



The natural source of quality

A Message from the Chief Executive



Dairygold Co-Operative Society Limited is an organisation with a proud history of success in dairy processing and agri business. Dairygold is Ireland's largest farmer owned business and one of the country's leading milk processors.

It has evolved into a vibrant dairy enterprise in one of the most fertile farming regions in Europe focussing on cheese and dairy ingredients, two food sectors offering real growth opportunities.

Our Members' businesses are supported through the provision of competitively priced inputs both direct to farm and via our extensive store network in the Munster area.

As a farmer owned Co-Operative, Dairygold operates according to the Co-Op ethos. We aim to provide the maximum return to our farmer owners in the form of milk and grain prices while maintaining a sustainable business model for generations of future owners. This focus underpins our efforts to achieving greater efficiency and profitability.

Today, Dairygold is a robust business with a confident outlook for future growth and development in an industry which is offering real potential for value creation opportunities. The imminent end of the EU milk quotas will present opportunities for the industry at every level. Dairygold is looking forward to the challenges of an expanding industry with confidence.

At farmer level there is a clear build-up of anticipation and expectation at the prospect of growing and expanding farming enterprises. Dairygold is working with our Members, in different ways, and with all stakeholders to prepare and plan for this milk expansion opportunity. Meanwhile, at processor level we have seen first-hand the value that effective R&D can bring to a food ingredient business like our own and we continue to invest in innovation and new product development for the benefit of our customers and Members.

With a clear strategy and focus at Board and Management level, building on generations of success, Dairygold is a business firmly focused on the future.

Jim Woulfe
Chief Executive



Dairygold Co-Operative Society Limited

Mission Statement

Ireland's leading farmer owned Dairy and Agri Co-Operative that delivers sustainable global solutions.

Dairygold Co-Operative Society Limited is Ireland's largest farmer owned dairy business and the country's second largest dairy processor.

Located in Munster, in the heart of Ireland's most green and fertile milk production region, Dairygold processes c.960 million litres of milk annually (18% of the Irish Milk pool) from its 3,000 milk suppliers. Our competitive grass based production model places us at the forefront of dairy farming efficiency allowing us to compete with the very best internationally.

The Society headquarters are located in Mitchelstown, Co. Cork. Dairygold has manufacturing facilities in Ireland, the UK and France, with sales operations in Germany and Spain. Dairygold currently employs over 1,100 people and generates a turnover of c.€750 million from its worldwide sales.

Dairygold success has been built through 100 years of Co-Op heritage and dairy processing excellence. The Society was formed in 1990, on the merger of the long established Ballyclough Co-Operative Creamery Limited (formed in 1908) and Mitchelstown Co-Operative Agricultural Society Limited (formed in 1919).

The Society is sharply focused on continuing the Dairygold success story by building value added capability for the benefit of its Membership through innovation, customer service and efficient milk processing.

Business Unit Structure

Dairygold has three distinct business activities, **Dairy, Agri** and **Retail**.

Dairy Business

Dairygold Food Ingredients ("DFI"), the Society's dairy processing business is focused on three core areas, Dairy Essentials, Cheese Solutions and Consumer Foods. DFI manufactures and markets a growing and diverse range of dairy ingredients for use within the nutrition and convenience food sectors. Dairygold will continue to build its business through a consistent focus on quality, innovation, low cost manufacturing, and the development of higher value products to meet customer needs.

Agri Business

Our Agri Business is the Society's key interface with its milk suppliers and farmer customers. It is engaged in the supply of a wide range of agricultural inputs and providing support and advisory services to farmers. Its activities include grain assembly, milling, feed, fertiliser and farm input sales.

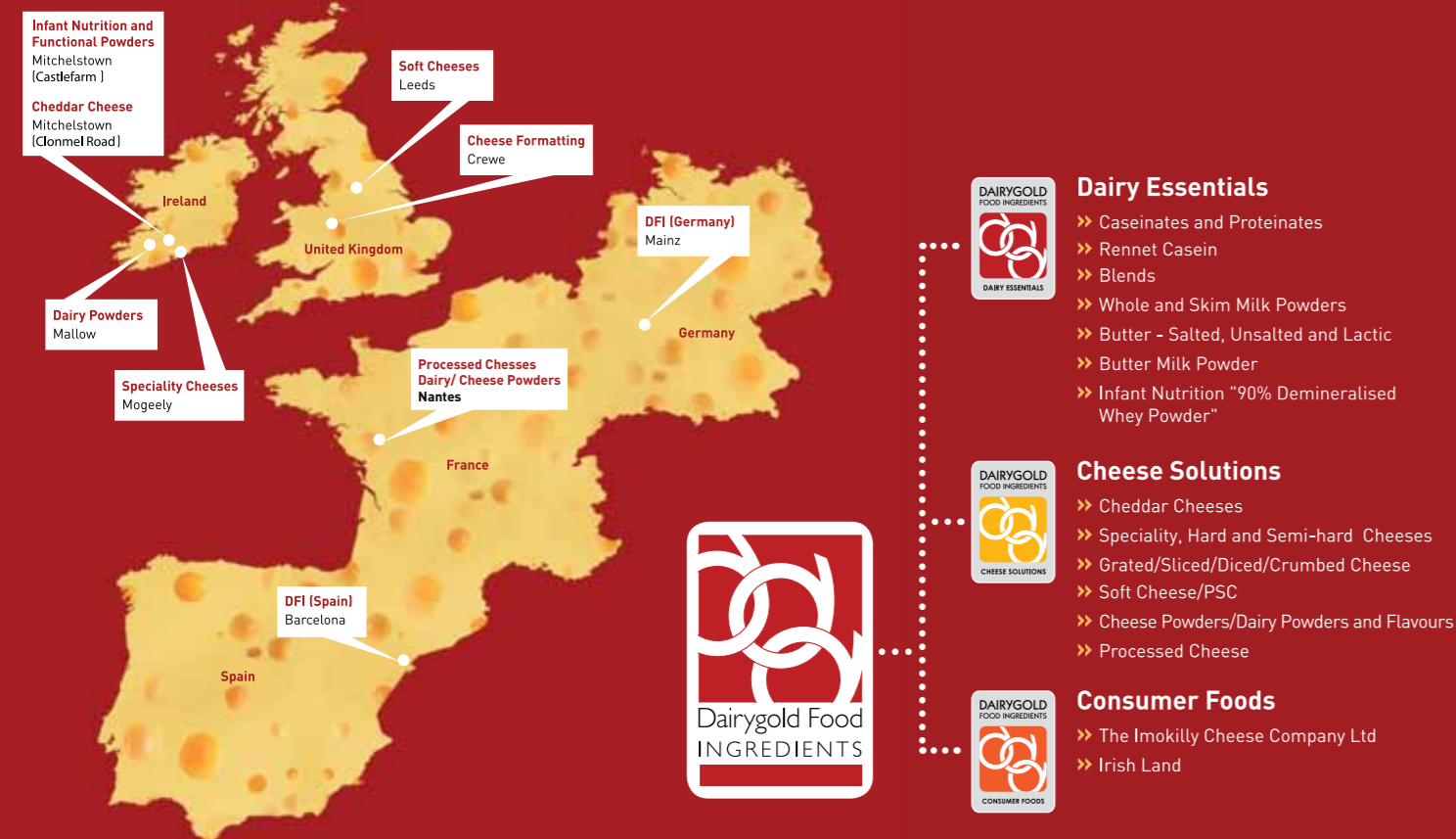
Retail Business

Dairygold operates a substantial retail business with a chain of 39 branded stores across the Munster region. These stores operate under the established Co-Op SuperStores and Co-Op Stores retail brands. The chain includes seven strategically located urban Co-Op SuperStores.

Dairygold Food Ingredients Operations

Mission Statement

Dairygold Food Ingredients is a customer focused provider of Dairy Products with particular emphasis on Dairy Essentials, Cheese Solutions and Consumer Foods.



Dairy Essentials

- » Caseinates and Proteinates
- » Rennet Casein
- » Blends
- » Whole and Skim Milk Powders
- » Butter - Salted, Unsalted and Lactic
- » Butter Milk Powder
- » Infant Nutrition "90% Demineralised Whey Powder"



Cheese Solutions

- » Cheddar Cheeses
- » Speciality, Hard and Semi-hard Cheeses
- » Grated/Sliced/Diced/Crumbed Cheese
- » Soft Cheese/PSC
- » Cheese Powders/Dairy Powders and Flavours
- » Processed Cheese



Consumer Foods

- » The Imokilly Cheese Company Ltd
- » Irish Land



Dairy Business

Dairygold Food Ingredients ("DFI"), the Society's Dairy business, is Ireland's second largest milk processor, converting c.960 million litres of milk annually into top quality dairy products. Based in the heart of Ireland's fertile milk producing region, we source milk of the highest quality solely from our Members' grass-fed herds based in Munster with its temperate climate.

Building on our core strengths and market position in the areas of Dairy Essentials, Cheese Solutions and Consumer Foods, we provide our customers with innovative and cost effective dairy ingredients within the Industrial, Foodservice and Retail channels.

Products are supplied Worldwide through our own sales offices in Ireland, the UK, France, Germany and Spain through established partnerships including the Irish Dairy Board.

Operations

DFI Ireland

DFI Ireland's world class processing facilities in Mitchelstown, Mallow and Mogeely produce Cheese and Dairy Essentials solutions. Over the past number of years DFI has invested in modernising its plant and operations. DFI's Dairy Essentials facility at Castlefarm, Mitchelstown has one of the largest Demineralised Whey manufacturing plants in Europe and is the foundation for its focus on the premium Baby Food market. DFI is a leading supplier to the Irish Infant Milk sector, which supplies 16% of the World's requirements. DFI's Cheese Solutions facility at Clonmel Road, Mitchelstown is one of the largest and efficient Cheddar Plants in Europe.

DFI UK

The UK operations in Crewe and Leeds have established DFI UK as a leading supplier of a range of Formatted and Soft Cheeses to the UK's Ready Meals and Food Manufacturing sectors. DFI UK is focussed on providing quality assured and value driven products and service to meet the specific needs of its customers in relation to flavour and functionality.

DFI France

DFI France, based near Nantes, produces client-specific ingredient processed cheeses together with a bespoke range of spray dried cheese powders, dairy powders and flavours. Innovation driven ingredients provide customers with effective solutions in meeting the requirements of modern consumer tastes and manufacturing functionality. The wide ranging product portfolio has an emphasis on flavour delivery and recipe functionality.

DFI Germany

Dairygold Deutschland GmbH, based in Mainz, operates a sales and distribution business with key products incorporating Cheese Solutions to Food Manufacturers and innovative speciality cheese concepts to Retailers and Food Service Operators. In addition, the business sells our range of Dairy Essentials and Cheese Solutions across Central and Eastern Europe.

DFI Spain

DFI Spain, based in Barcelona, focuses on servicing the Spanish, Italian and North African markets, with specific emphasis on Cheese Solutions and Dairy Essentials.

Product Focus

Dairy Essentials

DFI is focussed on adding value to essential Dairy Ingredients by combining technical expertise and application insight. Our range of products includes whole, skim and butter milk powders, milk proteins, rennet casein in a variety of mesh sizes and formats, dispersible and soluble caseinates, butter (salted, unsalted and lactic) and a variety of whey products primarily 90% demineralised whey powder.

Cheese Solutions

DFI offers Food Manufacturers and Foodservice operators cheese ingredients which provide flavour, functionality and value. The product range includes cheddar, speciality (hard and semi-hard), formatted (grated, sliced and diced), soft and processed cheese and cheese powders.

Consumer Foods

DFI combines market knowledge and consumer insight to offer Retailers and Foodservice Operators category growth opportunities under the Imokilly Cheese Company and Irish Land brands.

Quality

DFI's manufacturing facilities operate in line with international standards providing quality assured products. Its cheese manufacturing facilities have BRC accreditation and its Irish cheese facilities also operate to internationally recognised I.S. EN ISO 9002 and HACCP standards. The Powder facilities operate to I.S. EN ISO 9002 and are in the process of achieving I.S. EN ISO: 22000. In addition DFI's laboratories are also accredited to international standards.

Innovation

In a competitive business environment, continuous innovation is crucial and DFI is continually developing novel technical solutions, through its R&D facilities, in order to provide our customers with a true point of difference.

Agri Business

Mission Statement

Dairygold Agri Business seeks to continue to grow its position as the leading Agri supplier in the region when measured in terms of turnover, quality of service and value for money.

Dairygold operates its Agri Business to service the needs of the Society's farming Members. It is Ireland's second largest Agri trader combining grain-intake, milling, feed, fertiliser and farm requisite sales. It services the Dairygold catchment region encompassing counties Cork, Limerick, Tipperary and Clare.

Supporting Farmers

Dairygold Agri Business operations are delivering real value to farmers, supplying high quality, competitively priced farm inputs and unrivalled service. Through a focus on value and service, Dairygold Agri Business is committed to maintaining leadership in the supply of farm inputs. It's objective is to support viable and sustainable farming in the Society's catchment area and ensure a consistent supply of high quality milk to Dairygold.

Strategy

The priority of Dairygold Agri Business is to grow a sustainable business model that can effectively service its farmers' needs into the future. In response to the on-going reduction in farmer numbers and the widespread use of bulk feed and factory to farm fertiliser deliveries, Dairygold has rationalised its network and reduced operating costs while continuing to provide a sustainable quality service to farmers.

The business is also focused on consolidating its market share within its catchment area for the benefit of Members and customers.

Services

Quality Feeds

The quality feeds supplied by Dairygold Agri Business are formulated to meet the nutritional requirements of customers' animals. The UFAS accredited ruminant feed mill at Lombardstown has a throughput of c.225,000 tonnes of feed. In meeting the strict quality requirements of the European UFAS standard the entire milling operation operates to the highest levels of quality, health and safety covering all aspects of animal feed production. These include the sourcing and evaluation of feed ingredients plus the manufacturing, storage and delivery of the feed. These standards are verified by independent scrutiny and audit on a continuous basis.

Grain Operations

Dairygold Agri Business purchases over 120,000 tonnes of grain from over 700 farmer suppliers annually. The business operates four grain intake, drying and storage facilities in strategic locations across the Dairygold catchment area along with a further five regionally based grain intake facilities. The operation also manages the growing of Malting Barley under contract by Dairygold suppliers, which is sold on to a Dairygold joint venture company, the Malting Company of Ireland.

Advisory Services

Dairygold Agri Business operates a comprehensive farm business support service with a team of professional area representatives trained to advise and assist the Society's 4,500 active farmer suppliers on the selection and use of the most appropriate farm input products.

Dairygold Agri Business also operates a farm development programme in association with Teagasc, the State's Agriculture & Food Development Organisation. The programme is designed to improve the efficiency and profitability of Dairygold milk suppliers' farm enterprises.

The programme operates through a number of Demonstration Farms which act as showcase units for the latest grassland, dairy husbandry and herd health practices from the Teagasc Dairy Research Centre at Moorepark. These farms provide an essential link between the development of new technology at research level and the adoption of these practices at farm level through the Dairygold Discussion Group structure.

AI and Milk Recording

Dairygold is a 66% shareholder in Munster Cattle Breeding Group Limited, a business which offers a complete range of cattle breeding, milk recording, herd health, and allied services across the Munster region. Its objective is to increase AI usage and deliver more rapid genetic improvement in herd health and performance in the region.



Retail Business

Mission Statement

To provide all our customers, with an appropriate range of competitively priced product, delivered through a network of branches offering best in class service.

Dairygold Retail Business is operated across the Munster area under Co-Op SuperStores and Co-Op Stores retail brands. This business services its customers' needs from thirty two regionally based stores and seven strategically located urban Co-Op SuperStores.

While the retail chain built its early success on the strong affinity with the Society's traditional customers the stores have since grown and developed to offer a wider range of products reflecting the needs of a broader customer base that includes more urban based customers. Excellence in product knowledge and customer service has always been at the centre of the Retail offering and this is a competitive advantage that is helping to grow the business across a broader customer base.

While all stores offer a full range of Feed, Fertilizer and Farm requirements, the Co-Op SuperStores offer a wide range of products across a multitude of categories, including, Hardware, Building, Garden, Home and Agri supplies. The Co-Op Stores are rural based outlets stocking a select range of hardware and a comprehensive range in yard and farm hardware.

PRODUCT OFFERING		
Paint and Décor	Household	DIY
Hardware	Plumbing	Building Products
Heating	Farm Supplies	Electrical
Agri Hardware	Fuel	



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