A short presentation 2014

The Arla cooperative is a global dairy company owned by European dairy farmers. We sell our products to consumers around the world.
A Cooperative Dairy Company

Farmers own Arla
The Arla cooperative was founded around 100 years ago. Today, dairy farmers continue to see the strength of owning the business that processes their milk into a range of dairy products. Arla is the world’s sixth-largest dairy company and is a cooperative owned by more than 12,600 dairy farmers in Sweden, Denmark, the UK, Germany, Belgium and Luxembourg. Being a cooperative means that the company’s profits go directly to the farmers.

In early 2014, Arla’s Board of Directors proposed a merger with the Belgian farmer-owned dairy company, EGM Walhorn. In May, elected farmer representatives in both Arla and EGM Walhorn will vote on the proposal. EGM Walhorn is owned by approximately 800 dairy farmers in Belgium, Germany and the Netherlands.

Global organisation with local roots
Arla has production facilities in eleven countries and sales offices in 30. We believe in the importance of quality, food safety and innovation. Our dairy products are sold worldwide, primarily under our three global brands – Arla®, Castello® and Lurpak®.

Fresh products and strong brands
In northern Europe, we sell a wide range of dairy products, including milk, butter, cheese, yogurt and cream. We export cheese, butter and milk powder to the rest of the world and we strive to develop new products that inspire consumers and contribute to a healthy life.

Arla is owned by 12,629* dairy farmers in six countries:
- 3,385 in Sweden (27%)
- 3,168 in Denmark (25%)
- 2,815 in the UK (22%)
- 2,500 in Germany (20%)
- 529 in Belgium (4%)
- 232 in Luxembourg (2%)

January 2014

Milk volume
12.7 billion kg of milk

Quality assured and sustainable milk production
Our dairy farmers adhere to Arla’s own quality programme, Arlagården®, which was introduced in Sweden and Denmark 10 years ago. Arlagården® was launched in Germany, Belgium and Luxembourg during 2013 and, in 2015, it will be introduced to our British owners.

The cooperative democracy
- 12,629 owners across six countries
- Local organisations
- Board of Representatives (165 owners and 12 employees)
- Board of Directors (15 owners and four employees)

Every day, Arla’s dairy farmers, who are also the owners of the company, deliver our raw material – milk. The owners elect representatives, through a democratic system, to both the Board of Directors and to Arla’s highest decision-making body, the Board of Representatives.

We wish to grow and we care about how we do it
Arla is working towards a planned growth strategy. In recent years we have had more owners, more milk, more employees, a range of new processing facilities and have established a presence in several new markets. We want to continue to grow profitably, and it is important for us to do so in a responsible manner. We call it Good Growth. As a result of recent strong growth Arla, in 2013, acquired a new mission and vision, and we updated our corporate strategy.

Our responsibility – a long-term commitment
Arla strives to work responsibly throughout the supply chain, from the farm right through production and distribution and all the way to the packaging recycling centre. We have clear targets for reducing our carbon footprint in both our environmental strategy and the strategy for sustainable milk production.

Motivated employees
Arla has 19,600 employees in 30 countries worldwide. In recent years, we have prioritised issues of diversity and an inclusive approach, among other things, because we are convinced that the development of the business will benefit from a diverse workforce.

Net revenue, DKK
73.6 billion, 71 per cent from core markets, the UK, Sweden, Germany, Denmark, Finland and the Netherlands.

Arla’s performance price* per kg of member milk in 2013:
3.05 DKK

During 2013, the milk price to the owners increased six times.

* Arla performance price is the on-account milk price plus Arla’s profit earned on milk.
A leading dairy company with local and global presence

Arla’s core markets are in Northern Europe, but it is also striving to become an increasingly global player as demand grows in other markets.

Learn more about Arla

Each year, Arla publishes a sustainability report at Group level. This is where we report our progress on ethical, social and environmental responsibility. Corporate responsibility activity is governed by Our Responsibility – Arla Foods’ Code of Conduct. The code is now available in eight languages.

In our annual report, we set out our progress in our various markets, the Group’s financial status and risk management.

Organic products

Arla is the world’s largest supplier of organic dairy products. Currently, demand is growing the fastest in Germany and China. During the year, Arla’s first branded range of organic products was launched in Germany under the name Arla BIO®.

More information is available at www.arla.com and www.arlafoods.co.uk