



Driven By Demand For Havarti, Gouda, Arla Foods Sets Sights On Further Expansion of Wisconsin Operations

Arla Unveils Expanded Cheese Production Facility In Open House Ceremony

Kaukauna, WI—Arla Foods on Wednesday celebrated the latest expansion of its cheese production facility here with a ribbon-cutting ceremony and tours of the plant, which produces Havarti, Gouda and several other specialty cheeses.

Arla Foods Hollandtown (the former White Clover Dairy), which produces primarily Havarti, along with Gouda, Edam, Fontina and Muenster, has been expanded to keep pace with rising sales.

"We have been looking forward to this day where we can open up the doors to our plant," said Henrik Jessen of Arla Foods, site director for Hollandtown Dairy, as the plant is known. He also thanked the company's suppliers, who are an integral part of the company's business, and his team for their passion and well-done job.

This latest expansion began in April of 2010, said Jessen, who became site director in March of 2010. With this expansion, the plant's capacity will increase from 22 million pounds of cheese to 33 million pounds of cheese now, using 265 million pounds of milk, and to 40 million pounds of cheese by 2014.

"We have high expectations for the future development of this facility. I think I can say that we haven't finished yet. This is a very big milestone, but we are on a journey and I hope that we will see a prosperous future."

—Susie Moller Hjorth,
Arla Foods, Inc.

Havarti accounts for over 70 percent of the plant's current production, Jessen indicated. Another 25 percent of the plant's output is Gouda, and the remainder is products such as Edam, Fontina and Muenster.

The newly expanded plant covers some 110,000 square feet, of which approximately 12,000 square feet has been added with this expansion, Jessen said. The scope of the expansion project was to split the production of Havarti and Gouda, which were formerly produced on the same line, into their own separate production facilities.

Now, Arla Foods can produce Havarti seven days a week and Gouda seven days a week, whereas before there was a total of seven days to produce both varieties, so maybe four or five days for producing Havarti and two or three days for producing Gouda, Jessen explained.

High Expectations And Commitment

"We're most pleased to host this event today. We don't do things like this very often," said Susie Moller Hjorth, president and CEO of Arla Foods, Inc., which is headquartered in Basking Ridge, NJ. "We have a lot to celebrate."

This latest plant expansion actually reflects a "continuous journey" for Arla Foods in the US, Moller Hjorth continued. Since Arla Foods took over the Hollandtown Dairy in 2006, "we have invested in this facility.

"We have invested a lot of money, yes, but we have also invested a lot of energy, a lot of passion, a lot of compassion for this place," she noted. "We have invested a lot in this plant to continue our very high standards."

Arla sets very high standards for itself because "that's how we see ourselves in Arla, but it's also because we see that it gives a lot of value to our customers and our consumers," Moller Hjorth explained. Arla's high standards are focused on "our production methods, our quality and food safety, and in everything that we do we try to aspire for the highest possible standards."

This current investment in the Hollandtown facility will provide Arla with the ability to serve its customers "with our high quality specialty cheeses," Moller Hjorth said.

"We have high expectations for the future development of this facility," she added. "I think I can say that we haven't finished yet. This is a very big milestone, but we are on a journey and I hope that we will see a prosperous future for our business here so that we can actually even do more here."

The Hollandtown facility is a "very important part of our overall business in the US," Moller Hjorth said. Arla also imports "a lot of good cheese" produced in Scandinavia, but over the years, the this facility has "proven to be kind of the backbone in our strategy here in the US."

Arla Foods has exported cheese to the US for "decades and decades," Moller Hjorth noted. In 1989, Arla Foods established a subsidiary and a sales office in the US, and "from that day you could say we had feet on the ground and we actually started our expansion."

Arla Foods started to have more cooperation with brokers, distributors and customers, and in the mid-1990s the company decided that it wanted to see if it could produce cheese in the US. It was at that time, in the mid-1990s, that Arla Foods reached an agreement with White Clover Dairy to make Havarti for Arla at the Hollandtown Dairy plant, Moller Hjorth said.

So Arla Foods brought over the original Danish Havarti recipe, and also brought in a Danish cheese maker to make the cheese, she said.

cialty cheeses that a lot of the American consumers appreciate," she said. So Arla wants to make sure that Havarti and its other cheeses get more well-known; a lot of American consumers still don't know what the company's cheese types are and how to use them.

Despite ongoing economic problems in the US, American consumers "want to indulge, they want to have good food," and a lot of them characterize themselves as "foodies," which "is a really good thing for us," because Arla wants to



Wisconsin State Representative Al Ott cuts the ribbon during open house ceremonies of Arla Foods' expanded Hollandtown cheese production facility. Holding the ribbon are Henrik Jessen, site director, and Susie Moller Hjorth, president and CEO of Arla Foods.

Today, two-thirds of Arla's products sold in the US are produced at Arla's two US plants, the Hollandtown plant and the plant in Muskegon, MI, where "mould" cheeses, including Blue, Brie, Camembert, and Blue Brie are produced. The remaining one-third of Arla's products sold in the US are imported.

Moller Hjorth said Arla Foods is "very happy to be here in Wisconsin." The state has "really welcomed us" to the US, and the state "has really earned" and deserves its title as America's Dairyland."

The state of Wisconsin has one of the world's best-integrated dairy infrastructures, "and we're very proud to be a part of this," she said. Arla believes that it is part of a very cohesive cooperation between companies and organizations in Wisconsin, "all working for the same purpose."

All around the world, Wisconsin "stands for good cheesemaking," Moller Hjorth pointed out.

As far as the future is concerned for Arla Foods in the US, "we do think that we have a good quality assortment, nice high quality spe-

stimulate that with its cheeses, Moller Hjorth said.

So Arla has a "deep trust" in the fact that American consumers will still want to indulge and buy good quality natural cheeses, she said.

"Specialty cheese has proven to be a very exciting product segment in the US markets, with its rapid development and sales over the years," Moller Hjorth noted. "Higher quality cheese is particularly popular with the more affluent, educated sectors of the population that value a unique food experience. Considering the size of this country, it is a huge group."

With its latest plant expansion now completed, "we'll be in a stronger position to meet demand and service both existing and new customers," she said. "At the same time, Arla will be better placed to meet customers' demands for locally produced cheese with Northern European heritage."

"Innovation and providing inspiration continue to be key factors in order for us to meet our ambitious growth targets in the US market," Moller Hjorth commented. 