

Operating Review Operations

In 2024, Baladna made significant strides in its Manufacturing capabilities by consolidating existing facilities and introducing new cutting-edge technologies to enhance efficiencies and product quality.

2024 Highlights

Product Category	Total Production Volume 2024 (Kg/million litres)
Fresh and UHT Milk	85.9
Yoghurt	13.3
Laban and Ayrar	8.3
Cheese	5.3
Labneh	1.0
Fresh and UHT Cream	5.8
Other Dairy Products (i.e., Custard, Desserts, Ghee, etc)	0.8
Chilled and Long-Life Juice	15.9
Evaporated milk	1.6
Total	137.9

Achieving best-in-class food safety and quality

In 2024, Baladna successfully implemented FSSC 22000 version 6.0 across its dairy production plants, reinforcing our commitment to delivering the safest and highest-quality products. As the first company in Qatar to be awarded this certification, we are proud to uphold global food safety standards while continuously improving our practices.

FSSC 22000 version 6.0 is a globally recognised food safety certification that addresses emerging challenges and consumer expectations, while supporting the United Nations Sustainable Development Goals. This latest version of the certification brings significant advancements to food production and certification processes, with a strong emphasis on effective management systems.

The certification highlights Baladna’s unwavering dedication to food safety and quality. Key measures implemented include enhanced risk assessments, environmental monitoring, allergen management, stringent labelling practices, food defence strategies and food fraud mitigation. These initiatives align with evolving consumer needs, regulatory expectations and the integrity of our supply chain, ensuring the highest standards across all areas.

In addition to these technical improvements, Baladna has cultivated a robust food safety and quality culture, encouraging shared values and proactive behaviours within our teams. We have gone beyond basic compliance, demonstrating our deep commitment to food safety and quality at every level of our operations. Our holistic approach places equal emphasis on both

food safety and quality, from farm to fork.

Baladna Food Industries also successfully completed stage 1 and stage 2 of ISO 22000:2018 Food Safety Management System certification for its plastic packaging production facility. This further underscores our strong commitment to maintaining the highest standards in food safety and quality. The certification ensures that the packaging materials used in our food products are safe, secure and of the highest quality. It provides assurance to customers and consumers alike that the packaging used by Baladna adheres to the most stringent safety and quality standards, reinforcing our position as a trusted and responsible leader in the food industry in Qatar.

Proactive problem-solving drives delivery improvements

This year, we proudly achieved an exceptional 100% of our production plan, reflecting the outstanding collaboration between our manufacturing, production planning, inventory, warehouse, logistics and procurement teams. By aligning production schedules with customer demand, optimising manufacturing processes and streamlining warehouse and logistics operations, we were able to minimise delays, maximise output and ensure the timely delivery of high-quality products.

Our teams took a proactive approach to problem-solving by identifying potential issues early and addressing them before they could affect service, ensuring smooth operations throughout the year. This concerted effort not

only allowed us to meet but also exceed our service delivery targets, reinforcing our commitment to operational excellence and customer satisfaction. The remarkable teamwork and process optimisation demonstrated this year have set a new standard for efficiency, reliability and agility. Looking ahead, we remain focused on refining our processes, enhancing cross-functional collaboration and continuously elevating our service delivery standards to maintain our position as a trusted and valued partner for our customers.

In addition, we are thrilled to report an outstanding 99.8% sales order fulfilment rate for the year, underscoring our unwavering dedication to customer satisfaction and operational excellence. This achievement is the result of exceptional

teamwork across sales distribution, planning, manufacturing and the finished goods warehouse teams. Through seamless coordination, we ensured that every order was processed swiftly and accurately. Sales and Planning collaborated to align inventory with customer demand, preventing stockouts and ensuring smooth order execution. Our manufacturing team optimised production schedules to meet critical deadlines, while the finished goods warehouse team focused on efficient picking, loading and system transactions to guarantee on-time deliveries. This unified effort enabled us to consistently exceed customer expectations, and we are committed to sustaining and building on this momentum to deliver even greater value in the future.



Driving down costs to create financial value

During the period under review, our primary focus was on reducing operational costs while maintaining the excellence of our products and services. This was achieved through the adoption of Good Manufacturing Practices (GMP), which helped ensure product safety, reduce process inefficiencies and minimise waste. Additionally, we successfully transitioned production from our older plants to more advanced facilities, a move that further contributed to reducing operational costs.

As a result of these numerous enhancements, we were able to significantly lower operational expenditure. This was further supported by energy efficiency initiatives, including the conversion of our boilers from Diesel to Liquid Petroleum Gas (LPG). This change has not only helped reduce fuel costs but also aligned with our sustainability goals. The reduction in operational expenditure reflects our ongoing savings initiatives, excluding non-recurring or unusual costs, and provides a clearer picture of how we are continuously enhancing efficiency and reducing regular operating expenses.

These strategic actions reinforce our commitment to maintaining cost-effective operations while ensuring that product quality and customer service remain at the highest standards.

Advanced technologies and data-driven decision-making to improve performance

Our drive for operational excellence is guided by several key objectives, including the minimisation of process losses. Through this focus, we reduced material waste, downtime, rework, defects, excessive inventory and inefficiencies across various processes. We adopted lean methodologies, such as daily production meetings, to streamline operations, improve organisation and instil a culture of continuous improvement.

Leveraging cutting-edge technology, we implemented process automation, total productive maintenance and predictive maintenance techniques to improve equipment performance and reliability. These innovations helped to reduce unplanned downtime and enhance operational efficiency. Additionally, the integration of data-driven decision-making through the collection and analysis of Key Performance Indicators (KPIs) and real-time data analytics allowed us to proactively address operational challenges. We remain committed to innovation, with an ongoing objective of developing new cost-effective products that enrich our existing product portfolio to meet the evolving needs of our customers.

Continuous improvement in manufacturing

One of our major achievements this year was the successful commissioning of the Evaporated Milk Production (EVAP) line, which was seamlessly integrated into our existing production workflows. This upgrade has resulted in improvements in production performance and output.

In 2024, we also implemented Integrated Business Planning (IBP) to enhance business planning and coordination across functions. By integrating sales, operations and financial planning processes, IBP enabled us to utilise advanced tools for data-driven decision-making and scenario planning.

Our teams received comprehensive training to ensure the effective adoption of IBP tools, and we conducted ongoing monitoring to evaluate performance, align efforts with business goals and drive continuous improvement.

Through these initiatives, we are confident that we will continue to create financial value, improve performance and meet the evolving needs of our customers while optimising costs.

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Looking ahead to 2025

As we move into 2025, our focus will be on further enhancing operational efficiency and product quality through the implementation of advanced technologies and strategic expansions. We are committed to strengthening our Manufacturing capabilities to meet growing production demands while streamlining our operations to reduce costs.

A key initiative for the year will be the expansion of our state-of-the-art facilities, ensuring we have the capacity to support increased production requirements. Alongside this, we will work on consolidating our manufacturing

operations to optimise processes, eliminate inefficiencies and drive down operational costs.

We will continue to drive efficiencies by deepening our commitment to lean manufacturing principles. Training initiatives will be expanded, and lean activities will be integrated across all areas of manufacturing. This will include daily meetings, root cause analysis and waste reduction strategies, all aimed at ensuring continuous improvement and operational excellence.

We have plans to invest in fresh and UHT processing and filling lines to significantly boost production capacity. This will help

reduce risks by diversifying capabilities across 2 plants. Additionally, we are excited to introduce a new mozzarella production line, incorporating Individually Quick-Frozen (IQF) technology, which will enable us to produce fresh mozzarella at a higher capacity and with enhanced quality.

With these initiatives, we are confident that 2025 will be a year of growth, efficiency and enhanced product quality, positioning us to meet the evolving needs of our customers and maintain our leadership in the industry.

