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PRESS RELEASE

Arla Foods Ingredients offers key to unlocking potential in organic infant formula

Arla Foods Ingredients is introducing its milk fractionation technology to infant formula manufacturers, offering them several benefits in the production of organic products including an unconstrained supply based on high quality milk.

Arla Foods Ingredients will share its expertise with brand owners and will produce organic, premium customized infant formulas at its Arinco plant in Videbaek, Denmark. Private label options will be available both as finished formulas and base powders.

Meanwhile, the company has announced that the patented technology will carry the new name 'ORIGIN by Arla Foods Ingredients'.

Organic products are leading growth in the global infant formula market and more than 15% of launches in the last three years have featured organic claims.¹ The sector is expected to grow by 10% over the next five years,² but with demand for organic whey and lactose rapidly outpacing supply, insufficient availability of infant grade organic raw materials has – to date – threatened to hold back growth.

ORIGIN by Arla Foods Ingredients enables manufacturers in the early life nutrition sectors to easily bypass organic whey shortages as Arla Foods Ingredients can keep up with demand in this market by drawing on an unconstrained supply of milk from Arla's organic farms, the largest organic milk pool in the world.³

Steen Lyck, Commercial Director, Child Nutrition Manufacturing at Arla Foods Ingredients, said: "ORIGIN by Arla Foods Ingredients is a significant step forward for infant formula brand owners. With our patented technology that obtains ingredients from fresh, organic milk at consistently higher quality, infant formula brand owners can finally capture the exciting potential of premium organic infant formula. In terms of certifications, our organic infant formula already has EU and Chinese organic approvals."

¹ Trends in Infant Milk, Innova Market Insights, 2021 (2018 to Q1, 2021)

² Euromonitor International

³ Organic milk production and organic dairies in 2019, Danish Agriculture and Food Council

Patented "milk-to-can" technology

ORIGIN by Arla Foods Ingredients is a patented process which extracts proteins directly from fresh milk using filtration technology. This "milk-to-can" approach is based on a simple, fully integrated process at one dedicated production site with no use of additives in the milk streams, reducing production complexity and time from milk to can. The breakthrough technology was first introduced in November 2021.

Henrik Andersen, CEO of Arla Foods Ingredients, said: "As science-based innovators we are driven to invent and reinvent our processes to ensure we have the best possible products available and continue to lead the way in whey.

"Traditional cheesemaking demands significant quantities of organic raw milk to produce the volumes of whey needed to meet demand. Now that we're not reliant on this, we can significantly increase production. And because all the milk we use comes from just a few Arla farms, we're able to offer greater clarity around provenance."

Arla Foods Ingredients launched its first organic ingredient, MicelPure[™], in August 2020. The launch of the organic micellar casein isolate marked the start of the company's long-term strategy of filling the gap in the market for natural, organic protein ingredients.

The company will continue its focus on the organic sector in 2022 and it will reveal details about several projects throughout the year.

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About Arla Foods Ingredients

Arla Foods Ingredients is a global leader in value-added whey solutions. We discover and deliver ingredients derived from whey, supporting the food industry with the development and efficient processing of more natural, functional and nutritious foods. We serve global markets within early life nutrition, medical nutrition, sports nutrition, health foods and other foods and beverage products.

Five reasons to choose us:

- We have R&D in our DNA
- We offer superior quality
- We are your trusted business partner
- We support sustainability
- We ensure security of supply

Arla Foods Ingredients is a 100% owned subsidiary of Arla Foods. Our head office is in Denmark.

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