

# MILCHWELT

The Official Magazine of the DMK Group



DECEMBER 2020

Growing together,  
**becoming stronger.**



How we are  
reinventing  
ourselves as  
a team.



## Did you know?

A tale about a daydreaming milkmaid has found its way into the German language in the word “Milchmädchenrechnung,” meaning a naive assumption. The fable, “The Milkmaid and her Pail” by Jean de La Fontaine, describes a girl who set out to sell her milk imagining all the money she could make, then spilled the milk in her excitement.

## Daydreaming milkmaid

Germany introduced its first milk law on **July 31, 1930**, to prevent the adulteration of milk. Up until then, some people produced imitations or stirred other substances into milk, including flour, chalk, plaster or rubber solutions.

## Adulteration

The phrase “to go” has found its way into the German language, thanks to the growing popularity of eating while out and about. Healthy nibbles are ever more popular and retailers in Germany say sales of **cheese snacks** are up 20 percent compared to five years ago.

## Cheese to go

Source: Duden | WDR/Reichsgesetzblatt Teil I | IRI Information Resources GmbH

# 2020 – What was the year all about?

**Oliver Bartelt**  
Head of Communications, DMK Group



*Dear Readers,*

The answer is clearly the coronavirus.

As the year draws to an end, we are still facing numerous challenges due to the virus, the global pandemic and its knock-on effects. Nonetheless, some things have changed. By working together, we have managed to transform our supply chains and maintain our production lines. That might not sound particularly significant, but supermarket shelves don't stock themselves alone, even if some retail chains may act as though they do. People working at the checkout or stacking shelves had a tough time, there's no question about it. But groceries don't appear out of thin air. Farmers did everything they could to keep supplies flowing - although they are facing growing difficulties (p. 22-23).

The situation was and remains extremely challenging for all of our employees and for each and every single farmer. But some good has come of the crisis: it has given our change processes an enormous boost. Despite social distancing regulations, we have worked together more closely than ever during the past few months and that unity has held strong across international borders, making the crisis slightly less threatening. That is what we heard from the employees and farmers who shared their views for our cover story (p. 12-23).

A strong sense of “WE” is important and not only in the pandemic. It is helping us to reinvent ourselves as a company and embrace new markets, products and forms of collaboration. That is the only way we can keep up with the competition in Germany and abroad. That sense of “WE” shapes everything that we do. That unity is making itself felt within the company, and outside, too, we are trying to convey a new sense of “WE.” The dairy sector is working to actively shape its social image by speaking in one unified voice. While this sense of “WE” is no guarantee for success, it certainly paves the way for progress.

So let's take that energy and momentum with us as we head into the New Year!

Enjoy reading and stay well!

Oliver Bartelt



Growing together,  
**becoming stronger.**



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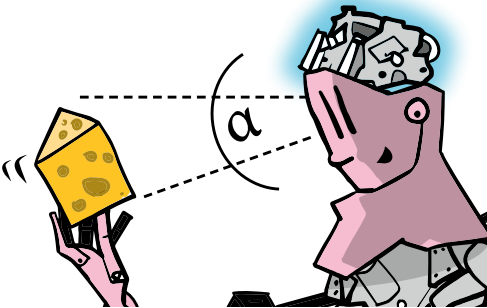
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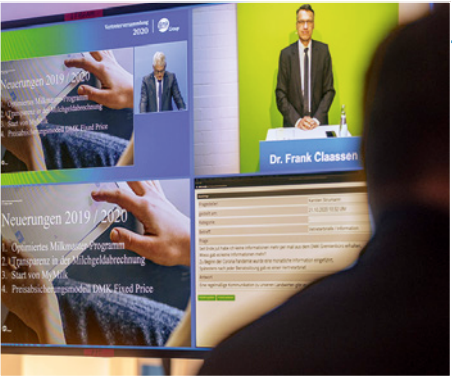
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## PHOTO CONTEST!



Two years ago, Andreas Mally took this photograph and called it “The Eye.” A machine operator at the Holdorf plant, he realized that the summer drought was taking its toll on farmers. Now, amid the pandemic, he remembered the image and recalled how upset he was about climate change. However, he also trusts that every crisis brings opportunities, too



# 500

chairs remained empty at this year's Representatives Assembly. This time, the pandemic ruled out large-scale meetings – although it still took place, of course! The representatives followed all the speeches via livestream, asked questions and cast their votes online



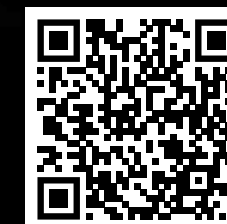


# 1

very special moment: This TV advert for Uniekaas is all about the Dutch and their love of cheese. The little girl grew up with this tradition. The camera captured an everyday moment of cutting cheese, a simple domestic act – but also delightful



Watch the advert here:





# Growing together,



# becoming stronger.

Why team spirit matters so much among our employees, dairy and farmers – and how that's the only way DMK can become a true team

## Learning from others

Change was and is under way in every Unit, among the farmers and in production. That is noticeable in the Netherlands, where two teams are integrating together. As of January 2021, Dutch functions will also use the DMK Group's 4S model, Administrative Services will be unified, SAP introduced and management structures and Business Units will all be changed. Carsten Klapproth, Head of Global Business Services DMK, leads the international project team "Maxima" and is ensuring this collaboration succeeds. He says what's important is to keep learning from each other: if a Dutch solution is better than one from Germany, then that should be integrated into the process, and vice versa. "It's a complex process," he says. "We have to empathize with each other and try and work out where something could go wrong."

And much could go wrong. After all, sometimes employees were given not only a new boss but also a whole new set of tasks, or a new position in a Unit, possibly in a different country. What Klapproth values most about his Dutch colleagues in this phase of collaboration is their openness and transparency.

Change is challenging for everyone. It takes time, especially in companies, and willingness, and that only works if everyone feels like part of the team. DMK has made changes in many different parts of the company to forge ahead with Vision 2030. Employees company-wide have learned new skills, made compromises, thought outside the box to implement those changes – and have managed to hold together, even in stormy seas. Thanks to their efforts, we have achieved a great deal. Now, we need to build bridges as a company to see how far that sense of "we" and togetherness has reached our Business Units, DMK's sites and locations, and our farmers. We need to ask ourselves how well we are working together and how far our employees see themselves as part of a greater whole? How strong is their will to join this process of shaping the company, and how much do they feel appreciated and valued in what they do and in their daily work?

From the head of department down to colleagues working in operations, all are feeding their knowledge and experience into the new structures. It meant people had to be open to new systems even if they had never before been tried out in practice. "Our Dutch colleagues are very approachable, they bring with them plenty of team spirit and they speak up openly if they're concerned about a possible risk," he says. "Although a large part of the changes have yet to come, they're motivated and open about what is ahead." He says that helps him respond to their fears, reservations and concerns and to find ways together to ease them.

## Empower each person

Marcus Krapp, Global Head Quality Management at the TIGER project, says the situation is similar for him. One of his responsibilities is giving employees a greater sense of personal responsibility and helping them feel more willing to get involved in decision-making and development processes. He says it's all about taking an interest in the way another person works, being open and allowing yourself to be inspired, in order to find new solutions.

**“In the past,  
that was  
something  
only the  
boss thought  
about”**

Marcus Krapp,  
Global Head Quality  
Management

“Employees themselves should work out how to solve a problem, fix a process or improve an ineffective workflow,” says Krapp. That is not always easy as it was not the standard approach in the past, he says. It will take time for people to internalize this new attitude - but it can work.

Now, shopfloor meetings are being held as part of the new TIGER approach. The meetings bring together employees from different departments, who look together at a pin board of documents, diagrams and tables and discuss how to

solve a problem together, such as a machine that doesn't fill up properly.

They ask, what can we do about that?

“In the past, that was something only the boss thought about,”



**Only together:**  
To keep up with global competition, we need an enormous desire to change – and a huge amount of team spirit.

says Krapp. “But people who actually work with the machine are much better placed to discover where there's potential for improvement and to apply that.” To make that work, what's important is not only employees' expertise but also team spirit. There are clear rules, too: let people talk without interrupting, be brief and don't be too quick to judge what other people say.

The process is accompanied by the head of department who behaves like a coach, providing some help and key words. The meetings are a great success, says Krapp. “The more participants realised they could share their knowledge to solve a problem, the more they started thinking beyond their own immediate area.”

This new kind of motivation offers a further advantage, too. Employees identify much more with their activities and take responsibility - rather than just because they are asked to. The team used World Quality Day to help boost this kind of motivation. “On that day, quality managers and CI engineers communicated about TIGER and how to steadily keep improving quality. They hung up posters in the plants to get people interested,” says Krapp. “People were told clearly to make suggestions about how to improve things - for any department.” That was a direct nudge to get involved and a way of encouraging employees to talk about this with each other - crucial to a company's development, he says.

#### Developing team spirit

In every part of DMK, working together and supporting one another is becoming more and more important. And that's something that has to be internalized in order for the company to succeed on the global market, in the face of challenging conditions.

**“There's a  
real, noticeable  
willingness to work  
together”**

Ingo Müller,  
DMK CEO

Much change is also under way in the baby food area of business, and here too, teamwork is of the highest order. This is evident in the choice of a new COO, who starts working for the Baby BU in January: Dr. Marc Mahl. CEO Ingo Müller says he is an experienced manager with a positive personality who's able to inspire global teams, and provide impetus and direction. Over the past few months, Müller acted as interim COO and had many exchanges with employees in the Baby business about numerous topics. That was a very exciting period, he says, and not only because of the subject matter. “I was impressed at my colleagues' technical expertise and high degree of personal motivation,” he says.

“They didn't shy away from open discussions, or the latest market developments, whether dealing with customers, social developments or new plant technology.”

He says he feels and expects that employees in the newly-aligned unit will see the changes as an opportunity and a boost. There's still a way to go before the business unit, which was often isolated, can benefit from the “full power of the Group,” he says. He is confident that the team will carry out these changes, and said people's willingness to work together was real and noticeable. Carsten Klapproth sums up the approach at the entire DMK Group: “If we listen to each other and learn from each other, then the realization takes root that we can only really work together as a whole.” That - and that alone - is the compass for where the company is now heading.

*Growing together*



# Voices from throughout the company

Good collaboration is possible, even when times are tough.

In the following pages, employees from the plants, farm and company describe what's going on where they work and how everything's working out in practice

**T**he DMK Group is as varied as the legal topics we deal with from all the departments, subsidiaries and the parent company. In my department, on one hand, we're all very different, but on the other, we're pretty similar. We work together very closely which always helps us find better solutions. Exchanging arguments makes us sharper and makes us feel stronger in negotiations - that's something we've learned from the few court cases the DMK Group has had. Another good example of teamwork is our annual get-together with lawyers from outside the company, where we share lots of ideas. And together with teams from agriculture and corporate communications, we recently held the first virtual meeting of DMK's Representatives, ensuring it was legally compliant. One thing I think is really important is working together with colleagues beyond your own immediate area of work. And whether young or old, new or experienced, there's such a diverse range of employees at the DMK Group. Junior staff bring new perspectives, and that's balanced out by staff who have been here longer, who can share their experience. Together, we find new, and good solutions. We might have done things in a particular way for years, but sometimes, taking a fresh look helps everyone to get a better view of the bigger picture."

**Eliza Borsos,**  
lawyer, Group  
General Counsel,  
DMK Bremen.  
(second from  
the right)



**I**'m responsible for processing, booking and paying incoming invoices, we receive about 1,000 a day and they need to be processed. DMK's restructuring changed the financial accounting department a lot, as we've been split up into two areas, COE and GBS. Everything we do was assessed and then reallocated. Many of our staff have been with the company for 10 years or longer, so it was a big change at first, suddenly being divided into these two areas, and having different managers. For

accounts payable, I can say we've really grown into a solid team. What's important is to make sure you consider and include new colleagues right from the outset. They tend to have lots of questions, particularly at the start, about processes, workflows and who they should get in touch with. We've had four new staff members over the past two years, and have seen again and again the importance of training them well. In our area, newcomers are allocated a sponsor who's their main point of contact and that system has worked really well! Good teamwork is really important to us, and communicating openly. We have a weekly team meeting - right now, we do that through MS Teams - and that keeps everyone up to date with the latest news and what's happening. After that, everyone shares what's been going on for them during the past week. We can also discuss any problems. We also have a team chat and that's another way we can easily share work information."

**Silke de Kaste,**  
GGBS, Team  
Coordinator,  
Accounts  
Payable  
Department.



**I** came here at the age of 15 as a refugee from Damascus, Syria, fleeing war. That was a tough journey. We went to Greece in a rubber dinghy, then took the bus and walked through Macedonia, Slovenia, Croatia and Austria, to reach Germany and settle in a home for refugees. I attended German classes for a year, then applied for a job. Indirectly, I found my way to DMK in Zeven, working as an assistant in the cream cheese dairy. The first days were really tough - I didn't know anyone, I couldn't convey what I wanted to say and I felt overwhelmed. Luckily, that's changed! Despite my difficulties at first, I now really feel part of the team. My colleagues say that, too. They and my direct manager helped me get a permanent job in DMK's production. Without them, it would have been much harder. Now, I'm a real team player. I enjoy the work and the challenges help me grow. I can now afford a car and can even put some money aside to help my family in Syria. I miss them a lot. I haven't seen them in five years."

**Moutaz Alsbeini,**  
Production, DMK  
Zeven plant.



**Kevin op de Weegh,**  
Product Manager,  
DOC Dairy Partners,  
Hoogeveen.

**I**'m a product manager at the Hoogeveen plant, and right now, I'm working from home. I make sure that our customers get products that meet all of their expectations. To do that, I need to have a complete overview of the production processes for cheese, recipes, packaging, quality, information and planning. I'm always looking for ways to improve our products. I'm also responsible for changing our packaging to make it more sustainable. New synergies are helping anchor the change process underway at our company, for example we have a contract with Jumbo, a Dutch

supermarket chain and number two in the retail trade. Our sales department has signed a multi-year contract for grated cheese and the budget allows us to produce the cheese at several plants, at the Georgmarienhütte and Kaatsheuvel sites, so we profit from working together with our colleagues in Germany. When it comes to teamwork, all I can say is that we managed to solve a software problem in SAP that was causing problems in several areas. It just took a video conference with a colleague to fix it, quickly and easily. That's true teamwork - fast and direct."

**G**ood collaboration is really important in our operation. In a team, everyone can share their skills and abilities while simultaneously learning from others. That support and collaboration optimizes operation and strengthens that sense of "we" while at the same time, each person can continue their development."



**Stephanie Behnen,**  
farmer from  
Groß Berßen.

**I** coordinate a range of investment projects and ensure all the departments work together in harmony. It's important that our projects are completed on time, within budget and at the highest quality level. We're working together with the Alenteptow plant right now, and together, we're reshaping working processes, for example advanced process engineering - we're talking about that with our research and development colleagues in Hamburg. And at wheyco, we're working on some potential innovations for the whey market. What's important is that we need to keep an eye on investments in wheyco/DMK Group so we don't run over budget and are sure to achieve our targets. If you look at the change of DVN to wheyco, you can see how well our new teamwork approach is going: We worked together with the marketing department so that all the logos in Hoogeveen say "wheyco" now!"

**Auke Witteveen,**  
head of wheyco project  
office, Hoogeveen.



Boosting team spirit



**Wilfred Walstra,**  
Senior Sales  
Manager Retail,  
DOC Dairy  
Partners.

**“M**y job is full of possibilities and challenges. As a sales manager, I focus on strategies to implement new processes, together with the company and our customers. When teams from throughout the company all work together, that's a success. I'm always happy when I see the finished products on supermarket shelves, thanks to a successful launch. I find it's really important to work together effectively with new colleagues, also outside my area of work. A good network really helps throughout the entire production chain. In my opinion, cooperation means that we as a team are all pursuing the same goal. We can only achieve our goals as a company if we put our customer first. We can only do that by working together as a team.”



**“I** started my second year as a trainee a few months ago. Before that, to qualify, I'd done an internship at DMK. I was really enthusiastic, and obviously did well enough that my supervisor asked whether I wanted to start training as a dairy industry laboratory technician. People's friendliness, staff and management alike, has done me a lot of good overall. Things were hard before I got here. I fled the war in Aleppo, Syria, in 2015, and reached Bonn 30 days later. Someone I knew helped me to attend a language course and then I got the job at DMK. I felt insecure about my language skills at first but that's no longer a problem, and I can have conversations in German without any major difficulties. And at work, I don't feel as though I'm doing everything wrong any more. I do still miss my parents and my siblings, that won't change. But it does me good to feel more and more like I'm part of the team at DMK.”

**Lamee Houry,**  
Dairy Laboratory  
Assistant



## Teamwork throughout the value chain

The TIGER program is helping employees move away from a silo mindset, thanks to a range of projects. An end-to-end workshop is helping people solve problems



**Ulf Tabel,** plant  
manager, Zeven,  
BU Private Label

**“T**he BU Private Label held a virtual “end-to-end” process workshop. We took a closer look at quark from the cream cheese dairy as an example. As a team from several departments, we looked together at all the steps involved in creating the product, from when we receive the milk through to bottling, sorting, warehousing and logistics. We looked into where there was potential to optimize this, and questioned everything from why there's a lid on it, to why is the box a particular size. People from controlling, logistics, production, sales, marketing, planning, plant management, purchasing and R&D were all involved. It was the first time that the entire value chain had been considered from several different viewpoints. This also worked really well virtually, we realized! We couldn't physically walk through the production process because of the pandemic but a colleague filmed everything in advance so we could watch it all through video streaming. Everyone was divided up into different virtual rooms to talk about it in parallel. There were lots of enlightening moments, when you realize that of course someone in logistics sees things differently compared to sales, say. We identified the cost drivers and looked where we could potentially create value, and for ways to avoid complexity. That workshop gave us a much clearer overview. Our work in and around the project hasn't changed so much but our approach is different, and we understand each other better. By the end of the workshop we'd gathered a lot of input and insights for further work on the project. That was a real - virtual - team effort which enriched the project and us too!”



**Mike Köhler-Neisen,**  
Head of Production, Cream  
cheese dairy plant Zeven.

**“A**s head of department I'm responsible for 131 employees. The end-to-end workshop, which took place online for the first time, worked really well, to my surprise. Everyone took part in an orderly manner and it was a lot of fun. I gained insights into other parts of the value chain which will help me understand decisions better in the future. It also enabled me to further expand my network so now I know who to get in touch with directly

for any technical questions. We were communicating with Microsoft Teams so we had to be attentive and orderly, and listen to each other and let people finish what they were saying. Up until now, I think everyone in the value chain had their own goals in mind without knowing a lot about how they affected the process as a whole. Now, I'm trying to gain a better sense of the business overall. We also understand one another better, and it really broadened my mind.”

**“C**ommunication between different areas is really important if you're implementing a project. But talking to everyone and with each individual is often highly stressful, whether it's trying to find a time to meet, or people not being available or not answering. The advantage of coordinating as a team is that you know the people you are reaching out to and you don't have to win them over. It's easier to identify solutions if you have a better overall view of the problems different departments have. Teamwork is essential for a project to succeed, it motivates me and it makes work more enjoyable, even when times are tough.”



**Andreas Liedt,**  
Head of R&D, BU  
Private Label



**Stefan Look,**  
Team Leader,  
Werk Zeven.

#stayhungry  
**TIGER**



## Pooling ideas in Everswinkel

Employees from different departments join together to solve problems

**Arne Winters,**  
Maintenance  
Operator,  
Mechanics.



**I** deal with planned maintenance work or repairs in production. Each day, people from production, shift managers and plant maintenance all come together for our shop-floor meetings and look at our pin-board. We start off by talking about work safety and any possible dangers. Then the machine operators discuss the machine performance the day before. We analyze the main problems and teams from the workshop and production evaluate them together. We determine how to deal with any faults and schedule that work. It's good to talk with everyone there because they all share their points of view. The meetings also really showed how it's productive and helpful if we address difficulties all together, involving people from different departments. What I really liked is that we talk openly about problems. It wasn't like in the past, where sometimes, it was about blaming people. We're really working as a team now."

**A**s team coordinator, I moderated the shop-floor meeting. In Everswinkel, it involved employees from very different areas. We talked mainly about machine performance and faults, and then we focused on the most serious issue. The main problem was with the carton folder - the outer boxes weren't being closed properly. That's a serious issue because later, it can cause problems in the process of putting

everything on pallets and also potentially lead to complaints from customers. Meeting as a team allowed us to focus on the problem and address it methodically. We had orderly, useful exchanges, even though people approached things from a whole range of perspectives. Working together like that brings the huge advantage that you don't have to figure out how to solve a problem on your own, but benefit from many different viewpoints."



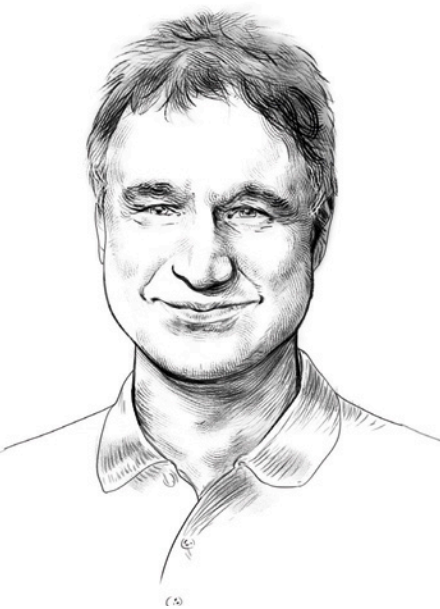
**Ali Gasanow,** Team Coordinator,  
Production, Fresh Products.

## ... and in Bremen

**T**he market for infant nutrition is one of the most promising markets for consumer goods. In Germany, with the Humana and Alete brands, we know that we're pretty well-placed at Humana sales. Exchanging ideas within the DMK team and bundling our skills makes us strong, compared to our rivals and will help us overcome our challenges. That means we have to work well together as a team and as a Unit."



**Christoph Esch,** General Manager,  
Humana Sales.



**Marco Bode,**  
head of the SV Werder Bremen  
Supervisory Board and European  
football champion

## Absorbing newcomers into a team is part of the long game

and the coach's strategy to be able to perform as well as they can. That means integrating new players - and coaches - is crucial for a team to succeed. These days, as a club, we invest a lot to ensure this process of integration goes as well as possible. However, clubs all too often put a lot of effort into scouting for players and spend a lot in the transfer market but fail to do enough once they actually have a player. In companies, too, continuity matters but teams of employees are also experiencing higher turnover and a faster rate of change among staff. During mergers or acquisitions in particular, companies face the huge challenge of creating an atmosphere in which new employees quickly feel at ease and can enjoy their work. A key factor that's all too often forgotten is the important role played by "older" employees who have been there longer. Much is changing for them, too, and it is they who truly shape a firm's welcome culture

and the way newcomers experience the company! That means leaders have to focus on the whole team, rather than just new staff. Integration really means bringing what is already there together with the new - which means change for everyone in a team. I myself was always one of the "old" ones as I only played for my SVW - but integrating new players is something I'm very familiar with! And after my soccer career, a couple of times, it was me who was the new one.

**F**lorian Kohfeldt has been SV Werder Bremen's chief coach for three years and amazingly, that makes him the longest-serving coach in the Bundesliga after Christian Streich in Freiburg. In his job, continuity is often something clubs aim to achieve but rarely manage. Our friends at HSV have had 18 head coaches since 2010! Here, too, change is a constant. Players come and go - it's not unusual to start a new season with seven or eight new players in the squad. That makes for big challenges in the dressing rooms, as newcomers need to get used to a club's atmosphere, philosophy and culture

**"Just like players in a football team, employees need motivation - and not only at the start."**

Podcast:

**Denkfutter**

An exchange about success in football and in companies. Now with all podcast providers to be found under "Denkfutter".





# “We don’t have enough security to plan”

At DMK, “WE” are the **farmers** and employees – who face additional challenges this year, amid the pandemic. Dairy farmers from DMK tell us how they are managing



“After two dry years, we managed to put aside some feed reserves in 2020. One thing we’re worrying about now is the consequences of the coronavirus pandemic. Health regulations and social distancing are making it much more difficult to train people. One positive thing - I appreciated the dairy’s clear statements and guidelines in terms of hygiene measures for milk collection. I think the DMK Group’s development and restructuring was presented well in the virtual Representatives’ meeting - it seemed logical and transparent. A very big thank you for that!

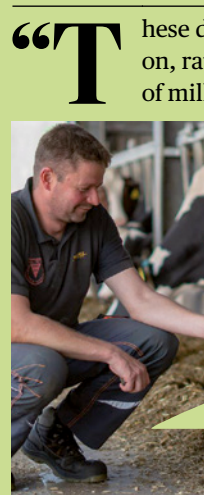
I think this is the right path for the long term. What I’m not happy about is the way the milk price has developed - we’ve only had short periods over the past few years where the basic price has been enough. The fixed price scheme helps us in planning around the milk price, but it also shows us the limits of the milk price early on. What I expect from politicians are reliable statements about keeping livestock, and animal welfare. Consumers need to be made aware that they can come and assess food production standards locally, and ask questions. Hiding production and the idea of “out of sight, out of mind” breaks the value chain in Germany and doesn’t help us achieve global climate targets.”

**Jochen Wenzel**, Oehnländ Agricultural Society, Niedergörsdorf, Brandenburg.



“There’s no use in putting a lot into operations and doing well in terms of costs if you lose out on your revenues due to the lower milk price. At my dairy, I want us to return to the upper third compared to the average that German dairies are paying as soon as possible. On the farms, we need more milk money so we can meet all the demands we face in the future.”

**Stefan Jacobsen**, Handewitt, Schleswig-Holstein.



“These days, it’s often love for the cows that spurs us on, rather than the financial and economic aspect of milk production. If milk producers weren’t prepared to put up with so much struggle, many more farms would have already shut down. It’s just the lack of ability to plan. We need to invest a lot of money to meet environmental standards and provide suitable care for animals but it’s expensive. We’ve repeatedly been promised a better milk price but we’ve been waiting in vain for that for years. That’s led to a loss of trust.”

**Dieter Beuckmann**, Manager, Welter – Soest district, North Rhine Westphalia.

## Impressions ...



“There’s a lot of competitive pressure in my region. The farmers want to see DMK’s investments make it competitive in the long term.”

**Clemens Niederwestberg**, Weser-Ems.



“There’s an increasing amount of talk about planned expenditure on farms. Additional cost pressure due to political requirements, environmental measures and the growing amount of bureaucracy are the main reasons people are leaving dairy farming.”

**Helmut Enewaldsen**, Schleswig-Holstein.



“We dairy farmers need to be able to pay our workers a suitable hourly wage! We can’t though, given the current market situation. The milk price is stuck around the level it was 40 years ago while costs are rising throughout the company. And the future doesn’t look very bright. That’s what makes this crisis different from in the past. For farmers, it’s no longer enough to be “average.” As a company, your goal has to be among the top 25 percent of payers.”

**Carsten Wist**, Klaus and Carsten Wist, Wischhafen / Elbe-Weser.

“The droughts of 2018 and 2019 meant higher procurement costs for basic and supplementary feed. Further troubles are that the milk price is stagnating while production costs are rising significantly. Raising productivity can only help so much to balance out higher production costs. To cover these, we urgently need a higher milk price. Exchanges with the broader populace are also upsetting. Consumers really don’t have a sense of the work we farmers do.”



**Steffen Kieseckamp**, Bramsche-Epe, Weser-Ems.



“Basically, we support the cooperative model and we see an opportunity for DMK with the new fixed price model, as it helps make the company more attractive, compared to rivals. Nonetheless, we face some major challenges. In our area, we have serious problems with rodents in our grassland and alfalfa. We’re also struggling with below average yields of cereals and poor quality fodder. We need a milk price of at least 35 cents in order to run our business economically.”

**Karin Heinichen**, Steigra agricultural company, Saxony-Anhalt.

## ... from the regional managers

“Years of drought, rodent damage, slurry regulation, investments in manure and silo storage facilities and the level of the milk price all add up to a tough environment for farmers right now.”

**Detlev Bosse**, Elbe-Weser.

“Greater rainfall this year means the feed situation has improved. New suppliers have been taken on in the area. People welcome the introduction of the fixed price model.”

**Jens Ruge**, Mecklenburg Western Pomerania / Brandenburg.

“On many farms, the liquidity situation is incredibly tense. Lack of feed and bought-in feed, lease prices, manpower costs, more and more regulation and political and social pressures are all taking their toll on farmers.”

**Julia Ridder**, North Rhine-Westphalia / South Lower Saxony

“Farms are no longer prepared to support milk production with crop production, and that’s leading to the closure of some dairy farms. Many operations have made investments but struggle servicing their debts.”

**Kerstin Grabarse**, Thuringia / Saxony-Anhalt / Saxony / Hesse.





# Finally speaking with one voice

United communication is more important than ever for the sector so people can better understand the dairy industry. DMK CEO Ingo Müller sees this as a major opportunity



**“T**he rotten milk business,” “Milk, is it making us ill?” “The madness with milk,” and “Milk - the fight over the white stuff” - the dairy industry has been struggling with these and similar headlines for some time. Claims like these harm the reputation of a valuable product and do us enormous damage. Modern agricultural business operators want to present dairy farming as it is: concerned with animal welfare, sustainable and efficient. Milk produced by farmers provides the basis for many healthy foods that are on sale in supermarkets. United communication about the industry is more important and more urgent than ever, so people again come to value agriculture and the performance behind the product.

## We need to be more self-critical

And that's exactly what communicating for the whole industry is all about. We show who we are and what we do and actively take the lead in explaining how much milk matters. Let's take a moment and reflect where we could have done better. In the past, we have been too passive about communicating with the world, assuming that a high-quality product like milk stood for itself and we did not need to say much more about it. That gave too much space to those who criticize our top-class product. Milk might be in the refrigerators of many consumers but sadly, it is not on their minds. We realize that particularly with younger people.

**“There are endless possibilities to show the true face of the dairy industry in social media.”**

## Creating fresh awareness

Milk has been a constant for older shoppers, always there since they were children. That's not necessarily the case for later generations. Many young people are very critical about milk, questioning it, becoming vegans and demanding products that are sustainable and healthy - including milk. That is a change we have to face and it's more important than ever that we acknowledge this. We need to target our communications as an industry with a strategy to excite tomorrow's customers about milk. We need to be able to create a new kind of awareness.

## Milk needs to be more digital

If we stand united with a shared communications strategy, we can reach young people online in the social media channels that are so popular. There, the possibilities are endless to show the true face of the dairy industry. We can adjust to the pace of consumers who are embracing digital technology. We can also create a newsroom with an editorial team who can answer questions from the media, politicians and non-governmental organizations, with open, transparent support and expertise. That would create trust. I think communicating together as a sector is not only long overdue - but is also particularly important given the crisis unleashed by the pandemic.



**“We're adjusting to the fast pace of communication of consumers who embrace digital technology.”**

## Values are changing

In Germany, the latest health restrictions are leading many to return to some of the essential, everyday rituals, such as cooking, shopping and eating together. People are again realizing the importance of family, solidarity, tradition and loyalty to local businesses. The trend towards snacks on the go is lessening, while the classic meal pattern of breakfast, lunch and dinner is more important than ever. This change of values allows an opportunity for milk to regain its central position as a staple for families. We won't reach that goal with negative headlines about the dairy industry, though. What we need as an industry is to communicate with a single voice.

## Setting a good example

Many farmers are finding their own ways to show the public how they work. You can meet some of them here and in the following pages



## No false modesty!

Farmer Matthias Schulte-Althoff was happy to open his gates to journalists. A young farmer, he's making contacts, organizing events and making himself available - and his efforts are building trust between the media and agriculture as each comes to respect the other. “We dairy farmers need to be prepared to show our operations and answer questions,” he says, adding that dairy farmers have the power to create a positive image. Journalists need first-hand information in order to report about a situation, he says, which is why he regularly offers to show journalists around his farm, and allows trainees to use his operation for research exercises.



**DMK farmer**  
Matthias Schulte-Althoff from Haltern am See.





# “We love thinking up new ideas”

“KoeKroelen” means cows crawl and is the name of a company dreamed up by two sisters. Dianne and Anniek van Raalte are teaching youngsters about life on a farm – through play



In the calf barn: Dianne and Anniek van Raalte bring their visitors here, too.

“We children took care of the marketing, developed a logo, had the website professionally redesigned and designed a farm product for the participants.”



“My sister and I live with our parents on a dairy farm in the Dutch province of Drenthe. There’s a lot going on here beyond caring for cows, but not many people know that. We want to change that! We want to show people - in a fun way - what it’s really like working with animals and living on a farm. We started out with young children.

We thought up an entertaining, educational program for kids from the ages of five to 10. We developed a concept for our events and called it “KoeKroelen,” which means “cows crawl.” Children come and decorate a cake, then put on overalls and a traditional country headscarf and head into the cow barn, or to the pasture

in the summer, to learn what cows eat and why they wear ear tags, for example. Then we explain how cows are milked, in the milking parlor, and how many packs of milk a cow can produce. We also ask whether the kids know where milk is stored later on.

It’s also fun showing them the milk tank, where we explain that the milk is transported to DOC Kaas. A milk collection truck comes to the farm several times a week and takes the milk from the tank to the factory. We also use a set of educational materials from DOC Kaas, who do an amazing job by the way, to show how milk can be made into different products. Then, after the tour, the children can join one of six different activities from farmer’s golf to baking Dutch Poffertjes, which are tiny pancakes.

Parents also have a good time showing their children and friends what happens on a farm, so people often pick “KoeKroelen” for birthday parties, too.

We’re really happy with our activities, even though we initially underestimated how much work it would be. We first posted our ideas for “KoeKroelen” on Facebook in January 2019. Our first report was viewed 12,000 times! We were amazed by that level of attention, just as we were by all the requests for kids’ parties while we were still getting everything ready!

Our parents quickly converted a former cowshed into a spacious reception room with heating, a kitchen and bathrooms, while we daughters handled the marketing, developed a logo, got a professional to redesign the website,

and designed a certificate for our visitors. We put brochures out in supermarkets in the Linde area. It was a lot of work for my sister and I in the first few months, especially as I was also finishing my training.

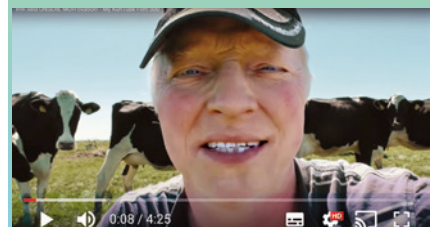
We finally launched “KoeKroelen” in August 2019. The media responded really positively, and that spread the word even further. Today, we’re proud that “KoeKroelen” is a real company registered with the Chamber of Industry and Commerce. We’re organized 50 parties since March 2019. We love being entrepreneurs and thinking up new ideas.

We were surprised by the success of „KoeKroelen“ but it shows us that we’re doing the right thing.“



Feeding time: Alongside cows, sheep are also among the stars at „KoeKroelen.“

Amos Venema is a passionate farmer and member of DMK and that’s obvious in his videos. He launched the **My KuhTube** channel and uses every possible opportunity to explain agriculture to those who don’t know much about it. He also films the geese, cows and the weather in East Frisia, where he runs a dairy farm with about 160 cows, together with his brother Jan.



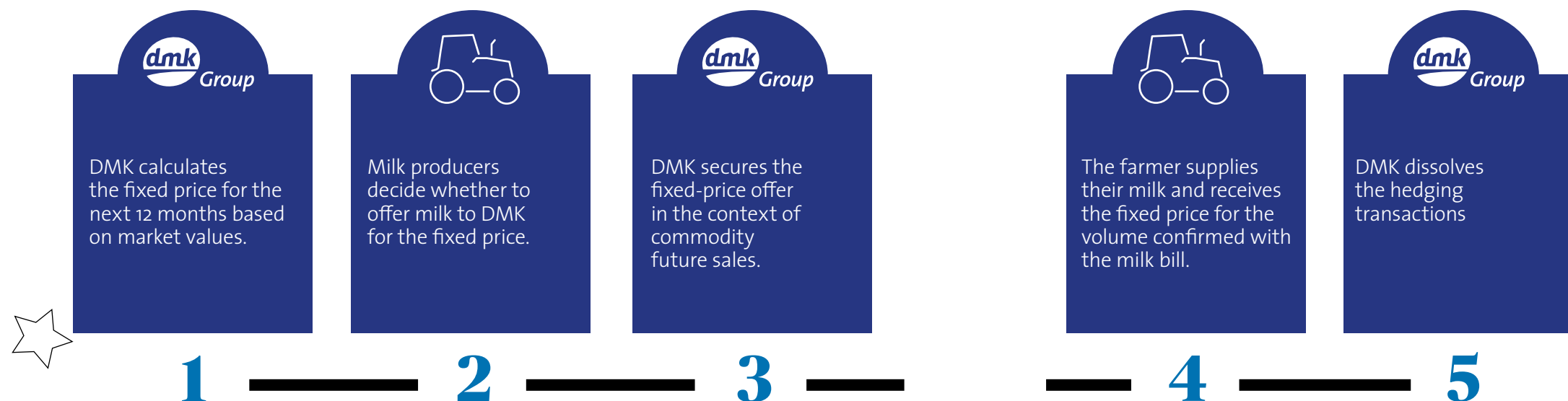




# Fixed Price

**A model for fixed milk prices enables means farmers are better able to plan**

**The market-based fixed price model:**



**R**aw milk prices in Europe have become considerably more volatile since 2007, and the extreme market fluctuations are expected to continue. That makes it difficult to predict how the market will develop, and creates liquidity risks for milk producers who want to minimize risk for their operations, while increasing liquidity and improving their ability to plan. DMK's new fixed price model seeks to address this, and is a key building block for further

developing relations with its members, as a supportive cooperative. The members of the cooperative have been focusing more and more on the idea of hedging the milk price over the past few months, as they seek to manage and develop their supply relationships and improve planning for their operations. The DMK committees initiated the project. "These days, as markets are fluctuating so much, we farmers need alternative price models. Fixed Price

is a great opportunity for farmers and for the dairy as a whole," says Thomas Stürtz, Chairman of the DMK Cooperative Management Board. The main idea was to hedge for lower price phases, for example during the pandemic this year. **Modern pricing model that's easy to use** There has been interest in this idea for some time, and the Agriculture department has spent the last two years working on an innovative way to hedge

the fixed price, with the main aim to create a reliable model. All efforts focused on turning a broad topic with many complex processes into a model that's easy for farmers to use. The result is a modern pricing model that's straightforward to use. It also fulfills all the requirements, is legally compliant and has been assessed by numerous areas including contract management, IT processes, accounting, risk and liquidity management. Farmers can take part in the model

voluntarily and DMK's base price is not affected, whether or not the farmer uses this or not. Mirko Wätjen, Project Manager of DMK Fixed Price, says, "There was not much out there that we could use to develop the Fixed Price, as the industry has little experience in this area. So we had a pilot phase involving 26 farms, and thoroughly tested the model under real conditions over a longer period of time. We assessed which processes worked well and examined where we should make

changes. We learned a lot, and made the improvements that were needed." The first trading session with the pilot group was held in October 2019, and the model has been steadily optimized since then. It was opened up to members of the cooperative in September 2020. "Both sides learned a lot about the price hedging model during the months of the pilot phase. The positive feedback shows how important it is for our cooperative. We realize there's a lot of interest in topics such





as hedging and stability, and we're glad to be able to offer our members a model that provides exactly this kind of support. Another important point is that the fixed price model is not for speculation, but is a vehicle for farmers to reduce risk and even out the price curve for individual farms," says Dr. Klaus A. Hein, Managing Director of Deutsches Milchkontor, following initial feedback about the project.

#### Potential for the future

After the pilot phase ended, farmers have been able to apply for access data for the DMK Fixed Price trading platform since the end of September, and receive information and training to offer some of their milk in two trading sessions. Fixed Price also offers new prospects for the future of the dairy, as if IT systems and security processes are developed further, the model could be a base for further developing the idea of security within DMK.



Top to bottom:

**Thomas Stürtz**,  
Chairman of the  
Deutsches Milchkontor  
Executive Board

**Dr. Klaus A. Hein**,  
Managing Director of  
Deutsches Milchkontor

**Mirko Wätjen**,  
Project Manager,  
responsible for securing  
the fixed price, volume  
planning, milk price  
benchmarking

*"The milk price has often been unpredictable over the past few years, and that's likely to remain the case in the future. I have an overview of my costs but I would like greater planning security when it comes to my income. The new price hedging means I can influence part of my income in the future and that means I've got greater security for planning. That's important as unpredictable events will happen in the future, too, like the pandemic right now. I'm happy about the introduction of Fixed Price, it's good news for us milk producers."*

**André Hornberg**,  
Hornberg GbR, Gütersloh.



## ONE FINANCE

### One Finance highlights performance – and now it's coming to the plants!

One of the key jobs of ONE FINANCE is identifying cost drivers. These will be easy to identify in the plants, thanks to the new plant performance bills/profit and loss account



**T**he plants are like DMK's engine: They take in a valuable raw material, process and refine it and transform it into products. They are the heart of DMK but they are naturally also the company's largest cost item. The One Finance program has now developed a tool to help make processes in the plants more profitable.

#### Transparency

Costs can only be saved by identifying cost drivers and for that, you need transparency. But how can we create transparency at our highly-specialized plants and facilities? Through a set of key performance indicators that are standardized across DMK. That is the only way we can compare and steer performance better. Timo Voßmeyer's 10-member One Finance project team has redefined what our plants do. The profit-and-loss account measures the planned revenue for the products that are made, and subtracts the costs involved. To steer efficiently, it's important to be able to identify any divergence from the planned result and work out how that happened.

#### Differences

If a plant produces less than planned, for example because less is sold, its

performance sinks, but this difference is not the facility's responsibility, but is due to sales. If production materials are cheaper than planned, a facility's performance improves, but this, in turn, is due to the purchasing department. Production problems would be an area of divergence that is due to the plant, and could mean production takes longer, resulting in higher personnel and energy costs.

#### Results

Under the new system, such divergences would be quantified precisely, and the cause identified at a glance. The tool allows plant supervisors and managers to gain a monthly overview, and clarity about the right measures to take in order to improve performance.

#### Plant reporting

Timo Voßmeyer is rightly proud of his team's work. „We've created a new tool, showing a plant's output, and that standardizes and provides transparency. It incorporates all the current plant controlling tools and brings them into a uniform system. And unifying reporting across DMK means we can present plant managers with monthly results from the beginning of 2021.“

#### CEO INGO MÜLLER



*As a former plant manager, I still feel really close to our plants. The new plant profit-and-loss account gives us an instrument that allows us to compare performance across DMK in a way that is transparent, enabling the management team and I to steer the company more easily.*

#### ULF TABEL, PLANT MANAGER ZEVEN



*I can see much more quickly and easily what we need to do at our plant to improve our performance, thanks to the new plant profit-and-loss account.*

#### KAI OSTERWALD, PLANT CONTROLLER FOR THE ZEVEN PLANT



*I'm looking forward to the introduction of the profit-and-loss account as it means we can clearly identify what influenced results and so can steer the plant better. For me as a plant controller, the tool makes the monthly analysis much easier and I can provide the plant manager with the data and reports much faster.*



# Cutting costs through teamwork

The **#pacesetter** program shines a light on expenditure in the DMK Group's procurement and logistics – and is delivering impressive results

**T**he DMK Group kicked off its ambitious **#pacesetter** program at the start of the year, putting numerous supply relationships and service contracts out to tender, negotiating, optimizing and designing them afresh, aiming for purchasing departments to save a double-digit million sum. DMK used the knowledge and networks of everyone involved: "Pacesetter is a company-wide project supported by many specialist areas," says Heike Fastenau-Gross, project manager and Director of Corporate Procurement at DMK. All the measures were agreed with the buyers and carried out together, which was not always easy amid the pandemic.

## Meeting round a virtual table

Regular contact was impossible during the pandemic, so everything went online. Digital Supplier Days were held, with a video conference bringing together many suppliers in direct competition for the first time. "Usually in purchasing, you see and get a sense of the suppliers,

you sit down together with them," says Heike Fastenau-Gross. "Nevertheless, despite the health measures imposed due to the crisis, we achieved the desired savings."

## At lower prices

Purchasing was bundled across the group to a large extent in the **#pacesetter** program and a range of profitability strategies deployed, including standardization. "We use lots of materials with different properties, and realized we didn't need such a high number," says Heike Fastenau-Gross. "We see we can spend much less by purchasing fewer different formats and reducing the diversity of our materials." The **#pacesetter** program also optimized batch size to cut costs. Even when ordering, teams target the optimal batch size in order to obtain a discount for quantity.

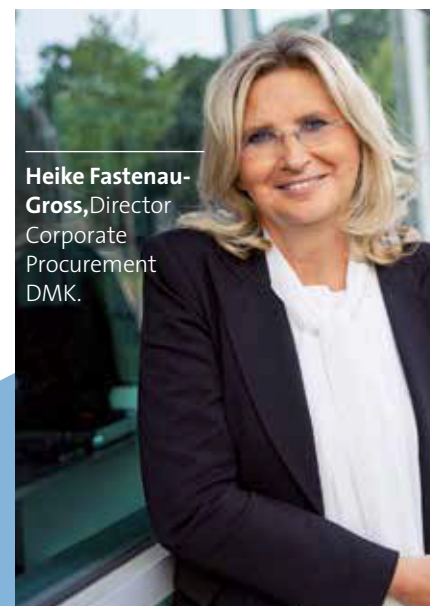
"Despite all the cost pressure, though, the company still sought to work as a partner together with suppliers and service providers," says Heike Fastenau-Gross. "Ultimately, everyone in a supply chain depends on everyone else – as we saw in the first wave of the pandemic."



**4,6**  
million euros  
saved in transporting  
manufactured  
products.

## Clear figures

The numbers speak for themselves: **#pacesetter** has saved the company a total of 15.3 million euros in costs in 2020. Savings of more than 35 million euros are expected through 2022. Heike Fastenau-Gross says DMK's specialist departments need to provide the information and resources needed in order for these measures to be implemented. "Otherwise, it won't be possible to make all the savings." The same applies to **#pacesetter** as throughout DMK: Only by working together can we make the changes needed to fit the company for the future.



**Heike Fastenau-Gross**, Director Corporate Procurement DMK.

# The right way

Global Business Service **GBS** brings together internal services and changes many service areas. That's not easy. But Carsten Klapproth says despite the difficulties, the sense of WE among employees is growing



**Carsten Klapproth**,  
Director Global  
Business Services DMK.

**„G**BS stands for something positive: DMK wants the program to create synergies, cut costs and professionalize processes as an internal service provider. That sounds pretty good. But streamlining processes means a lot of change, calling into question familiar ways of working, rearranging teams, adapting organizational structures and reallocating staff – sometimes abroad.

DMK is calling for a great deal of cooperation, team spirit and imagination – that's crystal

clear. But we couldn't go on with business as usual. It would mean we were wasting money, based on suboptimal structures. When we introduced GBS in 2018, the vision we had wasn't yet clear to everyone. Now, much has changed. Our services include accounting, internal sales and marketing, controlling, payroll accounting, operational purchasing activities – and all this for the subsidiaries, too, such as for the Baby Business Unit's personnel administration in Germany, for example, and now the internal sales service for NORLAC.

We try to work closely with colleagues in departments where we are

going to relieve them of some of their tasks. We need to closely cooperate to transfer knowledge to GBS, as it's important for us to understand where each department gets its information and any additional details. Staff who have been working there for some time have valuable knowledge of systems, processes, sources of information and contact people.

## “We need to work together to transfer knowledge to GBS.”

right now, we are writing and sketching out processes, to identify in what order a task is done, and who carries it out? Everything needs to be written down in an organization, to avoid duplicating work or overlooking something. Where conflicts arise, they are mostly at interfaces where it isn't clear which department is responsible.

A transformation process like this isn't easy, but people are already starting to say that they feel supported by GBS staff, because as generalists they often have many different tasks to do alone. When I talk with people from the different departments, I'm always trying to show

them that they can trust us. That each and every one of them is important for DMK and that with their expertise, they can and should get involved in the changes under way. That can help address any fears around letting go of familiar working processes, and help them embrace new systems.

I want to win them over to our new way of working. Real-life examples often help and we recently held a meeting with employees from Beiersdorf and DMK. They described how they had experienced a similar transformation process – in accounting, in this case – and how they felt about it. That helps, as we can react to questions, reservations and emotions, and ideally, put them behind us.

Right now, it is our colleagues in the Netherlands who are currently experiencing the greatest changes of all. The introduction of 4S logic and GBS in January 2021 will mean a lot of upheaval. I'm feeling positive though as I'm looking forward to our international cooperation: What impressed me was how transparent and approachable our colleagues are there. They talk openly about risks and fears, and have a very transparent way of dealing with people. That's exactly what a company like DMK needs.”



Abroad,  
there  
are

# OPPORTUNITIES

Much is happening around the world. With the International Business Unit, DMK COO Michael Feller is finding valuable contacts and expanding the business in countries such as Russia, Jordan and China

## IN PERSON

Michael Feller, 61, is Chief Operating Officer DMK International. He is responsible for selling finished dairy products in international markets outside Europe. Before he joined DMK in 2012, he was Head of Germany at Friesland-Campina, and spent seven years in Moscow for the company.

### Why does international business matter so much to DMK?

In our Vision 2030, we said we want to pursue clearly-defined, value-enhancing growth in international markets. What does that mean? It means we don't want to just sell products indiscriminately for any price - we want to target markets that enable us to create added value. That means we have found another pillar as a dairy - and so for our farmers - to be profitable. Markets such as Russia, the Netherlands or the Dominican Republic offer an incredible amount of potential.

### Can you give us an example of that?

Years ago, Russia closed its market to dairies from Western European, so no one can sell cheese there. So we built a factory in Bobrov a few years ago, where we make block, cylindrical and spherical cheeses, along with cheese for cooking. Over the past three years, the factory reached its limits and now we are building a second plant nearby, where we mainly use machines from a German DMK dairy that closed.

The building is finished, the first tanks are

ready and commercial production is due to start in April 2021. We're doing that because business in Russia is highly profitable and we can expand. I also know about that and am familiar with the local market because I spent seven years working in Russia for Friesland-Campina.

### What advantages are there for being based abroad?

When we manufacture locally, we save customs or import duties and also, our value chain is much closer to the market. Of course, we face tough competition - there's no country where we're alone on the market. ARLA or Friesland-Campina have been in many countries for 50 years and more, with regional factories and brands. We can't catch up with them but there are plenty of niches for our cheese products.

### The cheese market is also growing in China...

Business with UHT milk is particularly brisk in China and we have a commercial site there, too. German milk and dairy products are seen as being of particularly good quality and demand

for them is growing. Right now, our business with Oldenburger Mozzarella is growing as we're supplying hotels, restaurants, canteens, hospitals and public authorities.

But we're also present in the Dominican Republic, and we're profitable in retail and with our Food Service. We've built up the business from zero to 2,000 tons of Oldenburger over the past four years. Abroad, people associate our Oldenburger, Rose and Uniekaas traditional brands with high quality and good flavour.

### How are synergies developing with the Netherlands?

The Maxima project combines several Dutch activities in the International Business Unit, Private Label, Brand and Industry to create better synergies. One challenge is that we're introducing SAP in the different departments. And of course synergies are always unsettling, but the mood in the two countries

is basically positive. You can really see the benefits of cooperation between the Dutch and German colleagues in many areas, and the knowledge exchange is really bearing fruit, it's exciting. The Dutch have a very high level of expertise in making naturally matured cheese to varying degrees of maturity. Some cheeses there mature for a year, while in Germany, we only sell young cheese.

### Why is it so important for DMK and its members that we do business abroad?

Most milk produced in Europe has to be exported because local markets are saturated, while sales abroad are still growing. Countries such as Oman or Saudi Arabia won't ever have comparable dairy industries as they don't have enough water or feed, the climate isn't suitable and they don't have advanced dairy industry knowledge or expertise.

### How do manage international partnerships when travel is practically impossible?

We manage with telephone and video meetings, although that isn't always ideal. In many cultures, negotiating partners traditionally meet in person and get to know each other - and only then get down to business. When I'm far away, I can't see gestures or facial expressions, and I can't tell if someone

twitches, or turns away, or smiles, or raises their eyebrows - but I need that information so I can respond. Video meetings help enormously, but they can never replace meeting in person and talking together to create trust. We're also missing the trade fairs - Bakery in China, or Sial in Paris. They're great platforms to meet new customers and traders. Nonetheless, internationally, things are going well for DMK.

### Do you miss that contact?

I miss it and it's important. But many have romantic images of travel. It's necessary but it's not everyone's thing, to be travelling all the time. It is mine though!



### Trusted Dutch brand:

Alongside Oldenburger and Rose, Uniekaas is among the most popular types of cheese abroad. The Netherlands' long cheese-making tradition makes for excellent quality and taste.



The new cheese factory in Bobrov, Russia, where cylindrical, spherical and cheese for cooking are to be made as of April.





# I can do much more!

The IWB training program offers employees new professional opportunities, as Süntje Bischoff discovered



## Individual training program

**S**he made it! Süntje Bischoff became Laboratory Master and Head of Quality Assurance at the Hohenwestedt site on August 1, 2020—thanks to DMK's individual training program. All DMK employees interested in advancing their careers can apply for the IWB, a professional support program for further individual and academic training. Those who qualify are assessed and can then be exempted from work for a period of time. DMK pays up to 20,000 euros—and of course guarantees that participants can return to work afterwards.

The candidate themselves should be motivated to apply and the additional training should not be something that is required for their current job.

"I wanted to take on more responsibility in a more senior post within a few years of completing the IWB," says Bischoff. Four years ago, she completed her training as a dairy laboratory technician, then moved to Bavaria for further training as a laboratory supervisor, and learned about science, quality assurance, specialist legal issues and laboratory and personnel management. During two full-time semesters, she also applied the theory in practice at a teaching laboratory and a dairy. "The program encouraged me to improve my professional prospects and be flexible for the labor market," she says. She knows it's pretty rare to get such a job straight after training. "But I'm really excited about this opportunity!"

Süntje Bischoff, Head of Quality Assurance, Hohenwestedt.

- 1**  
Support is available for job-related, individual, professional or academic further training, either full time or in parallel to work
- 2**  
A wide range of qualifications are possible even if DMK does not offer training in particular areas
- 3**  
Open to employees with a permanent contract who have been in their posts for at least one year
- 4**  
Willing to relocate



**For questions, contact:**  
Sabina Wiczorek  
Tel.: 0421 243-2403  
E-Mail: sabina.wiczorek@dmk.de

# In with the new!

Away from silo thinking and towards more exchange. Florian Schomaker, Instructor and HR Manager Organizational Development, on innovation in training



## How are things going right now?

*As is the case throughout the organization, more and more of our trainees are coming together from different parts of the company for projects involving several departments, working on exciting issues and taking on more responsibility. This generation has a tendency to focus on the meaning of their work, and is eager to get more involved. As the DMK Group becomes more international, today's trainees have a chance to visit locations throughout Germany and abroad, gain valuable experience and make contacts early on that can help them throughout their careers at the DMK Group.*

## Training has changed due to the pandemic ...

*Yes, the coronavirus means we're in a new situation. Where possible, apprentices and instructors are working from home, which has meant new and exciting challenges for everyone. This year's trainees have already gained experience of digital learning, remote teaching and taking exams online. We combine on-site learning with video conferencing for operational training, though it's become clear that distance learning has its limitations. The personal relationship between an instructor and a trainee is still a vital aspect of training.*

## What's the future of this kind of teamwork?

*DMK is driving digital collaboration forward in training as it is in other areas. New tools are enabling people to work from anywhere, at any time. More and more, team and departmental meetings are being held online, people are using digital tools to do their work, and are communicating through chat. In the future, people will work in agile teams that will be drawn together to complete specific tasks.*



Florian Schomaker, Trainer and HR Manager Organizational Development.

## That sounds like a challenge for instructors!

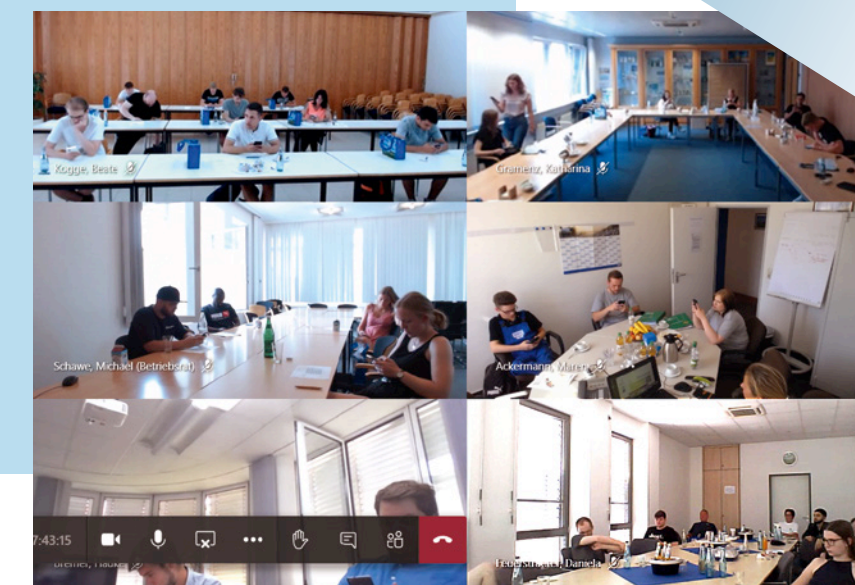
*It will definitely involve changes when it comes to teaching content and conveying values. But in my view, it's also a valuable opportunity to benefit from the technical skills of the new generation. Now, as DMK, it is up to us to ensure that there can still be personal contact between trainees, coworkers and instructors despite increasing flexibility in terms of location and working hours. Because it's clear that digital connectivity needs the personal touch more than ever.*

## Innovative Example

In order to avoid creating long, complicated chains of infection, this year, we held the StartUp – an event for trainees to get to know each other – online. Thanks to our communication platform, **84 trainees came together from 15 locations** to get to know each other, using cameras, loudspeakers and microphones. They heard exciting lectures by **13 speakers from different business areas** who introduced them to the company. The trainees also had a chance to rate the event using an app.

**APPLY NOW**

[www.dmk.de/en/working-for-us-for-school-students](http://www.dmk.de/en/working-for-us-for-school-students)



**Virtual and productive:**  
The Start-up Days took place online this year.



# Growing together

To give everyone a chance to develop as much as possible, DMK has assessed, revised and revamped training, in the GROW Project. We're now training newcomers as equals!

## More time with each person

Good training takes time, as each person's individual character and skills need dedicated support. Now, instructors and training officers will spend **2.5 hours a week alone with trainees**, allowing for individual consultation, feedback, teaching and exchanging ideas. At DMK, training isn't just a side line or a hobby. Excellent training means taking an interest in the person you're working with.

## Taking on more responsibility

Training is something we are passionate about at DMK, and every employee is committed to helping trainees get a good start to their career. We give trainees more responsibility, develop and motivate every individual and **treat each person as an equal**, to better support the next generation's innovative drive.

## More training for instructors

All of our 60 instructors took part in a **review**, completing **online questionnaires**, having **feedback interviews** and attending **reflection workshops** to explore the results. They found areas for improvement, and also where training at DMK needed **more time, more freedom, better structures, clear guidelines and fundamental principles**. Further workshops are planned involving plant managers, instructors and HR business partners to identify what we can do better.

**Independently, a qualification program will be rolled out next year for all instructors.**

# GROW PROJECT

## Training as equals

## Our new training campaign

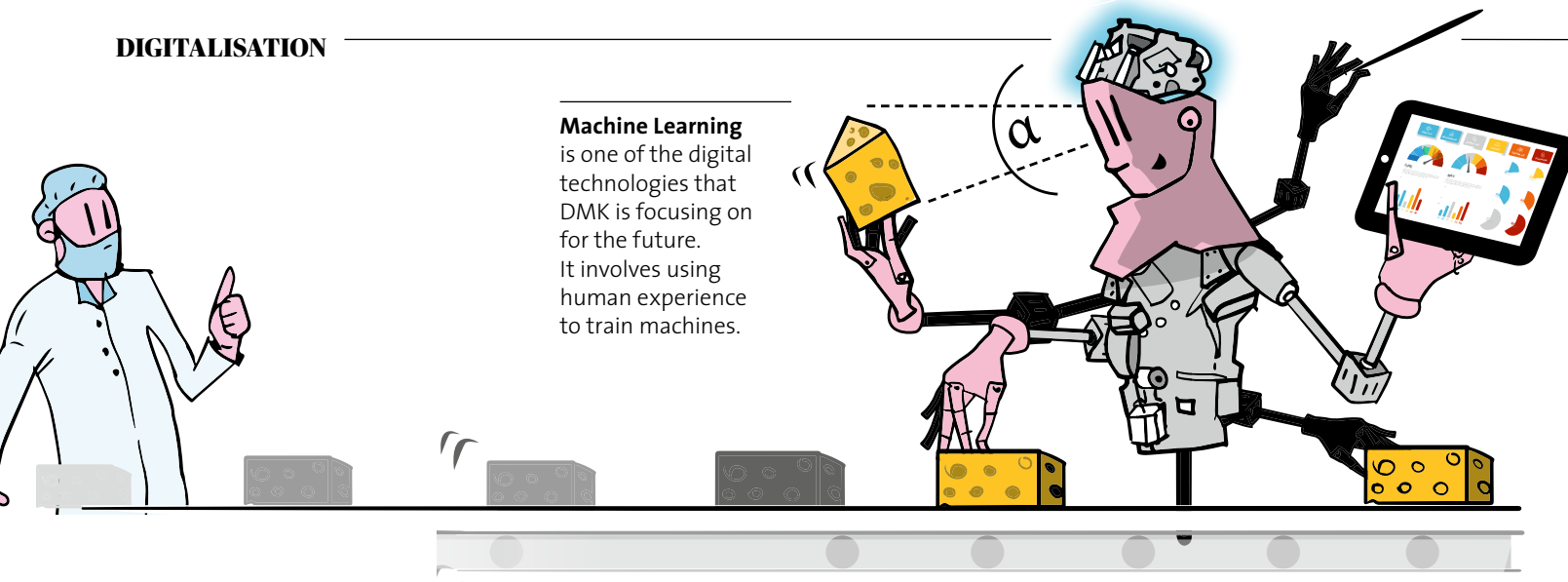


## A higher profile for training

## Milk is more colorful than you thought

We're starting a new personnel marketing campaign „**Milk is more colorful than you thought**“ to make training more appealing and shine a light on the people involved in training. Milk is not just white but has many colors. It's a metaphor for the company with its six different Business Units, broad range of products, more than 20 locations, modern technology, more than 15 different apprenticeship trades, more than 7,700 employees and more than 6,000 farmers. It is milk that unifies us into one: the DMK Group. **We're proud to show that.**





**Machine Learning** is one of the digital technologies that DMK is focusing on for the future. It involves using human experience to train machines.

## How DMK is getting fit for the future

The digital service platform and machine learning are just the beginning

The pandemic has made it clearer than ever how important digital structures are. DMK made it through the past few months so well as employees were quick to adapt to the situation, embracing virtual meetings instead of conferences and working from home. Beyond our dairy, that's the case worldwide as economies scramble to go digital.

### New added value

Strategically, that makes it all the more important for us to keep up. DMK has spent years focusing on future digital technologies and weighing up the risks and opportunities involved. "We've identified, evaluated and structured a lot of potential areas throughout the value chain," says David Reinhardt, Senior Manager Digital Acceleration and Innovation from Corporate Strategy. "We want to use these technologies intelligently, to support the company's goals, solve problems for customers and partners and create new added value."

### Giant technological leap

A slew of initial projects have already been successfully carried out. The company spent the last year and a half creating the digital service platform, a new ecosystem to fit DMK for the future. "It's a real technological leap," says Reinhardt of the platform, which offers a range of applications. "These services can support farmers, make the company more competitive

and create added value for customers." Mymilk, the first tool on the platform, is accessible for farmers and is already proving useful in daily life. The platform offers far more potential to further network the company.

### Machine learning

Currently the focus is on several different technologies which all have one thing in common: They help employees to achieve company goals. One example is machine learning, which is often associated with artificial intelligence but is actually far away from human intelligence, so there's no need to be afraid. The technology will have an enormous influence on our industry's future. What's exciting about it is that machines or systems learn tasks based on the data they are given – they are not programmed for the tasks, which means the systems can be used much more widely than was the case in the past.

### Intelligent implementation

Using machine learning in production processes means interrelationships can be identified automatically that in the past would have depended on people's intelligence and experience. The technology gathers data from the production process and people train the system. Right now, DMK experts are developing suitable prototypes. There is a long way to go but DMK is now picking up the pace.

### CYBER SECURITY REMASTERED

## New challenges for information security

DMK designated IT security as one of the year's most important projects. Joachim Klindwort spells out where the difficulties are and what drives him and his team

Joachim Klindwort wants to make one thing clear. "Nothing is ever 100 percent secure, and that includes IT systems." But he and his colleagues are driven by the desire to get as close to that level as they can.

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Joachim Klindwort is the DMK Group's Information Security Officer. He and his team maintain the confidentiality, availability and integrity of data and IT systems in administration and production, and protect them from harm, whether from crime, such as hacking, or natural disaster – or carelessness or lack of knowledge on the part of users. IT systems and the data they contain are the DMK Group's technical backbone, which is why the Executive Board designated cyber security as one of the top 10 projects of the year for 2020. Klindwort's job is to ensure that DMK is taking the right measures in the face of ever-changing threats – now and in the future. He also has to make sure the company complies with increasingly stringent legal requirements. "The threat and attack vectors that computer systems face are changing constantly. Attackers are always trying to new ways to break through security systems," says Klindwort. "If you rest on your laurels and don't keep developing, sooner or later, you'll be in trouble." That means the IT security project is highly complex, encompassing technical concepts and measures, along with organizational changes, that are addressed in individual sub-projects.

The overall aim is to prepare for the future. "Initially, we're focusing on individual sub-areas, where we're developing concepts and checking whether measures are suitable, and those experiences will be a blueprint for implementing this across the whole group," says Klindwort. Given there are many sites, this process will take some time, but that's something Klindwort and his colleagues are prepared for. "I think all the people involved in the project want to make sure the DMK Group's IT backbone is strong and resilient in the long term. That alone is motivating enough for us all to dig in and tackle the problem together." Information security is not only about internal IT systems. As cloud computing becomes ever more popular, safety is an issue that constantly needs to be reassessed. "The real problem is that in using cloud systems, we are literally handing

over our data. It's handed over from our data centers to external ones," says Klindwort. These clouds are subject to the same dangers – prompting the question who is responsible for protecting data in the cloud? "In cloud computing, we talk about shared responsibility," says Klindwort. That means the cloud provider is responsible for ensuring that the systems and services they offer are fully functional. However, the owner of the data – needed for everyday work – is responsible for protecting it. Here, that means DMK. No wonder the security requirements are complex, especially as they differ according to the kind of cloud that is being used. "The work done by my team and I – and many IT employees – isn't made any easier by cloud usage, it makes it more challenging," says Klindwort. Here too, nothing is ever 100 percent secure.



**Cyber expert Joachim Klindwort**  
Joachim Klindwort,  
DMK Information Security Officer.





**“A firm eye on the future!”**



## The new COO at DMK

Dr. Marc Mahl, 52, will be the new COO of the baby nutrition Business Unit, starting on January 1. He comes from health care company Fresenius Kabi



**LINK**

Read the whole interview at:  
[www.dmk.de/neuer-coo-baby](http://www.dmk.de/neuer-coo-baby)

**Mr. Dr. Mahl, have you already packed your suitcase?**

*I will continue managing operations in my area at Fresenius Kabi until the end of the year. But yes, of course, in my mind, I'm already packing my bags. I'm reading a lot to learn more about this new area. At the start, I'll commute from Bad Homburg and rent a small apartment in Bremen, until I've explored the region and know where it's nicest. Then I'll move. My wife is still working at Fresenius Kabi as head of global drug safety, and one of my sons is training in Marburg and the other is studying in Hamburg. So as a family, we'll take turns at weekends, meeting up either in the north or the south.*

**How have the last few months been for you, amid the pandemic?**

*It was difficult not being able to meet up with friends and family or go to cultural events, and not being able to travel during the summer. Professionally, there was more to do than ever, though. At Fresenius Kabi, we make drugs for patients who are critically ill with Covid-19. One of them is Propofol, used to sedate patients on ventilation. Demand for it grew rapidly all round the world - and at the same time, logistics became more complicated, so that was a major challenge. I used to go on two long-haul trips each month, to work with my teams in the US, China or India. Suddenly, overnight, I could only have virtual meetings with them. That was fine in terms of content, but I did really miss working with them in person.*

**What are you most looking forward to at DMK?**

*I'm looking forward to the new company, new colleagues and the chance to learn new things. I want to use my professional experience to contribute to the success of the baby food Business Unit. DMK has two great brands with Humana and Alete. And the foundations have been laid for future growth, with the investment in Strückhausen. The conversations I've had so far with DMK's management and colleagues show that ambition, the will to succeed and a positive corporate culture all go together. That's what made me switch to DMK.*

**How are you finding this phase between the two jobs?**

*On one hand, I'd like to start tomorrow. On the other hand, I promised Fresenius I'd run my area professionally until the end of the year so things are in order for my successor. That's my plan. After 20 good and fruitful years at Fresenius, I think that goes without saying. Also, I have to admit that saying goodbye to coworkers who I went through a lot with is tougher than I thought.*

**How would you describe yourself to your new coworkers in the baby food unit?**

*These three things matter to me most. **Firstly**, I work for people, with people. **Secondly**, I always have a firm eye on the future, and data and figures are key when I'm making decisions. And **thirdly**, I want to win with my team and I'm looking forward to January 2021.*

## The new Alete - more modern, more authentic, more aware

**Alete<sup>®</sup> bewusst**

“Alete aware” helps young families to provide healthy nutrition for their babies and children. The brand is now being fully revamped

**For 85 years**, Alete has been known for high-quality baby food. It's Germany's second-best known baby food brand and has been part of the DMK family since 2019. That marked the beginning of a new era. Alete is now known as “Alete bewusst,” meaning Alete aware. Naturally good for us.

“Our range supports parents in introducing healthy eating habits early on, and provides the foundations for nutritional awareness later in life,” says Christoph Esch, General Manager Humana Sales at the DMK Group. The importance of this can be seen in just a few figures: Some 15 percent of

children between the ages of three and 17 are overweight, while six percent are obese. Mothers, meanwhile, are worried and are calling for sensible, healthy nutrition for their children. Alete aware products seek to meet this need. They offer moms valuable tips and inspiration, while exciting kids about healthy eating from an early age.

The new brand message “Naturally good for us” triggers two important emotions. Firstly, the sense of “us” in a young family bonding together and looking for direction in a new phase of life. That's exactly what a strong brand like Alete aware is offering – making purchasing decisions easier. Secondly, the brand message emphasizes natural ingredients. “Alete represents decades of nutritional expertise,” says General Manager Esch. “This relaunch

makes Alete into a modern brand for child nutrition

that helps form youngsters' tastes, through carefully selected, healthy ingredients. We've enabled the product to be repositioned in line with DMK's strategy.”

Almost 80 percent of Alete's products are already made with **reduced sugar**. None of the products contain palm oil and every jar and every bar is organic quality. And the range is set to expand for children who are a year old, with new tomato and spinach pasta, and two new sauces – all organic quality – to keep youngsters feeling full and happy. Alete has also expanded its range of products for kids age three and upwards, with organic soups and stew. The brand has had a thorough overhaul, and now has a smarter logo, design, product portfolio and a new presence online.

The [www.aletebewusst.de](http://www.aletebewusst.de) website went online at the start of October 2020, and is a conscious step forward, displaying all that the brand stands for: modernity, transparency and authenticity.

**Delicious and chosen with care:**

Alete aware products get youngsters excited about healthy eating from an early age.





NORLAC

## New Normi calves milk: Modern feed makes for healthy growth

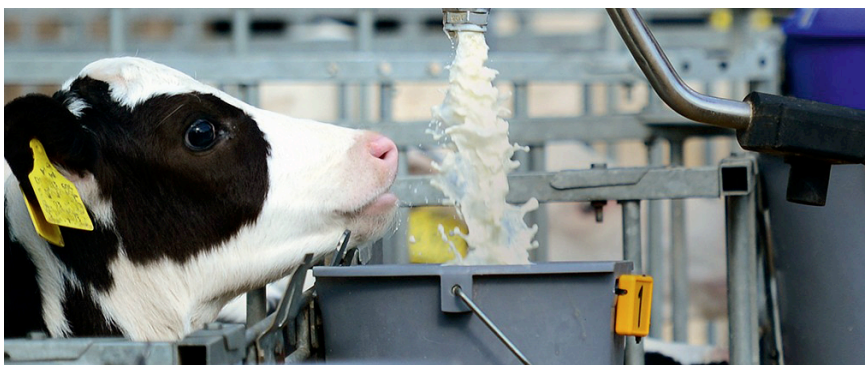
Normi's new FIRST CLASS calves milk provides almost as much nutrition as whole milk powder – benefiting animals and farmers alike

Modern calf-rearing focuses on the animal's needs as only by meeting these can a healthy calf grow into a productive dairy cow. So NORLAC spent the last three years developing a milk substitute that's almost as nutritious as whole milk powder. They created NORMI calf milk FIRST CLASS and it has some impressive properties, **starting with more milk protein.** With a

high-quality skimmed milk content of 55 percent, supplemented with special whey protein concentrates, the milk protein content is 25 percent. That combination ensures optimal nutrient absorption and means it's easily digestible. **Secondly**, homogenized **25 percent fat** content is significantly higher than in previous products. FIRST CLASS disproves the old belief

that calf milk cannot contain high fat levels. When the calf sucks the milk, saliva forms – a little like foam. This saliva flow is important as it contains an enzyme that aids fat digestion, so calves don't have digestion troubles even with the higher fat content, as they are able to digest it. The fat is not only a natural source of energy but also supports cell growth and hormone balance.

Ideally, feed using a firm teat – it may take longer, but is better for the animal's health and development. Tests showed consistent improvement in terms of daily weight gain and resilience. And the product is also easy to use: NORMI FIRST CLASS calf milk can be stirred up even at low temperatures, making it easy for all feeding methods.



**NORMI calves milk FIRST CLASS** helps healthy calves become productive dairy cows. It is uncomplicated to use and is suitable for all feeding methods.



UNIEKAAS

## Grated cheese is great for efficiency

Market launch 2020: Uniekaas is providing new recipes for grated cheese, to make more effective use of offcuts

The quantity of offcuts has increased over the past few years, as production volumes rise. To make better use of the perfectly good product, the company worked with customers to develop several recipes for grated cheese. The first creations reached the market in autumn 2020 and more are set to follow in early 2021.



DP SUPPLY

## Toppics 310 – the first vegan, protein-free whipped cream

Unlike other vegan products, this new instant whipped cream does not contain any allergenic substances. A patent is pending

This is where healthy eating meets sustainable ingredients: DP Supply's Toppics 310 is the first whipped topping to be entirely vegan and protein free. Many vegan foods contain allergens such as soy wheat or peanuts. Now, thanks to Toppics 310, you can make whipped cream or a light baking cream without such additives. The product also

meets the food industry's need for a product that is both airy and firm. Anyone who is unable to eat products containing dairy or protein for health or religious reasons can now whip up Toppics 310 together with cold water, and they'll have a firm, neutral-flavored topping in just three minutes. A patent is pending.



NEW MARKETING

## Focusing on the person

The Industry Business Unit is advertising with black and white photos accompanied by a hashtag that reads “the binding ingredient.” What's that about?

**The binding ingredient – what does that mean?**

*The way we work together, in all its dimensions, is the heart of our work, from our connections to our farmers with their raw materials, to our customers with their products and to the other DMK Business Units – at the Industry Business Unit, we make products and act as a service provider. And not least, our employees, each of whom also has their own connections. We want to strengthen this sense of togetherness and make it tangible, internally and externally, to customers. That's what we mean with that phrase.*

**The campaign pictures don't only show products, but focus above all on people. Why's that?**  
*Because it's always people who transform a raw material into*

*a product. They are the binding ingredient: If milk becomes a special ingredient, that is because people developed, planned, produced, marketed and sold it. We wanted to shine a light on the people behind the products, and draw attention to them.*

**What are you planning next?**

*Step by step, we will keep rolling out this campaign – mainly at and with our customers. And we're also in the process of growing closer together – within Marketing, in our Industry Business Unit and where we interact with other parts of DMK. We're thinking beyond products and towards categories. We see the #bindingredient campaign not only as a marketing strategy but also as a guideline for our daily work. Together, it makes us even stronger!*



**Dr. Annika Schrader**, Director Marketing, Industry Business Unit.



# „Every CHEESE

**has its own  
character.  
I find that  
fascinating”**



**Mrs. Manteufel-Siaty, you trained to become a cheese sommelier. What does that mean, and what made you become a cheese sommelier?**

*I've always loved cheese. In September 2012, when I started working for DMK, going round the counters, I realized that some people were cheese sommeliers. I realized I wasn't at that level, so I wanted to get some additional training in my free time. Luckily, my boss became aware of that and saw it as a real advantage for me professionally and also for DMK. He enabled me to take part in a two-week training course, fulfilling a long-held dream.*

**What exactly does a cheese sommelier do?**

*It's similar to wine. I make recommendations, I consider the texture, taste and structure. I look at where the milk comes from, and how it has been prepared, processed and matured. Every cheese has its own character. I find that fascinating. I'm always learning.*

## IN PERSON

Diana Manteufel-Siaty (60) is a trained sales manager and has been working for DMK since 2012. She is now regional manager for the Bremen, Osnabrück and Ostfriesland regions. She trains coworkers in the Food Service who work in cooking and catering.

Cheese is Diana Manteufel-Siaty's great passion. As a cheese sommelier, she knows all about how it's produced and tastes. She reveals how to recognize a good cheese – and names the one kind she's never dared to try

**As a layman, what should I consider when buying cheese?**

*Take a close look at the appearance of the cheese counter. What's important is not the number of varieties – I don't believe in that. What counts is how much care is taken, of the counter and the range. The next question, of course, is what you need the cheese for. What are the right flavors? Do you have any allergies? It's really important that you get a chance to taste the cheese. And at a good cheese counter, the staff will advise you.*

**What was your strangest experience?**

*I immediately thought of my chilli cheese story. It was in my shopping that I'd unpacked onto the table. I nipped back out to the car to get the last few things. By the time I came back, my cat had eaten half of the cheese. I was really worried, as I know that chilli can be hard to digest, even for people. Let me put it this way: my cat survived. Mite cheese is also pretty strange, I find, with living mites crawling through the cheese. That's the only cheese I've never ventured to try.*

**Do you have a favorite cheese?**

*Not really. I can always eat Sylter and Müritzer. There's an Espresso cheese from United States which I really like, but only for dessert – and just a small piece as it tastes so powerful.*

**Ingredients  
for approx.  
100 g  
butter**



## Do it yourself Sweet cream butter

Now it's cold and rainy outside, it's hard to imagine life without butter, and all the countless ways you can enjoy it. Here is a recipe with just one single ingredient

**\* To make it last longer:**

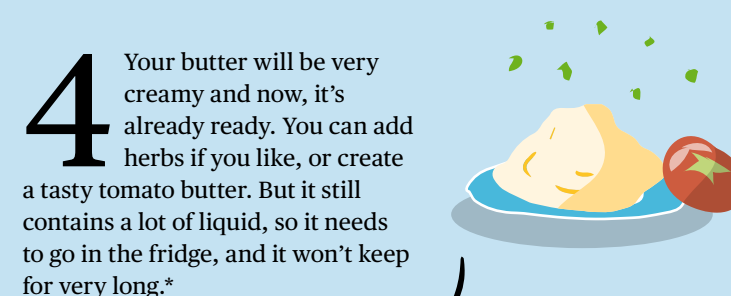
Put the butter back in the jar and pour ice-cold water over it. Shake the glass until the water turns cloudy, to release any remaining buttermilk. Drain it and repeat the process until the water almost runs clear. Place the butter in a clean cloth then wring it out to remove any remaining liquid. It should last at least one to two weeks in the fridge.



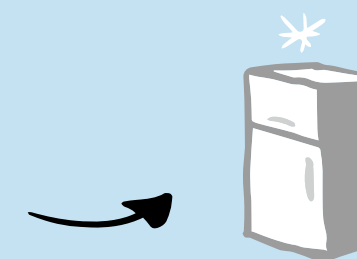
**2** Shake the jar for at least three minutes, until a lump of yellow butter forms. The aim is to separate the fat globules in the cream from the liquid.



**3** Take the sieve and pour through the liquid. It's buttermilk and you can drink it right away or save it to use in a soup, for example.

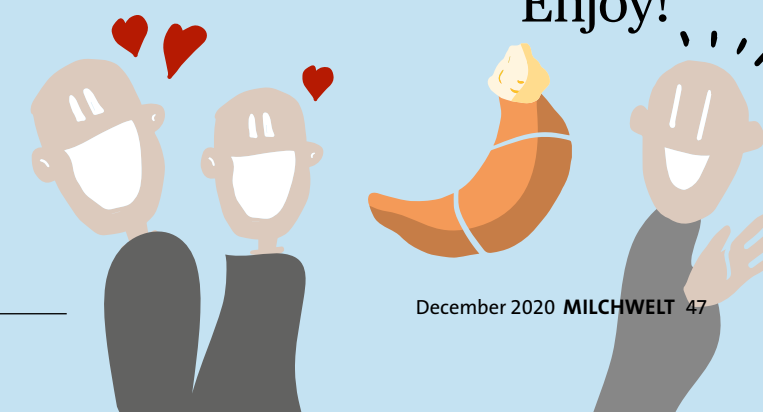


**4** Your butter will be very creamy and now, it's already ready. You can add herbs if you like, or create a tasty tomato butter. But it still contains a lot of liquid, so it needs to go in the fridge, and it won't keep for very long.\*



**5**

**Enjoy!**





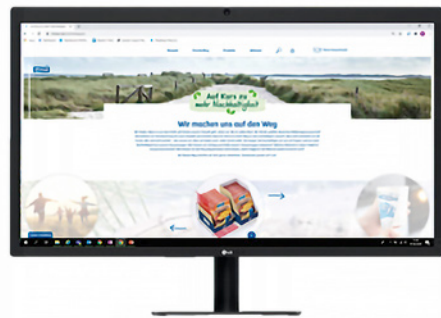
## NEWCOMER TO THE RANGE

## Full power ahead for Northern Light and Caraway cheese

There's a breath of fresh air in the MILRAM range, where Northern Light, a mild spicy cheese, and Caraway cheese are replacing the Rügen and coastal cheeses. Both varieties are the first with the "Too Good To Go" campaign logo.



## Environmental protection is writ large at MILRAM



## MILRAM ONLINE CAMPAIGN

## We're fighting for sustainability

Environmental protection is close to our hearts at DMK and MILRAM. We're defining key future issues for the brand at [www.milram.de/nachhaltigkeit](http://www.milram.de/nachhaltigkeit), including

reducing the amount of packaging we use, and protecting environmental resources. MILRAM is also focusing on making products more recyclable.

## FOR THE ENVIRONMENT

## We're leaving the lid off

**MILRAM goes topless:** The lid of a 500-gram pot of yoghurt makes up 18 percent of the product's plastic packaging. As of September, MILRAM's natural yoghurt with 1.5 percent and 3.5 percent fat will be sold without a plastic lid to protect the environment and be more sustainable. We're going to leave off the lid and protect the product with foil instead. There are no plans at present to use MILRAM's own reusable lid.



**Less plastic:** Follow the QR code for more information.



## SAVING FOOD

## "Too Good To Go"

**The numbers are alarming:** In Germany, every second person confuses the best before date with the expiry date. Year after year, up to 18 million tons of food is thrown away, mostly by households. That's why MILRAM has decided to join the "Too Good To Go" campaign and is including its symbol on the packaging of all goods for retail sale. It encourages consumers to look, smell and taste a product to make up their minds wheth-

er it is still good. "The modern handling of our products often keeps them fresh for much longer than is guaranteed by the best before date," says Nicole Peiler, Marketing Director Brand Retail at DMK.



## LINK

More about sustainability at: [www.milram.de/nachhaltigkeit](http://www.milram.de/nachhaltigkeit)



## EU INITIATIVE

## Turning milk into drinking water? It's doable.

DMK's Edeweicht site is finding ways to reduce water consumption as part of the "B-WaterSmart campaign"

Some German towns experienced water shortages in summer 2020 - but it was clear even beforehand that it's crucial to use water wisely. DMK and the Oldenburgisch-Ostfriesische water association (OOWV) are now carrying out a case study as part of a European Union research initiative called "B-WaterSmart." The researchers are looking for ways to reduce drinking water consumption in different parts of the economy.

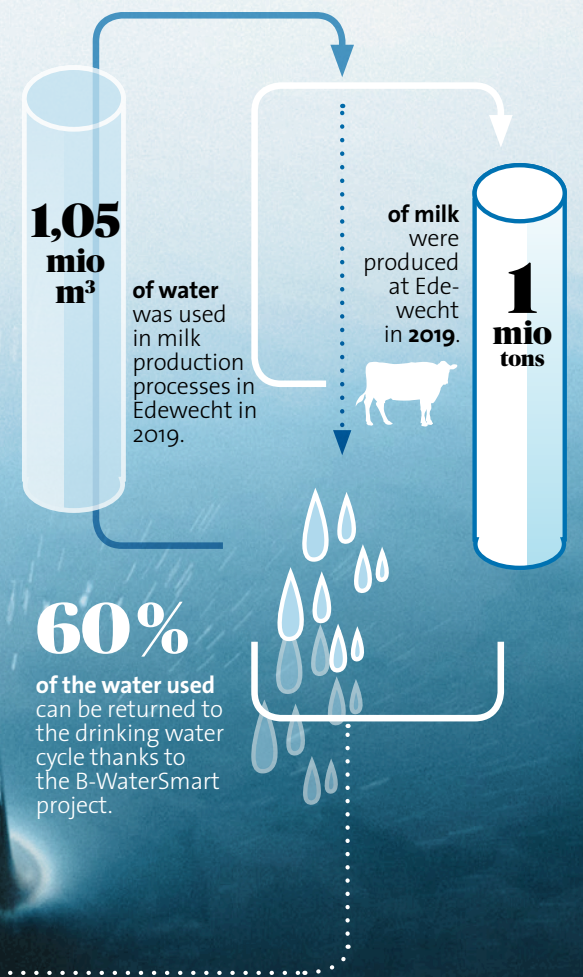
At the DMK site in Edeweicht, the plan is to treat water that is extracted from milk in certain processes in order to achieve drinking water quality, and reuse it. "By using treated water, we see enormous potential to reduce our consumption of drinking water and so save groundwater," says Oliver Horstmann, water and environmental protection officer at Edeweicht. He is working with a plant engineer to develop and run a pilot system.

The project needs to develop a process so that the treated water reaches the same quality level as drinking water, meeting legal standards

so that it can be used as a substitute in dairy processes, says Horstmann. He and his partners want to prove that the ambitious project is technically feasible. If it works, he hopes the process could be used at other DMK sites involving drying. It is not the first environmental project for the DMK plant at Edeweicht, which was named a lighthouse project by the German Energy Agency in the summer, thanks to a set of measures to increase energy efficiency including by reorganizing and optimizing all thermal processes. The "B-WaterSmart" initiative is part of the EU's "Horizon 2020" program which has a budget of 15 million euros, a fifth of which go to Germany. All together, 36 project partners are joining the initiative to optimize water use, from eight countries, over the next four years.

## EU-Initiative

People at six locations in Europe are trying to find ways to deal more responsibly with drinking water, including at DMK's Edeweicht site.





# Live from the DMK video studio

This time, the 2020 Representatives Assembly was completely virtual. Here are the key messages:

Cameras, spotlights and a room full of broadcasting technology - this year, the DMK Representatives Assembly was dominated by the coronavirus. Rather than holding a large event with hundreds of participants, DMK held a virtual meeting, using a professional video studio in Bremen so representatives could follow the speakers' presentations on their PCs, laptops or smartphones. CEO Ingo Müller was keen to provide as much transparency and continuity as was technically possible, despite the difficulties during this year of crisis. "So far, we have steered our way through the pandemic not by being reactive but by being proactive," he says. Besides introducing digital technology, DMK was quick to react in other areas too. Supplies to supermarkets were swiftly ramped up by 30 percent at the start of the lockdown in order to meet the surge in demand. "DMK proved to retail customers that it is a reliable supplier at the time when people were panic-buying, creating sudden bottlenecks."

## Baby needs to develop

Besides discussing the crisis unleashed by the pandemic, the speakers also reviewed the 2019 financial year, including several major challenges for the DMK Group: The Strückhausen plant, with capacity for more than 20,000 tons of baby food, started operations. Further further strategic activities in that Unit included the acquisition of the Alete and Milasan brands. The Alete brand has just been refreshed and Milasan's milk powder is set to appear next. Abroad, too, in markets such as Italy, the baby products business is delivering strong results. However, the focus on growth was more challenging than expected for the team. The division did not post a profit last financial year - also due to high investments - and is not expected to do so in 2020. "Baby food is a real growth market, but we aren't on the ball there as

much as we could and should be," said DMK CFO Dr. Frank Claassen. Ingo Müller also said this was not acceptable, given the positive development of sales and profit on the market overall. In order to change, project teams are working on making logistics and production more efficient, strategic partnerships with third-party suppliers, higher capacity utilization of the plant and using the Alete brand. Employees are also to be integrated more closely into processes.

## Investments will pay off

In all of its activities and challenges, DMK is profiting from a growing sense of unity. "Our colleagues are living solidarity and team spirit, even if much of that is being communicated virtually right now," said Müller. Frank Claassen also emphasized how well DMK has come through the crisis so far. "We have become more efficient internally, cutting costs and putting the brakes on investments." The company has been optimized in many areas, from the spray tower starting operations in Beesten to the sale of the Ice Cream Business Unit's plant in Haaren to the Schwarz Group. And DVN, previously a DMK Group joint venture, has now been successfully transferred to wheyco's whey business in the Netherlands and is profiting from a growth market. That is not all: Two locations have been rebuilt to fulfill the growing demand for mozzarella products, together with ARLA and RFC. In Russia, the DMK Group has built a new cheese factory. The Rügen site has been shut down. "All these measures depressed earnings and the milk price in 2019 - we were juggling a lot of balls all at the same time," said Müller. CFO Dr. Frank Claassen said, "This year, too, it has been a tough journey up until this point and





it will continue to be bumpy - but we are doing everything that we can to make our size into an advantage, with greater power and efficiency." Thanks to the measures completed so far, the company is better placed for 2020. "This year, one of our interim targets is to reach the 11 average," says Müller, referring to the average milk price of 11 comparable dairies. In 2019, the payout price was 0.8 cents per kilo below that average.

#### The sector speaks with one voice

Last but not least, the dairy industry is still battling with gloomy headlines, consumer skepticism and growing demands on production. Now, more than ever, it is important for the sector to speak up with a united voice, so DMK has been focusing on industry communication. "What we need in the future is to have a strong voice in our dialogue with consumers, politics and the media," says Thomas Stürtz, Chairman of the Cooperative Management Board. Industry communication should play a decisive role in helping people recognize milk as a high value product. The aim is to improve its image, and excite young people about dairy products.

#### Internal dialogue is important too

DMK Group's dairies supply the populace with a broad range of products. "Dialogue and solidarity are the heart of a cooperative," Supervisory Board Chairman Heinz Korte said in his concluding statement. For him, the food sector is of systemic importance but it not automatically self-sustaining. The current milk price is not sufficient to finance the investments that are needed on farms, he said.

He ended the meeting by calling for criticism and feedback, saying this is the only way that DMK can continue to develop. Throughout the meeting, attendees were also able to cast their votes, after these were postponed in the summer due to the pandemic.

#### LINK

Watch the **video** via the QR code or at: [www.dmk.de/was-uns-bewegt/aktuelles-zu-corona/#c16209](http://www.dmk.de/was-uns-bewegt/aktuelles-zu-corona/#c16209)



## "We can influence this ourselves"

The second wave of the pandemic is leading to additional security measures. Hermann Köster describes the challenges and the opportunities

**Hermann Köster,**  
COO DMK Supply  
Chain Management



#### Germany is experiencing a second wave of infections. Is DMK ready?

*The past few months have taught us a great deal and even before Germany's second lockdown, we had tightened our hygiene precautions and improved communication within the Task Force. We're also focusing on protecting our supply chains to ensure our customers can keep relying on goods deliveries, and that we can keep collecting milk from our farmers and keep processing it at DMK facilities.*

#### What were DMK's biggest challenges so far?

*Germany's states imposed very different restrictions to prevent the virus from spreading, making the time before the second nationwide lockdown particularly challenging, as we tried to create consistent guidelines to apply to all of our locations while staying flexible. Initially, different regions and locations faced different situations, not all were affected the same way. We found a way that worked for everyone, and managed to protect DMK as well as possible before the nationwide lockdown. It was and remains a challenge that we have loca-*

*tions in different countries. The virus is also spreading at different rates, so we are trying to balance responding to individual measures while keeping everyone informed across the board. Furthermore, our measures affect not only our employees but also companies that are working for us - so health guidelines were and are needed for construction at our plants, and everyone involved needs to be informed. And we needed to get texts and documents translated into more than 10 languages so everyone could understand everything.*

#### How can employees help?

*They can continue to do what they've done so well so far: keep social distancing and following the health and hygiene rules. This is not being overly cautious, but a sign of solidarity. Those who follow the rules are protecting others and thinking of their colleagues. So it is thanks to us that we have come through the pandemic so well so far. That is the good thing about it - it is something we can influence ourselves.*

#### Of the measures the company introduced during the first

#### wave of infections, which ones are helping DMK most now?

*Many of the measures we introduced in spring are having an effect now - and they have also become learned behavior. That includes wearing face masks, the ban on travel and visiting, keeping in-person meetings to a minimum and working remotely, where possible. Suddenly switching to remote working in spring went really well, so those employees who can are likely to continue working from home, in order to keep contacts to a minimum.*

#### How are employees responding?

*They appreciate the clear rules - that is something some people wanted. Nonetheless, it was and remains a very demanding time and we thank all employees who have helped us get through this crisis so well so far - they have really kept the company going. What's important now is to persevere, keep pulling together and to go an extra meter where you can. For each and every single person, my hope is that you stay healthy through the winter months and take care of each other. Together, we'll get through it!*





**Dennis Schierenbeck,**  
IT Systems Specialist, Seckenhausen.

*“My family and I are doing well so far despite the pandemic, though I do miss my friends and colleagues. I am working from home, except for a small number of on-site appointments. Despite all the difficulties, it’s great that we managed to enable staff to work remotely and introducing Microsoft Teams is really helping to make that a success. I’ve been impressed by how easy it’s been to combine work and family life – and as a company, I feel like we are all pulling together.”*

## CORONAVIRUS

# How are you doing?

In the last issue of Milchwelt, DMK farmers and employees shared how they were handling the crisis, personally and professionally. Ten months later, we asked them for an update



**Luisa Wagner,**  
Farmer, Ringgau-Datterode.

*“We are still doing well and are hoping that everyone will stay healthy. I completed my agricultural business manager training, so am fully integrated into work on my parents’ farm. Not much has changed over the past few months in terms of how people view agriculture. But we were always really happy to welcome visitors, young and old alike, to our farm! Kids still come to look around and stroke the cows and calves. They’re a real sign of how important it is to give people a realistic view of farming. Readers need to question negative media reports, and people should come and pay a visit, and form their own opinion. The pandemic is also an opportunity, as many companies have taken the time to try and answer shoppers’ questions about food.”*



**Alberta Bruno,**  
National Account Manager,  
Humana, Italy.

*“I always think that the glass is half full, rather than half empty! That thought kept me going through the crisis, even though it was an unsettling time. Over the past few months, I thought a lot about how I approach things and it’s changed a lot. Overall, I think I have a better work-life balance, am more productive, can concentrate better on demanding tasks, have improved my communication skills and have gained a better overview of my time planning. On the downside, I really haven’t done much exercise. Often, it was easy to have a snack while working from home, and that means I’ve gained a few kilos. What was worse was wishing I could see my team. I miss the interaction. I’ve been spending half of my time at the office and half at home since July. The first thing I did was bring my personal belongings back into the office.”*



**Hanneke Ensink,**  
System Controller, DOC  
Kaas, the Netherlands.

*“We’re doing well, the children are in kindergarten, so we’re better able to separate work and family life again – juggling both is still a painful memory. At the start, I thought we would manage it all, and that it would be if one of us got up early, and first one of us worked then the other, and we took turns to take care of the kids. Unfortunately, we had more and more difficulties with that. Someone complained as the children came to the office occasionally while Kai was working (he’s head of department at QM). Sometimes we both had a work appointment at the same time, so one of us took the kids to work, and people said they were “disturbing them.” That was demotivating and I realized how draining the situation was. On the positive side, many colleagues were understanding and supportive. My husband and I are both still working remotely a lot so that gives us more family time as we don’t have to spend an hour commuting to work anymore, which was stressful. Kai is in Bremen once or twice a week, depending on his schedule and I’m there once a week. That means we can have personal exchanges, even if it’s only talking about the little things. Also, at work I have two monitors, so I’m better equipped, in technical terms.”*

*“It’s been 10 months since the pandemic first broke out, and I’m doing very well. For a while I was working two days a week in the office and three from home, but now I’m back to working completely from home. In the office I try to attend as many meetings as possible, but that isn’t easy as we aren’t allowed to all sit in the same room. Meetings via Team are becoming more and more efficient, even if it’s better to do the fine-tuning face to face. I’ll be working remotely several days a week in the future so that might change the way I do parts of my job. At home I’m busy renovating my new house and I spend a lot of time on that during weekends. Now I can go ahead with it, the renovation project is bigger than I initially planned. So I’m living with my parents at the moment. They and my nephew are all well, luckily, as they are in a risk group so I was worried. I have to say, it’s nice that food is ready as soon as I come home! It’s also great to have someone to talk to. I’m going to miss that!”*

**Lena Heptner,**  
Quality Management Customer Service,  
Bremen.



## CORONAVIRUS MEASURES

### Social distancing

Stay at least 1.5 meters apart. Signs to show this distance, or plexi-glass panels for example, should be in place where necessary.

### Procedures

Direct contact between employees should be reduced as far as possible! Organizational measures should minimize contact during shift changes, breaks or when people are in the office, and work schedules should be designed to keep contact to a minimum.

### Further hygiene measures

Hand-washing facilities or sanitizer dispensers should be placed at the entrance/exit and near workstations to ensure hand hygiene. Shared rooms, company vehicles, equipment, machines and other shared surfaces must be frequently cleaned and disinfected to prevent infection.

### Tea kitchens

... canteens, staff break rooms, coffee machines, vending machines may all be used if people follow social distancing rules. Put used dishes in dishwashers immediately. Sanitize your hands before entering these areas.

### Meetings

Minimize in-person attendance at internal and external meetings as far as possible, and switch to technological solutions such as telephone or video conferencing instead. If a meeting is necessary, ensure attendees remain far enough apart.

### Elevators

Face coverings are required if people use the elevator together – and they should only be filled up to 25 percent of usual capacity.



Your contact to the editors

Your contact for all MILCHWELT-related topics



**OLIVER BARTELT**  
Global Head of Corporate Communications  
+ 49 421 243 – 2310  
oliver.bartelt@dmk.de



**KATRIN POPPE**  
Internal Communications Manager  
+ 49 421 243 – 2143  
katrin.poppe@dmk.de

**DMK DEUTSCHES MILCHKONTOR GMBH**  
Flughafenallee 17,  
28199 Bremen, Germany

**Service for Employees**  
Hotline for employee issues, such as pension scheme, parental leave, labor contracts

**FIRST LEVEL SUPPORT**  
Monday to Thursday, 8 am – 4 pm  
Friday, 8 am to 2 pm  
+ 49 428172 – 57100  
mitarbeiterservice@dmk.de

**MILCHWELT INTERNATIONAL**  
Alongside English, MILCHWELT Magazine is of course available in the original German language and also in Dutch. You can find all the editions available for download as PDFs at [www.milchwelt.de](http://www.milchwelt.de)

Milk on Social Media



Users discuss milk on social media platforms

**TWITTER**  
[www.twitter.com/DMK\\_Milch](http://www.twitter.com/DMK_Milch)



**LINKEDIN**  
[www.linkedin.com/organization-guest/company/dmggroup](http://www.linkedin.com/organization-guest/company/dmggroup)



#cheese #breakfast, 18 October

#goodjob, 04 October

18 October

facebook, on 17 October

#teamDMK, on 20 September

Instagram, 18 October

Join the conversation!

Regional Managers of the Cooperative

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

<p><b>HELMUT ENEWALDSEN</b> Schleswig-Holstein +49 4639 / 9506-52320 helmut.enewaldsen@dmk.de</p>	<p><b>JENS RUGE</b> Mecklenburg-Vorpommern / Brandenburg +49 3991 / 154-41211 jens.ruge@dmk.de</p>	<p><b>CLEMENS NIEDERWESTBERG</b> Weser-Ems +49 5401 / 854-59132 clemens.niederwestberg@dmk.de</p>
<p><b>DETLEV BOSSE</b> Elbe-Weser +49 4480 / 81-64160 detlev.bosse@dmk.de</p>	<p><b>KERSTIN GRABARSE</b> Thüringen / Sachsen-Anhalt / Hessen / Sachsen +49 361 / 5977-16285 kerstin.grabarse@dmk.de</p>	<p><b>JULIA RIDDER</b> Nordrhein-Westfalen / Süd-Niedersachsen +49 5401 / 854 59180 julia.ridder@dmk.de</p>

**Masthead**  
**Publisher:** DMK Deutsches Milchkontor GmbH, Industriestraße 27, 27404 Zeven  
**Responsible for this magazine:** Oliver Bartelt  
**Editors:** Katrin Poppe, Birgit Lüdemann (DMK Group); Andin Tegen, Simon Pausch, Alexander von Tomberg  
**Assistant:** Anika Gaudian  
**Editor:** Dr. Agnes Przewozny (Grünes Lektorat)  
**Art Direction:** Regina Bense  
**Graphics:** Anita Ackermann, Annette Kociemski, Irene Wilhelm  
**Illustration:** Regina Bense  
**Photos:** Robin Kranz, Matthias Hornung, Christian Mathiesen, Dominik Sommerfeldt, Sebastian Vollmert, Facebook, Instagram, LinkedIn, Twitter, unsplash.com

In the media

From regional newspapers to international magazines, the media often reports about DMK. In the past few weeks, the focus was on the importance of united, sector-wide communication, and the effects of the coronavirus pandemic.

**DMK sieht sich ganz weit vorn**  
Milknews setzt auf Category Management – Als Nächstes erfolgreich – Umsatz wegen Corona niedriger als im Vorjahr

**Lebensmittelzeitung**  
**18 September 2020,**  
The DMK Group has combined its Germany business with that in other EU countries. Matthias Rensch, COO Branded Business, explains why.

**Branchenkommunikation ist sehr gut angelegtes Geld**  
Die Sektorkommunikation 2020 sieht eine Branche, die Kommunikation vor. Im Interview erklärt Karsten Schmal die Notwendigkeit. Man habe es in den letzten Jahren unterlassen, selbst über Milch zu sprechen.

**Topagrar,**  
**19 October 2020,**  
Karsten Schmal is President of the German Dairy Industry. In an interview, he calls for communication that “conveys a credible and realistic idea of modern milk production.”

**Neue Milchkommunikation?**  
Nach in diesem Jahr noch zu wenig Schmal. Nebenbei die deutschen Unternehmen unterstützen und helfen eine gemeinsame Branche, nationaler Milch auf den Markt zu bringen.

**Zwei deutsche Molkereien weiterhin unter den globalen Top 20**  
Eine absolute Bestleistung der Molkereien. Bis zum Jahr 2019 belegte die Deutsche Milchkontor (DMK) von einem Konzern von rund 1.6 Mrd. €.

**Die Milchwirtschaft,**  
**09 September 2020,**  
With an annual revenue of 5.8 billion euros, Deutsche Milchkontor ranks 11th among dairies in terms of sales, up from 13th place.

**DMK richtet Alete neu aus**  
Die neue Marke Alete ist ein Produkt der DMK Group. Sie ist ein Produkt der DMK Group. Sie ist ein Produkt der DMK Group.

**Topagrar,**  
**13 October 2020,**  
“Topagrar” presents Alete’s new brand design, and concludes “this underscores the DMK Group’s focus on the market- and consumer-oriented alignment of its business areas.”

**Fleisch- und Milchbranche reagieren auf Angriffe**  
Die Fleisch- und Milchbranche reagieren auf Angriffe. Die Fleisch- und Milchbranche reagieren auf Angriffe.

**Lebensmittelzeitung,**  
**11 September 2020,**  
Like the meat industry, the dairy industry also faces significant challenges. Only together can we manage them.



# How many stars are twinkling...

... on pages 6–55 of the magazine? They are hidden well! Send us the answer and you might win one of our sparkling prizes.

Keep your eye on these prizes:

**RACLETTE GRILL**  
**3 X**

**MILRAM WALL CLOCK**  
**10 X**

**DOC CHEESE PLANER**  
**10 X**

**MILRAM UMBRELLA**  
**10 X**

## Congratulations to the winners of our last contest:

### 1 x Uniekaas Bicycle:

Schulte Family Westoverledingen

### 1 x Landmann BBQ:

Christian Mersch Freren

### 10 x MILRAM Cool Bag:

Timo Door	Zeven
Marc Flörks	Varel
Heiko Kattenhorn	Schwanewede
Dietrich Ketelsen	Oldsum/Föhr
Erika Kröncke	Stinstedt
Mandy Möller	Prenzlau
André Müller	Elsfleth
Christian Peper	Selsingen
Gernot Sanders	Edeweicht
Quirinus van Vrouwerf	Hoogetveen

### 10 x MILRAM Stunt Kite:

Patrick Barg	Edeweicht
Joachim Hariefeld	Horstedt
Christian Kirchner	Georgsmarienhütte
Kevin Koch	Bad-Zwischenahn
Christiane Rehbein	Nordwestuckermark
Niek Rotteveel	Emmen
Eric Schmidt	Oldenburg
Sabine Schubert	Dargun
Michaela Seifert	Jork
Ruud van Zandvoort	Drunen

### 10 x Uniekaas Apron:

Ingo Begunk	Stuhr
Agatha Gonsior	Rastatt
Raphael Grimm	Bassum
Günter Gülzau	Zeven
Monika Holtmeyer	Belm
Meike Schemmel	Hohenwestedt
Jens Schiemann	Sittensen
Renate Schlichting	Cadenberge
Florian Stegemann	Hohenwestedt
Gisela Woltmann	Bülkau

**How to enter:**  
**Send in your answer**

By email to:  
milchwelt@dmk.de,  
"Contest" in the title,

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

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

**Deadline for entries:**  
January 20, 2021

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



**Easycheesy**  
Hot on cheese!

### Ingredients for 4 people

For  
fun  
moments

8 slices of rye bread (cut lengthwise)  
185g MILRAM Bruschetta quark  
80g salsiccia,  
rolled into little ball  
1 tablespoon vegetable oil  
200 g king oyster mushrooms  
Approx 30 g baby spinach  
A few leaves of parsley  
150 g MILRAM Northern Light

Preparation time: 20 minutes

## Super Soulfood Sandwich

### MAKES YOU MELT

What do you mean, winter blues? The MILRAM website offers lots of delicious recipes, with the dream combination of melted cheese and crisp bread. They're bound to put you in a good mood – as is this autumnal grilled cheese sandwich

Short days, long nights – at times like these, you need a lunch that doesn't just warm you up and fill you up but also warms your heart. The culinary answer to the chilly season is soul food. Try the Super Soulfood Sandwich: an enticing combination of tasty cheese, fresh spinach, mushrooms and savoury Italian sausage in rye bread.

Here's how it goes, in a cool 20 minutes.

**Step 1:** Spread MILRAM Bruschetta quark on the slices of rye bread. Heat the oil and fry the salsiccia briefly on both sides. Clean the mushrooms, slice them lengthwise then fry them in the fat from the salsiccia for 3–4 minutes.

**Step 2:** Wash the spinach and parsley and pat it dry. Take four slices of the rye bread and layer on the salsiccia, mushrooms, spinach, parsley and MILRAM Northern

Lights cheese, then put the remaining slices of bread on top, with the spread side facing into the sandwich. Press the sandwiches together gently.

**Step 3:** Grill the sandwich for a few minutes until the cheese melts.



**LINK**

Explore more recipes at:  
[www.milram.de](http://www.milram.de)



**One of the best entries** we received was this photograph from the von Schassen family, from Isensee. This year, the young breeder contest was cancelled unfortunately, but was replaced with a competition online for young breeders with calves.

## Dear Readers: Send us a picture **PHOTO CONTEST!**

We are featuring the best pictures sent to us by DMK readers at the beginning of the magazine. Send us your favourite photo and tell us who and what is in the picture. We would also love to hear why you like the image and what it means to you. **Save a special moment** (you can find an example on p. 6–7). Whether it's an artistic still life, a lively group shot or a moment of delight – **your creativity knows no limits!**

**Here's how:**  
Email your picture to:  
milchwelt@dmk.de Betreff  
"Reader photo"

**Deadline:**  
February 20, 2021

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

### 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!





# The first choice. For always.

At DMK, more than 14,000 people live passionately for milk every day. We are Germany's largest dairy cooperative and one of the most important suppliers to Germany's retail food sector, and our farmers, their families and our employees work together to enable us produce top-quality food at more than 20 sites. On this basis, we work together every day on our goal of being the first choice for dairy products of natural origin for consumers in every phase of their lives.