



Press Information

Moving into aseptic packaging was a step in the right direction

Łowicz Dairy: Leading Polish dairy celebrates 100 years in operation

November 2006. The Bezirkskooperative Molkerei [district cooperative dairy] in Łowicz is one of Poland's leading dairies. This year the company celebrates its centenary.

The establishment and growth of the Bezirkskooperative Molkerei in Łowicz is closely bound up with the history of the entire region. The cooperative has its origins in an organisation of farmers in the Łowicz region, who at the beginning of last century formed themselves into cooperatives in order to organise their milk production collectively.

Today, the range offered by the Bezirkskooperative Molkerei in Łowicz includes 100 products.

Jan Dąbrowski, Chairman of the Bezirkskooperative Molkerei in Łowicz, talks about the development of this long-established company: "Between 1918 and 1939, there were about 19,000 farms in the Łowicz region. From 1890, and particularly after 1918, when Poland had become independent, the number of small dairy cooperatives grew continuously". It was during this period that the Bezirkskooperative Molkerei in Łowicz was established.

In 1951, the government took over the management of the dairy in Łowicz. As in all other Polish dairies, the farmers belonging to the cooperative geared their production towards providing the stipulated quantity of milk for delivery. Consequently, however, the company suffered losses, as the milk was sometimes being sold more cheaply than the farmers could produce it.

In 1957, the cooperative was reorganised. The company introduced a new set of statutes. Operations were moved to a modern manufacturing plant in 1971. Since 1981,

the company has traded as 'Bezirkskooperative Molkerei in Łowicz', and since that time, the dairy has sold approximately 106 million litres of milk.

Jan Dąbrowski describes the new challenges the dairy faces since the 1990s: "Our company had to find an effective competitive strategy to move forward in the free market economy. To begin with, the profitability of the milk production declined significantly. The Polish market was flooded with imported milk products of poor quality, which were being sold at dumping prices". The dairy needed to extend its range with new and attractive products, to achieve a competitive advantage. "The purchase of facilities to fill UHT milk in aseptic carton packaging was one of the best and most significant decisions for our company. We chose filling machines from SIG Combibloc. Thanks to this decision Bezirkskooperative Molkerei in Łowicz is now one of the few Polish dairy companies able to offer UHT milk in cartons", Jan Dąbrowski finishes his overview of the company's history and development.

Growing demand

The growing demand for long-life UHT milk prompted the company to install more production facilities. Today, the dairy in Łowicz operates seven filling machines from SIG Combibloc, filling UHT products into aseptic carton packs in various formats. Jan Dąbrowski says: "Our dynamic growth can best be illustrated with a look at our most recent investments: in 2000, the construction of our major warehouse for ready-to-consume UHT products was completed. In addition to that, since 2002 we have had a fully automatic rotary pasteurisation plant in operation. We've also brought into operation a second independent technical plant cleaning system, as well as a computer-controlled fermenting room, in which products like cream, kefir, pudding and ice coffee are manufactured. In 2003, we added a new cheese production dairy and a cheese packaging section".

The growth of the Bezirkskooperative Molkerei in Łowicz has also stretched to include the takeover of other dairies. In 2005, for example, the Bezirkskooperative Molkerei in Torun was added to the company, and in 2006 the Bezirkskooperative Molkerei in Łowicz was able to take over the Bezirkskooperative Molkerei in Lublin. Jan Dąbrowski says: "For us, the high quality of our products is always the focal point, even if this entails higher costs". Today, with Poland now a member of the European Union, the Bezirkskooperative Molkerei in Łowicz meets all the required EU standards for the production and processing of milk, including HACCP, IFS, BRC and ISO 9001.

With Poland's entry into the European Union came access to EU markets. Jan Dąbrowski explains: "In 2005, exports made up around 23 per cent of our company's total sales volume – and that's increasing all the time. Virtually all of our exported products are sold

in EU markets. The main obstacles to the export of our products in Eastern Europe are high export duties and very long recovery times”.

Famous throughout Poland

Today, the range of products offered by the Bezirkskooperative Molkerei in Łowicz includes approximately 100 products – principally UHT products, ripe cheeses and other milk products. Jan Dąbrowski says: “The UHT products section is our flagship. The Łowickie brand name, under which we sell milk and cream, and the Łowiczanka logo, an image of a woman in the traditional costume of the Łowicz region, are well known throughout Poland. Our share of Poland’s UHT cream market segment is 35 per cent, and it is approximately 12 per cent in the UHT milk segment. If we include trade name products, our share in the UHT milk segment goes up to about 20 per cent. This makes us the third-biggest producer of milk products in the whole of Poland”.

SIG Combibloc is one of the world's leading system supplier of carton packaging and filling machines for beverages and food. Employing approx. 3,940 people, the company recorded sales of EUR 1,097 million in 2005. SIG Combibloc is a division of SIG Holding AG, Neuhausen am Rheinfall.

Caption - Lowicz:

The Bezirkskooperative Molkerei in Łowicz is one of Poland’s leading dairies.

Photo: SIG Combibloc

Caption - Dabrowski:

Jan Dąbrowski, Chairman of the Bezirkskooperative Molkerei in Łowicz

Photo: SIG Combibloc

Caption - Range Lowicz:

The UHT product section is the flagship of the Bezirkskooperative Molkerei in Łowicz. The Łowickie brand name, under which milk and cream are sold, and the Łowiczanka logo, an image of a woman in the traditional costume of the Łowicz region, are well known throughout Poland.

Photo: SIG Combibloc

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