



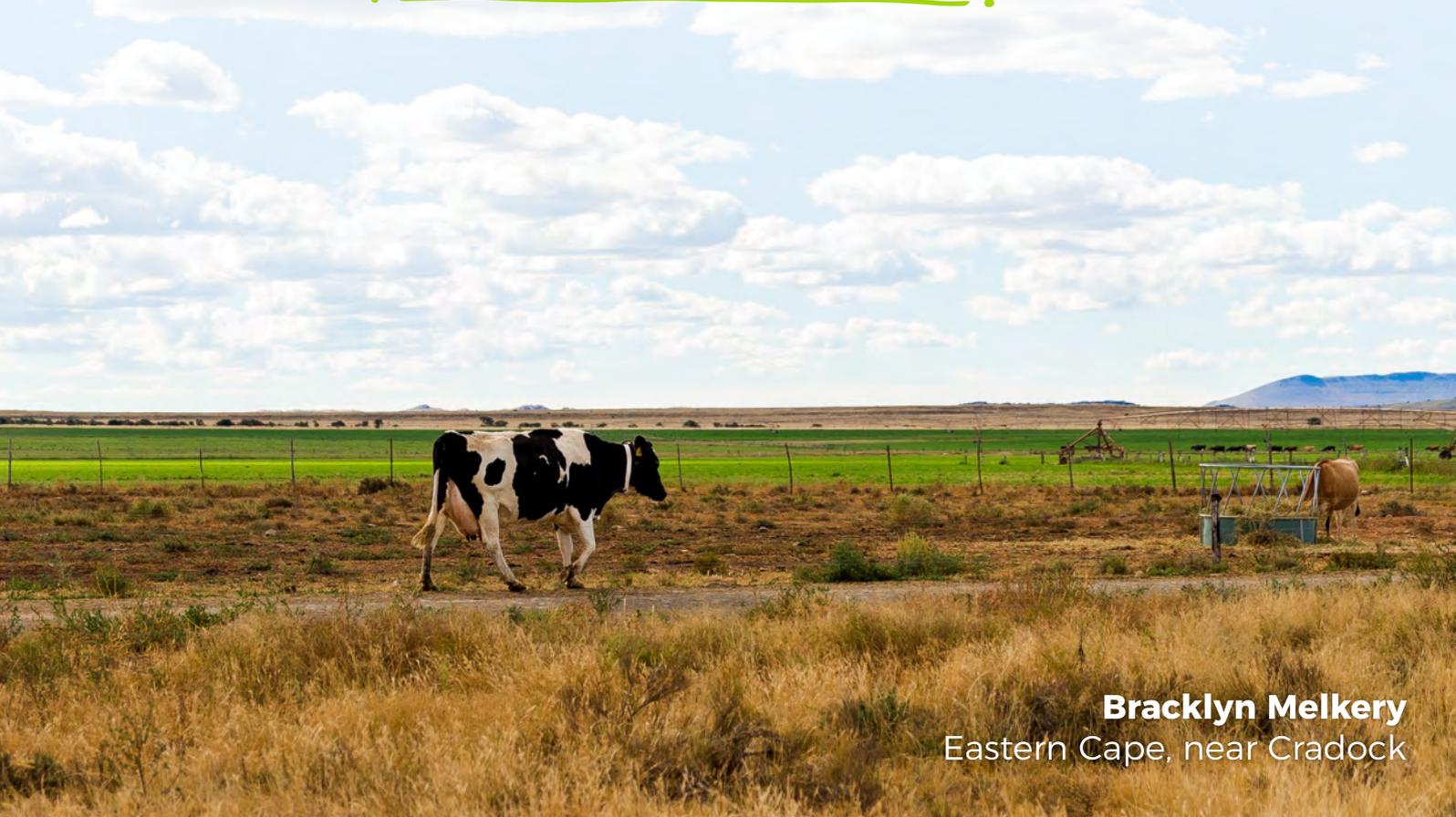
# SILUBISI



*it's about milk. it's about life.*



DAIRY GROUP'S NEWSLETTER



# Message from our CFO



**Jaco Hooghiemstra**

*Chief Financial Officer*



Over time, it is not the strongest or the cleverest that survive, but those who can adapt most successfully to an unpredictable environment.

Even though Dairy Group is a young business, it carries great responsibility as the largest milk buyer in South Africa. The company represents a major segment of the country's dairy industry. As an emerging business, Dairy Group is advantaged to start afresh by putting technology and systems in place that are much more aligned with the modern era. Often, there is a perception that established businesses are more stable and secure. In my opinion, this is not necessarily true.

For example, in 2001 there were more than 600 companies listed on the JSE. Currently, there are only 344 that remain listed.

Looking at the Dairy Group toolbox, we see that we have the fundamentals to build a successful business:

- A resourceful pool of dairy farmers
- Beneficial relationships with trade
- A dynamic workforce

#### **What are we still cultivating?**

**Capital.** Any growing business needs funding to fund its capital expansion and day-to-day operations. A good capital base helps the business to weather turbulent times, especially in commodities.

There are a couple of ways in which emerging businesses accumulate capital. The most common is the capital contribution by its shareholders, in one form or another. A company can also accumulate capital by making and retaining profits. Dairy Group's formation has already laid the foundation for a strong capital base. Now the short-term goal is to retain as much profits necessary to fund the company's growth aspirations and to create a stable business in the long run.

**"It is only when the tide pulls back that you see who was swimming naked,"** said Warren Buffet. Good economic times disguise many inefficiencies in a business. It is only during tough times that we discover the businesses that possess enough tenacious resources to survive the storm.

# Meet Your Executive Team Members

Each Silubisi issue offers Dairy Groupers the opportunity to get to know one of your executive team members on a more personal level. For this issue, we asked **Ilana de la Rey**, Dairy Group's **Operations and Quality Executive**, a few questions.



## What motivates you to wake up and go to work?

Every morning offers a new beginning and a fresh opportunity to improve on my efforts of the previous day. As a person who pushed herself to always be an A-student, I still set extra challenges for myself every day to tackle and accomplish. If not achieved on that day, I will start again afresh the following day.

## What do you do at the company?

I am tasked with spearheading quality product development, as well as managing efficient operations at all Dairy Group's production facilities.

Ultimately, my aim is to instill confidence with our stakeholders in our product offerings, while working to accelerate the company's growth strategies.



**I have a passion for empowering people and developing human potential. At work, I enjoy driving continuous improvement and encouraging the implementation of new technology.**

**Ilana de la Rey**

## What has been your favourite project so far?

**My biggest and most exciting 'project' was to leave Clover after 22 years of loyal service to join the newly formed Dairy Group. After being called a 'lifer', I took a leap of faith and jumped. I can't wait to see where this new journey will take me.**

## What's something most people don't know about you?

One can say that I love both my dancing shoes and a DIY drill! I took Ballroom and Latin dance classes which I enjoyed immensely. I am also not afraid to take hold of a drill or grinder to do DIY tasks at home. From tiling through to painting or fixing a blocked drain – I always have a backup plan to fix anything myself.

### What books are at your bedside?

I love a captivating thriller. I believe life is too short to read bad books and the writer's style must grab my attention from the first page. Currently there are no books gracing my bedside table, but as soon as the dust settles on my new life in PE, I will tackle 'The Girl with the Dragon Tattoo' by Stieg Larsson.

”

### What interests do you have outside of work?

I have a fear for water and I believe strongly in facing my fears. Hence, I took a diving course and am now a registered rescue diver! I still feel the fear in my stomach when I first hit the water, but my studied skills help to overcome the initial panic. Now that I am here in PE, I would love to dive more often and even go for bungee jumping at Bloukrans!

### Tell us a little bit about your family.

I was very close to my Grandfather who was a baker by trade. I have his baking paraphernalia at home and my heart warms every time I see his little baking scale. My extended family is large and my days as a child were often spent with many a cousin on visits to our farm in Standerton in Mpumalanga.



# New Executive Appointment



**Francois van der Walt**

*Marketing and Technical Executive*

We are pleased to announce the appointment of Francois van der Walt as Marketing and Technical Executive of Dairy Group effective 1 April 2021.

Francois holds an MSc in Microbiology, as well as a BSc Food Science degree. This equipped him with strong technical knowledge of the chemistry and microbiology embedded in several product categories, as well as engineering solutions needed for various dairy and beverage products. Francois has extensive experience and exposure to various business operations and levels, including marketing, supply chain (mainly operations), quality control and assurance, safety, continuous improvement

methodologies, operational risk management principles, product and packaging development, plant commissioning, project management and legislative environments. He is a passionate leader with a love for change management and the development and growth of people. During his time at Clover, he received various Directors awards in business programs, including the Super Nova award. He is also a Golden Key Honour Society member.

**As such he is well placed to guide our marketing and technical strategies through the exciting opportunities ahead. We wish Francois every success in his new role.**

# Clover UHT and Clover Ultra UHT Milk Improved Packaging for Sustainability

We are excited to announce the roll-out of our improved packaging solutions across the Clover and Clover Ultra UHT milk ranges.

Our upgraded packaging is in line with Dairy Group's goal to take responsible ownership in the manufacturing of eco-friendly recyclable goods.

**TOGETHER, EVERY DAY AND IN EVERYTHING WE DO,**

*we work to reduce our impact on earth's fragile environment.*

The marketing awareness campaign, under the tagline "**NEW PACKS, SAME GREAT TASTE!**", rolls out from mid-April to June 2021. The messaging highlights that, although the packaging looks different, the UHT milk inside stays unchanged with the same taste and nutritional benefits as with the old packaging.



All pack changes will have **zero interruptions** to daily operations:

- No barcode changes on the packaging
- No changes to order configurations
- No pack size changes

The **improved packaging** facilitates:

- Production efficiencies
- On-shelf aesthetics
- Optimised retail shelf space
- Less impact on the environment

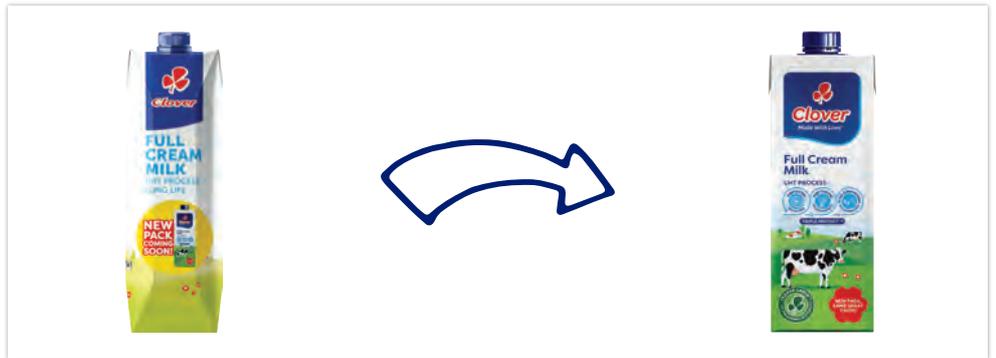
Here are the changes you v

# CLOVER UHT



Milk

1L Prisma  
↓  
1L Square



500ml Slim  
↓  
500ml Square



500ml Squat  
↓  
500ml Square



# Product Improvements

will be seeing in the shops:

# CLOVER ULTRA UHT



Milk

1 L Slim  
↓  
1 L Edge



500ml Slim  
↓  
500ml Square



# Accompanying on-pack claims

The new packs now proudly display the following claims:



## THE NEW SQUARE PACK:

- Uses -11% less packaging material compared to the previous Prisma pack.
- Uses -8% less plastic compared to the previous Prisma pack.
- Is made of 64% renewable material.



## UHT TRIPLE PROTECT

- 1 Clover's unique pre-treatment method, including centrifugation, removes 100% of the milk's impurities, reduces bacteria by 90% and enhances the quality of the milk. The milk is heated to  $>138^{\circ}\text{C}$  to completely remove all remaining bacteria.
- 2 Before the milk is packed, it is deep cooled to  $<4^{\circ}\text{C}$ . This ensures that nutrients and protein content are preserved.
- 3 The milk is packed in a closed filling line where there is no exposure to bacteria. To achieve maximum protection, sterile hot air of  $>100^{\circ}$  degrees is injected to create a clean and sterile chamber. This maintains the milk's integrity and ensures that there is no contamination during the packing phase.

# Pre-awareness & promotion initiatives

Consumers need to know when a good thing is going to hit them! This is how we are preparing them for the new look in-store!

## BRANDED COMBOS



## NECK TAGS AND STICKERS



# Launching our own Homegrown series

WE ARE MILK.  homegrown

WE ARE MILK.  homegrown



We have embarked on a very exciting initiative: a video series profiling Dairy Group's farming members across South Africa. The new series will launch under the heartwarming name, Homegrown.

**HOME GROWN:**

1. grown or produced at home or in a particular local area
2. native to or characteristic of a particular area



Each video introduces a local farmer telling his or her story. Through these visual narratives, we will get to know our dairy producers, their farms, their animals, their communities and their businesses.

These are tales of provenance, caring, commitment and discipline.

The series will illustrate how our Homegrown Heroes contribute, every day, towards food security and livelihoods in our country. The stories will also reinforce support of our farmers by consumers, trade and authorities. In sharing narratives, we are building towards a future of economic growth - together, as a community and as citizens.

For our launch video, we visited Freddie van Zyl on his farm, Bracklyn Melkery, in the Eastern Cape near Cradock. There is much to tell. Our photos are to whet your appetite, offering you a sneak peak behind the scenes.

# Success Stories

## LAUNCHING OUR NEW WEBSITE

After months of dedicated work and development, we will soon be relaunching Dairy Group's full website. It will be informative, easy to navigate and user-friendly.

As a farmer-owned company, it's important for us to make communication regarding our producers and products easily accessible to all our stakeholders including consumers, retailers and institutions in the dairy industry. We will endeavour to provide our readers with the most accurate, up-to-date information and share our knowledge and expertise in the field of dairy.

The new website will offer access to: Who We Are; Our Products; Our Producers including our Raw Milk Footprint; Nutrition; Media Resources including Releases; News and Contact Information.

Prospective producers will find useful information on benefits and our focus on sustainable practices. The site will also feature social media buttons for Facebook, LinkedIn, Instagram and You Tube to foster improved communication.



# TOWARDS EFFECTIVE EMPLOYEE RELATIONS:

## Coega Dairy and The United Democratic Food & Combined Workers Union

Coega Dairy and the United Democratic Food & Combined Workers Union (UDF & CWU) signed a one-year agreement which sees employees receive an annual wage increase of CPI+1%. This equates to an annual 5% increase starting on 1 March 2021. Some employees also agreed to a top up of their individual provident fund contributions, which Coega Dairy matched in contributions.

**This round of wage talks was extremely tough, as the country is currently being challenged with a volatile economic climate. However, our dynamic negotiating team managed to find win-win solutions after only three sittings. This can be contributed to the transparent and progressive way in which the negotiations were held and the solid relationship between Coega Dairy and the UDF & CWU.**

A set of negotiating principles were established before the talks began, which all participating members honoured and upheld vigorously.

- ✓ The parties agreed to the following negotiating principles at the beginning of the process:
- ✓ We will comply with the rules of our engagement
- ✓ We will negotiate in good faith
- ✓ We will focus on the core issues of the negotiations
- ✓ We will be prepared to make meaningful and sustainable moves
- ✓ We will strive for win-win solutions
- ✓ We will make every effort to conclude wage negotiations during the time allocated, after meaningful engagement.

Both Coega Dairy management, as well as the UDF & CWU, have the best interests of our people at heart. In the end, that is what's most important.

### Front row from the left:

Linda Duruwe (HR Manager); Hamilton Mlunguzi (General Secretary of UDF & CWU)

### Back row from the right:

Nomhle Mohale (Shop Steward); Siyabonga Roqo (Shop Steward); Jonathan Swatts (Finance Manager); Babalwa Scout (HR Graduate); Xolani Khubeka (Shop Steward); Mawethu Daweti (Maintenance Foreman)



# LIFE IS GREAT. CHEESE MAKES IT BETTER

The demand for our delicious cheese products is such that we invested in an upgrade of our manufacturing equipment at Coega Dairy. Our teams installed a brand-new cook and stretcher to improve the capacity of the mozzarella line.



**Back row from the left:** Mzamo Patu (General Assistant); Nathan Tamboer (Cook and Stretcher Operator) **Front row from the left:** Misile Felani; Simankele Jantjies; Mlungisi Cakwebe; Brian Mazosiwe (all General Assistants)

We are also very proud to announce that Famous Brands approved our Cream Cheese Plain product. Dairy Group will commence with distribution by mid-May this year.



**Back row from the left:** Sibongiseni Ngeyi (General Assistant); Rassie Esterhuysen (Operations Manager); Gawie Rousseau (Production Manager)

**Front row from the left:** Nompokazi Dano (General Assistant); Asiphe Msengeni (General Assistant); Thando Mathibe (Spread Operator); Donovan van Rooyen (Processed Cheese Maker)

## Did you know?

- Cows have an acute sense of smell and can smell something up to 9 kilometres away.
- Cows drink 110 - 190 litres (about a bathtub full) of water each day.
- International "super" cows give over 90 litres of milk each day. That's 400 glasses of milk!

