

Company Presentation

Senior advisor Peter B Olsen



2017
September

VILNIAUS MARGARINO GAMYKLA

COMPANY

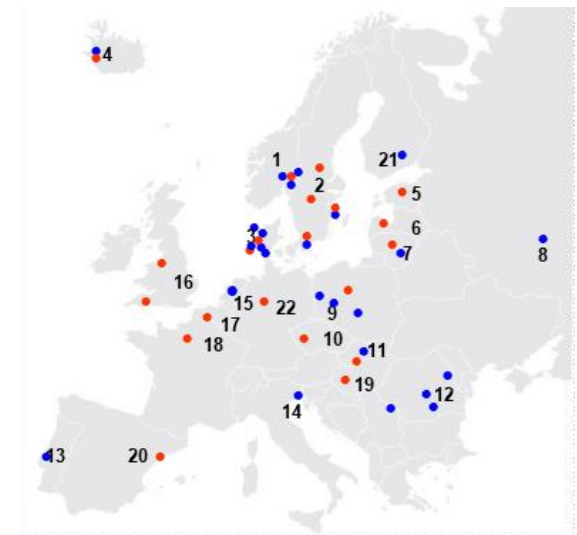
- JSC “Vilniaus margarino gamykla” (VMG) is the biggest producer of margarine, fats, and spreads in the Baltics.
- The Company is owned by the biggest Danish margarine producer “Dragsbaek” A/S, which partly belongs to “Orkla Food Ingredients” AS, one of the biggest groups in the food industry in Northern and Eastern Europe.



Dragsbaek in 1920's

OFI 2016
21 countries

- Production
- S&D



START OF VMG

1997

- First “Vilnius” margarine was produced . It was produced in Dragsbæk margarine factory and exported to Lithuania.

1998

- Company “Vilniaus margarino gamykla” (VMG) was established.

1999

- VMG started production on 04.06.1999.



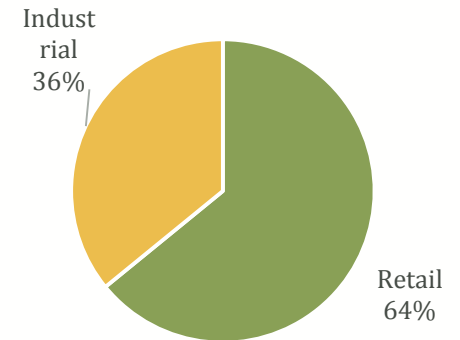
VMG production premises

VMG TODAY

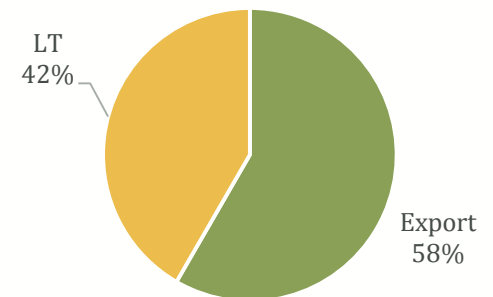
- VMG produces products for retail, bakery, and industrial markets. Company's brands are VILNIUS, AIMA, SUPER, and private label products.
- Markets
 - Retail:
 - Vilnius** – market leader with 31,9%* market share by value in Lithuania;
 - Export to Baltic states, Hungary, Poland, Czech Republic, Israel, Netherlands
 - Bakery and industrial margarine;
 - Super, Baker for Orkla group
- Production capacity – 13000 tons per year
- Employees – 28
- At the moment the factory produces a total of 90 SKUs.

Turnover split

By value, 2017 July YTD



By value, 2017 July YTD





Breakfast

Family



Baking



VILNIUS



VILNIUS BRAND PORTFOLIO

All our retail consumer products do not contain transfatty acids.

Partly hydrogenated and fully hydrogenated oils are not used to produce consumer products



TRANS FATTY ACIDS
AND
THE YELLOW FATS INDUSTRY



VILNIAUS MARGARINO GAMYKLA

HOW IT STARTED

- First margarine patent Beeftallow and Skimmed Milk
- Hippolyte Mège-Mouriés 1869
- 1871 Patent sold to Dutch firm Jürgens (later part of Unilever)
- 1902 Patent on hydrogenation
- 1909 Commercially available (Crisco Shortening – Procter & Gamble)

NUTRITIONAL CHALLENGES

- 1970'es CHOLESTEROL
- Change from animal fats to hydrogenated fats
- 1980'es TRANS FATTY ACIDS
- Change from hydrogenated fats to tropical fats
- 2000 and forward SUSTAINABILITY special focus on PalmOil
- Change to ??

THE DANISH EXPERIENCES WITH TFA

- Ernæringsrådets rapport 1994 (willet survey)
- Legislation 2% limit in fat june 2004
- Approved by EU 2007
- Transfree below 1%
- Export to b2b excluded

WHY USE HYDROGENATED FATS ?

- ◉ Need for solid fats
- ◉ Improved crystallisation
- ◉ Better mouthfeel
- ◉ Stable to temperature variations
- ◉ Improved plasticity especially for pastry margarines
- ◉ Price ??

HOW DID THE INDUSTRY MANAGE ?

- ◉ **Consumer products :**
- ◉ spreads : palm and coconutoil
interesterification
- ◉ liquid margarines : fully
hydrogenated/palmfractions
- ◉ **B2B :**
- ◉ tempering procedures after manufacturing
- ◉ controlled temperature at customers
- ◉ more tailormade products

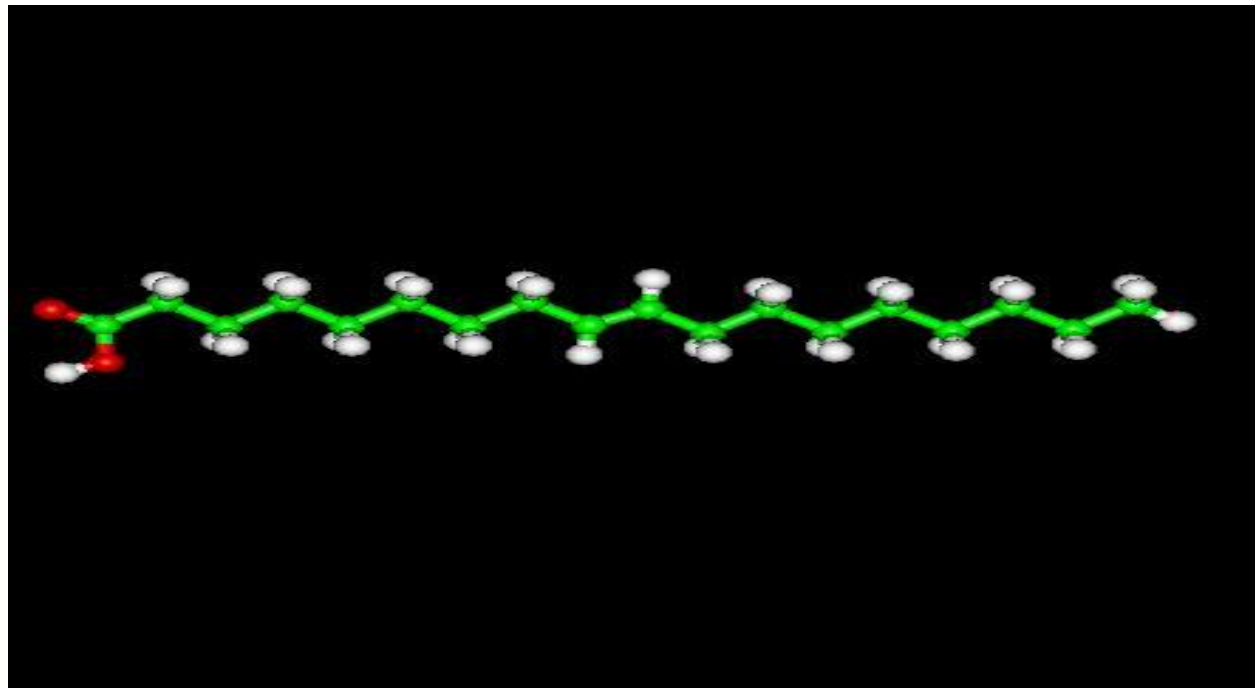
CHALLENGES

- ⦿ Current mandatory labelling:
- ⦿ Partially hydrogenated and fully hydrogenated
- ⦿ B2b in southern europe :
- ⦿ Tempering and storage conditions
- ⦿ Blends :
- ⦿ Difficult to differentiate between non-ruminant and ruminant

DO ALL TFA HAVE THE SAME HEALTH EFFECT?

- A recent study showed that in equal amounts, the main ruminant TFA, vaccenic acid, is as bad for LDL cholesterol as non-ruminant TFA.
- Gebauer S *et al.* (2015), Vaccenic acid and *trans* fatty acid isomers from partially hydrogenated oil both adversely affect LDL cholesterol: a double-blind, randomized controlled trial. *American Journal of Clinical Nutrition*, 2015; doi:10.3945/ajcn.115.123646.

LAST PICTURE OF TRANSFAT
THANK YOU FOR YOUR ATTENTION



We are open for cooperation
for more information please visit:

www.vmg.lt



VILNIAUS MARGARINO GAMYKLA