Bakery Report 2016

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Growth is all about adding value

Every day at Lantmännen Unibake we focus on securing future successes – for our customers and ourselves. This is why our continued growth is a high priority for us.

We are growing organically, in some markets with double-digit figures, and strategically with important acquisitions. For us, growth is about adding value to the products and services we offer our customers – and challenging our competitors at the same time.

It’s also about continuous innovation, which secures our ability to meet customer and consumer expectations in today’s competitive international bakery market.

In all parts of Lantmännen Unibake we are working hard to grow responsibly. This involves keeping our value chain under constant scrutiny and acting in a responsible way at every step from field to fork – considering the environment, securing a sustainable supply chain and responding to consumer health needs. This is an increasingly important part of our hallmark.

The way to achieve our goals is to empower our ambitious teams to go that extra mile. We are already well on our way. And you are invited to join us on the journey.

Werner Devinck
CEO Lantmännen Unibake

alert to changing market conditions and trends. It also plays an important role in shaping our strategic investment plan.

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Artisanal sandwiches win hearts in the US

US consumers love sandwiches so much they even have a National Sandwich Day on 3 November. Unibake USA delivers the bread that gives a truly gourmet experience.

Sandwiches are hot in the USA, where consumers tuck into around 300 million of them every day. After burgers, they are the second most common menu item in US restaurants.

There’s a good reason for that and it’s far removed from the soggy bread and tired fillings many of us remember from the days of school lunch packs.

Higher quality in demand

For Scott Rosenberg, director of marketing & customer service at Lantmännen Unibake USA, a great sandwich today depends on gourmet bread with an artisanal look and feel. Demand for higher quality breads is growing both in US food service outlets and in retail.

Scott points to the current trend in convenience stores, where sales are rising rapidly.

“Convenience store trade in the US is finally catching up with where Europe has been for years. If you go into any European convenience store, you find beautiful-looking breads, with sandwiches ready to wrap up and take for lunch or dinner,” he says.

“US convenience store companies have seen that and are starting to tool up their operations to accommodate making more fresh sandwiches or baking off breads or pastries in the store.”

Redefining fast food

The drive towards more premium products is highlighted in Unibake USA’s range of artisan loaves, available with windowed bread bags to make them stand out on store shelves. In summer 2015, the US team also developed the bread for a line of premium sandwiches that have redefined the menu of a leading US fast food chain.

Other products include: brioché burger buns; pretzel buns; mini slider buns; and ciabatta sandwich rolls from Unibake’s international ‘True Burger’ campaign which rolled out in 2015. All are well aligned with the gourmet sandwich and burger trend.

Intercontinental mix

Although the inspiration is European, Unibake USA managing director Scott Kolinski points out that many of the products have a uniquely American touch.

“We have a vision of offering European-style breads – a nice crusty outside with a good moisture content. Our more American approach is to add inclusions to some of our breads, like olives, nuts and fruits – to really help the bread stand out.”

Sometimes consumers need a little inspiration to make truly great sandwiches. So Unibake USA delivers not only bread. The team also develops customised in-store displays that feature serving ideas – all designed to encourage more sales.

Unibake USA

• Unibake has operated in the USA for 20 years
• Opened in 2000, the bakery in St Petersburg, Florida, produces bread, buns and rolls for retail and food service customers
• Approximately 1/3 of revenue comes from pre-proofed frozen pastry imported from Unibake bakeries in Europe
• Sales grow an average 3% a year
A toast to international cooperation

Gone are the days when toast was just a slice of bread that you popped in the toaster. Toast has become a gourmet trend – a fact that was top of mind when a cross-country team from Finland, Estonia, Latvia and Lithuania got together to develop a new recipe for toast bread.

The joint effort has resulted in a healthy and delicious toast bread made with more than 51% whole grain and seeds.

New consumer habits

“Previously in the Baltics, people ate bread as a filler at mealtimes. Today, they don’t eat bread in the same way. They perceive toast as more modern than basic sliced bread and are likely to eat it for breakfast or as a between-meal snack,” says Christel Lundström, brand and portfolio director at Vaasan in Finland.

“We want to support this shift in consumption and transform our portfolio to match consumers’ lives.”

One recipe for four markets

The objective for the cross-country team was to develop a toast bread that could be sold in all four markets in response to the market trends: health, convenience and indulgence. But, first of all, they had to find some common ground.

“There are quite big differences between the markets, particularly in taste perceptions. So, we spent a lot of time on developing the best recipe for everyone,” Christel says.

“The single recipe enables us to produce the toast bread for these markets as efficiently as possible, as we can produce it on the same production line.”

The new toast bread was launched in August 2015 under the familiar Unibake house brands – Vaasan in Finland, Leibur in Estonia, Hanzas Maiznīcas in Latvia, and Vilniaus duona in Lithuania. Sales in all four markets are reported to be going well.
One small pastry – one big step into in-store bakeries

The arrival of in-store bakeries has turned a small pastry into a big seller for Lantmännen Unibake in Spain. Over the past two years, the Maple Pecan Plait has become one of the four most sold products for a major Spanish supermarket chain.

“The pastry has been sold in food service outlets since 1999, but it is not a familiar pastry type for Spanish consumers so sales remained small,” explains Jordi Meya, managing director in Spain.

“Then it was listed by one of our supermarket customers just as they were installing in-store bakeries in their outlets. This positioning within the in-store bakeries has been key. Spanish consumers now see the Maple Pecan Plait as a modern product that tastes good and is affordable.”

The right conditions for growth

The success of the Maple Pecan Plait is one of the reasons why the Unibake business in Spain has grown 30% since 2014.

Other factors include the incorporation of the Spanish team in Unibake’s regional cluster, covering Belgium, the Netherlands, France, Italy and Spain. In 2015, the team moved into new offices on the outskirts of Barcelona, where a new Unibake Academy has opened.

Jordi remarks that both these developments have created excellent conditions for new business and growth.

“Unibake has no bakery production in Spain. So it is important to show that we are part of a global organisation and a reliable supplier in terms of quality and volume – also when we are delivering products to the Canary Islands, more than 2,500km away from our offices in Barcelona.”

Window on international innovation

The Unibake Academy is a strong asset in this respect. Here, customers are invited to inspiration and training days and are introduced to new products from Unibake’s international innovation.

“We buy products from our colleagues in Denmark, the UK, Sweden, Germany, Hungary, Poland and Belgium. This means we always have something new to show the very competitive Spanish market,” Jordi says.

The Unibake Spain team is not alone in its positive mood. As the Spanish economy continues to recover from recession and unemployment goes down, Spanish consumers are regaining their confidence in the future. That’s also good for bakery sales.

Forget what you’ve heard about recession in Spain. Unibake is on a steep growth curve – and consumers are optimistic, too.

Unibake Spain

• Unibake has been present in Spain since 1999
• We supply the market with a wide range of products from bakeries all over Europe, including burger and hotdog buns, French pastry and sandwich breads
• The Maple Pecan Plait is currently the most successful product
• Sales have grown more than 30% since 2014

Only the best pecans for a best-selling pastry

Delicious pecan nuts are the crowning glory of the best-selling Maple Pecan Plait. Not surprisingly, consumers have high expectations.

A recent visit to two of the world’s leading pecan plantations in Arizona has confirmed that the quality consumers expect is also the quality they get.

Global category manager for materials, Kevin Cook, made the visit on behalf of Lantmännen Unibake. His major interest was to ensure the plantations were still able to meet volume and quality requirements despite the impact of severe weather last winter and a low crop yield from the 2015 harvest.

Securing supplies

Due to the weather phenomenon El Niño, Arizona was affected by very heavy rains around harvest time. So what looked like a bumper harvest ended up as a low average crop,” he says.

Combined with sharply rising demand in Europe, this reduced pecan supplies to an all-time low.

But, there’s no need for concern. Kevin has both secured enough pecans through to 2017 and that the nuts delivered are premium quality, safe and responsibly produced in every way.

Focus on sustainability

“One of the plantations in particular is doing a lot of sustainability work. Solar panels are being installed to meet energy needs; sprinkler systems installed to reduce water consumption; and natural fertiliser is being produced from nut shells and husks,” Kevin reports.

“Both the plantations visited have all the accreditation we require. We know the trees are grown and looked after very well, so consumers get a very good pecan.”
Retail expertise goes a long way in the UK

In fact, it goes all the way to Australia, where Lantmännen Unibake UK has grown a big export success.

It came as a shock to the Lantmännen Unibake team in the UK when the successful business they had built up in Australia’s retail market all but disappeared overnight. That was in 2013. “Today they have won the business back—and more besides.”

So, what went wrong—and then right?

“We were the market-leading supplier to the Australian retail bakery business when we suddenly got news that our products were being delisted. Consumers had started to question why the in-store bakery products they were buying were imported from the other side of the world. As a result, our customers started to source products from local suppliers instead of us,” explains Tim Robinson, managing director for Lantmännen Unibake UK.

A year later, the same customers came back.

“They found the local suppliers lacked our capabilities and product quality. Since then, we have worked with Australian retailers on a positioning that explains why they buy products from us. Our heritage with 150 years of baking experience and more besides.

A strategic partner

For Tim, the case is a great example of the retail expertise of the Unibake UK team, which drives sales in Australia and South Africa as well as in the UK. Their primary task is to act as a strategic partner for retailers, supporting them with innovative products that match their needs and help grow their business.

“We live or die by the quality of our consumer understanding. So, before we come up with an innovation, we gather consumer insights and make sure we understand the customer’s business model and operations,” says Tim.

“It’s not just about innovating a product. We are delivering a solution—including packaging, delivery and the way the product is baked off in-store. It’s value-added selling.”

Many fingers on the pulse

In the UK, key customers include large and complex supermarket chains. Here, it is important to have a finger on the pulse at all levels of their organisation. That calls for regular contact not just with the purchasing department but also with marketing, quality, logistics and so on.

To stay up-to-date with the market, the team draws on sources such as bloggers, restaurateurs, food and flavour trend consultants, inspiration. New Zealand is one of the markets currently being explored, and where retail experience, food trend knowledge and consumer insights from the UK are particularly relevant.

“We have a good market share of the UK retail market for Danish pastry,” says Tim. “So who else would you expect to come up with the next innovation?”

Social trends in growth

“There are a lot of social trends at the moment. The ‘my way’ trend towards individual customisation is massive. If you buy a MINI car, there are thousands of configuration choices. We are working to give consumers that kind of customisation opportunity in bakery,” Tim remarks.

Premiumisation, cross-category innovation, Nordic food, consumer concerns about the environment, ethics and health—all of these trends can spark the next product development project with a customer.

Opening doors

The expertise of Unibake UK is a door opener. As experience from Australia shows, it also creates strong export opportunities, especially in international retail markets that look to the UK for inspiration. New Zealand is one of the markets currently being explored, and where retail experience, food trend knowledge and consumer insights from the UK are particularly relevant.

“Market trends and consumer insights are the starting point for every Danish pastry innovation at Unibake UK. Here’s an overview of some of this year’s successful product launches for UK retail customers.

From insight to innovation

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Unibake UK

• Lantmännen Unibake products have been sold in the UK since the early 1990s.
• Two UK bakeries are in operation. The Milton Keynes bakery produces fast food and wheat bread and the Bedford bakery produces Danish pastry.
• Retail and foodservice each account for 50% of the UK business.
• The Unibake UK cluster also includes Australia and South Africa and is taking steps to expand into further international markets.
Colourful burgers for crazy campaigns

Fast food is extra special with a black or red bun – all with natural ingredients.

First it was the scary black burger bun for Halloween. Then it was the angriest-looking burger bun you’ve ever seen – as red as a red-hot chilli. What’s the next colourful challenge for the creative Lantmännen Unibake development team in Budapest?

According to Peter Hermes, director of global sales and international key accounts, we’ll have to wait until the autumn to find out. But, rest assured, the next coloured bun is in the pipeline.

Limited time offers

Like the black and red buns, it will be used for a limited time offer campaign in selected markets. The two coloured campaigns so far have been a major success, with sales far exceeding forecasts.

“For companies in the highly competitive fast food business, it’s all about differentiation through limited time offer promotions,” says Peter.

“A lot of the colour trends in burger buns come from Japan. But, because of our different food legislation, we can’t always use the same colour ingredients.”

Natural ingredients

For the black bun, our team in Hungary tracked down a vegetarian charcoal as an alternative to Japanese squid ink. The colour for the red bun is based on tomato, red peppers, beetroot and chilli. Here, the major challenge was to make sure the bun kept its colour during baking.

“The specification was to use natural ingredients and no preservatives. When developing the red bun, we had difficulties scaling the recipe up from lab to large-scale production. Thanks to great teamwork involving a lot of people, we successfully pulled it off,” Peter explains.

All about the teamwork

While the Halloween burgers were sold in fast food stores in eight markets, the angry red burgers reached 19 countries in Europe and the Middle East - the biggest limited time offer promotion we have worked on so far.

Success is all in the teamwork between our product developers and bakeries and the closest possible collaboration with the customer.

True Dogs are the audience’s choice

The True Dogs premium hotdog concept has won Lantmännen Unibake Denmark the prestigious Audience’s Choice Award at the 2016 annual meeting of Danish Grocery Suppliers.

Launched under the Schulstad Bakery Solutions brand, the concept embraces the premium fast food trend, including exciting new products and inspirational recipes.

The Audience’s Choice Award is based on the votes of the 350 people at the meeting, all of them sales, marketing and purchasing representatives from the Danish grocery industry.

Sweet memories of Sundays with Grandma

Nostalgic pastries revisit classic desserts – and appeal to younger consumers.

Remember those Sunday desserts Grandma used to make? The team at Lantmännen Unibake in Denmark does. In May this year, their reinterpretation of four Danish classics was launched as a new pastry range in Danish supermarkets.

Called Granny’s Choice, the range builds on the findings of market research, conducted for Lantmännen Unibake by an external partner. This confirms the strong retro trend, particularly among younger Danish consumers.

“Our study shows that young people are interested in going back to the good old traditions,” says Anne Sofie Selbig Vinther, product manager at Lantmännen Unibake Denmark.

“Traditional baking requires time and attention. Because people are very busy, it’s seen as a luxury if you can find that time.”

Targeting consumers aged 18-44

Granny’s Choice is aimed at consumers aged 18-44 – an age group that typically buys fewer Danish pastries than older consumers. The idea is to capture their attention by combining nostalgia in an afternoon or evening snack.

“The challenge was to develop products that were ready for sale straight from the oven. So we have focused a lot on finding the right toppings and ensuring the bake stability of the real fruit fillings,” Anne Sofie says.

Here’s the product line-up with the Danish dessert equivalent in brackets:

- Lemon plait (citron fromage)
- Red berry plait (rød grød med fløde)
- Apple plait (æblekage)
- Chocolate biscuit plait (kiksekage)

The range is sold frozen to retail bake-off outlets.
Swedish fast food – now with organic bread

New burger and hotdog range fills a gap in a booming organic market.

Organic food sales are growing fast in Sweden, with eight out of ten consumers buying organic food products on a regular basis. That’s got to be the best possible conditions for launching a new range of organic burger and hotdog buns.

The Swedish Lantmännen Unibake team introduced the range to Swedish supermarkets in February 2016 under the Korvbrödsbagarn brand name.

“Retail sales of organic foods grew 50% in the first six months of 2015. But, although the organic share of Sweden’s retail food market is today quite high, only a few bread products are organic. In the fast food sector, our burger and hotdog buns are among the first to have an organic label,” says Per Jonsson, Lantmännen Unibake fast food category manager in Sweden.

Sustainability and health

The high consumer interest in organic foods is driven by two main factors: increased concern about sustainability and the belief that organic is a healthier option.

To support the healthy image of the new hotdog and burger buns, the recipes contain whole grain wheat, oats and spelt. The high content of dietary fibre and reduced level of fat, sugar and salt qualify the range for a Nordic Keyhole label on the packaging.

“Oats and spelt contribute to the good taste and to the natural, rustic look, matching consumer preferences for organic food. At the same time, we have given the products the softness of white bread so they are easy to eat,” Per says.

Positive early response

Just a month after the launch, the market response was positive. Distribution to major supermarkets was already at 80%, and both the burger and hotdog buns had achieved good rankings.

Per remarks, “It was as if consumers had been waiting for them to arrive in the stores.”

The Swedish team is now considering the next step to develop the organic category further.

Unibake in Sweden

• Lantmännen Unibake supplies fast food and bake-off products to retail and food service customers
• The consumer brands are Korvbrödsbagarn, Bonjour and Hatting
• Unibake has two bakeries in Örebro and Mantorp, producing fast food products and pastry respectively
• The Swedish organisation employs 320 people

Saffron Star makes dreams come true

A limited edition Saffron Star bun from Lantmännen Unibake Sweden helped make dreams come true for children with serious illnesses in the run-up to Christmas 2015.

For every bun sold, 1 Swedish krona went to the non-profit organisation My Special Day – raising a total of 260,000 Swedish kroner (EUR 27,800) in just four weeks. My Special Day fulfils individual wishes and arranges activities for Swedish children who need a break from an everyday life with sickness.

Produced in the shape of the organisation’s logo, the Saffron Star was sold in more than 1,000 stores throughout the country.
Research reveals the goodness of rye

Bioactive compounds may benefit the immune system and have an inhibiting effect on cancer.

University studies co-sponsored by Lantmännen Research & Development are exploring a group of bioactive substances in rye. Present alongside the vitamins, minerals, protein and fibre already known to make rye a nutritious grain, benzoxazinoids – BX for short – could be a source of multiple health benefits.

Scientists at Aarhus University in Denmark first discovered the presence of BX in rye in 2010. A study completed in 2015 found indications that BX compounds act in an antimicrobial manner. This points to a possible role in immune regulation.

**Early-stage prostate cancer**

Another three-year research project is underway to determine whether BX could be the bioactive component in rye that has an effect on early-stage prostate cancer. The potential beneficial effect of whole grain rye on prostate cancer has been documented in previous studies.

“At Lantmännen, we have seen a lot of health benefits in rye since we began our research back in the mid-1990s. Our research foundation sponsors studies that aim to provide more knowledge about food components that offer a health effect,” says Lovisa Martin Manius, nutrition manager at Lantmännen in Sweden.

**Potential for new health claims**

Studies of BX in rye are still quite new. In time, documentation of the compounds’ effect could lead to further health claims associated with the whole grain.

So far, the European Food Safety Authority has recognised the contribution of rye fibre to normal bowel function. Studies at Lantmännen have also shown that the consumption of rye bread and porridge is associated with increased satiety. Before a satiety health claim can be made, further studies must document a long-term effect of rye consumption on weight or fat reduction.
A little whole grain goes a long way

Not all consumers know it, but in Denmark our fresh bread is always enriched with some whole grain.

Everyone who buys fresh bread made by Lantmännen Unibake in Denmark gets a little whole grain with every bite. The whole grain content is clearly stated in the list of ingredients, but you won’t find it written anywhere else on the packaging.

“When the partnership began, Danish consumers only ate 8g of whole grain a day, with just 7% of children and 5% of adults consuming the recommended amount. Today, those figures have increased to 43% of children and 27% of adults. So there has been a significant improvement,” Tina says.

The 5% whole grain initiative targets consumers who only buy white bread products. At this low level, the whole grain has no impact on taste or texture.

Better but still not enough

As a member of the Danish Whole Grain Partnership, Lantmännen Unibake is committed to encouraging consumers to eat more whole grain. Currently, the average Dane consumes 63g of whole grain a day – still below the recommended 75g.

Vaasan in Finland has set a new target to reduce salt and improve cardiovascular health.

It’s no news that too much salt in the diet is a bad thing for health. What can be surprising to learn is the dramatic effect when the salt in bread is reduced by just a small amount.

A study initiated by the Vaasan group marketing team has found a significant effect on cardiovascular disease if the average salt level in bread is cut from 1.2 to 1.1%. The findings point to around 460 fewer cases of arterial disease over the next 10 years.

Salt policy

This is the background for our Finnish organisation’s salt policy. By 2018, the goal is to reduce the salt content of all fresh and bake-off bread products sold in Finland by 10%.

“We have very high rates of cardiovascular disease in Finland. At the same time the population eats too much salt – and consumption has actually increased in recent years,” says Mariika Lyly, nutrition and research manager at Vaasan.

“High salt intake is linked to high blood pressure and increased risk of stroke and other cardiovascular events.”

Bread products are significant sources of salt (NaCl) or sodium (Na) in the diet

Bread is a significant source of salt in the average Finnish diet, accounting for 17% of all salt consumed. Finland is not alone, though. In Norway, for example, 22% of salt intake comes from bread.

Reduction in silence

In the bakery, the challenge is that salt is important to the taste and texture of bread. Previous experience has shown that low-salt bread is typically not a commercial success because many consumers like a salty flavour.

“Now when we reduce the salt content of our bread products, we do so in silence without communicating it to consumers on the packaging. Instead we communicate the overall reduction goal of 10% and target our communication towards health professionals,” Mariika says.

Lantmännen Unibake is working actively with salt reduction in several countries. In Denmark, our organisation works with the government-led Salt Partnership. Our UK team has also produced good results with salt reduction based on health authority guidelines. Here, the goal is to reduce the salt content of all products to 0.5% or below.
The cleanest air keeps bread fresher

Lantmännen Unibake produces preservative-free, fresh bread in Lithuania – without compromising quality, safety or shelf life.

In the clean room at Unibake’s Vilniaus Duona plant in Lithuania, the air is 10,000 times cleaner than the air we normally breathe. That’s as clean as a hospital operating theatre – and ideal for making preservative-free toast and sandwich bread with a 10-day shelf life.

The clean room has been in operation at the Vilnius plant since 2015. Before that, its Leibur sister plant in Tallinn, Estonia, had experimented with clean room technology for six years.

"Consumers were having thoughts about the preservatives in toast bread. To my knowledge, we were the first to make toast bread with no preservatives, acidity regulators or pasteurisation after packing," says Olli Lavikka, operations director.

"The 10-day shelf life is enough to avoid waste in the supply chain, particularly in supermarkets. It allows us to export premium fresh bread to neighbouring markets and meet consumer demand for a clean label at the same time."

Dedicated air filters

As soon as the bread comes out of the oven, it is taken directly to the clean room for cooling, slicing and packing. Here, dedicated filters keep the incoming air free of dust and bread-spoiling organisms, such as mould spores.

With the right air conditions in place, it’s then up to the trained employees to follow the strict hygiene procedures.

Motivated people are key

"If people do not follow the procedures, then it doesn’t matter how many dedicated filters you’ve got to keep the air clean. We spend a lot of time on finding the right people to work for us and have continuous quality control to ensure the highest level of cleanliness and safety," Olli explains.

With motivated employees that respects all the rules, the clean room approach is the most cost-effective way to a longer bread shelf life and less waste when exporting to nearby markets.

To encourage reduced waste by consumers, the bread is sold in small pack sizes of 400-500g. So the bread still has a premium fresh quality right down to the very last slice.
Flour isn’t just flour in pastry production. Belgian experience has shown that routine flour analyses reduce waste on the line.

Rain in the spring and sunshine in the summer are the perfect growing conditions for wheat, especially the wheat that will become flour for Lantmännen Unibake’s croissant production in Belgium.

But, if the weather heads in another direction, a major quality problem could be on the way. That’s an experience the Belgian team has learnt from.

“A few years ago we had a problem with big holes in our croissants, and we couldn’t find the reason why. The result was a lot of waste because the quality of our products was not right,” says Piet Van Beveren, sourcing and research director for Lantmännen Unibake in Belgium.

Over-active enzymes
Analysis of the flour eventually revealed too much natural enzyme activity – the result of a summer with more rain than sun. Due to its impact on flour starch, this activity leads to excessive free water in the dough. During baking, the water turns into steam.

“If you have 1cl of extra water, then that becomes 1.6l of steam, creating too much pressure in the croissant dough, loss of stability – and holes,” Piet says, adding: “Today we aim to test all flour before we accept it from the mills, using our own analytical measuring tool. As a result, we have avoided this issue ever since and significantly reduced our waste due to sub-standard product quality.”

The Belgian R&D and quality assurance team expects to introduce further in-house methods for analysing other raw material parameters that influence the quality of pastry and bread products. That will ensure even less waste on the production lines in the future.
Strengthening the bond with strategic suppliers

Lantmännen Unibake has set itself the goal to come closer to suppliers. During 2016, work is underway to map strategic suppliers, their capabilities and their sustainability initiatives to set new targets for Unibake’s value chain strategy.

“In our global activities, we are strong on food safety, business ethics and social aspects. We have, for example, a supplier code of conduct and specific policies for food safety and palm oil.

“What we are doing now is learning more about our suppliers so we can become even better at securing a responsible procurement chain and minimising risks,” says Sari Hakkarainen, senior manager in Group Procurement.

Document and sign
All suppliers are currently required to document that they comply with a standard recognised by the Global Food Safety Initiative (GFSI), preferably the British Retail Consortium (BRC) standard. In addition, they must sign the Lantmännen supplier code of conduct.

In the past, Unibake has often hired a third party auditor to visit and approve a strategic supplier. This is one of the practices that is changing. From now on, suppliers can expect a further personal visit from a member of the procurement and technical team.

“We want to be better in every area of procurement. By visiting our strategic suppliers and producers, we demonstrate our commitment to long-term partnerships. The visits also enable us to ensure they comply with our comprehensive policies,” says Kevin Cook, global category manager for materials.

“It’s about supply risk management from the farm rather than from a distance.”

The latest insights
Kevin’s area of responsibility includes visiting suppliers of vegetable oil, seeds, nuts and kernels. You can read about his recent insights from a Malaysian palm oil plantation and pecan nut suppliers in Arizona, USA, on the opposite page and on page 9.

R&D increases yield
The visit left a very positive impression. One important insight was that oil palm yield is being increased through R&D rather than by planting more trees. Another was the good working conditions of the employees, who proudly maintain the part of the plantation where they live with their families.

“This plantation and others like them are also trying to right the wrongs of the past by encouraging back wildlife. Along the riverbank, they have removed the oil palms and planted 150,000 trees since 2010. Part of the plantation has been turned into a wildlife sanctuary,” Kevin reports.

Convincing others to change
All the same, palm oil production as a whole is far from perfect. Smallholders, in particular, still need to change their practices. One way to convince them is if the owners of the crushing mills and refineries refuse to accept their palm fruit harvest for processing.

“Our supplier still buys from smallholders but on condition that they do not use slash-and-burn,” Kevin explains. “In return, the smallholders are given help to improve their yield. Our supplier expects to have incorporated all smallholders in its sustainability system by 2018.”

Most Lantmännen Unibake bakeries have made the switch to segregated, certified sustainable palm oil. Bakeries acquired in 2015 will be on track by the end of 2016. Find our palm oil policy at www.lantmannen-unibake.com
The next step to quality is a carbon footprint

Our bakery in Harrislee, Germany seeks a stronger market position through carbon analyses of production.

Ever tried to calculate the carbon footprint of your burger? At the Lantmännen Unibake bakery in Harrislee, Germany, a new project has done more than that. In addition to analysing the environmental impact of its bestselling burger bun, the bakery now has an overview of the carbon emissions from its entire production.

Come the autumn, the plant will be able to send out the first products with a CO2-optimised label.

“We want to show that we can produce good quality products efficiently while taking responsibility for the whole value chain,” says Bernd Burmeister, Head of Development of Unibake Germany.

Follow-up to premium launch

The focus on carbon emissions is a follow-up to the bakery’s 2015 launch of a new range of premium products. The aim is to give the range an even stronger position in relation to the cheaper, low quality burger and hotdog breads on the German market.

Bernd explains that the research service provider ttz Bremen has worked on the carbon footprint analyses since last October.

“The institute has created a corporate carbon footprint for the factory and analysed the entire lifecycle of our bestselling burger bun, from raw material cultivation to the processing of ingredients and product processing in our factory,” Bernd says.

“A tool has also been developed so we can measure the carbon footprint of all our products in the future.”

Carbon emission per bun

The analysis of the bestselling burger bun shows that each 80g bun is responsible for 0.11kg of CO2. Just less than 51% of that emission occurs during the cultivation and processing of the flour. Production in the bakery accounts for about 22% of total emissions.

To reduce that carbon footprint, the bakery has invested in new ultrasound systems that will cut energy consumption for cooling and proving. All lighting has also been changed to LED.

Bernd expects the next phase of investments will look at measures to optimise water consumption.

Responsibility for the whole value chain

“It’s becoming increasingly important for us as producers to look more deeply at our processes and raw materials and what we are actually offering end consumers. A lot of fast food products for the German market today are produced as cheaply as possible,” he says.

The project has already brought a positive response from some large customers in Germany, who are interested in hearing more about it.

Bernd remarks: “When we improve the transparency of our production, we build trust. We are using it as a marketing tool. Our efforts will become even more visible when we start selling products with CO2-optimised labels.”

Each of the 80g bestselling buns from the Harrislee bakery is responsible for 0.11kg CO2 – that compares with at least 1.7kg CO2 for the meat patty that will go inside.
Vaasan cuts waste without cutting service

Fresh bread waste has posed a major challenge for Lantmännen Unibake’s Vaasan bread business in Finland. Until the middle of 2015, around 150,000kg could be left unsold in one month alone.

Since then, an in-house project has taken the situation in hand. Within less than a year, waste has been cut by 50% – and it’s still going down.

The key is to ensure the Vaasan bakery shops in Finland are still well stocked from morning to night.

**Need for better cooperation**

“Our customer service level is one of our most important priorities, so we don’t want to reduce that,” says Kari Nylander, head of production for Vaasan.

“But in view of the high raw material and energy costs of wasted production – and the fact that it is demotivating for our employees – it was important to look at ways to improve cooperation between our bakeries and bakery shops and reduce over-baking.”

A big part of the problem is that, to dispatch the bread on time, Vaasan’s eight Finnish bakeries have to start production before customers place their daily order. So some 70% of production is based on an estimate.

Another issue, now resolved, was that the bakery shops had a habit of ordering enough to keep their shelves fully stocked, making them a poor sales outlet for over-production.

“The first part of the project was to start measuring waste to raise awareness. Then we worked on aligning our production with sales forecasts,” Kari explains.

“We also developed a system to encourage the shops to order less than before. Where bread over-production occurs, we now aim to sell it through our own shops.”

**Half the waste**

The results are good. In February this year, bread waste was 75,000kg – half that of the same month in 2015. Unsold products are either donated to a good cause or disposed of as biowaste.

“It’s not good if our bakery shops are empty before closing, so some level of waste is inevitable,” Kari says. “But we can reduce it further, and that is what we are working towards.”

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**Finnish project halves over-production of fresh toast bread in less than a year.**

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When it comes to food waste, consumers in Europe, North America and Oceania throw more food away than anywhere else in the world, according to the UN Food and Agriculture Organisation.

Bakery products are among the foods we waste most – and there really isn’t any need.

In Denmark, the Lantmännen Unibake development chefs have created a universe of recipes for using bread, pastries and cakes that are past their best.

It’s delicious inspiration for snacks, dinner and sweet treats, and it’s good for household budgets too.
Local charities received a welcome helping hand during a planned shutdown of the Lantmännen Unibake bakery in Bedford.

While a series of improvements were being made to the bakery, 150 employees spent a day out as community volunteers. Activities included helping local schools to revamp their communal areas, painting and decorating scout huts, doing odd jobs at an animal rescue centre, and charity fund-raising in a local shopping centre.

“Our national organisations are part of what distinguishes us. In the coming years, our customers will benefit from an even wider selection of country-specific products that accommodate their market preferences,” says Erik Nielsen, chief strategy officer.

New production facilities will broaden the range of market-specific products.

Lantmännen Unibake is a global bakery company that wants to stand out on local markets. Major investments in new production facilities in Belgium, Poland and Russia are helping us to do that. In the 20 countries where we have a national organisation, such investments enable us to meet a range of local customer needs.

In Russia, for example, our plant expansion will bring extra capacity to the fast food sector, where our Russian organisation experiences double-digit sales growth year after year.

“We are one of the few international bakery companies with local production in Russia,” Erik says. “This is a major advantage and creates opportunities to develop our business in other market segments, such as in-store bakery.”

Innovation award for gluten-free pita

Retailers from all over Europe voted Harting Gluten-Free Pita the most innovative product in an award ceremony at this year’s Wabel Frozen Summit in Paris.

Launched in Norway in August 2015, the frozen pita bread is the latest addition to the Harting Gluten-Free range, which meets the growing consumer demand for gluten-free products.

Food industry professionals from all over Europe attended the summit, which is an opportunity for retailers and suppliers to meet. Lantmännen Unibake was among 100 suppliers invited to attend.
European push for a better supply chain

A responsible supply chain is the starting point for producing safe, sustainable and ethical foods. In autumn 2015, Lantmännen Unibake joined The Supply Chain Initiative as part of its effort to support this important cause.

Launched by seven EU level associations, the initiative aims to strengthen fair dealing, contractual freedom and consumer interests.

“The Supply Chain Initiative provides a set of clear principles for good commercial practice and is perfectly aligned with the Lantmännen Code of Conduct,” says Werner Devinck, chief executive officer at Unibake.

“The ultimate aim is to secure a better functioning food supply chain that respects competitiveness, trust and continuity as preconditions for sustainable business development.”

Interested in learning more about us? Then visit our website, where you can meet our development chefs and explore their inspiring recipes for turning bakery products into an extra special meal. You’ll also find our latest campaigns – full of fresh ideas and upbeat trend videos. Go to lantmannen-unibake.com/schulstad-bakery-solutions and look under ‘inspiration’.

Join the conversation on LinkedIn

We’re always interested in discussing bakery topics and sharing expertise with people who share our passion. On the Lantmännen Unibake page on LinkedIn, we regularly post updates about the latest news, trends and initiatives. You’re welcome to follow us and join in the conversation.
You can find us here...

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Estonia
Vaasan - Hanzas maiznīcas
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Increase your profits by tapping into the gourmet Hot Dog trend.

True Dogs is our range of rolls created specifically for high-end hot dogs.

Inspired by today's trends of street food and high quality ingredients, a True Dogs roll is the perfect match for premium sausages from around the world.

For recipe inspiration and to see our gourmet roll range visit www.lantmannen-unibake.com/SBS