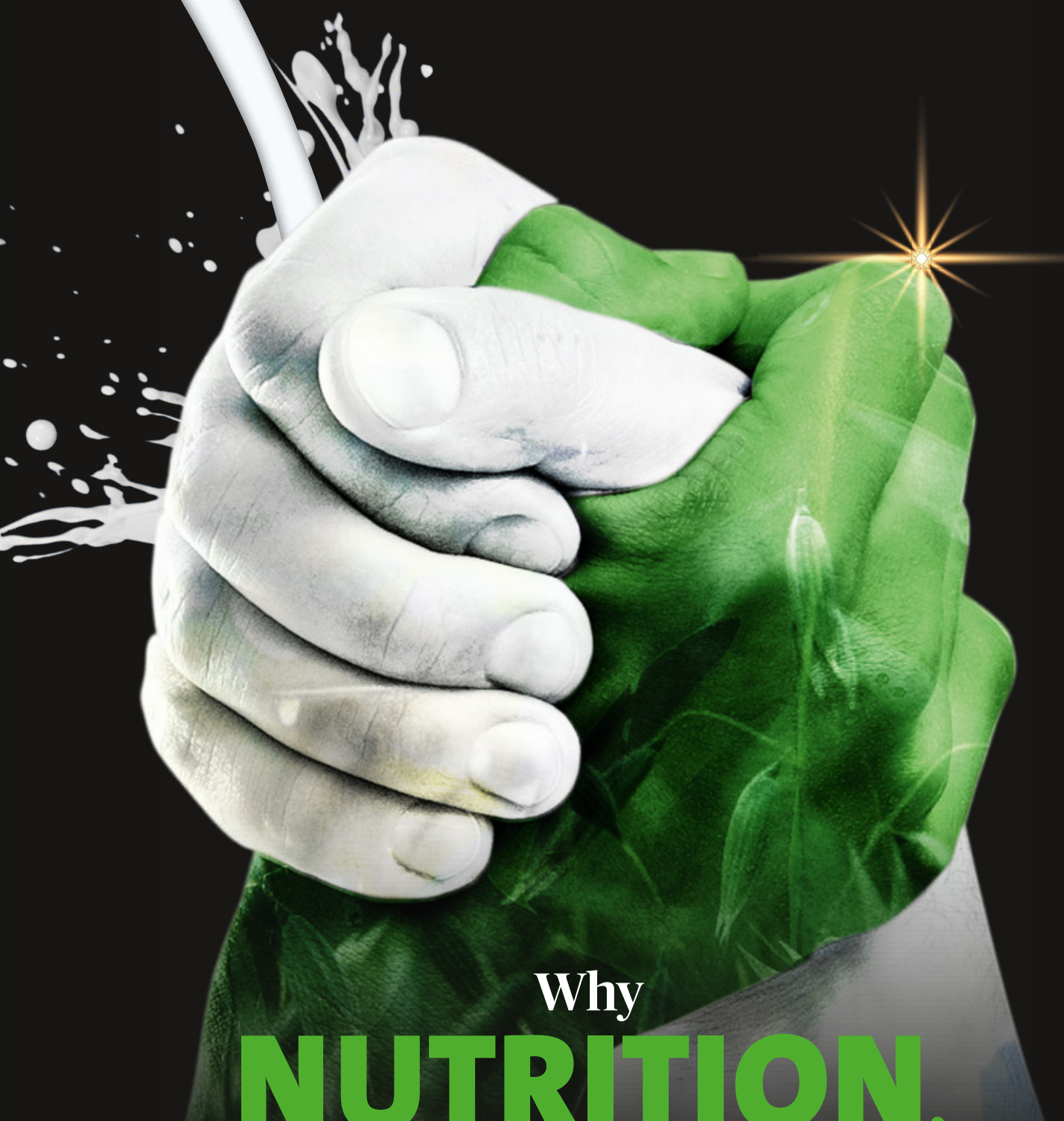


MILCHWELT

The Official Magazine of the DMK Group



APRIL 2022



Why
NUTRITION,
sustainability and working together
mean so much to us.

Did you know?

Dental Assistant

If your tooth is knocked out in an accident, then keep it safe in a cold glass of UHT milk. That's the best place for it, as the cells otherwise lose vital fluid if you place it in water or on dry paper tissues. Storing it in milk will help the dentist rescue your tooth.



Milk: Powering Mobility

Scientists studying traces of cheese and milk found in Croatia from 7,000 years ago have reached the conclusion that dairy products increased people's chances of survival. They helped humans expand throughout northern regions.



Amazing Graze

Miniature ecosystems spring up in areas where cows graze. By keeping the grass short, birds, beetles and grasshoppers can all find food, making a crucial contribution to biodiversity and enabling endangered species to survive.



Sources: 1. STERN 2. MDR 3. NABU

Everything in flux

Oliver Bartelt
Global Head of Corporate Communications



Dear readers,

Much of life as we had come to expect it is changing radically, from the climate to the environment, how we live and work together—and last but not least, the desire for healthy and sustainable nutrition. All of this shapes attitudes towards the food we produce.

The good news:

It's hard to imagine dinner tables up and down the land without milk. As a staple packed with essential nutrients, milk has always been an integral part of a balanced diet. There's a broad base of people who drink milk and love it. And yet milk and dairy products are also criticized as people develop plant-based products and focus increasingly on climate protection as a global priority. Calls are also growing louder to improve animal welfare in husbandry. Meanwhile the next generation is already taking responsibility, asking questions and reshaping food culture.

Several years ago, we took a stance on nutrition as part of our Vision 2030 that addresses these very areas. We are developing new products that meet consumer needs—and we are communicating in ways to engage with people beyond the industry. That's the only way we can reach them, by being factual in our information and emotional in our design. To be successful in our outreach, what we need is a good overall picture of what's going on.

That's why we decided put listening at the heart of this issue. We invited 22 people from the business, the catering industry, trend research and politics tell us how they are shaping these changes and what their vision is for tomorrow's nutrition.

We hope you enjoy reading this issue,

Best regards,

Oliver Bartelt

In This Issue

THE FUTURE OF FOOD
What it means for us all
and for DMK.

4 Why is it important for you to shape the way food is produced?



5 MILRAM is repositioning itself and adding vegan products – what kind of challenges are involved?



6 Will our diets be dominated by vegan food in the future?



12 CLEAR VIEWS
22 people from the worlds of politics, society, agriculture and DMK on the transformation of nutrition and route to success.

The Networkers



Example PDCA

Example GS

TIGER



30 TIGERS OF DMK
18 CI engineers inspire employees to improve processes at work.

Inner Journey

Converting Passion into a Career...



PASSION
SPEED UP YOUR WAY



36 THE AHA EFFECT
DMK employees attended a seminar on reinventing yourself and your career at Stift Börstel.

THE DIVERSITY OF MILK
Trainees describe their work in a major new campaign.

ALL CHANGE!
A new building in Bremen brings the workplace up to date.

VEGAN!
Plant-based MILRAM desserts and drinks reach supermarket shelves.

FLOWERING PLANT
A grassy area is transformed into a haven for insects with help from MILRAM.

Fixed Price

"More planning security and self-determination"



myMILK

Users are happy with the new platform.

52 FIXED PRICE BENEFITS
Meet Professor Holger Thiele, founder of the Fixed Price Model.

SERVICE
Masthead, contacts and the latest on social media.

6 WINNING PHOTO
Industrial chic:
A golden sunrise at the Hohenweststedt plant.



"We've reinvented ourselves"



"We have almost halved the losses from 2020 in 2021 without compromising product quality and delivery capability."

Dr. Marc Biele, CEO

28 MORE BUSINESS
BU Baby is highly profitable again thanks to better processes.

Whiz kid DMK Farmer





How Cool is That?



FROM TRAINEE TO BOSS
Carsten Habermann becomes COO of BU BRAND.

44 COOL KIDS
Let's go wild: DMK presents more creative, tasty ice cream treats.

Cool Cheesecake!



myMILK

Users are happy with the new platform.

59 HIP DESSERT
Check out this recipe for cheesecake on a stick, courtesy of MILRAM.

A wide-angle photograph of a large industrial facility, likely a dairy processing plant, captured at sunrise. The sky is a mix of deep blue and vibrant orange from the rising sun. A tall, dark smokestack stands prominently in the center-left, with wisps of smoke rising from it. To the right, several large, cylindrical silos are visible. In the foreground, there are various industrial buildings with flat roofs and some windows that are illuminated from within. The overall scene conveys a sense of early morning activity in an industrial setting.

PHOTO 
CONTEST!

6

o'clock in the morning. Jan-Hendrik Friedrichs, Plant Manager BU Industry, photographed the sunrise at the Hohenweststedt plant bright and early before heading into his first meeting. More than 100 employees produce powdered milk and cottage cheese here every day. His picture captures the majestic interplay of nature and industry.



120

...legs? No, days! That's how many days lactating cows should spend grazing outside from April 1 to October 31 for farmers to receive the full grazing bonus in the DMK Milkmaster program. The 2022 grazing season starts in April.



5

days of new gastronomy ideas in Dubai: DMK presented a slew of concepts at the Gulfood, the world's largest annual food and beverage trade exhibition for the Middle East, Central and North Africa. Brands including Oldenburger, Rose and Uniekaas went down a treat.

22 Questions to 22 People

A NEW WORLD OF TASTE

How sustainable do we want our food and drink to be in future? When it comes to transforming nutrition, DMK is going full power ahead. We listened to what **employees and farmers** are saying about the process and heard what they are doing to shape these changes.

Change is in the air. Those changes go beyond the climate, even as the increasing number of extreme weather events shows us that our planet Earth is out of balance. Consumers too are changing, increasingly aware of the environment and paying greater attention to sustainable products when they shop.

Almost 70 percent of people buy food from local sources where they can, according to the Trendreport Ernährung 2022*, a trend likely to shape the decade ahead. Meanwhile 59 percent of shoppers pay attention to humane farm animal care. Shoppers are looking for healthier lifestyles, to stay fit in their later years and transparency from farm to fork. While DMK's core business is and remains milk, the company portfolio has expanded to include vegan products, as it is clear that plant-based nutrition is not just

a passing fancy that will be forgotten by next season. It's a stance, a way of living that seeks the new and a commitment to awareness in terms of diet and lifestyle. What does that mean for the DMK Group? How can a traditional dairy cooperative deal with such change? Pretty well, in fact. DMK is a "people company" made up of people, farmers and employees who produce high-quality food on a daily basis to meet the needs of today and tomorrow. Everyone is also pursuing the goal of making DMK fit for the future with Strategy 2030 and responding to consumer needs. All are reacting to market changes, new ways of working, and the optimization of nutrition.

Farmers, employees, influencers and nutrition experts all share how they are finding this process in the following pages, and describe how they are shaping these changes.

*Source: Trendreport Ernährung 2022





Maximilian Blum,
Senior Manager,
Strategy Business, Bremen.

1 | How big a role will sustainability play in nutrition in the future?

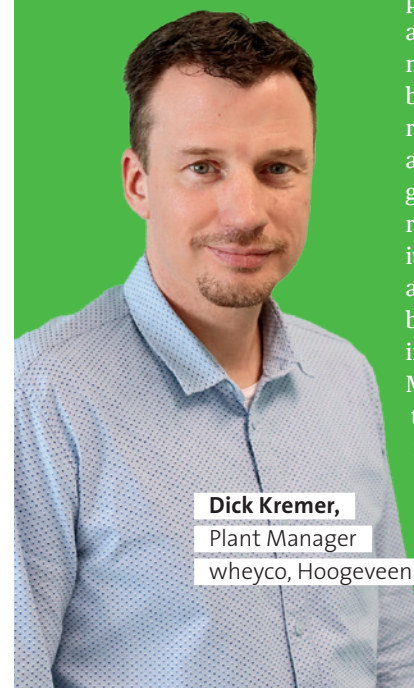
"In the dairy industry, we provide people with high-quality food, we use land that otherwise wouldn't be available to grow food for people and we create value in rural regions. At the same time, the food we produce has a carbon footprint. It's made up of the fodder for cows, the cow's digestion, the way milk is transported and how our products are manufactured, for example if we use gas in heating processes. My family and I love good food. I like cooking but I always want to know what's in the food and how it was made. That's also something our customers want to know, particularly in the industrial and retail sectors. They've set themselves climate targets, in general and for specific product groups so at DMK we're making a lot of changes in order to meet these. One area we are looking at is what emissions are created where in our value chain. We have already started taking action to reduce these but a great deal of work lies ahead and the whole of the DMK team will be working on this for the next few years. The task is worthwhile, though. Sustainability means respecting the limits of our planet and not always going further and further beyond these."



"I want to know what's in the food."



2 | What are you working on at the moment and how's cooperation going with your German colleagues?



Dick Kremer,
Plant Manager
wheyco, Hoogeveen.

"I've always eaten plenty of dairy and meat products, partly because I grew up on a farm, and also because not only do I like the taste but dairy products are also really healthy and contain a lot of nutrients. But the growing trend for a "different" kind of diet is having its effect on me, too. Health and sustainability are becoming more and more important across the board. Meanwhile I notice myself that my body reacts differently to unhealthy food as I grow older and having too much of everything is never a good idea! I'm

also curious about vegan alternatives and when I eat out, I always make sure to try a lot of those options. At our dairy in Hoogeveen, we're also embracing a more sustainable way of life. We're further raising the standards of our products, which are already high quality. We're also working to ensure we maximize the use of our facilities so wheyco can further increase sales volumes and the whey products' added value. We couldn't do any of that without such a good working relationship with our DMK colleagues in Germany.

Sometimes it can take a little longer to figure out where the other person is coming from, due to our linguistic and cultural differences, but both sides want to work as "we" and all involved put lots of energy into that goal. There will always be cultural differences but they also bring opportunities. The Germans love bread, we Dutch love our cheese - together they make a great combination!"

3 | What do you need as a farmer in order to grow tomorrow's food?

"What we need most of all is a sense of "we" and of unity. The only way we can meet the requirements for sustainable farming and animal welfare is if milk processors and farmers pull together. The way we see it is behind every farm, there's a family making unprecedented sacrifices to keep the operation going. We farmers already do a lot, investing in solar energy, promoting biodiversity, I myself frequently take my cows out to pasture. We also notice the trend

for vegan diets but as farmers, we have to make sure that what we're doing makes sense. With plant-based alternatives, we have to consider whether some raw materials are actually easier to produce in other countries due to the climate. Vegan food and how it is produced will also have an impact on the climate. Despite the desire for reform, the milk price plays a central role. Retailers have to be prepared to pay more, and stop ignoring farmers' needs."



Peter Netjes,
farmer on the island
of Kampereiland.

4 | Why is it important to you to shape the way food is produced?

"I've become much more aware of food since I started my training. Now, for example, I make more effort to find out about product manufacturers. I feel better eating something if I know that efforts were made to ensure the food is particularly sustainable, or that human and animal welfare were prioritized. Many people feel the same way. Everyone wants to know: What am I eating? Where does it come from? I think this trend is here to stay. Good food matters so much. It's essential for our health, it gives us pleasure and it makes us happy. During my training I also want to know everything about how dairy products are

made, as I'm no less critical of DMK products than of other manufacturers' goods. The whole industry is under fire so it really matters to me to see exactly how DMK is responding to new nutritional trends and developments. I'm reassured that DMK really is up to the minute in terms of making production more sustainable, and expanding the product range to include non-dairy alternatives. One thing is for sure: milk is my great favorite and it's going to stay that way. Chocolate, cheese... I would never go without them."

Jette Holsten,
Industrial clerk
apprentice,
Bremen.



5 | MILRAM is repositioning itself and adding vegan products – what kind of challenges are involved?

"The vegan megatrend has drawn large, established players such as Alpro or Oatly who are dominating the market with a wide range of products and powerful advertising. Our retail partners also offer their own non-dairy products. That's a challenge for the DMK Group. We have developed an impressive portfolio to suit the dramatic change in consumer behavior when it comes to nutrition. We'll be launching vegan rice desserts, grated cheese, puddings and an oat-based cocoa drink this year. Our advertising has changed too.

Nicole Liedloff,
Marketing Director
Brand Retail, Bremen.

We've modernized our campaigns and given them more of a lifestyle feeling than with MILRAM Dairy, to reach a younger age group. But we kept the MILRAM brand world look that's so familiar to shoppers, in the hopes that we can excite them about our new products as well as our milk-based products, to promote the overall relevance of the brand. A balanced diet also matters a lot to me personally, though I don't only eat healthy food all the time. For me it's about balance, quality and also feeling curious. My family is often alarmed when I come up with something new, but I can usually get them excited about it. I recently tried Ayurvedic cuisine - very exciting!"



6 | Will our diets be dominated by vegan food in the future?

"One glance in my refrigerator shows that I like cooking and I use products like yogurt, quark and cottage cheese. I would never stop using dairy products. But some vegan foods are also surprisingly tasty. I buy products as long as they are varied, seasonal and regional. I'm not alone in that, either - increasing numbers of people in Germany are interested in vegan food. Relatively few people are completely vegan right now but people have a real desire for alternatives so it's logical that DMK is creating its own vegan range in response, though not all of my colleagues saw it like that right from the start. Initially, many had doubts.

Most had never eaten vegan food before. They were really enthusiastic, though, when they tried the oat-based chocolate and vanilla pudding at the Erfurt plant! It has such a creamy consistency and the taste is just as full-bodied as with dairy foods. People also like our MILRAM OatChoc, an oat-based cocoa drink. We're constantly developing our portfolio and are really paying attention to the way trends are changing, here and around the globe. Sometimes I wonder how the world will be eating 30 years from now, when I think about how people's eating habits are changing and growing societal awareness of sustainability and climate change. A lot

of people are surrounded by plenty these days, while others are fighting to survive. There will be 9.7 billion people on our planet by 2050. One of the fundamental challenges will be to feed the population, ensure that food is healthy and conserve resources at the same time. People won't be able to survive solely on a plant-based diet as there won't be enough land and water. So how can we keep eating healthy, protein-based diets? I imagine we'll eat a combination of animal, plant and alternative proteins and I don't think that's such a bad thing."



*"Many people
are surrounded
by plenty, while
others are fighting
to survive."*

Marina Schomacker,
Head of R&D,
Product Development, Zeven.



7 | How important is your profession for people to be able to eat tomorrow?

“Our profession is important as it lays the foundation for a healthy society. Without agriculture, there wouldn’t be any food - that sounds like a truism, but it’s something we often feel we need to make clear to consumers. We face a lot of criticism and people have a tendency to forget how much our farms have grown and under what conditions. Many aren’t aware of how farmers have had to increase their herds or lease land or downsize dramatically over the past decades just to survive, given the milk price. We need agriculture to secure tomorrow’s food supply, whether or not some people prefer dairy foods or vegan options. Pulses, corn or cereals that vegan foods

are often based on, they’re also grown in fields. It’s a positive trend in principle, for society to pay more attention to sustainability and healthy nutrition. I think plant-based alternatives are great for people with food allergies and intolerances. I don’t think they make so much sense for mass consumption. Aside from the fact that the products contain nowhere near as many vitamins and nutrients as milk, I also have concerns about the products’ carbon footprint, in terms of how they’re produced. Almonds, avocados and soybeans, for example, have to be transported halfway around the world before they reach supermarket trolleys. Compare that with local agriculture which supplies people in the region, with goods only traveling short distances. I also think it’s important that we ensure people’s jobs are safe, whether they sell agricultural

machinery or work as a baker or a feedstuff representative - or are DMK employees. We need political and societal support. When I’m making an investment, I need to feel safe knowing it will still make sense in the years ahead and won’t be seen as inadequate. Or compensation, if cheaper food from abroad is creating inequalities. But what’s missing most is an understanding of our daily work. Communication between consumers and farmers could be better. If we listen to each other and show understanding, and people show they value agriculture again, then we’re heading in the right direction when it comes to the future of food and nutrition.”

“We need agriculture, to provide tomorrow’s nutrition.”



Josh Griemsmann,
farmer from Bülkau.

8 | Why will we still be eating animal products in the future?

“Because we have grown up eating animal products and we are used to the taste, they are part of our culinary and dining culture. Animal products are likely to stay on menus for ever, even though there will also be additional vegetarian and vegan meals too. Chefs want to surprise their guests with more

than just salad or pasta. It’s all about creativity! Food culture has always been part of life, it has shaped entire empires and will continue to do so in future, varying by nation and region. In some cultures, the cuisine is wholly vegan and has been for centuries, without anyone wondering about supplementary products. Ghee, or clarified butter, is an essential part of Ayurvedic cuisine, while people spend days simmering a chicken soup for traditional Chinese cuisine. For me, good food culture is always about balance. What I eat should be good for me. I want my body to feel full of energy after a meal and I want to feel positive. Feeling like you might fall asleep, or being in a bad mood, are

signs of imbalance! I take coffee after a meal because I like it, not because I need it to wake me up. I don’t ask the question whether foods are based on plants or animals as they complement each other, creating a harmony of flavor when they are combined together. Think of classic combinations like red wine paired with a good cheese, or cocoa and cream, or pea soup with sausage, or a chicken soup that contains vegetables. We also like to experiment, pairing say Jerusalem artichoke milk with vegetable granola, or oat milk and pork chin, or cherry tomatoes with yoghurt spheres... For me, that’s the present and it’s also a little glimpse into the future.”



Heiko Antoniewicz,
Chef and innovator,
Werne.

9 | How far does digitization help in creating new food products?

“Digitization is a key factor in our company’s success. On the one hand, data plays a decisive role in enabling us to better understand consumer expectations and the market, while on the other hand, we give consumers reliable data so they gain more confidence in

our brands and products. Digitization also supports our production activities, making processes simpler, more efficient, more flexible and easier to measure, which all saves money, time and resources. We want employees across the board to learn to use the methods of

digitization for the manufacture of high-quality products for the future. For me, a healthy diet is based on high-quality products. I just feel better when I eat right. Good nutrition, combined with exercise, also has a positive influence on my immune system.”



Markus Blömer,
Global Head of
Corporate IT, Seckenhausen.

10 | How important is “continuous improvement” to ensuring the company makes food at the quality level required?

“Our demands of food are changing – so we need to change too, that is the only way we can be more flexible in responding to the demands of customers and the market. But in a difficult situation like this, how do we become ‘continuously better’? By working together on solutions for products and how we want to create them. That is why we launched the TIGER program and that’s what it addresses: A group of CI engineers support teams at the different sites who are working on specific questions, like how do I optimize a particular process? How do I improve a machine? How can I use less paper? All that helps a company become more efficient and ultimately helps answer the question: How can DMK remain a major player that is able to recognize today’s expectations of products and nutrition? We make a

lot of changes in all areas in order to meet this goal. One way or another, everyone throughout the company is working on this question. We put together teams with a vision and a structure to reach the necessary goal. The CI engineers are on site to support people on the ground and they take time to understand employees’ concerns. If you listen to the individual areas, people have ideas about how to improve things. They support them as far as possible to find solutions. By using the shared expertise of our employees, we have implemented many improvement projects and measures, saving more than 18 million Euros. That shows how systematically we approach the question of how we can improve our products – and ourselves – a little bit every day.”



Maren Schultz, Business Improvement Manager, Bremen.

11 | Is nutrition being reinvented, revolutionizing everything we have ever known?

“Ten to 15 years ago, I could not have imagined much alteration to my daily life. We should face a lot of the changes that lie ahead of us with a great deal of faith and confidence though! We are aware that changes in agriculture will be challenging for us but we should approach this with a positive attitude. Biodiversity, climate impact and animal welfare when producing the raw material – and in making our high-quality foods, these are all increasingly crucial when it comes to the credibility of a company, indeed of an entire industry.

We started this journey several years ago, creating our Vision 2030 which anticipates precisely these events.

But the trends are developing even faster than we expected, vegan foods are gaining popularity, the Green Deal and the Farm to Fork Strategy are gaining momentum and the new government will have more tasks in store for us. We are addressing all these issues, whether through climate assessments on farms, creating vegan alternatives or improving our CO2 footprint. Even with all this change, our core product is and will always be milk. No other food offers such variety and ensures such a balanced diet as milk. For me, it is the first choice. For life.”



Ingo Müller, CEO, Bremen.

12 | With all the constraints they face, how can farmers provide good food?

“My aim is to empower farmers and give them more planning security. In the government’s coalition agreement, we agreed to support them in the restructuring of livestock farming by introducing transparent and binding animal husbandry labeling by the end of this year! Farmers should benefit financially if their animals are kept well. We will also look at added value throughout the whole of the food chain. We want to end the asymmetries that come at the cost of producers! I don’t want

to be the one handing down all the instructions like a teacher, I want to empower farmers and give those in the agricultural sector more power to solve these problems. During this legislative period, we will present our concept about how we can further develop the common agricultural policy (CAP) so it better rewards services to the climate, the environment and society. Let’s give nutrition and agriculture the importance that food actually has in our daily lives!”

Source: Cem Özdemir, Federal Minister of Food and Agriculture, Member of the Bundestag, outlines his plans for the agriculture and food sector in the governmental declaration on January 14, 2022.



Cem Özdemir, Federal Minister of Food and Agriculture, Member of the German Bundestag, Berlin.



13 | You came to Germany from Syria: What are your hopes for the future?

“A healthier planet, fewer wars, more sustainability and that people are paying more attention to what they eat... I came here from Aleppo as a refugee in 2015 and I have not been back to my homeland since. When I think back to that time, I see my mother cooking for my seven brothers and sisters and me. We bought ten kilos of raw

milk from a tiny store every day and boiled it at home. Milk was a big part of our diet and for me, it’s associated with my home, my childhood and a sense of security. My mother cooked rice pudding, she baked cheesecakes and she used a lot of yogurt. There was not such a variety of products in Syria as there is in Germany, milk and meat were expensive. But we also didn’t have as much fast food or frozen food, everything was fresh and organic. The milk came from farms with a maximum of 30 cows, as did the meat. The dairies had their own farms producing for them that were not affiliated with any cooperatives. I was stunned by the diversity of the products in Germany when I came here in 2015. I had only ever had a kind of Feta in brine, but here I found a whole range of cheeses: Gouda, Tilsiter, Maasdamer, Edam. MIL-RAM’s Müritzer is still my favorite – but there were also loads of fruit yogurts in the supermarket. I eat a lot more dairy products in Germany.

First I learned the language, then I started an internship at DMK’s production department, before switching to the laboratory. Originally I wanted to study IT, but there are elements of this in my laboratory work. Training as a dairy laboratory technician, I need to concentrate and be highly sensitive, studying products using computers and digital equipment. It opens up a lot of possibilities for me. I am very happy with my employer, but I would like to see even more vegan products, since we already have enough dairy products. DMK does a lot for sustainability, for example, we process the salt bath for the cheeses into drinking water, and we have improved production processes to reduce the amount of time and resources used. It is important to keep our CO2 footprint as small as possible, especially as a company. If everyone pays more attention to what they do, then who knows, maybe some day we’ll create a better world.”



Lamee Houry, Apprentice Dairy Laboratory Technician, Zeven.



Hendrik Haase,
Food Blogger, Future Foodist,
author and consultant, Berlin.

14 | We are so used to the taste of cheese, meat and milk. What will food taste like 20 years from now?

“There are real opportunities for greater diversity and more direct relationships between animals, agriculture and epicureans as we slowly shift out of the industrial age into the digital era. Food will be fresher, less processed and more colorful. Deceptive biochemical experiments that only go halfway towards imitating the tastes we know will hopefully be history 20 years from now. For a healthy future, we need food that we can trust, in our mouths, on our tongues and last but not least, in our stomachs. It will need to be provided by agriculture that combines good animal welfare practices with pleasure. For me, what’s missing in the retail world today is a genuine love for quality products at a deeper level. There are more and more brands and dairy products on store shelves, but decreasing variety and depth of flavor. So I’m looking forward to a rediscovery of fat, how important it is and its value in terms of taste. I always have a jar of rendered butter in my refrigerator which really gives the vegetables I cook the most amazing flavors. Animal products will be of better quality, hopefully we will eat less of them and

when we do, just as a side dish. There will be more plant-based products and there will also be a real renaissance for vegetables. I think it’s important for us all to be involved in designing this diet and that we don’t just wait and assume we will be presented with a menu. That means we really need to be involved and have a say, from the field to the plate. There also needs to be a shared willingness to make food in future that takes the limits of our planet into consideration. Where does milk stand in this scenario? Probably the same place as it is now, as I think it is one of the most impressive foods I know. I drink less and less pure milk but I could never replace ingredients like sour milk products, cheese and butter in my pantry. For me, milk symbolizes the relationship between man and animal on the farm and it conjures up the sense of endless pastures. It also reminds me of very special moments I’ve experienced on farms, from the smell of hay drying on the meadow to cows with their warm, steaming noses in the early morning, to wobbly calves finding their feet. I can’t imagine our diets without milk in 20 years’ time.”

15 |

How important will quality be in our future diets?

“There are more and more nutritional trends these days, with people embracing diets that are vegan, vegetarian, high in protein, low carb or paleo. Food is becoming more ideological. Consumers want to know more about what they are eating, where it comes from and who produced it and how. In the past, people didn’t pay much attention to the details on food packaging. Nutritional values and the ingredients were only relatively important but not the decisive issue when it came to making a purchase. Nowadays, with QR codes, apps can give you a comprehensive picture of what the food con-

tains, including clear statements about the ingredients, healthy and those that are less so. They go far beyond the NutriScore traffic light system. And more and more consumers are taking the opportunity to look at this breadth of information. It is a great opportunity for us as a manufacturer: Many of our products are healthy, contain little or no additives and hardly any refined sugar. It is also relatively easy for us to communicate openly about our production processes, which will also impress shoppers. These days in our fast-paced society, consumers expect to get their questions answered right

16 | Eating habits are changing worldwide – how far is DMK profiting from that?

“We see the new trends are benefiting the company as well. There’s a real demand for vegan alternatives and as a dairy cooperative, we have the opportunity to play a role in this market with our own products. It is also a fact that consumers are more likely to include these products in their meals rather than going completely without dairy foods. Dairy products are still popular and that applies way beyond Germany. That is also a clear trend. We can see that demand is increasing worldwide. There is huge demand from China. That is good for us as DMK, because our products have a really good reputation, not only here but also abroad. On the one hand people value our craftsmanship, honed over centuries, and on the other, we profit from the European climate, it is really an advantage for producing milk.”

Marcus Krapp,
Global Head Quality
Management, Bremen.

The weather in Asia makes it very hard to produce dairy goods at such a high quality level. In the future, for us as a dairy, it will be more and more important to look at exactly where there’s demand for our products and to focus on serving precisely those markets and segments. Changing patterns of nutrition have also influenced me personally. I too had phases of eating fast food and was less aware of my eating patterns than I am now. My family and I now really value where food comes from, that it’s regional, animal welfare and agricultural practices that are appropriate for the species. I personally can’t go back to eating the way I did in the past. These trends present opportunities for us but we also need to be in a position to implement them. The issue of sustainability is challenging for us in this area: agriculture is facing major scrutiny, as a carbon emitter. Dairy production is also energy intensive and water is becoming scarcer.

All these are issues that we have been working on for many years and we have made a great deal of progress as we implement Strategy 2030. Transformation takes time and it costs money, for DMK and for our farmers. We have to take all this into account. Without the commitment of our employees and farmers, we would not have made it this far, let alone through the crisis. Everyone really kept the business going during the pandemic, and absenteeism rates were even lower than before. Many people realized how much their work in the company matters to them – and I felt the same way.”

Dr. Frank Claassen, CFO, Bremen.

away, whatever communication channel they use. For us at DMK, that means our different departments have to work more closely together in order to meet these expectations. Consumers don’t care whether they get their information from the plant’s quality management section or the marketing or legal department. They just expect an answer from DMK. We can and must get better at this, but it also offers us opportunities. Myself, as a marathon runner, I’m a passionate consumer of dairy products. I think it’s

a shame that here in Germany we don’t have the same culture as in Italy, France or Spain where food is held in much greater esteem, people really appreciate it and are willing to spend much more money on high-quality products. As an athlete, I realize that in addition to training and regeneration, food quality is the third essential factor when it comes to good running times. It’s not only me, either. In my track and field club, we have German, European, and world champions: all of them are good customers who enjoy our products, none of them eats burgers, french fries and cakes. That says a lot, I think.”

17 | Why do we need the “we” feeling in order to achieve our goals?



Ines Krummacker,
CHRO, Bremen.

“Climate change, global markets and digitization have all changed our way of life: Work is becoming more flexible, it’s easier to communicate with our colleagues in other countries and borders are becoming more fluid. As a food producer, we need to adapt our workplaces to enable our employees to develop in this environment. Human Resources supports efforts to make DMK’s culture meas-

urable. Yes, that is possible and we do it by carrying out targeted employee surveys then deriving measures from them. We also support managers and employees in the process of sharpening their awareness of why culture and success are closely intertwined. The “we” feeling plays a really big role in that. Maybe our colleagues aren’t sitting in the same room, for example, they might be abroad but they are

meant to be working on the same projects or processes. That might not be easy, you need to show understanding and team spirit. That is the only way we can jointly benefit from synergies. Ultimately, these will pave the way for the food of the future. How else can we create new production technologies, plant-based alternatives such as rice dessert or completely new dairy products?”

18 | What advantages does a cooperative in the transformation of food have?

“Lots! The cooperative can ensure changes are implemented with a sense of proportion and that not too many farmers struggle in the process. We are all on the same journey, walking together side by side. As chairman of the cooperative’s board, my job is to support decision-making processes and making sure they are made with our members’ interests in mind. Together, we have the chance to ensure that people can get local, regional and sustainable food in the future, as they do now. Of course, this has to be reflected financially too, so our producers are appropriately rewarded. Milk processing and marketing are in our hands and they secure the future for us dairy farmers. It’s ideal that we are involved in a broad range of markets and have popular brands that are selling well. We can all see that people want different things from food – consumers know that and I have vegetarians and vegans even in my own family. Personally, I love dairy products, especially cheese. But we don’t eat meat every day.”



Thomas Stürtz,
Chairman of the Board
of the Cooperative
and farmer, Dorum.

19 | What is your vision for the future of food?

“Sometimes shoppers and the industry seem like rivals. Many things that one side wants seem to be the opposite of what the other is calling for. With food, pleasure is right at the top of the list. People want to enjoy eating and not have their pleasure spoiled by feeling bad about animals or the environment. Then there’s a large group of people who can and will only base their shopping decisions on pricing. Others, meanwhile, forget all their good intentions when they spot a juicy steak at a barbecue. So we really have to pay attention to what consumers want and also what’s actually going on, now and in the future. We farmers are right at the start of the food chain and as we see it, we’re

doing a great job! So we struggle to see why there’s such a boom for oat milk, for example, as it doesn’t taste as good as cow’s milk in my view, or has the same nutritional benefit or comparable carbon balance. We also get the feeling that the requirements we’re facing now don’t come from politicians but from the four big supermarket chains. The remuneration for the work still isn’t satisfactory, unfortunately, as the measures cannot be fully implemented on the farms.

Nevertheless, we’re looking ahead. As a dairy, we’re the interface between consumers and farmers and we tell our colleagues time and again that these trends aren’t going to go backwards and also that they bring opportunities for us. We at DMK have the chance to make these changes beneficial to our owners, more so than other dairies. We have a significantly wider range of products

“We are getting impetus from Generation Z in particular.”



and processes, good product innovation and we enjoy the confidence of consumers – just look at our baby products, for example. We have spent many years providing healthy food that suits people’s needs from babies right through to seniors. That’s something to be proud of, even though we know that for us dairy farmers it also needs to be worth it financially!

As dairy representatives, we emphasize again and again why it’s so important for DMK to follow the strategy consistently and keep updating everyone on our progress in implementing it. Our owners need to be able to ask critical questions about our progress so far, too. We can succeed on the route to a whole new era of nutrition if we keep treating each other as equals and communicate openly and transparently. By working together, we have best the chance to bring our dairy into the future.”

Heinz Korte,
Chairman of the Supervisory
Board and farmer, Plönjeshausen.

20 | Consumers are changing their eating habits. What does that mean for DMK’s product range?

“Our product range is constantly developing, it never stays still. We’re always looking at what customers and consumers want and what could work in the future. We are getting impetus from Generation Z in particular, with the increasing focus on sustainability, environmental protection and animal welfare – all that’s shaping how we think about food. Lactose-free milk, desserts packed with protein, vegan food – we are constantly optimizing, not least in order to reach and exceed the payout price for our farmers. Product life cycles are another challenging factor in all these considerations. Something that works today may not work at all well tomorrow. The food market is highly competitive and we have to act fast while also thinking ahead. But we’re always on an equal footing with our retail partners and we’re highly regarded as a reliable partner. We negotiate our basic range, with sales of around 1 billion euros, twice a year, generally for six months. The pandemic has been a really challenging time for both sides, though. We had an extremely high order intake after the first wave but we also faced rising prices and supply bottlenecks in all key areas at the same time: raw materials, packaging, personnel, warehousing, and transport ... But we managed and even achieved record delivery volumes. Employees and farmers took on this mammoth task each and every day and they’re still doing so – we would not be half as successful without them.”



Irmtraud Kruessel-Middendorf,
Head of Sales Management, Bremen.

21

What hurdles do new sustainability and animal welfare regulations create for farmers?



Marlin Dammann,
Manager Business
Acceleration &
Innovation, Bremen.

“As I see it, demands for better animal welfare and sustainability of our farmers are not hurdles, but real opportunities! I think it is right that we are constantly raising our standards for animal welfare and sustainability. After all, innovation keeps us fit for the future. I can see that some farmers are uncertain and worry about what is ahead. But many are open and optimistic about the future and are boldly going

forward and further developing their farms. Openness and constructive debate help farmers in this process, as do an entrepreneurial spirit and a fundamental sense of trust. I am sure that the changes offer numerous opportunities - both for DMK and for farmers. We have the chance to help develop and shape the future of our industry. I truly believe that sustainability and animal welfare are part of the solution!”

22

How will DMK's energy mix change?



“We support the integration of renewable energies.”

“Significantly, as we are constantly focusing on reducing our energy consumption and saving resources. We have to bear in mind that renewable power generation is still subject to major fluctuations, meaning it is not always available at a constant level, so for us the challenge is to respond flexibly to these fluctuations. We set up the Kopernikus-SynErgie research project and are working on ways to make some dairy sub-processes more flexible. That means we're optimizing the way several systems run in the plants to reduce our energy costs and enable us to integrate renewable energy. We're also working on many other projects which involve green district heating, using biogas in production and gradually converting our vehicle fleet to electricity or hydrogen, for example. Our team is glad to be accompanying and supporting these developments at DMK.”



Klaus Landwehr,
Head of Energy
Management, Bremen.

Marco Bode,
European Football Champion



What Counts is Your Attitude

We may already be aware of that and know that is a key factor when we're trying to quit smoking, or exercise more, or eat better. We know the chances that we will stick to our resolutions are pretty slim if the change isn't one we really want to make and that it is essential to find the right attitude to the change. In the sporting world, we always talk about “a good attitude,” “the right mentality” and “great motivation.”

What that means is really making an effort, that we don't give up when there's a headwind and we get up and try again if something goes wrong

or we make a mistake. We also sometimes talk about intrinsic motivation, which is something that each and every individual has to bring with them in order for the WE to succeed.

Without wanting to be repetitive: finding the right attitude is easier for all of us if we believe in what we want to achieve. When we are valued and appreciated by our leaders, when we have a shared vision in our minds that seems sensible and achievable.

How about attitude for you and for DMK? From what I have seen so far of the people in this world, it isn't half bad!

“You can only make a lasting change to your behavior by changing your attitude.”



Podcast



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

“We’ve reinvented ourselves”

It was a tough road and still is – but thanks to extensive restructuring, BU Baby is now much more profitable. Teamwork was an essential ingredient in ensuring the process succeeded.

Absolutely everything has changed at BU Baby. No stone has been left unturned in the change process the unit began in January 2021. It was time. Change was sorely needed, in the form of countless measures and far-reaching transformation. Those changes succeeded thanks to the efforts, courage and motivation of employees working tirelessly, from the plants to the offices, at home and with customers. Their work means now, the unit is more profitable and has the potential to grow further.

BU Baby COO Dr. Marc Mahl has been driving the transformation for more than a year.

What changed? A lot: Structural and material costs have been greatly reduced in all Baby BU plants in Germany and abroad. Production costs for dairy foods and supplementary foods have been improved and the focus is now firmly on profitable markets and products. “We have almost halved the losses from 2020 in 2021, without jeopardizing product quality or supply capability,” says Dr. Marc Mahl, the COO responsible for the restructuring. “That was not an easy process, given the pandemic conditions and after one of our most important packaging suppliers had a cyber attack. That is all the more reason for the team to be proud of the fact that we even exceeded

our targets.” That applies not only to the plants in Germany, but also far beyond.

The team expanded its market position in Italy, Spain and Portugal despite difficult conditions, making significantly more profit than originally expected in the budget. In Spain, the unit is a leader in nutritional supplements for babies, children and mothers. “I am so proud of my team,” says Mariola Matuszek, Head of Global Branded Sales. “In Spain, we dominate the market in the youngsters’ sleep segment with a market share of 80 percent - in Italy, we are number one in the milk formula market as well as in the nutritional supplements segments for breastfeeding, vitamin D and colic products.”

The transformation of BU Baby has also benefited the plant in Strückhausen, where nearly 40 percent more volumes were shipped per month in the fourth quarter compared to the monthly average for the first half of the year. “Strückhausen is a raw diamond in our portfolio and we can see that the areas we have polished are gradually starting to sparkle,” says Patrick Weber, Management Director, DMK Baby Strückhausen. “We are well positioned to achieve our budget targets.” For him, that success is clearly due to the team. “Our colleagues do an excellent job every day, turning our farmers’ raw milk into baby milk products that parents trust around the world.”

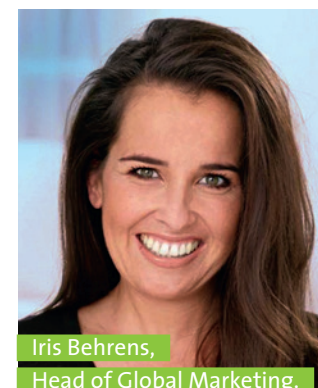
Trust also played a major role for the team in Waghäusel, especially against the backdrop of the pandemic. After a few months of short-time work, the team members rolled up their sleeves last year and started

“We have almost halved the losses from 2020 in 2021 without compromising product quality and delivery capability.”

Dr. Marc Mahl, COO



Mariola Matuszek,
Head of Global
Branded Sales.



Iris Behrens,
Head of Global Marketing.



Peter Hüttmann,
Managing Director
Sunval Baby Food GmbH.



Patrick Weber,
Management Director
DMK Baby Strückhausen GmbH.

operating a new, more efficient filling line. They also began a growth project at the same time, enabling the plant to increase its output by almost 80 percent, significantly improving unit costs. In turn, that helped offset the dramatic increase in the price of Demeter, Bioland and organic ingredients. “Our customers in the food retail and discount sectors are becoming increasingly demanding with their private label products, which is why we offer food that is certified organic quality,” says Peter Hüttmann, Managing Director Sunval Baby Food. “Our team helps enormously to maintain this high standard and to guarantee it afresh every day.”

Things did not always run perfectly smoothly during the extensive transformation process however, says Marc Mahl. “We took too long to tell the team about the measures. And in crisis mode, it wasn’t possible to implement the improvement measures as quickly as I had announced,” says the COO. “I am sorry that meant employees suffered here and many ultimately decided to leave BU Baby. We have to do better in this area.”

Learning from mistakes is one of the principles of Strategy 2030 and that goes beyond just lip service. The principle applies at BU Baby, too. Mahl and his team value a stable team that works together towards a shared goal, with each person bringing their own valuable expertise that is vitally important to DMK.

Looking to the year ahead, the remaining losses are to be reduced to around one third of last year’s level. Plus, the plan is to implement all the

projects that are under way. “The baby food business is a great field that has a solid future and it is a place where people can develop professionally and really make their mark,” says Mahl. “We have reinvented ourselves.” Brands like *Humana*, *Alete bewusst* and *Milasan* are now significantly more visible thanks to innovative products and marketing concepts and have far more growth potential, also on the German market.

Right now, *Alete bewusst*’s Obsties & Gemüsies - fruit and vegetable snacks - are being launched in the growing snacks segment, supported by a broad digital campaign.

We are well placed to meet our budgetary targets.

“The initial customer feedback on our Obsties and Gemüsies is promising,” says Iris Behrens, Head of Global Marketing. “We worked on a lot of exciting projects last year. A big thank you to my team for all of your ideas and commitment in such a challenging situation.”

For Marc Mahl, one thing is clear: there is still a great deal of potential in the Baby business. The extensive portfolio of baby milk, supplementary food and nutritional supplements is well positioned among European rivals. Now, the aim is to further raise the profile of these appealing products among mothers, fathers and children. He also expresses a special thanks to the cooperative’s farmers. “They showed incredible loyalty, carrying us through difficult times,” Mahl says. “Now, the stage is set for us to be able to thank them.”

Home of trust: The Business Unit Baby draws its potential from quality brands such as *Alete bewusst*, *Humana* and *Milasan*.



The Networkers

The CI engineers is group of men and women who are constantly seeking ways to optimize processes at DMK. They're proving resoundingly successful.



The CI Community: Made up of people acting as coaches, organizers, mediators, psychologists and helpers.

The members of the group know almost all there is to know about resistance. After all, DMK's Continuous Improvement (CI) engineers often hear phrases from their colleagues like "We have always done it this way" or "Nothing will happen anyway." Their job is to find new ways and excite people about new things. CI engineers support managers and employees who come up with their own ideas and insights in order to optimize a process or workplace. This form of support works as it is enabling DMK's culture to change gradually, step by step, making the company measurably more efficient.

Last year alone, employees' own ideas generated savings of 18 million euros. Furthermore, significant improvements were made in the "buckets," the areas that DMK is focusing on to find potential for improvement, ranging from safety at work to complaints. When someone at a plant identifies potential for improvement, the CI engineers come and help by sharing their knowledge of methods to identify sustainable solutions. Their success is clear to see. As experts, they provide employees with input, encouraging them move away from how things have always been done. The process is not only inspiring for both sides - it also leads to astonishing results.



TIGER

continuous improvement

Example PDCA

Project: CI Engineer Olga Pelz from BU Private Label heard that employees in Georgsmarienhütte, Germany, often complained about "giveaways," referring to cheese whose weight minimally exceeds the weight indicated on the packaging, which is of course a losing proposition. Together with employees in the packaging department, Pelz got to the bottom of the problem - and applied the Plan-Do-Check-Act (PDCA) method.

Procedure:

The team tried to reduce the amount of variation. "We tracked batches on the line, we did daily weight evaluations and measured the effect of each technical and organizational change," says the dairy engineer, who had already supervised ice cream projects for DMK. Together, the team evaluated the results on the shop-floor board. "People will only accept changes if everyone understands the figures."

Resistance:

"The weight deviations were only minimal, so many colleagues didn't initially see the benefit of change and wanted to continue on as before," she says. "But the different ideas were all brought to the table at the shop floor meetings, so it became clearer where the causes of our problems lay." Gradually, more and more suggestions flowed in.

Drive:

Initial evaluations showed the team that things were improving: "We were celebrating successes, the team was getting hungry." More and more colleagues people to join in and get involved. Soon, people began to come up with ideas for technical changes, adjustments to the control system and better machine operation standards.

Result:

"It's a natural product, so we could not do much about the different characteristics of the cheese. So we made the machine settings more variable in order to be able to react better to the product." The team kept on thinking about the issue and the variations became smaller. That process has saved 200,000 euros over the past year.

CI function:

One team, lots of expert knowledge: "It is important that every employee can contribute and that I take every suggestion seriously, engage in a dialog, and ensure we keep the lines of communication open," says Pelz. "I'm often in the role of a moderator, making sure the problem is addressed from all angles, and that others' viewpoints are accepted. Everyone should have the opportunity to present his or her position."

Example 6S

Project: CI Engineer Pascal Hehmann heard from the quality manager at the Georgsmarienhütte plant that too much time was being spent looking for things, instead of productive work. Hehmann was familiar with the 6S method and introduced it to the team. Together they set about putting it into action, sparing no desk, cabinet or storage space in their desire to create order.

Procedure:

Once every employee was familiar with the method, all set about implementing it. "At the beginning, there was a lot of hesitation about what could be eliminated," says Hehmann. "As the day went on, the team gained momentum and decided faster what should be discarded and what needed to be organized, and how and where."

Resistance:

Hehmann said initially, people were fearful of change. "I think that's something that affects everyone." Often, things falter, particularly when everyone is still inexperienced. "But that settles down in the course of the workshop." If there are any questions, he is always available to provide answers and over time, he finds less and less input is needed. The team starts to work independently.

Drive:

"New and exciting ideas always come up during the workshops," says the CI engineer from Industry BU. "There are hardly any limits, because even solutions that appear to be perfect usually still have some optimization potential."

Results:

"There were loads!" he says. "We were able to minimize search times and so increase efficiency when a spare part is needed, in the event of a malfunction, for example." It is also a relief for employees when people are finding a spare part, he says. "In the lab, we were able to free up space by sorting out items that were not needed." Also, if shelves are now only being loaded up to head height, for example, that also makes the workplace safer - and everyone feels more comfortable when things are structured around them. "We've succeeded in that."

CI function:

Hehmann supports the teams, trains them in the method, talks about his experience and provides input. As a CI engineer, organizing work is part of his DNA. Without a good structure and the tools you need, you don't stand a chance, he says. However, at the end of the day, the team itself decides how the workplace should look. "And that has worked out well so far," he says, pleased with his colleagues' success.



The Tiger buckets: The DMK Group wants to improve in these six areas.

Whiz kid DMK Farmer

Farmers have to juggle many jobs at the same time in order to keep their farms running. That's not news to Leonie Wiewer. Only 24 years old, she's about to take over her father's farm.

The thoughts all rush in at once, Leonie Wiewer says, mostly when she's standing in front of the stables at the heart of the Altendorf farming community. What could I do to further develop the farm? How can I make that happen? She was already winning prizes for breeding animals at the age of 16, before becoming a qualified farmer by the time she was 20. Now, the 24-year-old agronomist helps her parents run their farm in North Rhine-Westphalia. A job she has done ever since she could walk, she now enjoys thinking about the many ways she could develop the farm in the future. Farmers like Leonie Wiewer no longer have just one job to do. They also need to be strategists who place their raw materials on fluctuating sales markets, architects who can fix their buildings and good communicators who can tell consumers what the business is really like.

Foresight required

"Our profession is about much more than driving manure around," says Wiewer. The difficult conditions farmers face require a great deal of creativity and thinking outside the box. Farmers must anticipate situations before they arise, hone their instincts and develop senses that can't be taught in a classroom. "We need a certain eye for things." She will take over her father's farm in a few years. It is her home and has been in the family for many generations.

"Each cow has a name," she says. "I know their bloodlines better than my own. I am proud to be able to care for the descendants of the same family of cows that once moved and inspired my grandfather." She says she could not imagine it any other way. But like any farmer, she also has to figure out how to adapt the farm to the demands of the present day.

Attitude counts

She will need financial resources for that, but she will also need more openness and understanding from the public. As someone who loves animals, she suffers when she hears statements like "Animal welfare and exploiting animals are mutually exclusive!" or "Loving animals then slaughtering them is not okay!" That kind of talk worried her and she began to question the way agriculture works as a system. "In the end, though, one thing is clear for me: I am a trained farmer and I have all the background knowledge and experience possible. The welfare of my animals is what matters most to me. It would be a problem if that wasn't the case," she says. "I can say with absolute certainty that I give them a good life." In her view, agriculture in Germany is at such a high level that any departure from it would be a major mistake. The main thing is that people should cooperate more, she says. "In future, we can consider ourselves lucky if we can still get food that's produced under incredibly high standards like in Germany."

Trying out new things

Keep on learning, never stand still, optimize the business, all these thoughts keep Leonie Wiewer busy. She is most proud of a sales hut she set up to sell raw milk, cheese, eggs and pasta straight from the farm. "It took a lot of work, time and patience to establish it, but it was worth it in the end." The hut draws people to the farm which creates new opportunities for interaction.

Alongside marketing her hut, she also breeds animals, taking care of everything from the insemination to the marketing aspect of the business. It's work she knows well, having started bringing animals to compete in young breeders' contests from the age of six. She spent a long time training with the animals in preparation, she recalls. One thing is for sure, she wouldn't want a desk job.

More responsibility

Leonie Wiewer will take over the farm at some point, when she will oversee 130 cows, 250 young animals, 120 hectares of land and a diverse team of helpers. She has managed a lot on her own already but she's aware that things will be different then. "It's something else when you have to calculate, implement and take responsibility for everything." Sometimes all it takes is a year of drought and the reserves are gone, given the high feed costs.

Many jobs in one

Sometimes she realizes just how many jobs are involved in being a farmer. She finds herself being

a midwife, a kindergarten teacher, a hairdresser, marketer, mechanic, chemist and entrepreneur... and the list goes on. "All in all, there's a great deal of responsibility involved," she says. It takes a lot of stamina to do the job well in a world in which things are changing ever faster. Amid all her visions and dreams, that's a sobering thought. But she is confident. After all, farmers have lived with risk for centuries. That's what makes the profession what it is, namely one with a "great deal of variety, new challenges and the chance to make your dreams come true. You're constantly growing beyond your limits - it's incredibly exciting!" How she will master it all in the future? That, she says, remains to be seen. Watch this space.

Loving the job, loving the calf: Leonie Wiewer is also responsible for inseminating the cows.



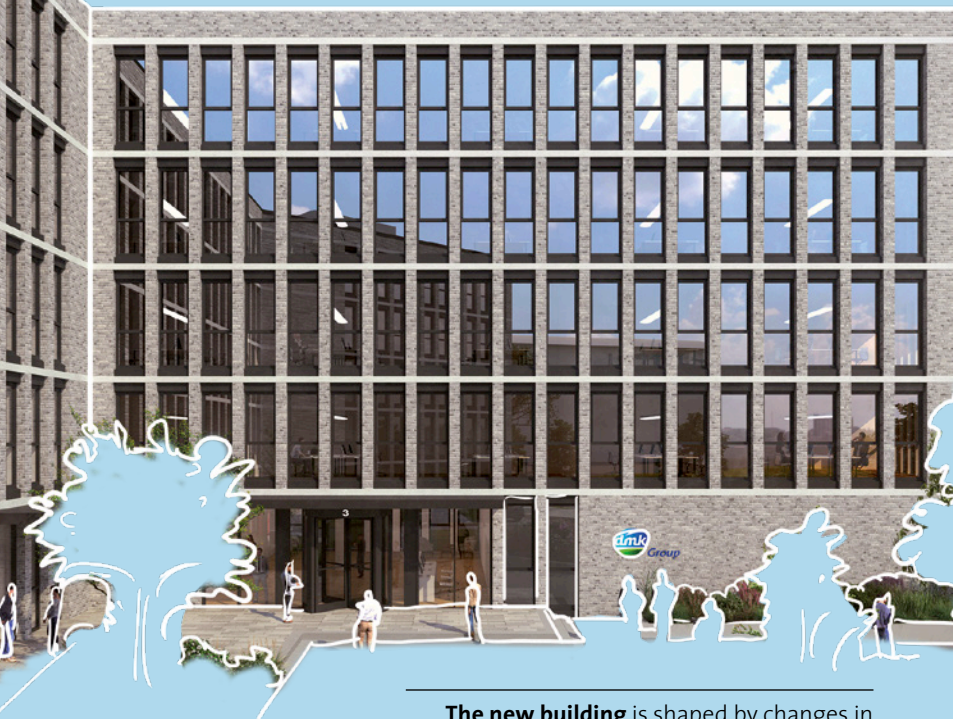
At some point, she will take over the farm from her father.



The farm in Altendorf near Münster has been in her family for generations.



For Leonie Wiewer, working with animals is a vocation she would never give up.



The new building is shaped by changes in the working world: Remote work, flexibility independent of time and place and teamwork where members may be in different locations and even different nations.

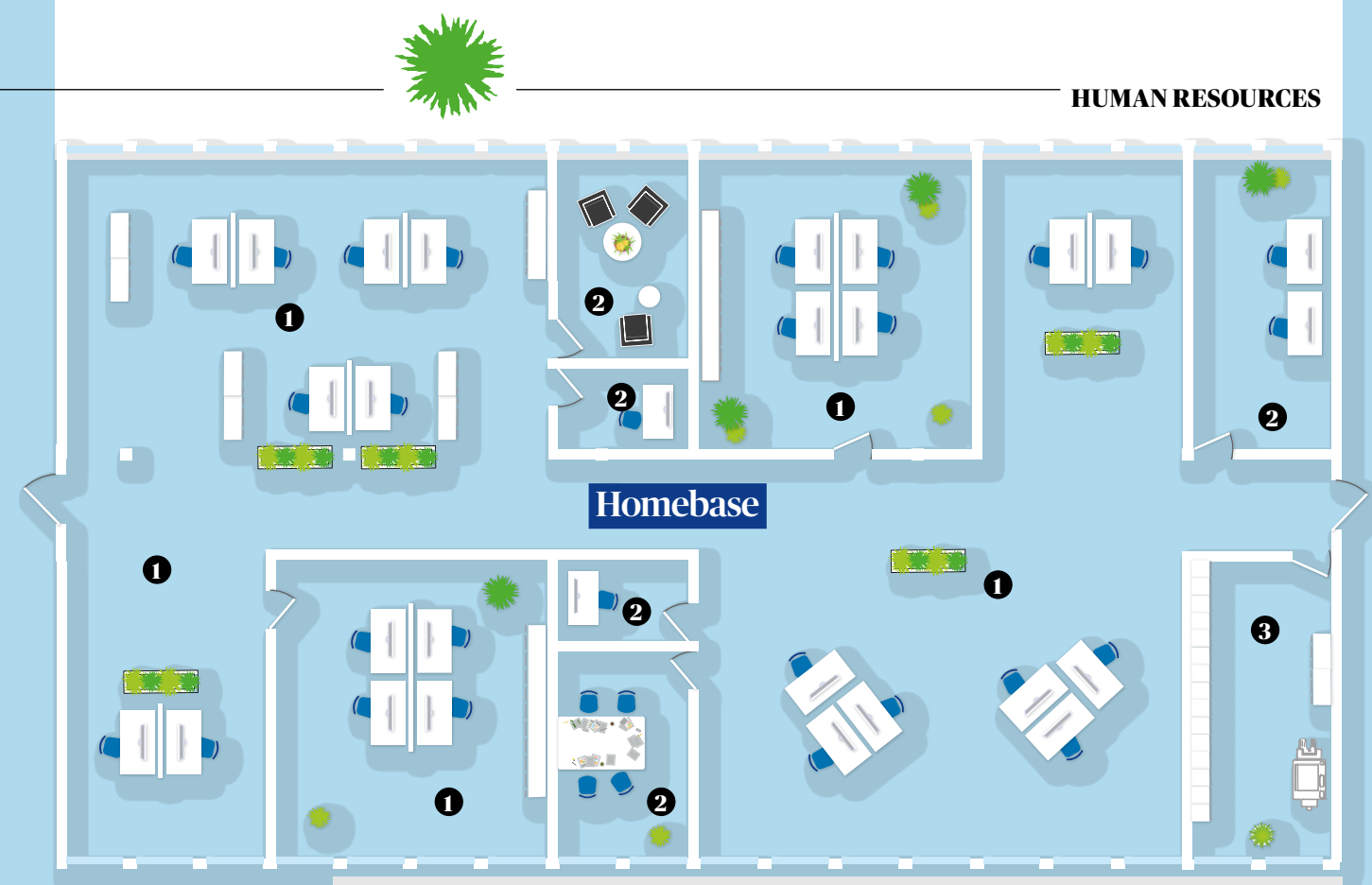
Modern World of Work

DMK's future headquarters in Bremen reflects the new way we are working together. It is more energy efficient and more environmentally friendly.

The days when work was all about long corridors and individual offices will soon be over. DMK is renting a new office on Airbus-Allee in Bremen which sees a move away from separate working practices and towards greater personal exchange. Everything will be more inviting, more communal, fresher and entirely different from the current building. "Looking at the condition the old building was in, we decided to consider all the options. Ultimately, there were a lot of reasons to move away from Flughafenallee. In the new building, we will be more economical and we can adjust our working environment," says Carsten Klapproth, Director of Global Business Services. After all, new ways of working require new work spaces.

Huge changes are in store for employees. The new world of work requires adaptation, from the desks where people sit to areas for networking and spontaneous encounters: All had to be adjusted to move with the times, along with meeting, project and quiet spaces. "Fixed workplaces as we had in the past, where people had their nameplate on the door - we won't be seeing that kind of thing in the future," says Lydia Heckmann, an architect at DMK. "We know it will be an adjustment and that it will be easier for some, while it could be a little more difficult for others. But after the move, we will be able to work together better and more productively than before." Ahead of the move, some people began trying out "desk sharing" and "clean desk" policies that will later be part of everyday life. That means for example that employees will share a workstation so will take any personal belongings with them before heading home. "It's bound to be a bit uneven at the beginning but we're practicing hard," says HR manager Vivien Bellmann.

A further benefit is that DMK will not have to carry out lengthy and costly refurbishment to fix the old building's considerable problems, but can sublet the new building in a more flexible model. The new five-story building has lower operating costs so is more efficient in business terms. It is also more modern and sustainable, with a combined heat and photovoltaic system for a cleaner power supply. Meanwhile the courtyard and the green roof have a cooling effect amid the city climate. The move is planned for the fall of 2023.



Homebase is a section of offices assigned to a department or business unit where teams come together and employees choose a ① workplace that suits their current activities.

The retreat rooms ② are designed for tasks when people need to concentrate. They can also be used for spontaneous meetings. In the printer room ③ lockers are available for each employee to store their office materials and any personal items.



Working and eating together

The canteen offers fresh food ④ not only for DMK employees but also guests: All are welcome. People can also buy products made in-house at a small retail outlet. Meanwhile, as befits a dairy, there's a "milk bar" ⑤ to show visitors what the business is all about.

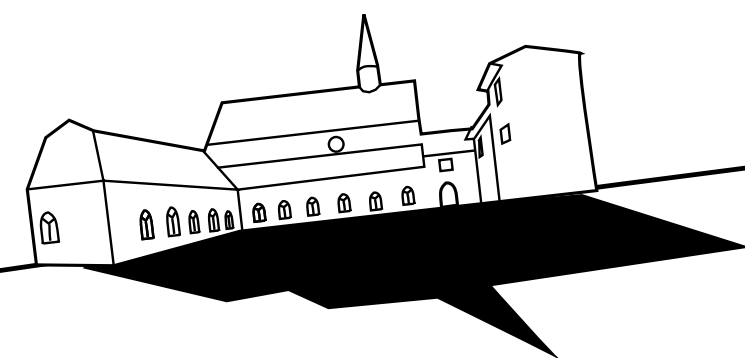
DMK welcomes applications for the new canteen: Contact Sandra Parakenings at sandra.parakenings@dmk.de

Converting Passion into a Career...

...DMK employees can apply to join the Passion program to develop their potential. Participants take part in a series of projects at different departments in the company. They can decide how long they spend in the program, with a maximum of 24 months possible. Participants are assigned mentors who help them in their personal and professional development. The learning opportunities offered in the Passion program include modules where participants meet up together in order to gain a deeper understanding of their own values and to promote leadership culture.

Inner Journey

The new development program PASSION has begun. DMK employees took part in a seminar to reflect on their personalities.



The Passion training was held at Stift Börstel, a former cloister. Alongside seminars, people also have a chance to take some time for themselves there.



There is a spiritual atmosphere at the medieval cloister in Herzlake, north of Osnabrück. It is located at the heart of a forest in a quiet, secluded area far away from the nearest village. The mood is contemplative at Börstel Abbey, a former Cistercian convent where nuns once lived and prayed. This spring, however, 14 DMK employees met there to work on their shared goal of professional development. All are taking part in DMK's new Passion program, which aims to give employees a chance to develop their skills and work their way up in the company.

The program consists of a range of modules along with three joint training sessions. Attendees, who all come from different backgrounds, spent two days at their first group meeting at Börstel, focusing on getting to know each other better. The attendees interviewed each other, asking questions that were designed to help them articulate their own personal values and spell out their professional goals. IT expert Dennis Schierenbeck, who describes himself as someone who focuses on technology, says he doesn't often take the time to reflect on situations and emotions. During the seminar, he gained many insights and had a lot of "aha moments," he says.

"The insights and methods are helping me understand other people better," he says. Reflecting on yourself is a fundamental part of enabling people to be team players even they are managers, says Sabina Wieczorek, HR Development Manager who co-developed the Passion program. "When we are aware of our own needs, that puts us in a position to create a working life that suits us and that we feel comfortable with." She says that involves gaining a better understanding of our own personalities and patterns of behavior, which also helps reduce stress and increases people's ability to deal with conflict.

Passion participants (from left to right)

Pascal Reichert
Wiebke von
Aschwege
Melanie Wegener
Raoul Augsburg
Dennis Schierenbeck
Joana Volkmer
Patrick Olker
Florian Schomaker
Marlin Dammann
Rike Klindworth
Martin Büning
Christian Becker
(Trainer)
Emine Özdemir
Kim Wilkens

"It is not only the diversity of our products that makes us so colorful. It's our different nationalities, our passion for what we do, our technologies, our business units and our vision. Milk unites us – we are one unit, one DMK family, and every single employee contributes to shaping and forming it every single day."

Friederike Holsten, Recruiting Manager.



**MILCH IST BUNTER,
ALS DU DENKST.**



„MILCH VEREINT“ BEDEUTET FÜR MICH:

Die Basis einer erfolgreichen (Team)arbeit. Alle Funktionen sind gleich wichtig und eine ausgewogene und vielseitige Mischung der Kompetenzen macht uns aus.

Schehrzade Jadoua, Ausbilderin Industriekaufleute



„MILCH IST BUNT“ BEDEUTET FÜR MICH,

... dass es viele Möglichkeiten gibt, aus Milch unterschiedliche Milchprodukte herzustellen und die Vielseitigkeit der Arbeitstätigkeiten in der Produktion.

Leonardo Brandt, Azubi Milchtechnologie



„MILCH VEREINT“ BEDEUTET FÜR MICH:

Nur ein starkes Team führt zum Erfolg – vom Landwirt bis zum Vertrieb.

Joscha Meyer, Ausbilder Industriemechaniker

milch vereint



Our Employees as Envoys

DMK's new **recruitment campaign** presents the training opportunities for junior staff, with 15 different professions to choose from.

The campaign can be seen in a range of places, from fliers to banners and online. Each participant makes a statement describing their activities.

AZUBIS FÜR 2022 GESUCHT
Sie kennen jemanden, der perfekt in unser Team passt?
Wir freuen uns über frische Verstärkung.



What do dairy technologists do? Or IT specialists for application development? How exactly does a mechatronics technician spend their day? You can find answers to these questions in a campaign named "Milk is more colorful than you think" that was launched last fall. There's more, though: the campaign also presents the people, the technologies and the professions that make up DMK. "We want to convey the dairy world in all its diversity and inspire people to join us and pursue a career here," says Friederike Holsten, Recruiting Manager. DMK has more than 7,800 employees from 50 countries and offers 100 apprenticeship positions every year, in a wide variety of professions. Whether food technology and nutrition, administration and human resources, warehousing and logistics,

You can the latest news from the world of trainees and more at **team_dmkgroup** on Instagram.

technology and electronics or IT, the right apprenticeship can be found for every interest at the DMK Group. Guided by experienced employees, junior staff take on new challenges every day and grow by taking on new tasks. Holsten says this helps them gain confidence and satisfaction, plus it's fun. Now, lots of trainees and instructors have signed up for the campaign to bring this message to the wider world. The campaign did not involve any models or photos from agencies. Instead, those involved each made a statement about what they do and gave their own personal view of work at DMK.



More information about training opportunities at DMK:
www.milch-vereint.de



Each person sums up the job they do in three words and also says why the campaign is so important. You can see the videos, photos and everyone's views on a website created for the campaign, www.milch-vereint.de. The ads are also available as fliers, posters and banners, at the sites and offices. DMK is also running the campaign on social media to reach the smartphone generation and information about the latest developments and opportunities for trainees is available on DMK's Instagram channel. Beyond attending trade fairs and presentations at schools, Friederike Holsten and her team also run advertisements in regional newspapers. "We mustn't forget the target group of parents who are helping their children to find an apprenticeship and might be less internet-savvy."

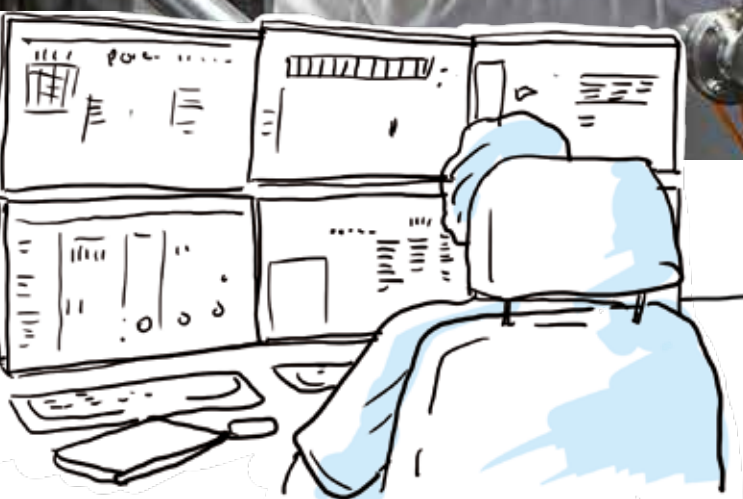
Each person made a personal statement for the campaign. From left to right: Kira Lücken, Lennart Kahrs, Eileen Hahn, Florian Schomaker, Heike Flad, Laura Stermschek, Joscha Meyer, Leonhard Brandt, Walerija Nieberding, Filip Gagelmann, Ana Streltov, Schehrzade Jadoua, Jannis Oltmer, Jasmin Eckstein, Alena Stürenburg, Max Schürmann, Nils Neumann, Peer Stockmann, Thomas Will, Meiko Bockhoff, Mario Trux.



milch vereint

Complete overview in real time:

Thanks to the new digital control system, cheese production in Hoogeveen is running even more smoothly.



Mammoth Digital Task

DOC Kaas uses one of the most modern control systems for cheese production around. The digital system optimizes the entire production process.

Cheese has been produced at DOC Kaas in Hoogeveen since 2003. The site was churning out a good 90,000 tons per year at last count, in a fully automated process. However, behind the scenes, the digital plant control system had reached its limits long ago, with any optimization proving extremely demanding and often impossible due to the dated software and aging data center. All that had led to an increase in the amount of downtime, while the control system had become steadily slower. These are all familiar problems from our own computers at home, but they can usually be addressed with an update or by buying a new model.

The situation at Hoogeveen was tougher to fix. It took two years to define, optimize and integrate every single step of production at one of the largest cheese dairies in the Netherlands, before optimizing and integrating this into a new digital system. The process required the networking of thousands of measuring and control points throughout the plant. It was a mammoth task that required the writing of 135 programs and the design of a new data center. That was followed by extensive virtual test runs, carried out with protective measures in place due to the pandemic, with people

working remotely, while production continued at the same time. The process also involved making all of the digital terminals' control icons more user-friendly and improving the alarm lists and product codes. All in all, it was a massive responsibility, says Rens Meijer, a member of the project team. "We were not only responsible for assessing the functionalities, but also for making sure that all the programmers stuck to the agreements. That wasn't always easy with everyone working at home during a pandemic."

The big day finally arrived on 10 October, 2021. The old control system was shut down and the new system was brought on line in the space of just 16 hours. Now, when production is under way, all of the information can be called up in a matter of seconds. Any malfunctions can be swiftly addressed and the system can be optimized any time. Rens Meijer: "Despite all the challenges, a completely new control system is now up and running and we all worked hard on it together. We are very proud of it!"

**Meet the winners:**

The project team (from left to right):

Rens Meijer, Erik Lugies, Paul Fik, Gerard van Riel, Jeroen Schonewille and Jantienus Nijkoops.



Say "cheese"... Spring is in the air!

Graskaas, a seasonal cheese specialty, is loved by retailers and shoppers alike.

Spring is here! And that means one of the most popular young cheeses in the Netherlands is also available. It's time for cows to head outside when grass starts growing in the meadows! Farmers, animals and consumers all look forward to this time of year, not only because it is beautiful but also because shoppers know the season means they can get Graskaas, or "grass cheese." The young grass growing out on the meadows gives the cheese a wonderfully soft and creamy consistency, while its brief ripening period means consumers don't have to wait too long to get the tasty cheese. Consumers connect Uniekaas' Graskaas with quality and flavor, two core values that are strongly associated with the brand. Retail partners are unanimously enthusiastic about Uniekaas offering this delicious seasonal product, while a bright fresh design lends it greater visibility. The product is available in May and June, in slices or pieces.



Here we go!

All Set to Launch Plant-based Alternatives

DMK is bringing vegan cocoa, puddings and rice desserts to retailers in a powerful start for the plant-based business.

Hybrid production at the Erfurt site:
The facilities switch between dairy and plant-based products.

After months of tension came joy: That's how Timo Albrecht, Sales Director Brand Retail Europe sums up his feelings. His team prepared the sale of DMK's new vegan products. The company has been supplying the plant-based alternatives to retailers since March, rolling out the range in a series of stages: MILRAM chocolate and vanilla pudding, rice dessert and a cocoa drink plus calcium are now part of the wide and colorful world of plant-based products.

Retailers are more than open to DMK's new vegan world, amid great demand for plant-based alternatives and hunger for variety in a growing and competitive market. DMK is on the

right track, says Stefan Keller, Commercial Director, Business Unit Private Label. "All involved brought a great deal of expertise and passion to the table, learning a lot about vegan products in a very short time," says Keller. That was important, making DMK into a competent and valued adviser to retail. All these innovative vegan products only expand the range, while milk remains DMK's core business. After all, "milk" is even part of DMK's name, he says.

Expertise for the future

The Commercial Director and his team of food experts prepared extensively for this new area of business. "And we're embracing the use of regional raw

materials in the long term, also as an option for our own farmers." He says all the prerequisites are in place, from specially designed products to marketing to the experience of supporting retailers amid the change in shopping behavior. "We are excited about this area," says Keller. "We want to create products that make all our target groups happy and we're not ruling anything out."

Retailers satisfied

The road from product to shelf was not an easy one, says Timo Albrecht. While business partners were positive and open to DMK's innovations, they were not necessarily surprised. "Retailers are currently being offered a large number of products from a lot of suppliers, so we had to fight hard for our spot," says the sales professional. The situation remains competitive as to which products will enjoy sustained success, whether they are vegan or animal-based. DMK's big advantage is that MILRAM products are consistently receiving good ratings when it comes to flavor.

Key target groups

A broad advertising campaign is accompanying the launch, to attract shoppers' attention to the new products, drink and desserts. Videos are online and on social media and awareness is also being raised through supermarket radio and sampling measures, with products offered free of charge. The campaign was a special challenge for Nina Rempe, Marketing Brand Retail, and her team, who sought to reach a new target group with the plant-based alternative products: young consumers who think deeply about what they eat and focus on animal welfare and environmental protection. "I am sure we are on the right track," she says. "The campaign will excite millennials, flexitarians and others, too."

Innovation is also taking place in the world of cheese: Plant-based cheese alternatives were presented at last year's ANUGA and now, preparations are under way for them to be launched. The product has already passed a first milestone, with chefs impressed by the taste and the products' melting and browning behavior during testing. That gives the plant-based alternatives considerable momentum as an area of business for DMK, and an important role in Strategy 2030.



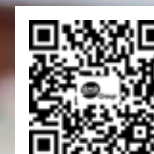
The new oat-based puddings are really appealing.



Bright, vegan, yummy: Newcomers in a new stylish MILRAM design.



Gluten-free oats are made into desserts and drinks.



More information about the MILRAM world of vegan products.

Employees at the Erfurt plant during a quality inspection.



Ahoj-Brause Now an Ice Cream Sandwich

This all-star treat comes between two waffles: Ice cream with a lemon coating and original Ahoj sherbet powder.

How Cool is That?

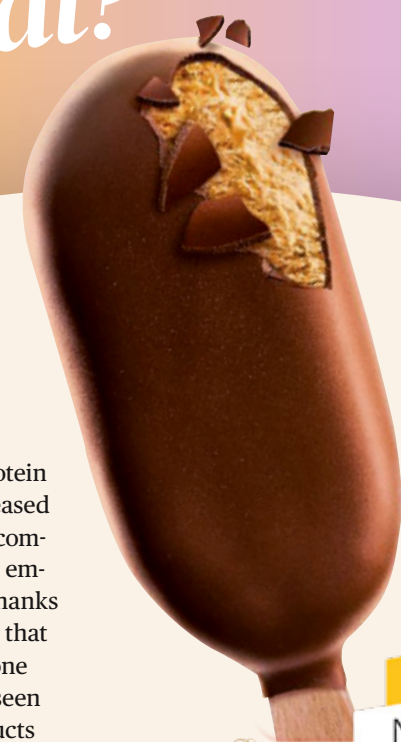
Summer, sunshine, time with friends – great times are ahead, accompanied by an ice-cold Caipirinha with real Pitú as a sorbet. The cult drink is now available as a frozen snack, one of the many highlights DMK is bringing to the market this year, together with the makers of popular beverages and confectionery. Other new treats include a vegan Katjes cup with the original Green-Eared Bunny flavor, plus pop culture classics Afri Cola and Bluna Orange now as ice lollies. Also look forward to new products from long-standing partnerships with great brands such as Baileys and Ahoj-Brause.

Sales of Ehrmann High Protein ice cream alone have increased by more than 170 percent compared to 2020. Crowds are embracing these ice creams thanks to social media campaigns that are reaching the smartphone generation. Millions have seen these new ice cream products on Facebook, Instagram and TikTok, thanks to food bloggers and influencers, those online celebrities with significant fan communities. It's a successful strategy that DMK will continue to pursue through 2022.

Katjes

The First Vegan Katjes Ice Cream

100% plant-based yet super creamy! White cherry ice cream, pink raspberry ice cream and green strawberry sauce. A treat for spring bunnies and all beyond.



Baileys Ultimate Indulgence

Whether on a stick or in a cup, enjoy the original Baileys flavor in ice cream form plus crunchy chocolate.



Bluna Now With Chills

Bluna becomes available in the form of ice cream: colorful, crazy, totally fruity. Aren't we all a bit Bluna?



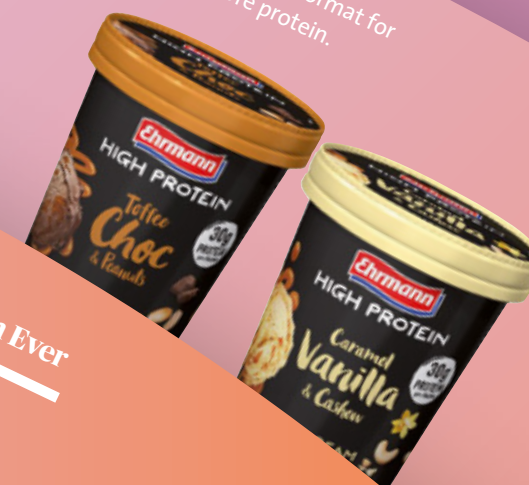
afri: Cooler than Ever

The cult drink comes as an ice pop in three new designs.



More Ehrmann High Protein Ice Cream

Guilt-free enjoyment – now in a new format for even more protein.



Pitú Frozen Caipirinha

Germany's favorite cocktail is now available as a refreshing sorbet for hot evenings and cool nights.



Our Classic Ice Creams

We are also welcoming 2022 with our successful brands Mangaroca Batida de Côco, MILRAM, Treet's and Capri-Sun.



New COO at DMK BRAND

From Trainee to Boss

Carsten Habermann is the new head of Business Unit Brand. He has been at the company for 23 years and has big plans in store.

Everyone you ask says the same thing: whatever Carsten Habermann does, he does it with passion. No matter whether it's playing as a team or planning new DMK products, he never runs out of energy and creative ideas. He joined DMK at the age of 21, at the time when it was still Nordmilch. He started out as an apprentice to become an industrial clerk. Then, as a member of the field sales force, he had a first taste of working with customers, not always smooth sailing. He found he could rely on his team 100 percent and they appreciated that about him, too. Much time has passed since then, and after many other posts along the way, he became Chief Operating Officer for the entire BU Brand in January. That is where all the business with branded products such as MILRAM, OSTERLAND and Uniekaas come together. "It's remarkable to see the passion that people there put into dealing with challenges,"

says Habermann, who also coaches youth soccer in his spare time.

Dairy industry from the ground up

After working in field sales and key account management, Habermann held a range of management roles for four

years, gaining experience in the European business. That gave him a knowledge of the industry from the ground up and he is also well acquainted with the employees. Habermann shares their dedication and passion, because he also focuses on solutions rather than the problem. That will also help with the implementation of DMK's Strategy 2030, as he looks at market trends such as sustainability, animal welfare, plant-based dairy alternatives and online retail.

Reaching European markets

Carsten Habermann also wants to make his mark when it comes to developing "snackification," meaning the changing eating patterns among consumers. The tendency nowadays is for people to eat smaller meals. "This offers lots of opportunities we can pick up on," he says. His agenda includes extending the success of the MILRAM brand on the European market in the core segments of cheese and spring- and spiced quark. He is also focusing bringing OSTERLAND to the nation, a dessert popular in eastern Germany.

Habermann is grateful for the fact that his team is keen to go the extra mile to ensure DMK's continued success. "I work for a cooperative. For me, that means being close to the agricultural producers, the responsibility to make high-quality goods out of their products and, at the same time, the challenge to achieve the best possible result."

Carsten Habermann

COO Business Unit Brand.



Alete
bewusst

Alete makes **organic quality meals** and **evening baby food** without palm oil.



New on the Shelves

Tradition Meets Trend

The Baby Business Unit is still being transformed. Alete bewusst brings new organic quality products to retailers' shelves.

January saw the launch of new "Obsties" and "Gemüsies" fruit and vegetable snacks onto a promising market, which grew by more than 66 percent last year. These new products, whose names translate as "fruities" and "veggies," are freeze-dried snacks of organic quality that do not contain any added sugar. Meanwhile March saw the launch of 3-Korn, an evening porridge made of whole wheat, wholegrain spelt and whole oats, part of the series offered by Alete bewusst, a name that means "aware."

There has also been movement in the world of cookies. The Alete Aware organic spelt cookie will be available from June and is also made without a long list of ingredients or processed sugar. The Obsties and Gemüsies product launches were accompanied by a three-month digital activation campaign "Snacks for kids? Absolutely!" on YouTube, Instagram, TikTok, Facebook, Google Search and a special campaign site. The broad-based approach has reached 45 million views in the target group. Furthermore, 750 parents and children took part in product testing.



Our spelt cookies are also made without sugar additives.

Obsties and Gemüsies are organic quality snacks for children that do not contain added sugar.





A **garden** right outside the office. Stefanie Ludewig has transformed the Edeweicht site with a flowering meadow for people and animals to enjoy.

A blossoming plant



Please do not count these two bees in the competition

Promoting sustainability beyond DMK: This issue contains a seed paper* for you to plant. Insect hotels are another way to promote biodiversity. Bees, so vital to our lives, also benefit greatly from these efforts to help the ecosystem.

*The paper includes seeds for: White baby's breath, snapdragon mix variegated, white rockweed, petunia mix variegated, summer's azalea and meembryanthemum.

A neatly mowed meadow is always a joy to behold. But Stefanie Ludewig, team leader in the high-bay warehouse in Edeweicht, began to wonder whether there was even more potential in the patch of land outside her window, as she watched the gardener mowing the grass.

It was the same every year: Long grass, short grass, without any color or variety to delight people or animals. It seemed a shame to dedicate so much space to monoculture rather than biodiversity. She had the idea of transforming the area into a flowering meadow, inspired by MILRAM and the association Mensch.Natur.Landwirtschaft e.V. Their three-year project involves planting a mix of wild plants to transform areas into flowering meadows, a project that DMK supports as it fits with the company's sustaina-

bility plans in Strategy 2030. Focusing on climate protection, animal welfare, biodiversity and people is a vital part of the company. These oases of green are living and feeding areas for insects, birds and small mammals. They are especially important in winter as they provide shelter for wild animals and protect creatures who hibernate when temperatures fall below zero. Now, a biotope of diversity is growing on the 2.5 hectares of land at the Edeweicht plant. "I also think it's good to show that industry is about more than just factories and concrete, that it can also be different," says Ludewig.

MILRAM supports the flowering meadow

Together with a small team, she took charge of the planning. Sunflower seeds and the seeds for honey plants such as phacelia were scattered for

the flowering meadow, among others. They also plan to set up insect hotels, creating a paradise outside employees' office windows. MILRAM is enthusiastic about the initiative and donated the insect hotels. Word went around about her project and a colleague who works as a beekeeper in his spare time is now planning to set up bee colonies on the site. Stefanie Ludewig is delighted that her idea met such enthusiasm and is even more motivated than before. "My in-laws have a tree nursery, so that's also had an effect on me, of course."

Growing fruit at the Edeweicht plant

She is far from through with the planning and is now thinking of planting the fruit trees, an idea that MILRAM supports. Apple, cherry, pear, quince, plum - it is not only the local wildlife who will enjoy the fruit, but also the plant's employees.

Stefanie Ludewig made her dream of a flowering meadow at her workplace come true.



Sound for Survival

Farmers face the same problem every year: How to mow the fields without harming any wildlife. Many have come up with creative ways to find creatures hidden in the tall grass. Dutch farmer Rien van Erp has found a new tool to save the lives of animals.

Deer like to lay their fawns in tall grass before heading off to hunt for food, while fledgling birds and smaller wild animals like hares hide from foxes in fields. However, all are imperiled by the huge agricultural machinery used for spring mowing, as farmers are often unable to spot the creatures in the grass in time.

Farmers in Germany and the Netherlands have tried using drones or hunting dogs to find any hidden animals before they start mowing. Others have tried using warning tape to scare them off to protect them from death or serious injury.

Now, dairy farmers like Rien van Erp, from the Dutch town of Nuland, are using a rescue tool to protect animals while they are mowing. "The device makes a loud noise that frightens birds and wild animals away. That is how we protect nature," he says. He is committed to animal welfare, whether or not he is legally obligated to do so. "That, too, is part of our work," he says.

Essential helper

His Wildretter tool - which means game rescuer - is a small device that connects to the tractor's battery. When the tractor starts up, the tool makes a loud, unpleasant noise that people can also hear. It scares off birds and small game such as rabbits and fawns, who flee. "Cutter blades have become much wider in recent decades and nowadays, tractors are way faster than in the past," he says. That means animals have less of a chance to flee to safety in time.

"Also, some animals aren't scared away by the sound of the engine, or they don't get scared any more. So for them, this device is a good tool," says farmer Rien van Erp. He tried out the tool last summer. "I saw some rabbits jumping away," he says. He was not sure whether they ran off due to the tractor or the tool he was using but this spring, the grass is even taller and there are more young animals about.

Animal protection

He knows many ways to track wild animals, such as starting mowing a field from the inside and moving outwards. Another way is to mark nests. "Volunteers do this in our region," says van Erp. "I announce when I'm going to mow, and they grab their binoculars to look for nests in the meadow and mark them with sticks." Then he simply drives around the empty nests while he's mowing. "I very much welcome the fact that this kind of nature conservation is being promoted, because it is necessary," he says. "It's somewhere we can all do our bit."



Rien van Erp shows how the tool works on **YouTube**. You can watch it by scanning the QR code.



Do it yourself Dreamy home-made ice cream

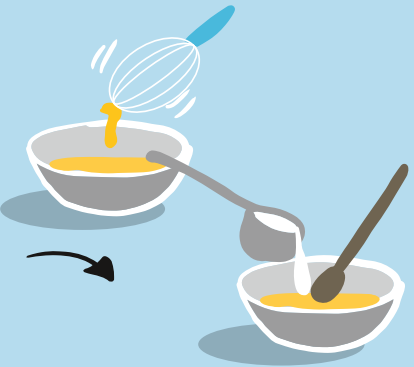
As the weather warms up, ice cream is the perfect way to keep cool. This creamy treat and fresh fruit has us hungry for the summer.

Text: Stephanie Riedel



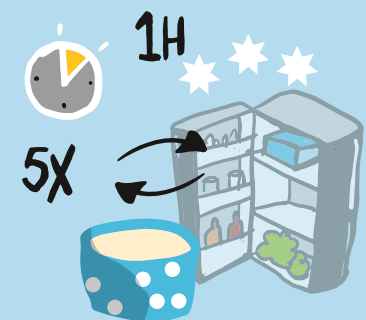
1 Place the cream, milk and sugar in the saucepan and heat it gradually, making sure it does not boil.

2 Whisk the three egg yolks in a bowl and gradually add the hot milk mixture, making sure the egg yolks don't coagulate.



3 Put the raw ice cream mixture back in the pot and heat while stirring until it has a creamy consistency.

4 Now add any additional ingredients, if you like, then place the mix in a suitable freezer container.



5 If you want your ice cream to be particularly creamy, give the mixture a good stir after an hour then repeat this process five more times at 30-minute intervals. Then get stuck into your delicious creation.



Enjoy!

Watch the recipe as a video tutorial, on dmk.de

Gummy!

Fixed Price

“More planning security and self-determination”

An interview with Professor Dr. Holger D. Thiele about models such as DMK's Fixed Price: Where they come from, what they offer and how they are developing around the world.

DMK has been running a fixed-price model for the past 1.5 years, allowing DMK farmers to offer a portion of their monthly milk volume at fixed prices. Now, research is under way as to whether this could also be introduced in the Netherlands for colleagues working at DOC. Professor Dr. Holger D. Thiele of Kiel University of Applied Sciences is also looking into this possibility. He is Professor of Agricultural Economics and Head of the ife Institute, which is responsible for calculating the monthly ife milk market value, or Kiel milk value, which is the basis for determining the fixed prices that are offered. He also developed the basic idea of the fixed price model for milk. DMK spoke with him in early March about the market situation and the role that fixed-price models play, how prices are calculated and whether people are using similar models abroad.

DMK: While commodity futures exchanges or hedging transactions have been around since the early days of stock exchanges, trading in

milk is still fairly new. It's certainly new for many farmers. What are the advantages for farms using models like Fixed Price compared to trading on the stock exchange?

Prof. Dr. Thiele: Farmers who want to trade milk independently on the stock exchange need to familiarize themselves with a complex topic on the one hand, while on the other, they also need the necessary liquidity. These hurdles make it hard for farmers to participate in the market. Also, farmers in Germany currently are not able to open the kind of trading account they need in order to carry out their own hedging transactions on the stock exchange. So the dairy's fixed price model fixes that, enabling farmers to participate without any of those additional demands and restrictions.

So a farmer can participate in the market and decide what price to offer the milk for. How do they benefit from that?

Prof. Dr. Thiele: Farmers gain much more planning security through fixed prices for the milk volumes they hedge

for future delivery dates. Farmers aren't guaranteed to get the maximum prices but the model compensates for periods where prices are at rock bottom. Also, participating in fixed-price models improves banks' ratings for farms, helping them get financing at better conditions, too.

Right now we are seeing peak prices and milk prices have been rising steadily for a few months.* Does it still make sense to participate in the Fixed Price model?

Prof. Dr. Thiele: The higher prices rise, the more likely it is that the situation will change and prices will fall again. So it can make sense to participate in a model such as Fixed Price, as nobody knows when that turning point will come. It means participants will then have secured that particular price. In principle, participation in fixed price models makes sense for all farmers who want to have greater planning security and determine to a certain extent the prices at which they sell their milk. However, to do so, farmers need to have a good knowledge of their operating costs and to develop their own hedging strat-



Professor Thiele is head of the ife Institute which works out the market value of milk each month, providing the basis to determine the fixed prices. For him, the advantages are obvious.

egy. If a farmer's costs per kilogram of milk are lower than the fixed price that can be hedged, then the farmer can secure these positive margins. But the tool is not recommended for anyone who hasn't done these calculations, or whose sole aim is to achieve maximum prices. However, even those who do not use the tool for hedging can benefit from it as they can monitor the price and the expectations for the price in the future.

The prices offered in Fixed Price don't match the market value of milk - they are lower. Why is that?

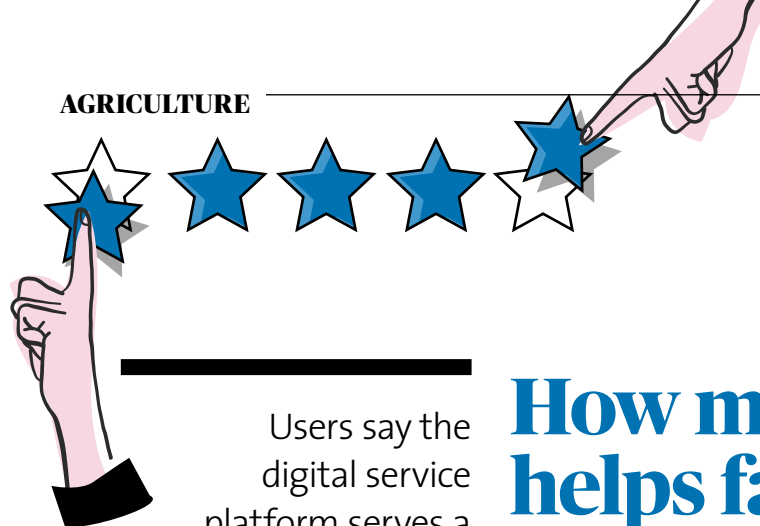
Prof. Thiele: The ife market milk value is a future value for milk and it's used as the basis for calculating the fixed prices that are offered to those who participate in the fixed price model. It indicates the milk price expected for the months ahead, based on the prices of butter and skim milk powder on the commodity futures exchange. So it only includes the price expectations from the two basic products, skim milk powder and butter, without considering other, possibly lower prices, such as for drinking milk and cheese or even different contract periods. The exchange milk value reflects the

price expectations and use by market participants at the current point in time and can change on a daily basis, if price expectations also change. It represents an overall utilization, while the fixed prices offered by the dairies also include risk discounts. The exchange milk value applies to standard milk with 4.0% fat and 3.4% protein, from the farm, excluding value-added tax. That means that the average collection costs from milk producer to dairy are already taken into account. Also, the exchange value already includes the surcharges that are added to the price such as the logistics bonus. Furthermore, the average development of the exchange milk value differs to that at a dairy, so the value has to be adjusted for this basic risk so it can be used as a hedge for milk producers. Likewise, the exchange milk value must be adjusted to the costs in the system for futures trading and the bank. That means the fixed price offered, including the system-related deductions, is lower than the exchange milk value. Participating farmers additionally receive their usual individual surcharges with the milk for the respective month.

How about the situation abroad? Do other markets also have fixed price models?

Prof. Dr. Thiele: Thiele: We know that exchange-based fixed-price models have long been a risk management tool in the dairy market in the United States. In Germany, at least ten dairies are currently implementing or are in the process of implementing exchange-based fixed price models. DMK was one of the first to make these offers available to its dairy farms. In Europe, there's a high level of demand for fixed price models similar to DMK's, including in France, Belgium, the Netherlands and Poland. We are seeing a major increase in interest in these fixed-price models throughout Europe and assume that if milk prices continue to fluctuate, they will also become an increasingly important offer for milk suppliers in our neighboring countries too.

*The interview was carried out at the beginning of March 2022.



Users say the digital service platform serves a critical function and offers real advantages in their daily work.

How myMilk.de helps farmers and the dairy work better together

DMK launched a digital transformation process in Agriculture around two years ago to simplify and improve the way the dairy works with farmers. It created myMilk.de, an online service platform that brings the benefits of digitization to the farms and the company alike.

While it was new and unfamiliar at the beginning of 2020, the platform is now integrated into the daily activities of farmers and dairies nationwide. A range of digital solutions make everyday work easier: Farmers can easily access and use the DMK Milkmaster bonus program on myMilk.de. Users can enter all the material they need for a bonus online, meaning that Milkmaster audits of farms are no longer needed. Instead, farmers can provide data about the quality of

their milk or look at key documents with just a few clicks. There is also a news section that delivers regular updates about company developments.

Meanwhile myMilk.de is constantly being updated to make the latest innovations available to users. DMK launched a user survey to assess the progress achieved and find out how far the platform is providing digital solutions that meet farmers' daily needs.

Some 630

73%
of respondents use the platform several times a week

DMK farms took part, sharing information about which areas of myMilk.de are particularly important to them and describing

92%
of respondents are satisfied or very satisfied with the platform.

how the platform could be optimized to suit their interests even better.

The survey showed that myMilk.de and digital working processes are now an integral part of farmers' everyday lives. Some 73 percent of respondents said they use the platform several times a week, while 23 percent use it daily. Most use the platform to access data, use the Milkmaster program and read the news section.

DMK and the myMilk team were very pleased with the survey results overall, with around 92 percent of respondents saying they are satisfied or very satisfied with the tool.

Mobile working is also important for farming and 32 percent of respondents said they use the platform on a mobile device. Now, the company is developing an app to make it even easier to use in future, with faster navigation and notifications available. DMK operations are to be able to use the

app starting this summer. Further important innovations are set to follow throughout the year, including that contracting for the value-added programs will go entirely digital on myMilk.de.

23%
of respondents use myMilk.de on a daily basis.

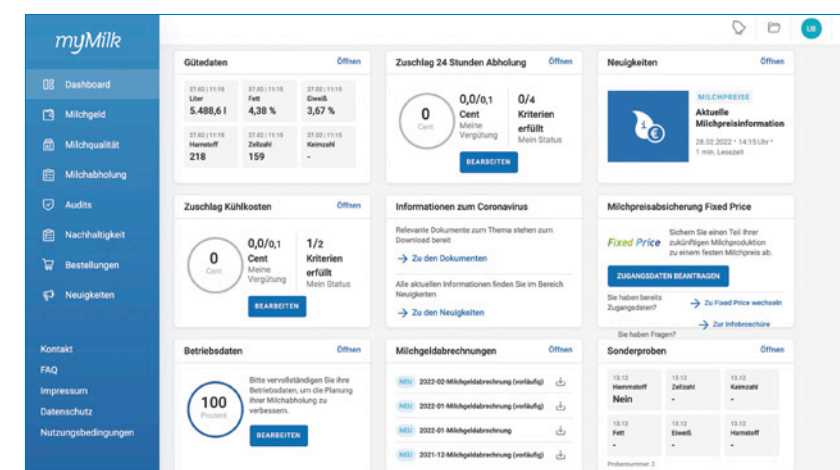
into the results in greater detail so we can further improve the platform in line with our users' needs and will continue to seek their feedback in future.

We will work on improving myMilk.de through surveys but also through

talking directly with farmers. We are creating a myMilk user group where farmers and DMK employees can discuss the platform, develop new ideas and test some of the functions together regularly. That will ensure that everyone's needs and views are always taken into account and the platform never slows down.

Project manager Volker Sauerburger welcomed the feedback on myMilk.de:

The results confirm our decision to take the digital route with myMilk.de in working with our farmers. We are very pleased that so many users make such extensive use of the platform and see that it provides a clear added value for them. We are now looking



myMilk.de

- Launched in January 2020
- More than **5,000** registered users
- **4,185** people joined the Milkmaster program in 2021
- Up to **31,000** data retrievals every month
- Central **communication interface** between members and dairy
- Around **230** messages in the news section
- Continuous **development** with new services being launched

Facts and Figures



The most popular parts of the platform include retrieving data, participation in the Milkmaster program and the news section.

“Everything is very clear and easy to understand. I am satisfied with the platform.”

Sylvia Kleibaumhüter
from Rietberg

“I’m actually satisfied with the platform. It would probably be even better as an app.”

Michael Kamerhuis
from Getelo

“I like the fact that the start page can be structured easily, in line with my own needs.”

Ulrich Jerebic
from Northeim

“I really like how the data is presented, with graphics.”

Marc Lüdeke
from Ganderkesee

“myMilk.de is clear and easy to use. One thing I’d wish for is to see the accounting data and particularly the milk quality data, for example, to respond to changes in feeding for example.”

Lucas Niermann
from Diepholz

Your contact to the editors

Your contact for all MILCHWELT-related topics



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FIRST LEVEL SUPPORT

Monday to Thursday, 8am – 4pm
Friday, 8am to 2pm
+ 49 421 28172 – 57100
mitarbeiterservice@dmk.de

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 DMK's successful Strategy 2030, alternative energy, further milk money increases, the expanding ice cream business and plant-based alternatives.



Nordsee-Zeitung Interview with Thomas Stürtz, 17 February, 2022
Dairy farmer and dairy boss
Thomas Stürtz on why milk costs more and forecasts that the price will stay high in 2022. Milk is back. Dairy giant Deutsches Milchkontor paid its farmers 44 cents in February.

Lebensmittel Zeitung, DMK jumps on vegan bandwagon, 18 March, 2022

Plant-based alternatives are a new area of business at DMK, as Germany's largest dairy cooperative responds to consumer needs and becomes more competitive. "The segment is growing with incredible dynamism throughout Europe," says Carsten Habermann, COO Brand Business Unit. Milk, however, is and remains DMK's main, core product.

Wochenblatt, Interview with Ingo Müller, 20 December, 2021

"We take every question seriously when it's about the situation for dairy farmers. As a co-operative, we're fighting for farmers. My aim is to pay the highest possible price for milk as a raw material."



Flensburger Tageblatt Solarthermie, 6 February, 2022

Green light for a solar thermal project to generate heat in Nordhacksfeld. Deutsche Milchkontor wants to gradually switch from natural gas to heat that's generated locally.

24. November 2021 FRISCHWARE

DMK springt auf den Vegan-Zug auf
Milchkonzerne lanciert pflanzliche Produkte - Welche Unterstützung für die Marke Milken - Rindfleisch boomt

Die DMK startet auch die größte deutsche Molkerei in den Markt der veganen Milchalternativen. Die eigenen Gerichte sollen davon überzeugen, dass Milchalternativen nicht nur pflanzlich sind.

Die Idee der Molkereien, die pflanzlichen Milchalternativen anbieten, ist nicht neu. In der veganen Milchalternativen-Szene gibt es bereits viele Beispiele, die es eigentlich dem Molkereibereich zu ermöglichen, sich in diesem Markt zu verankern. Das wird sich mit DMKs Eintritt in den Markt ändern. Der CEO Ingo Müller wird es seinen Mitarbeitern, die in der Molkerei arbeiten, mitteilen. Er wird ihnen mitteilen, dass die Molkerei nun auch pflanzliche Milchalternativen anbieten wird. Er wird ihnen mitteilen, dass die Molkerei nun auch pflanzliche Milchalternativen anbieten wird.

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Die Glocke, Consumers head for freezer year-round, 9 February, 2022

After DMK licensed Ahoj-Brause and Treets - The Peanut Company, some of the Katjes Fassin group's strong brands, the cooperation is expanding to the Katjes umbrella brand, an innovation driver on the confectionery market. The DMK Group has developed its first vegan brand ice cream, which will be available in stores as of April.

Milk on Social Media



Users discuss milk on social media platforms

TWITTER
www.twitter.com/dmk_Milch

LINKEDIN
www.linkedin.com/company/dmkgroup

INSTAGRAM
www.instagram.com/team_dmkgroup

DMK, NOW on Instagram

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

Masthead

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Congratulations to the winners of our last contest:

2 x travel voucher

Birgit Beckmann Kronau
Heinrich Paar Bad Wildungen

10 x JBL Bluetooth Speaker

Axel Schünemann Bad Gandersheim
Marcus Dedder Erfurt
Karen Laros Sprang-Capelle
Nico Schwindt Edewecht
Christian Babnigg Münster
Christiane Böhling Zeven
Cord-Hermann Albers Winsen
Marvin Thomas Jochem Wapelfeld
Anni Kamenhuis Getelo
Sander van Slooten Elim

10 x enamel cup

Marina Frey Prenzlau
Oliver Brinkmann Kutenholz
Yvonne de Ruijter Waalwijk
Rolf Büker Oerlinghausen
Kerstin Kaiser Hamersen
Carl-Heinrich Petersen Massbüll
Eric Schreiber Neubrandenburg
Ralf Köller Barntrup
Hendrik Witte Kütenholz-Aspe
Dennis Neubert Erfurt



June 2021 winner Paul Hooijen, Material master data / planner bei Uniekaas.

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 briefly 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



1x
FOLDABLE
E-BIKE



10x
MILRAM
Beach Towel



10x
WMF
Travel Mug

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: 22.05.2022

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

The solution number from the last competition is: 10

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: 22.05.2022



Cool Cheesecake!

Transform the classic cheesecake into creamy sweet cheesecake sticks coated in tasty chocolate.

We all have our tried and trusted cheesecake recipes but here's one that is guaranteed to be a hit: Cheesecake sticks. You'll love the irresistibly creamy taste plus the coolness of the world's hip metropolitan cafes. Enjoy!

Preparation time:
60 minutes + baking time.

Step 1:

Preheat the oven to 200°C (regular setting). Knead together the flour, 65 g of the sugar, vanilla sugar, a pinch of salt and the butter into a dough, then press it into a springform cake tin (Ø 26 cm), covering the whole base. Prick it several times with a fork then bake it in the center of the oven until it's golden brown, about 12-15 minutes. Mitte) goldbraun backen.

Step 2:

Take the cake tin out of the

oven and set it aside while you make the filling. Combine 200 ml of milk with the vanilla pudding powder in a bowl, then add the quark, the rest of the sugar and eggs and mix it together. Grate the lemon peel and juice the lemon, then the vegetable oil and stir for 5 minutes. Take care as it might splash.

Step 3:

Reduce the oven temperature to 150°C. Pour the filling into the cake tin and place it in the center of the oven. Bake for 60-70 minutes, then let it cool completely. Then slice it into 16 pieces and put a wooden

stick in each piece. Place the pieces of cake on a cake rack and place a deep tray or board underneath.

Step 4:

Chop up the cooking chocolate and melt it in a water bath. Then coat your slices of cake with the melted chocolate. Next, decorate the pieces of cake while the coating is still soft. Sprinkles, nuts - here's your chance to shine. Next, place the chocolate-covered cheesecake pieces in the refrigerator. Chill until serving.

Difficulty level: Medium



LINK

Recepten op: www.milram.de



Ingredients for
16 portions

For the Cheesecake

- 150 g flour (Type 405)
- 240 g sugar
- 1 pack of vanilla sugar
- 125 g butter
- 200 ml milk
- 2 packs of vanilla pudding powder
- 1 kg MILRAM low fat quark
- 2 eggs (M)
- 1 lemon
- 175 ml flavorless vegetable oil

For the chocolate coating

- 300 g white cooking chocolate
- 300 g dark cooking chocolate
- 16 wooden lolly sticks
- Toppings: Sprinkles, edible flowers, chocolates, crunchy muesli, nuts, crocant



MILRAM



*YOUR PORRIDGE- YOUR THING.

NEW
ON THE SHELVES

All powered up for the day ahead thanks to
MILRAM Porridge, made with whole grain oats.
Enjoy plain, with added fruit or stir in your own toppings.
Hot or cold – treat yourself to something special!

