



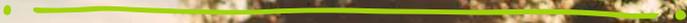
SILUBISI



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



NEWSLETTER



Message From Our CEO



Drikus Lubbe
Chief Executive Officer

”

At the end of 2020, we were hopeful that the COVID-19 pandemic would soon come to an end. For the second year in a row, we hope the same will be true for 2022.

On 1 December 2021, we will celebrate our first year as Dairy Group. During this year, so much has happened. We had our first site gatherings and information sessions, we planned our first strategies, and drew a roadmap for the long road ahead.

Not only did we decide to start Dairy Group and dedicate our lives to this business, but we decided to do so in a volatile business climate. The effects of Covid-19 have been far-reaching on all aspects of life. Farm prices rose rapidly and conditions on the farms were arduous. We also underwent various upgrades which were necessary for our business, and resulted in a near production standstill.

We had to supply Shoprite with 12 million litres of milk per month while upgrading our UHT Processing Plant at Coega Dairy. We delivered what was promised, but this could only be achieved by contract packing outside of our own operations at high costs which compromised our efforts.

Despite the turmoil, these events gave us the time to build capabilities and upskill our employees. The Coega factory experienced record-breaking levels of production with over 800 000 litres of milk being handled and processed per day.

We are in the process of bringing Famous Brand Cheese Company into Dairy Group with the help of our shareholders, Coega Food Group and the Milk Producers Trust. This will help to ensure that all employees and their efforts are aligned to the same objectives and common goals of Dairy Group.

This shift will facilitate the building of a whey treatment plant and mixing plant to expand our capabilities, utilise our factory more effectively, and enhance our profitability.

Further, we are in the process of discussing new plans and cooperation platforms with Clover to ensure that both companies prosper. Development of our own brand will start within the next year. We are aiming for the stars!

I want to thank all our Dairy Groupers for standing firm during a very difficult first year of operation and wish you and your families a restful and invigorating festive period.

May our collective energy, commitment, and drive bring us success in 2022!

A Tribute To Our Departed Farmers

We are deeply saddened by the events that have taken place over the last few months. We tragically lost two farmers who contributed selflessly to their families, communities, and country.

We bid farewell to **Werner Büchner**, a friend, husband, father, mentor and Dairy Group Non-Executive Board Director and to **Johan Strydom**, one of our founding farmers.

Both men played an integral part in Dairy Group's inception and we will forever remember their compassionate contributions and stalwart dedication.

We mourn these giants of the dairy industry, and we are grateful for the warm-hearted memories and experiences we were able to share with them. Their legacy will continue as we grapple with the magnitude of their passing.

Our condolences go out to their families and everyone that has been affected by this loss.

"Rest easy Werner and Johan."



Message From Our Producer Services Executive

“SUCCESS IS NOT FINAL; FAILURE IS NOT FATAL. IT IS THE COURAGE TO CONTINUE THAT COUNTS!” – WINSTON CHURCHILL



I took over the Producer Services team two years ago and found myself part of an exciting and fast paced environment. As we began to strategise what was required and what we wanted to achieve to modernise, simplify and unify our structures and services to our farmers, the task ahead appeared to be like climbing Mount Everest. Like any challenge in life though, it is the courage to begin that counts, as well as team support that makes change and implementing strategy possible.

To ensure that our thinking was aligned with our producers' aspirations, the Producer Services team conducted a survey during July and August.

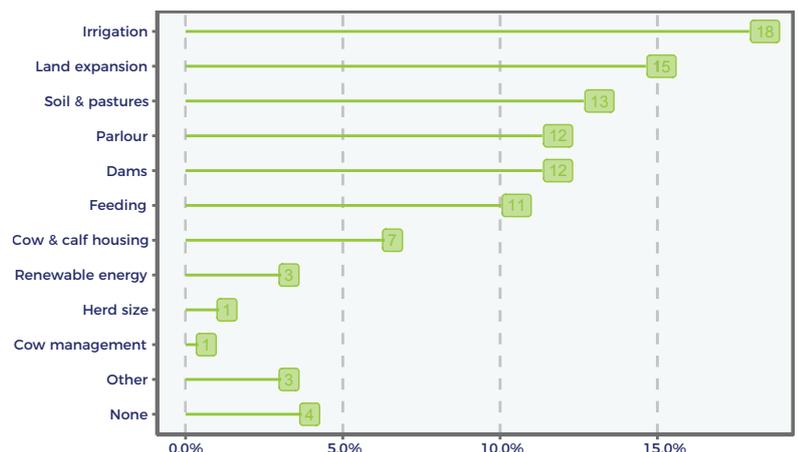
“We want to thank each and every farmer who participated so diligently.”

Here are ten key take-away points from our survey:

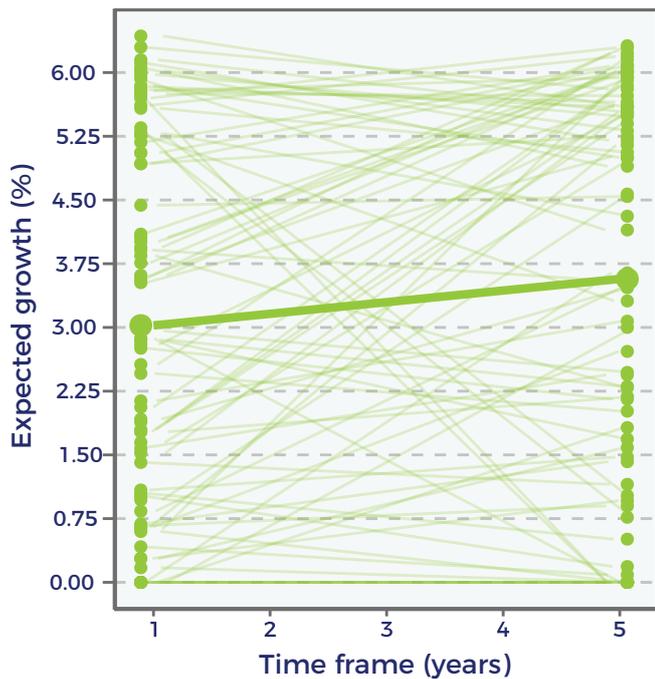
1 97% of our farmers would recommend Dairy Group to their fellow producers.

2 Farmers believe that the financial security of Dairy Group is just as important as the farmgate milk price which is paid to them.

3 Farmers are still investing in their businesses for the future and the main areas are:



- 4 Farmers are still wanting to increase volume supply in both the short and long term.



5 YEAR AVERAGE



- 5 95% of our farmers believe that sustainability practices should be implemented and measured on farms.
- 6 85%+ of farmers believe that Dairy Group's statements are displayed in an understandable manner.
- 7 The farmgate milk price structure requires attention in that we need to look into the overall solids payment. For ex-DFSA farmers, we need to consider protein payment.
- 8 Both ex-Coega Dairy and DFSA farmers believe that their supply models (quota or contracts) are secure and ties them to Dairy Group.
- 9 82% of all Dairy Group farmers believe that a storage cost type system over the summer months is fair.
- 10 Only 23% of Dairy Group farmers believe we should consider offering short term incentives for opposition farmers to join the group.

Equipped with our farmers' opinions, the task ahead is to fine tune our strategy and continue with implementation. Our success will be achievable if we continue to work hard at our relationships and maintain the trust of our Dairy Group producers.

Meet Your Executive Team Members

Johann Coetzer, Supply Chain and Procurement Executive, shares some wise words with us.



How do you generate great ideas in Dairy Group?

I embrace the bigger picture of our company's vision, as well as our core values, which feeds into the expectations of our employees, shareholders and business partners. Together, they set the grounds from which I analyse operational details, cost structures, constraints and find ideas for improvement. During my career at Clover, Kimberly Clark and PnP, I participated in study tours to Europe and North America. There are still some learnings from these which I use in finding better ways to do things. My dynamic team is also a source of inspiration.

What do you do at the company?

I ensure that the wheels of our total logistics system, including milk procurement and distribution, keep on turning day-to-day and into the future at optimal efficiency. I also focus on optimal medium- to long term planning in terms of the milk we have and need. We have substantially expanded our raw milk supply and logistics to other business partners in the last year and have found ways to reduce logistics costs through these actions. I believe it is important to have a 12-month forward view of the total supply chain in terms of sales forecast, stock levels, milk source and capacity so that we meet customer expectations with readiness and in a cost-efficient manner. For me, it is an honour to be part of our Dairy Group team.



What are you most proud of regarding the company?

That we have a workforce which prides itself in Dairy Group.

What are the most important attributes of successful leaders today?

A lot of knowledge and theory are available on leadership, but I am not a recipe kind of guy. I live by the following three guidelines, which are not quotes from literature:

- Always recognise the true person behind the face and act accordingly. Good leadership will follow naturally.
- Life on earth is just a blink of the eye in the continuum of time. It offers a short opportunity to build a legacy from which you will not benefit yourself, instead leaving a lasting inspiration for those who follow.
- Make sure that you have the right players in your team and then trust them.

What do you do when you are outside the office?

I read about economics and investment management and I normally have the most recent key economic indicators in my head. I do not read fiction and prefer documentaries over movies. I have had the privilege to travel to many countries in the world and enjoyed every moment. I am fascinated with how people live in different parts of the world and of course, I also travel in our beautiful country. For relaxation, I love to watch sport, play some golf and hunt whenever I have the opportunity. I am a keen cook, but again, I do not follow recipes. The same dish will always taste different.

What do you value most in life?



I spend as much quality time as possible with my family. My wife, Miempie, is an accountant and runs her own business. I am blessed with three wonderful children - Marilize, Liezel and Abrie. Both my daughters are Industrial Engineers and Abrie is studying accounting towards a CA qualification. Marilize is married to Fritz, a mechanical engineer, who she met in Ghana during project work for Murray & Roberts. I also deeply value good friendships.

NAME OUR NEW HR SYSTEM!



In March 2022, we will Go Live with a new Human Resources System for Coega Dairy. The system will help us to better manage employee data and people processes. The service provider is "S-Cubed", but it would be very boring to call the system that! So, we would like to ask our resourceful employees to send through some possible names that we could call the new system. It is a system *"for the people, about the people"* so bear this and our values in mind when making your suggestions!

You may send your inspired suggestions to Amber Anderson at amber.anderson@dairy.co.za

Our Veritable Values Campaign

Since the winter edition of Silubisi, we started rolling out our values campaign. We hope you enjoy this journey with us through a series of videos from our CEO, posters, comic strips, nomination boxes and activation walls. During October, we crowned some of our first value champions and trust we'll see many more.



Value champions participating and driving our campaign.

We call our team of Value Custodians, Bella's Brood. We would like to thank them for driving the values campaign forward and for taking it upon themselves to engrain each value in the fibre of our company culture and for keeping Dairy Group's flags flying.



Our Value Custodians:

Coega Dairy

Chantel Aupaix; Desiree Brown; Ray Dawson; Thulisa Mlambisa; Gawie Rousseau; Portia May; Wayne Kettledas; Charl Ferreira; Jonathan Swatts; Nicole van Antwerpen; Siyamthanda Guga; Mawethu Daweti; Jacques Strydom; Shaun Swart Yoliswa Morris

Parow and Clover PE

Anton van den Berg

Ipoxo

André Mitchley

Clayville and Lichtenburg

Hendrik Fourie

Queensburgh

Marilize Bam

Roodepoort

Karel Koen
Leslene Ngubane

Heilbron

Leendert Haasbroek

Teaming Value Champions

In October, we rolled out the **TEAMING** value and crowned our very first value champions!

TEAMING is about making sure we work together to reach the same common goal. We believe that everyone should put their best foot forward, as two heads are better than one!

Here are our **top three champions** who received the most nominations, all from our **Coega Dairy (UHT)** division. They clearly have the **TEAMING** spirit at heart and received high praise from their colleagues. Warm congratulations to them!

MTHETHELELI ABA 

"Most of us here know how to operate the machines because of Mthetheleli. He is helpful, committed to his job and friendly to everyone."

KWANELE RADISI 

"Kwanele is a good listener and is always available to help with any problem one may have."

WAYNE KETTLEDAS 

"Wayne is one of those people who will give you advise and ideas and when needed most, he lends a shoulder to cry on".

The following nominated Value Champions also have TEAMING in their veins!

Coega Dairy - Finance

Neli Koni

Coega Dairy - UHT

Teyrise Jerome; Mzingabantu Mantakana; Jongikhaya Magidimisi; Nonkongozelo Charles; Paul Rimau; Andile Sifunda; Ancel Friskin;

Kwanda Makhongwana; Samuel Matsahuni

Coega Dairy - Maintenance

Mxolisi Thomas; Misumzi January; Denono Kadimo; Daryl Jacobs; Phillip Gwatidzo

Coega Dairy - Mixing Rework

Ronald McCabe; Olwethu Mbozi

Coega Dairy - CEO's Office

Kwanela Radis; Portia May; Carmen Davidson; Musa Buso

Dairy Group - Head Office

Jaunita Rooskrantz; Lianna Jansen; Marietjie van Heerden

In November we tackle **INTEGRITY**, showing that being honest, determined, and true are characteristics that will help us reach success as a whole.

We are excited to explore the next four values as we continue rolling out this campaign. We want to thank everyone for their participation in learning and applying the Dairy Group values to their lives. We are grateful for all of your efforts and we can't wait to see this campaign through to the end.

Celebrating Our Homegrown Heroes



When you think of the word *Homegrown*, what does it mean to you? For starters, it is far more than just a word. It is a sentiment, a feeling, an intention. At Dairy Group, our focus on promoting the homegrown nature of farming marks our intention to personalise the farming process. Our farmers, the producers, the employees, and everyone else that is hard at work supplying milk to the nation are so much more than just cogs in a machine. They are the heart and soul of dairy.

We want to know not only about the dairy that is being produced, but we also want to pay tribute to the people making it happen. Our *Homegrown* series focuses on the hard work and dedication of the dairy farmers in South Africa. When we share our narratives, we break the boundaries of consumerism that bind us so tightly. Instead, we can begin to form communities and work towards building a better and brighter future for our country.

Dairy Group's *Homegrown* series has made a point of traveling across the country to bring our followers the stories of provenance, caring, commitment, and passion. Our farmers are the architects of the dairy industry and we want to acknowledge and celebrate them. Our *Homegrown Heroes* have milk in their veins!

Homegrown Helps the Environment

Embracing our *Homegrown Heroes* also means that Dairy Group can place specific importance on sustainability and local produce. By uplifting our own farmers, we give them the space to grow and thrive while prioritising sustainability. This is particularly important because, in order to continue farming productively, we need to ensure that the animals, land and environment are being taken care of. Without these elements, farming is impossible and that is why sustainability is at the heart of our mission.

Dairy Group partners with Trace & Save for sustainable farming. The Trace & Save programme tracks soil quality, animal welfare, employee welfare, as well as biodiversity conservation. By implementing the Trace & Save solution on our producers' farms, Dairy Group embraces sustainable *Homegrown* practices.

How We Make Everything Possible

While the *Homegrown* series sounds wholesome and effortless, bringing the focus back to our South African farmers and their needs in order to help them thrive is quite the undertaking. Our Producer Services team works tirelessly to listen to the farmers, organise the right resources, and ensure the continuous high quality of dairy produced in South Africa. Dairy Group is at the forefront of local industry development and we are dedicated to ensuring the success of our farmers and their farms.

Our Homegrown logo

The 'h' in *Homegrown* represents the animals and the care we have for them. The 'g' represents the earth. Both of these elements are integral to the success of farming and are also the reason why sustainability is the driving force behind our vision. If there is no land to farm, and no cows to milk, how will we produce dairy?

The multi-coloured logo of the *Homegrown* series also embraces the rainbow nation and the diversity of our country and the farming industry. We are proud to be a part of an industry that welcomes and appreciates farmers from all walks of life. WE ARE MILK - we are family.

Join us as we continue to explore the innerworkings of dairy in South Africa and get to know the farmers that are hard at work putting milk on our tables.

It is time to celebrate dairy and the passion that make it all possible!



Our Homegrown Stories

To get to know our farmers better, here are a few of our *Homegrown* stories. At the heart of each of these narratives is a deep passion for dairy and farming. Each farmer has dedicated their lives to their craft. With barely any holidays, sunrise wake-up calls, and a job that requires them to get their hands dirty, they are all in, and we thank them for it.



Sunnyside Farm Trust

As a generational enterprise, Sunnyside Farm Trust has community and family at the heart of its business. **Nigel Smith**, the owner, is one of several Smiths to run the land that these farms are built on. His father and his father's father, all had dairy in their hearts. But family is not only in the blood, it is also in milk. Every single person that works on the farm is an active member of the Sunnyside family. Their contributions do not go unnoticed as hard work is rewarded at this dairy farm. With special focus on the wellbeing of their cows and the land, they have established themselves as successful and sustainable dairy farmers in South Africa.

Fort Hare Dairy Trust

At Fort Hare Dairy Trust, **Jeanet Rikhotso** is blazing the path forward for women in farming. She is one of the first black female farmers in South Africa and her focus on development, skill-building, and technological improvement has solidified her place in the local dairy industry. Since her start as a young agriculture student, she envisioned the future of farming – and that future is female.

She has overcome many battles in an industry that has been historically male dominated, but she has gathered momentum and there is no stopping her on the fast track to success.



Bracklyn Farm

From a young age, **Freddie van Zyl's** childhood dream was to become a dairy farmer. After spending years on his grandmother's farm, he decided to go to university and make dairy his life's purpose. For Freddie, farming is about family, commitment and hard work. His communal approach has defined the way he farms, and his values of sustainability and determination have driven his passion for the dairy industry in our country.

Visit our *Homegrown* page on the **Dairy Group website** to watch these endearing videos.

<https://www.dairygroup.co.za/home-grown/>

Their full articles are in our News section:

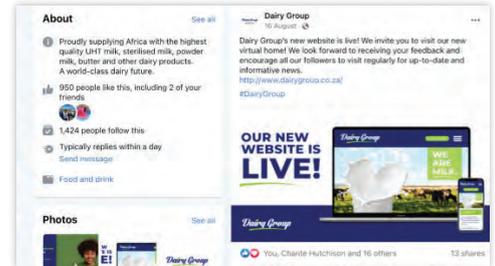
<https://www.dairygroup.co.za/category/farmers/>

We also have an Instagram page with lovely quotes from each person interviewed:

<https://www.instagram.com/dairygroupsa/>

Successfully Launching Into The Social Space

Our splendid new website launched at the beginning of August and what a ride it has been! Our social media pages are bursting with news items – from articles to animations to lovely *Homegrown* videos. There's no two ways about it, we have entered the virtual world with a bang and it is most exciting.



Some brag statistics since the launch of our new website and social media campaign:



If not already, become a Dairy Groupie and “like/follow” our social media pages!

f **@DairyGroup**
www.facebook.com/DairyGroup

▶ **Dairy Group**
www.youtube.com/channel/UC9nK3KlqCA5ZdgtEyq7Kt3A

@ **@dairygroupsa**
www.instagram.com/dairygroupsa/

in **Dairy Group South Africa**
www.linkedin.com/company/dairy-group-south-africa/

Success Stories



HAPPY 1ST BIRTHDAY, DAIRY GROUP!



On 1 December, Dairy Group turns one year old.

"It's been one year since our trailblazing dairy adventure began! We said then that our strikingly bold logo is a story of earth's origination and man's production. How very exciting it has been to breathe life into that story with you over the past year! Yesterday is history, and despite the best planning and intentions, tomorrow is a mystery. But today is a gift ... that's why it is called the present. So today we say cheers to many more!"

- Drikus Lubbe, CEO



Educational programmes at Coega Dairy

Financial training

It is important for us to provide a platform where employees may seek financial guidance and become more money smart. As part of their employee value proposition, Famous Brands Cheese Company invited Coega Dairy employees to be a part of their financial education training with FNB and ABSA.

Topics covered included: spending, losing and making money; saving and managing money; and managing credit and risk.

"Consumer financial education taught me how to be more focused and budget-conscious."

- Thando Booyen

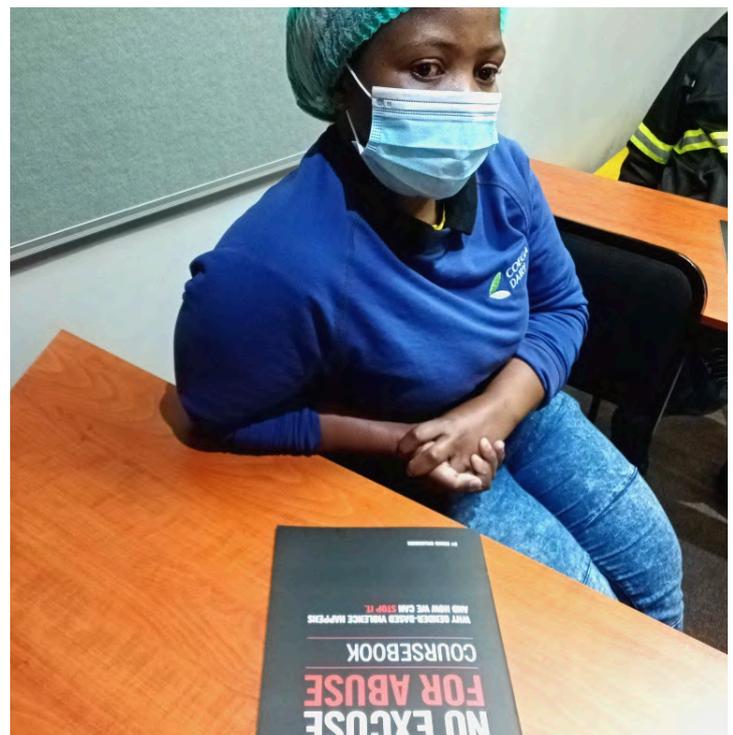


Lonwabo Beshenga (Logistics: General Assistant)

We arranged a GBV educational event, which touched on many topics including: understanding GBV; masculinity and abuse; why men abuse; and overcoming GBV.

"The GBV program taught me how to be more available as a parent to my son." - Mosuli Mahlathi

"As women, we must set high standards for ourselves and stick to them, rather than lowering them because of males." - Siyamthanda Guga



Xolisa Mbundu (Operator: Butter Plant)

Gender-Based Violence training

Besides financial challenges, our employees are also faced with other societal issues such as Gender-Based Violence (GBV). GBV is a profound and widespread problem in South Africa, impacting almost every aspect of life.

Dairy Groupers Making A Difference In Our Business



Submit your own story

We would love to share all your stories about *Making a Difference in our Business*. Send us a photo and a little write-up so that we can all celebrate in our successes together.

Submit your own story to:
Amber Anderson: amber.anderson@dairy.co.za
Francois van der Walt: vanderwalt.francois@dairy.co.za



Positively Proud at our new Processing Plant

It is with great excitement that we started our peak season with a bang! We successfully commissioned the new TetraPak FLEX 26 UHT Processing Plant at Coega Dairy and exceeded our target of 600 000 liters per production day over 24 hours a few times. In the first month of production the plant produced 10 404 648 litres of first grade sellable product on its two UHT lines. This is truly a successful and exceptional achievement for a UHT project.

The project took a total of four months, from stopping the SPX line to the first production of UHT milk on the new line. The old drains were also replaced and epoxy floors upgraded to tiled floors. What makes this project exceptional is that Dairy Group's engineering team, as well as local engineering companies, were appointed to install the plant under the supervision and guidance of the TetraPak project team. The initial trial product runs produced a sterile product on the first run and no subsequent trials were required.



New Tetra Pak Processing Unit



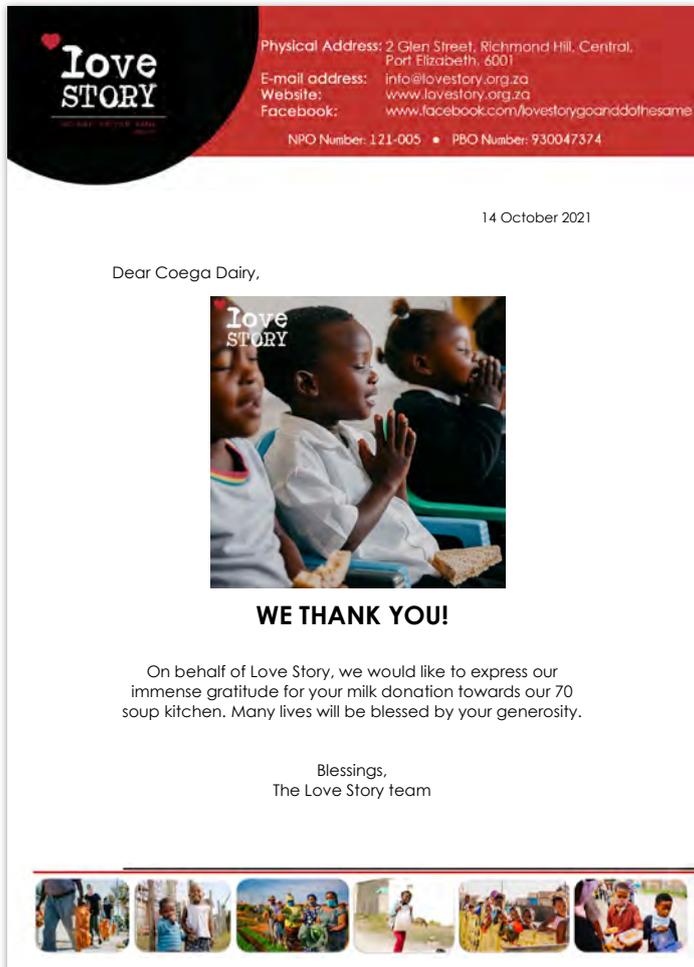
The team is motivated and in high spirits with a positive morale and we are looking forward to a great and smooth peak season for the remainder of the year.

If a picture could paint a thousand words, the excitement and positive attitudes of our proud production teams say it all!



Our UHT Shift B team

Standing In Service To Our Communities



At Dairy Group, we are believers in the Love Story initiative, and we support their mission. For this reason, we made milk donations to 70 of their soup kitchens.

Milk is about family and we want to connect South Africa through health. We understand the importance of social responsibility and we are dedicated to using our resources to uplift communities.

Love Story is a relief organisation that aims to uplift poor communities and meet the needs of underprivileged people. They were founded in 2012 and have established themselves as one of the largest charities in Gqeberha. They serve the community through poverty alleviation and feeding schemes.

Since the beginning of lockdown in 2020, they have served well over 1.7 million meals to those who were affected by the economic crisis. They partnered with Dora Nginza and Livingstone Hospitals that were heavily affected by Covid-19 and donated over 100 mattresses, 180 blankets, and 150 maternity packs.

Over and above this, they support community soup kitchens with weekly food and gas, as well as school lunches for a number of Early Learning Centers.

We collaborated with Love Story to help in the distribution of food to the hungry, as the need for food is exponentially increasing.

Visit the [Nutrition page on our website](#) with dedicated articles and fact sheets on milk's health benefits. The page's information is spearheaded by the Consumer Education Project of Milk SA. Milk SA is an independent, non-profit organisation set up not only to promote the development of the dairy industry, but also to ensure that citizens have access to proven facts about dairy.

Did You Know?

Cows are colour blind

We all know the expression “red rag to a bull”, but in reality the colour red doesn’t make bulls angry – it’s the motion of the cape in bull fighting that causes a bull to charge. Cows are, in fact, red-green colour blind.

Cows form friendships and bear grudges

Cows are social animals and, if left to roam freely, will naturally form large herds. Like people, they will make firm friends with some group members, while avoiding others.



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