

Going west

TWO CZECH BAKERIES HAVE SUCCESSFULLY GONE INTO THE EXPORT BUSINESS WITH OTHER EUROPEAN COUNTRIES



++ figure 1

++ figure 1
Laminating of Danish pastry dough: the equipment has an hourly capacity of approximately 1,200 pieces

++ Odkolek and Delta are the two key players on the Czech market for baked goods. They are under the flag of the marketing company Euro Bakeries for their export activities. The Czech market has been systematically handled and now is looking towards the West and the North.

Odkolek with a market share of about 10% is clearly the number two on the Czech market for baked goods. This market is still dominated by industrial products. The company offers a broad product range. The baked goods are produced at eight production sites in Prague, Brandys, Zatec, Chomotov, Rumburk, Karvina, Liberec and Pardubice. About 35% of the products are packed goods although this is increasing. Odkolek has about 1,400 employees and delivers its products to about 5,000 customers daily. The company has its own sales outlets but is increasingly doing business with retailers. Virtually all supermarket chains doing business in the Czech Republic, such as Ahold, Billa, Carrefour, Globus, Edeka or Hypernova and Makro, Real or Tesco, are on Odkolek's customers list. Odkolek delivers its

products area-wide to food retailers as well as to gas stations and bake-off shops.

Trading activities beyond the borders are gaining more and more significance. In particular, they are trading with Germany and Austria. Odkolek and Delta Pekárny currently make their dough pieces at two production sites. One is the plant in Chomotov, which is scheduled to close at the end of this year, to be replaced by a state-of-the-art production plant including two fully automatic Fritsch lines.

Without its own fleet

In the past years, Odkolek has handed over the entire delivery business to subcontractors and has also sold its motor vehicle fleet. "Since then we have had more room to breathe," confirms Jan Jedlicka, general manager of Odkolek. One glance at the order picking system at Odkolek in Prague explains what he means. The packed or pre-commissioned goods are handed over to the drivers of the delivery trucks at the distribution warehouse, but not before they are counted by a represen-



++ figure 2
Michael May, technical manager and responsible for all Odkolek plants, shows packed puff pastry sheets intended for the retail



++ figure 3
Frozen dough pieces are counted and manually pack into bags

tative of Odkolek together with the driver and the delivery documents signed. This has the advantage that the losses can be reduced to a minimum. New counting units with light barriers make sure that the goods are packed in the baskets in the ordered amounts. Delta Pekárny has outsourced the delivery activities and are also pleased to be without this task.

Continuous investment into men and machines

Even though there are still a number of older model machines and equipment in Odkolek’s bakeries, the company has recently invested a lot of money in new technology. Those investments are necessary to manage the annual production capacity of about 75,000 tons of bread, baked goods, fine bakery wares, cakes, gingerbreads and pastries. One example is the advanced bread making plant with automatic dough preparation, a multi-level tunnel proofer and automatic loading unit for the deck baking ovens. This plant has an hourly capacity of about 1,500 breads, which does not sound that much, but Odkolek is set on producing high quality goods on small flexible lines in the future.

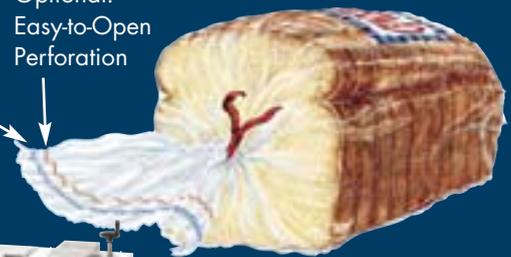
Quality for Odkolek is not just a hollow word. This was proven by the German Agricultural Society DLG. Odkolek participated in the DLG quality contests for the first time last year and was awarded Bronze medals for all products submitted. “We wanted to see where we stand in order to be able to improve our products and adjust to the standards. This way we will not only be competitive but also able to actively ▶

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++ figure 4



++ figure 5



++ figure 6



++ figure 7

++ figure 4
Odkolek's headquarters in Prague accommodates the administration as well as a large production hall in which bread and fine bakery wares are made

++ figure 5
Dough pieces are stored in the freezer storage in Chumotov, near the German-Czech border. Here unproofed croissant dough pieces and puff pastry sheets are made for the food retail trade

++ figure 6
Feeding of dough pieces and croissants, made on two Rheon lines, into a shock freezer

++ figure 7
The puff pastry sheets are packed fully automatically

shape the markets," explains Alfred Joechtl, managing director of Euro Bakeries Services.

Dough pieces as market chance

The boom in the market for dough pieces is one reason why the Czech group intends to invest in this area as well. Currently, they offer a broad range of about 100 products, mainly

for the sector of small bakery items. Next to croissants, baguettes and Kaiser rolls, they also produce sweet and savory puff pastry and Danish pastry products. "The next step in this segment will be the investment in forward-looking technologies in order to utilize the high market potential and to fulfill the increasing requirements and desires of our customers," summarizes Joechtl with confidence. +++

Companies and joint ventures of both Czech bakery groups

- + Delta Pekárny and Odkolek operate more than 25 bakeries in four countries. They are the two industrial bakery groups dominating the markets in the Czech Republic and Slovakia.
- + Emka is the centrally organized buying syndicate of both bakery groups intended to achieve cost advantages through synergistic effects.
- + Delta Frozen Products is a joint venture with a Belgian bakery group which specializes in the production of frozen bakery and pasta products.
- + Delibake is a joint venture of both groups and is active in the biscuits and durable baked goods sectors.
- + Harry's Delta is a joint venture with Harry's (France), a French company specializing in packed baked goods.
- + Heli Food is a joint venture with Vegilife in Belgium, a company specializing in the production and marketing of ready-meals.
- + United Pasta is a specialist company for pasta and noodle products which has a market share of 20% in the Czech Republic and of 30% in Slovakia.
- + Eureka Shops is the fast food chain of Delta Pekárny.
- + Le Patio combines so-called "life style" catering with delicatessen products.

Odkolek and Delta Pekárny are important employers and have more than 4,000 people working for them.