

The CREAM of the Crop

From a world-class vitarium in Luxembourg, Luxlait has expanded its capabilities in producing premium-quality dairy products that are enjoyed across Europe and various markets around the globe.

Images courtesy of Luxlait

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- Claude Steinmetz

Starting with a background in economics and finance, Claude Steinmetz, Director of Luxlait, began his career in the construction sector, primarily responsible for administration and human resources. He then became a funds manager before joining Luxlait in 2002.

Since joining the organisation, Claude has been a key driving force in the development of Luxlait’s latest production plant. “We had different plants in Luxembourg, so we built only one new plant, which opened in 2009, and we closed the other ones. This plant is one of the most innovative in Europe, even worldwide, because everything is automated. Also, we have a vitarium, which means we are open to everybody. We have about 45

interactive stations communicating about health, agriculture, sport, and this vitarium is at the front of our industry.

“Within the vitarium we have a 3D cinema communicating about how the different products are made, and it’s always related to education, so children and adults can go through our vitarium, up to the 3D cinema, and then go through the whole dairy, which is five metres high, and you can see what we’re doing. Within the 3D cinema you can see a story with our production manager together with a boy from the eighteenth century. There is interaction between those two and they take the different visitors through the whole dairy plant. That is quite innovative because nobody else has this, so we have a lot of communication and we are opening ourselves to our

customers from Luxembourg and abroad. So it’s a unique initiative.”

The sheer capacity of Luxlait’s plant in Roost means the company can produce many different products under the one roof. “Normally you have one plant doing only cheese, or one plant only doing UHT milk; we are doing liquids, like UHT and long conservation, but also very fresh products, where we also have a big palette of different products, like chocolate milk, strawberry milk, banana and different fruit-flavoured milks. And then we go into ethnic niche markets, which means we have a range of yoghurts and drinks for ethnic populations. We are one of the leaders for Turkish customers in Europe.

“And then we do special products like cottage cheese, Ayran, Raib, buttermilk, and real Turkish >





yoghurt. There are only two in Europe doing Turkish old-style yoghurt; one is a Greek dairy plant and the other is us. Then we go into next production, which is butter, and we do all types of butter from 10 grams to 25 kilos, so we're very diversified. And then we go into cheese; we have gouda, edam, and some specialities such as cooked cheese, which is a Luxembourgish speciality, but it's also sold in France and Germany. We also do different kinds of ice-creams. We have a huge palette of different products and it's quite unique in Europe for one company to do everything under one roof.

"One of the greatest benefits of having such a broad range of capacities within the one plant is our flexibility. Because we do everything ourselves, generally the batches aren't as huge as our

competitors' batches. Another benefit for our customers is that we are ultra fresh, really high quality, and we're producing fresh product every day. We're not looking for elementary security; we're looking for high quality. This means that we're not working with aromas or stabilisers, but we're always working with natural flavours and natural ingredients. We're also very flexible, so if a customer asks for a truck of whatever product for the next day, we can do it. Even if we have our production plans, we are always flexible enough to adjust our production plans to fulfil the demand of our clients. That's an advantage.

"Our aim is to produce products with added value. We normally sell most of our products under our brand, Luxlait, which is why we are one of the leaders in the Arabic markets. We recently had Ramadan, so our production was quite full because the Turkish and Arabic

people ask for twice as much as the other months because they're eating and drinking our products after sunset. We have a lot of work to do during that month and we are mostly playing in niche products and niche markets in Europe and abroad. We also have high-quality products for Luxembourg because it is one of our main markets and it's very important to us. Our objectives are very high quality, good service, and flexibility for our customers; that is why our customers like us and they stay with us once they've begun to work with us."

Luxlait's reputation for quality and freshness has helped the company garner momentum in international markets, expanding the brand outside of the European region. "At the moment we have several customers in Asia, mainly in China, so we are also developing our market in China and we have some projects over there. At this stage we are selling products with added value to



these markets and we want to develop it further because it is a huge market with high demand.

"The Chinese, for the next few years, are not able to be auto-sufficient, so if we're a small player then we want to get a small part of this with products that add value. That is also our focus for north Africa and other African markets, and we're delivering as well to Moscow and St Petersburg in Russia, so very niche markets because big players are not always interested in small turnovers with their products, but that can be a speciality for small players, which is what we're doing. So we always need to have very good quality, otherwise we couldn't do it."

As a producer of premium-quality products, Luxlait collaborates closely with its key suppliers to ensure consistency in delivery. "We certainly have good partners in ingredients and for our technology. We are working together with Tetra Pak for processing and partly for the liquids—so the UHT milk, the ultra fresh milk, and the flavoured milk products. So we work well with them because if we have a problem, we need flexibility from them to intervene immediately. The milk comes in every day and it needs to be processed every day, so if there's a problem and the plant is not working for three or four days, then that's a big problem and we need professionals to solve those problems if we can't solve them ourselves.

"We have partners for ingredients and for packaging. Those partners are very important as well because we need high-quality products and high-quality service from them. If we don't get high-quality products from them, we can't deliver high-quality products ourselves. On the other hand, our biggest partners are our farmers. There are three different qualities in the European standards and they are producing more than 99.5 per cent in quality one which is exceptionally good. Otherwise, if you don't have very good milk then you cannot have very good end products.

"In this field we're working hard every day, we have veterinarians going to our farmers every day, and we have white papers where farmers are given their results and every day they are controlled. Without controlling and results helping each other, it's very difficult to become even better. So we're focused not only on quality with our suppliers, and not only on the quality of our niche products, but on the high-quality products that our farmers deliver."

Luxlait has numerous strategies in development, particularly in the area of exportation, growth, and collaboration. "We are thinking about partnerships with other companies—other dairy companies as well—so we're looking at how we can develop

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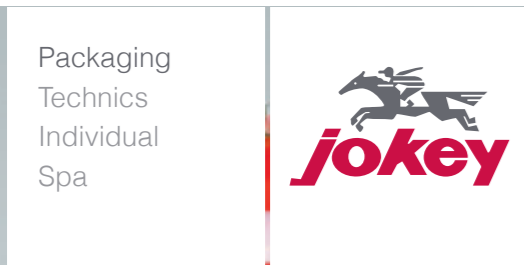
- Claude Steinmetz

our dairy production, not only in Luxembourg, but abroad. We're also thinking about different strategies to invest our know-how for production in other countries. So that's what we're looking for at this moment.

"We want to stick to the high-end market. There are a lot of people looking for security and for high-end products; in Europe this is more common, but if you go to Asian markets or African markets, a lot of people don't trust the local brands in their country, so they're looking for security for themselves and their children. They're willing to pay a lot more for a product when they see it is secure and they see where it's coming from, so they often believe more in this brand than in their national products."

Claude is hopeful for the company's future as the company plans to capitalise on its broad capabilities within the dairy industry. "The quotas in 2015 are falling, so we can produce more in Luxembourg, and we are looking to get into other markets, even with partnership and other investments. At this stage, this is not yet defined, but we are looking for opportunities. The high-end market and exportation will grow because the market at the moment is opportune for us, so we're going to take those opportunities next year, for sure." •

"We value Luxlait as a motivator that repeatedly inspires us to creative excellence. In partner-like cooperation we develop packagings which are tailored precisely to the requirements of Luxlait and its customers."
- Christof Kölschbach, CSO, Jokey Group



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