

INGREDIENT INNOVATION

Your start to flavor, texture and functionality

Hilmar offers innovative solutions for dairy ingredients to U.S., world

By Alyssa Mitchell

HILMAR, Calif. — With new products, a new manufacturing facility underway and a revamped look, Hilmar is making a splash in the dairy ingredients market as it marks 40 years in business.

Hilmar was founded in 1984 by a small group of dairy farming families as a cheese manufacturer. In 1994, the company expanded its facilities and began processing whey protein and lactose.

"This has afforded Hilmar the opportunity to create additional nutritional and economic dairy products for both domestic and international customers, helping to fulfill our purpose — improving lives together," says Marina Crocker, senior director of product category and marketing at Hilmar. "The addition of protein-rich ingredients has allowed Hilmar to deliver vital nutrition to infants, provide essential proteins and amino acids to highly active adults, and support the vigorous pursuit of healthy lifestyles at all ages."

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Just last summer, the company unveiled a new logo and brand identity, unifying under the trademarked brand name Hilmar.

"The new identity aligns with the company's expanding role in the markets it serves," says David Ahlem, Hilmar's president and CEO. "When the company started in 1984, the founding dairy farm families were simply looking for a more equitable way to compensate dairy farmers and bring quality products to market. Now we are a leading global supplier with a passion and commitment to the future reflected in our new look. We're proud of our heritage, and those core values of fairness, ethical business conduct and commitment to quality dairy products are deeply embedded in Hilmar. Our reach and impact stretch far beyond our plants."

Hilmar's new brand identity reflects its commitment to "improve the lives of everyone we touch, including consumers, customers, business partners, employees and the communities where we live and work," Ahlem adds. "We believe we've just begun to tap the full life-changing power of dairy."

The introduction of the new Hilmar brand identity also marked the integration of the company's cheese and ingredients businesses. Ahlem notes that in 2004, the company launched a dedicated ingredients division in addition to its cheese business.

"Today, however, we're well known for both cheese and ingredients. So, we want to put all our strategic thinking and investment behind one master brand," he says. "Whether it's cheese or ingredients, our intent is to build on our heritage and find innovative, new ways to use the power of dairy to improve lives."

Crocker notes that whey proteins are increasingly showing up in clear beverage applications, such as low pH beverages with fruit flavors. Hilmar 9020 WPI (whey protein isolate) is an ideal option to meet the needs of the clear protein beverage formulator since it not only provides clarity, but also is low in lactose and fat with a clean flavor profile, she says.

Additionally, more proteins are showing up in snack foods for those individuals who aren't necessarily athletes but want to maintain a healthy lifestyle, Crocker adds.

"You can find up to 20 grams of protein per serving today in chips, crackers, muffins and toaster pastries. High whey protein ingredients are not easy to incorporate into formulations, but over the years our applications team has developed a wealth of knowledge and experience to help our customers with functionality and product development."

Crocker notes Hilmar also sees higher-value ingredients developed for infant formula making their way into adult nutrition applications. A good example is Hilmar 7500 MFGM (milk fat globule membrane). Typically used



Photo courtesy of Hilmar

INGREDIENTS IN DEMAND — Hilmar offers whey protein ingredients including whey protein concentrates, whey protein isolates, hydrolysates, lactoferrin and more.

in infant formula, it also is ideal in adult applications due to its versatility, taste and ability to promote healthy aging, she says.

Meanwhile, Hilmar 8010 instantized WPC (whey protein concentrate) and Hilmar 9010 instantized WPI are the company's "work horses," Crocker says.

"These products are designed for powdered dry mix applications like sports powders, which is the largest market for high-protein whey," she notes.

"For our more specialized proteins, we have seen a great deal of interest in our PROtelyze line," she adds. "This is our product family of whey protein hydrolysates. The market recognizes us as an expert in developing hydrolyzed ingredients, and this is a big innovation area for us. We recently launched PROtelyze Extend, a hydrolyzed whey protein isolate developed to improve softness and extend shelf life in bars."

Crocker notes that Hilmar also has received interest for PROtelyze Extend use in healthy living applications where additional protein and a softer texture is desired in baked goods, such as cookies.

"We have several other new products in the pipeline that will be launched in 2024 that also belong in our PROtelyze family of hydrolyzed proteins," she adds.

Hilmar's ingredient solutions are gaining industry recognition. In the company's first year of entering products in the 2023 U.S. Championship Cheese Contest, Hilmar placed first for Hilmar 8000 in the Whey Protein Concentrate 80 category, as well as third in the Whey Protein Isolate 90 category for Hilmar 9000.

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"Our advantage comes from three areas. The first area is whey processing expertise. Our whey originates from our state-of-the-art cheese manufacturing operations, ensuring a fresh and superior-quality whey stream. We meticulously process the liquid whey, eliminating excess water, carbohydrates and minerals with our advanced filtration methods. We further process for fractionation, agglomeration and hydrolysis to produce a wide range of functional and highly nutritious protein ingredients," Crocker says.

"The second area is our applications expertise. Our knowledge allows us to develop ingredients with ease-of-use in mind," she adds. "Last, but not least, our partnerships with customers give us an advantage as we collaborate on the development of new ingredients, refine existing products and explore new applications."

In addition to its headquarters, innovation center, manufacturing site and visitor center — all located on Lander Avenue in Hilmar, California — as well as a manufacturing site in Dalhart, Texas, Hilmar currently

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is constructing a new manufacturing facility in Dodge City, Kansas. Production is expected to begin this fall. The new sustainability-focused plant will produce 40-pound blocks of cheese, providing a whey stream for Hilmar to manufacture a range of high-protein whey ingredients in the form of WPC80, functional proteins, WPI and MFGM.

"The production of MFGM will allow Hilmar to expand our markets for this fractionated protein to healthy living products, beyond our current infant formulation market," Crocker notes. "Additional WPI availability will allow us to pursue growth in the sports nutrition category, the fastestgrowing market segment."

The new facility is expected to create 250 new jobs and represents more than \$600 million in capital investment.

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"We are excited about this partnership with Dodge City," Ahlem says. "This community has a local and skilled labor force, a supportive and expanding agricultural region, and an excellent transportation network. It is a great location to invest in the future."

In addition to its U.S. customer base, Hilmar delivers safe, quality products to customers in more than 50 countries worldwide. Crocker notes that Hilmar can see growing incorporation of high-protein whey ingredients in diets both in the form of number of servings, and in the form of grams per serving, in global markets.

She adds that the U.S. dairy industry, with new upcoming cheese capacity, is in the best position to serve growing demand for high-protein ingredients overseas.

"The product mix at our new Dodge City, Kansas, facility is aligned for capturing this growth, along with

increased product development and a focus on keeping on top of global trends in the marketplace," Crocker says.

She adds that future opportunities for growth in the global market will come from increased market penetration and growth in the sports nutrition category, which is projected to outpace other categories driven by an expanding consumer base and desire for overall health.

"As one of the leading dairy manufacturers, Hilmar produces approximately 6% of the global high whey ingredients supply," Crocker says. "At Hilmar, about 40% of our ingredients are sold outside of North America in Asia, South America, Europe, Middle East/North Africa and Oceania." CMN



Photo courtesy of Hilmar

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LET'S DRIVE DAIRY INNOVATION—TOGETHER

At Hilmar, we produce and deliver safe, high-quality cheese and whey pr ingredients to 50+ countries globally. Through investments in talent and technology—like our new 400,000-square foot Dodge City, KS manufacturing facility—we're dedicated to improving the scalability and flexibility of our offerings. We're excited about the future of dairy and constantly explore new avenues to propel the industry forward.



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