## **Arla Natura from Kalacheevsky**

Back in 2007, Arla Foods introduced a selection of Danish dairy products to the Russian consumers. In general, the exported goods were well-known brands as Lurpak, Arla and Castello. However, this spring, Arla will launch the very first yellow Arla Natura cheeses produced from local Russian milk and at the Arla/Molvest dairy plant located in the Southwestern part of Russia.

By Anna Marie Thøgersen, Editor

#### The Russian partners

In January 2013, Arla Foods signed an agreement with Russia's third largest milk collector, Molvest concerning production of yellow cheeses at one of Molvests existing dairies in the city Kalacheevsky located in Russia's Central District approx. 200 km east of the Ukrainian border.

The first of the Arla Natura cheeses from the Kalacheevsky-dairy will be launched this spring, and Arla's wholly owned Russian subsidiary, Arla Foods Russia will be responsible for the distribution and marketing.

- Molvest and Arla have divided the dairy project, so Molvest collects and process the required amount of milk from the surrounding farms, while Arla is responsible for production and distribution of the cheeses. So tells the Arla group's Senior Director René Fredgaard. During the past year, he has been the leading supervisor concerning modernisation of the dairy. In the future, René Fredgaard will be the Supply Chain Director and responsible for the quality of the cheeses from Kalacheevsky.



From the inauguration of the Kalacheevsky Dairy plant in late February. From left to right: René Fredgaard Senior Director Arla Foods, Palle Jellesmark, DairyTech and Hans Christensen Senior Vice President Arla Foods.

### The Kalacheevsky Dairy

During the past several month, the Kalacheevsky dairy plant has been totally re-built and modernized. Dairy technician Palle Jellesmark, DairyTech has been the day-to-day project leader of the modernization, and he tells: - Molvest has been responsible for the now completed renovation of the buildings, and my task was on behalf of the

master plan from Arla to project, purchase, and implement the necessary process equipment, and mostly, we have installed refurbished equipment.

The suppliers of projecting, services and process equipment have primarily been Danish companies: Mogren Engineering, Unitstaal, Au2mate, VJ Rørteknik, Tetra Pak/DSS and Danish Crane Building. The process components were assembled in ready to install-units before shipping off from Denmark to Russia.

## Danish-Russian studentexchange

Russia has no established dairy schools or colleges, and thus no educated dairymen or technicians. - Consequently, we have carefully hand-picked the most dedicated employees at the former Molvest plant, and some of these employees have been on trainee exchanges at our Nr. Vium cheese plant

## Facts about the Kalacheevsky Dairy

- Arla has invested in modernizing and upgrading the process equipment at the dairy plant
- Molvest has invested in upgrading the buildings and is responsible for raw milk collection and refining
- Arla buys the milk from Molvest and produce yellow cheeses  $\,$
- Production area: 7.000 square meters
- Current production 2-3,000 tons expected to rise to 10-15,000 tons a year from 2018
- Arla Foods Russia is responsible for sale and distribution of the Arla Natura cheese.

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# Facts about Molvest Group

- Russia's third largest milk collector, privately owned, domiciled in Voronezh
- Yearly turnover approx. 250 million USD
- · Runs nine dairy plants
- Produce milk, butter, yoghurt and cheese

in Denmark, informs René Fredgaard. In addition, a handful of Danish dairymen and technicians has worked at the Kalacheevsky Dairy, and their professional approach to work has rubbed off on their Russian colleagues.

#### Mercedes and Lurpak

Today, the production at the Kalacheevsky Dairy runs at full power, and the high-quality raw milk is delivered on contracts from nearby farms with typically 500 to 3,000 milking cows. During the early spring months, the first Arla Natura cheeses will be brought to retailers, primarily in the Russian metropolis with more than 750.000 citizens. Arla's target group are quality conscious middle-class Russian consumers with purchasing power who appreciate brands like Mercedes, Coca Cola and Lurpak.

#### **Triple Russia**

- Within the last five years, we have increased exports of Arla products to Russia by 20% annually, and in the coming years, we plan to grow by 30% each year. According to our strategy - Triple Russia - we expect a total revenue in Russia of 2.4 billion DKK in 2017 compared to the current 800 million DKK. So informs Arla Foods' Senior Vice President Hans Christensen, who is responsible for e.g. Arla's business in Russia.

Still, a large part of the Arla sales in



The Kalacheevsky Dairy plant.

Russia is derived through exports from the current 10-12 Danish and Swedish dairies, which have the necessary Russian export licenses. The product portfolio from these dairies includes butter, mozzarella, pizza topping, yellow and blue/white as well as cream cheese under the established Arla brands; Lurpak, Arla and Castello.

The exclusive Arla Natura brand is for the Russian market only. - The brand name Natura origins from our slogan: "Arla Closer to Nature", and it has been very positively received by the Russian consumers, underlines Hans Christensen.



The high standard of Danish dairy and food technology is recognised and appreaciated worldwide. Kold College has played an important part in developing and maintaining this exellence. Our international activities focus on the integration of food education and are based on our fundamental concept "from soil to table" .



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