year at the latest.

For years, a strong change in values has been emerging in society, politics and the economy, which is also reflected in changing eating habits, for example in the use of vegan products. "As a company, we also see advantages for ourselves in this development, because as a dairy cooperative we have in-depth know-how and now have the opportunity to also participate in this market with our own products," explains Ingo Müller, CEO of DMK Group. "Today, it is no longer simply about imitating animal products, but about tasty, healthy and varied concepts. Even if milk alternatives currently still account for 7 percent of sales on the white line: The topic is an unstoppable trend and, as one of the largest suppliers to the German retail sector, we want to help shape this development."

MILRAM is kicking off with a range of desserts with which the brand is consistently aligning itself with the new customer needs. MILRAM's oat-based pudding in vanilla and chocolate flavors, for example, features the natural taste of bourbon vanilla or selected Rainforest Alliance-certified cocoa. At the same time, there is no use of preservatives, artificial flavors or flavor enhancers. Short, comprehensible ingredient lists make it easier for consumers to find their way around and create safety. The same applies to MILRAM's oat-based rice dessert. Ready to serve in a convenient 1,000g soft pack, it is ideal for enhancing with fruit or cinnamon as a dessert or whole meal. Again, no artificial flavorings, preservatives or flavor enhancers are used. The new desserts are produced at the Erfurt site.

With the oat-based MILRAM Kakao Drink, the brand is also launching a variant of one of the most successful products in the mixed milk drink segment, which will give new impetus at the shelf. Classic MILRAM Kakao is already the market leader in foodservice throughout Germany, with a market share of 19 percent (Geo-Marketing, 1st half 2021). And MILRAM is also in the front ranks in terms of demand in food retailing. The plant-based alternative is produced at DMK's Zeven site.

In addition, the company plans to launch further new products in the retail sector in the future.

"The development of plant-based products is an absolute must in order to meet consumer needs and remain competitive. But despite all the change: milk remains our core business. After all, DMK doesn't have milk in its name for nothing," emphasizes Ingo Müller. "The average consumer of DMK products does not eat a purely vegan diet, but they are part of the large mass of nutrition-conscious people who integrate plant-based alternative products as an additive in their everyday lives. For us, it is therefore a matter of creating an overall portfolio that offers different consumer groups products that fit their respective eating habits and accompany them in everyday life."

A campaign will also be launched shortly with the new products. To appeal to the younger target group, the campaign has been designed to be more modern and stylish than MILRAM Dairy. At the same time, it remains visually aligned with the MILRAM brand world, which is familiar to consumers throughout Germany. In this way, buyers of the new range will be additionally introduced to the company's milk-based products and the relevance of the brand will be promoted. This approach is also being consistently followed in product design.



Facts and figures:

Buyer base:

- Since 2017, the buyer base of plant-based milk alternatives has recorded continuous, double-digit growth; likewise, spending by buyer households is increasing significantly (GfK Consumer Scan).
- Among current MILRAM buyers, there are already an above-average number of buyers of vegan products and thus also an above-average number of consumers willing to try them. While in Germany as a whole the buyer reach is 34.7 percent, 40.3 percent of MILRAM buyers are already reaching for milk alternatives. (GfK Consumer Scan)

The market:

- In 2021, sales of plant-based desserts doubled compared to the previous year. (Nielsen)
- Dessert sales increased even more. While 5.9 million packs were sold in 2020, the figure was already around 15.1 million in 2021 (Nielsen)

Commodity base:

- Although oats are the preferred raw material in consumer surveys across all age groups, consumers can hardly find corresponding products, especially in desserts. In 2020, for example, soy was the lone leader in raw material distribution, with a share of more than 80 percent, while oats were at less than 2 percent (Nielsen).



About the DMK Group

Employing around 7,800 workers at more than 20 locations in Germany, the Netherlands and other international hubs, Germany's largest dairy cooperative processes milk into foodstuffs of the highest quality. The product portfolio ranges from cheese, dairy products and ingredients to baby food, ice cream and whey products. Brands such as MILRAM, Oldenburger, Uniekaas, Alete and Humana have earned the trust of consumers at home and abroad, making the company an established player in its home markets and selected target markets around the globe. As one of the largest suppliers to the German food retail industry with a total revenue of 5.6 billion euros, the DMK Group is one of Europe's leading dairy companies.

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