



NEW KENYA CO-OPERATIVE CREAMERIES LTD

THE MARKET

The predecessor of New Kenya Co-operative Creameries Ltd - Kenya Co-operative Creameries – is well known to generations of Kenyans, having operated in Kenya since 1925. This makes it the oldest dairy processor in the country as well as East and Central Africa, and also the largest dairy company in Africa.

With its focus on fresh quality products that run the spectrum from milk and yoghurt to cheese and ghee, - New KCC is the brand of choice for parents who want to give their families a healthy start in life; as well as for individuals who choose good health along with good taste.

Targeted at across-the-board market segments, New KCC products are perfect for family meals, snacks and calcium-filled drinks. The fresh product sector targets a cross-section of consumers in all LSMs through various pack designs, sizes and prices.

New KCC products can be found in all outlets and small kiosks; institutions like Government facilities, schools, hospitals and large hotels; supermarkets and industrial and manufacturing organisations. With a finely developed export structure, New KCC services the East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA), as well as Uganda, Tanzania, Rwanda and DRC.

New KCC's annual turnover for the last complete financial year ended June 2010 was

KSh 6,380,176,228 (70 million US dollars). With a market share of around 34.5 percent, New KCC is a dominant player in a competitive market comprising over 33 players.

As consumers become more knowledgeable about their requirements and dictate delivery timings, product sizes and packaging types, New KCC has kept up with demand and technology, including packaging that ensures a fresh and healthy product every time. The brand's payoff line - Free Your Body, Free Your Mind – is one that resonates with consumers who are looking to satisfy their dietary needs without compromising on flavour.

Always innovative and on the lookout for opportunity, New KCC aims to grow its market share to 50 percent in the long term. The brand believes there is still an enormous amount of growth in both local and export market and expects to double its exports in the next 5 -10 years.

ACHIEVEMENTS

Among its many achievements, the brand is Halaal Certified, diamond mark and ISO 22000: 2005 certified, underscoring its commitment to its consumers.

New KCC has achieved several “best” awards over the years, including consistently winning the best large manufacturers award countrywide in the more than eight shows the brand has

participated in.

New KCC is expecting Hazard Analysis and Critical Control Point/Food Safety Management System ISO 22000 HACCP certification shortly.

The company is the first and only dairy firm that manufactures milk powder in East Africa. It was also the first dairy in the region to introduce a whey drink; and to pack its milk in Tetra packs.

HISTORY

The dairy industry in Kenya was started with the Kipkelion Creamery, which was built in 1908 by a certain Mr. Watts. KCC was incorporated in August 22, 1925 and the first Kenya Co-operative Creamery was opened in Naivasha on April 12, 1926.

In 1927 a plan began to start a creamery near Nanyuki, as the original building was a grass banda (shelter) with two old hand churns. By 1929, the supply of butterfat exceeded 150,000 pounds and the creamery was upgraded.

Financial issues encouraged a merger between Kenya Co-operative Creamery Limited, Nanyuki and Kipkelion Creameries. On 8 February 1932, the Kenya Co-operative Creamery became the first company to be registered under the Co-operative Societies Ordinance 1931. The Thompson Falls Creamery was opened in 1934 and the Eldoret Creamery in 1935. From 1935 onwards, the Kenya Co-operative Creamery began taking over the liquid milk market in the

...spread the goodness everyday!

NEW KENYA CO-OPERATIVE CREAMERIES LTD
Life's goodness everyday!

2009/11 Superbrands East Africa's Choice

2009/11 ISO 22000:2005 CERTIFIED

...the longer lasting freshness!

NEW KENYA CO-OPERATIVE CREAMERIES LTD
Life's goodness everyday!

2009/11 Superbrands East Africa's Choice

2009/11 ISO 22000:2005 CERTIFIED

Smooth and tasty!

NEW KENYA CO-OPERATIVE CREAMERIES LTD
Life's goodness everyday!

2009/11 Superbrands East Africa's Choice

2009/11 ISO 22000:2005 CERTIFIED

...SHARE
THE GOODNESS
WITH YOUR PALS!



main cities and towns in Kenya.

With only 51 members in 1927, membership figures had risen to 1,028 by 1945. The directors then decided to change the name of the company from the Kenya Co-operative Creamery Limited to Kenya Co-operative Creameries Limited.

Kenya was one of the first countries to start packing in Tetra Pak, way back in 1956 – then a “revolutionary” method of packaging milk and cream. By 1964, KCC had acquired four more subsidiary companies, including Uganda Creameries Limited, Milk Products Company Limited and Lyons Ice Cream Limited as an associated company. By 1965 nearly 40 percent of the supplies were sourced from small scale African Farmers. KCC’s first African Chairman was Mr DN Kuguru, elected in 1965.

Introduced in May 1979, the brand’s School Milk Program provided vital nutrients to school children. The program was a “first” in Africa, and continued until 1992.

Between 1998 and 2003 insolvency loomed, but New KCC was able to bounce back through government intervention and was made a state corporation in June 2005. Now a massive operation, New KCC has creameries in Naivasha, Nyahururu, Eldoret, Nakuru, Kitale, Nairobi, Kiganjo, Sotik, and Miritini; cooling and collection centres in: Kapsabet, Lessos, Ainabkoi, Iten, Githumu, Kengema, Nanyuki, Runyenjes, and Molo. It also has sales depots in Nairobi, Mombasa, Nakuru, Kisumu, Nanyuki, Eldoret and Sotik.

THE PRODUCT

From product ingredients to packaging, New KCC’s focus has always been on quality. Consumers are becoming more and more health conscious

and educated about their consumption, leading to the introduction of low fat and standard milk options.

Packaging is all about hygiene, convenience and standing out on the shelf. The brand has various small stock keeping units (SKUs) for each brand to give consumers a choice for every wallet.

New KCC’s distribution system sees its products available in small shops countrywide. Milk products are packaged in Tetra Classic, Tetra Rex, Tetra Brik Aseptic, Tetra Classic Aseptic, Tetra Fino Aseptic, pouch and bottles, offering a wide variety of safe, healthy choice.

Consumer choice is vast: From fresh milk products (Gold Crown and KCC fresh milk); long life milk products (UHT and KCC Shake); fermented milk (Mala, flavoured Mala and Yoghurt Delite); powder milk (Safariland); whey drink (Shakalaka); butter (Finest Creamery Butter); Cheese (rindless cheddar, tavern, gouda and processed cheddar); and ghee (New KCC Superfine Ghee); consumers get the cream of the crop from New KCC.

RECENT DEVELOPMENTS

The recently launched Gold Crown Fat Free Long Life Milk provides an alternative to health conscious consumers who would like to benefit from the nutritional value of milk but still keep an eye on their calorie intake. It’s about freeing the consumer from worrying about added calories and enabling them to enjoy a fat free option.

Still young, Gold Crown Fat Free has increasingly gained market share in the category of fat reduced liquid milk products and New KCC’s objective is to make it the market leader in this category.

Aimed at the higher LSMs, the brand mostly sells in modern outlets like supermarkets and convenience stores. It retails as single units in 250ml packs, mostly taken chilled and on the go; as well as 500ml and 1 litre.

Due to the long life nature of the brand, it has been able to penetrate the export markets and we are now selling in Uganda, Tanzania, Rwanda and DRC.

PROMOTION

New KCC promotes its various products and activities using radio and print media. The company also promotes its products through sponsorships of events and TV programmes, and will run stand-alone advertisements on TV in the near future. New KCC participates in all 13 Agricultural Show of Kenya (ASK) events every year and organises several in-store promotions in major supermarkets around the country.

Using the overall tag line “Life’s Goodness Every Day”, New KCC corporate banners show a contemporary company with old fashioned values. In re-launching its KCC fresh milk, the tag line “As Good As Nature’s Best” was used. Now, radio and billboards are the main outdoor media that are used to promote Gold Crown Fat

Free Milk brand, for which the payoff line is “Free Your Body, Free Your Mind”.

The brand advertises in all main local channels, especially those aimed at by middle and upper incomes. Other avenues include print, particularly lifestyle and cookery magazines. Vehicle branding has been used, as well as T-shirts, gym bags and cosmetic bags. Supermarket promotions are also held to keep the brand top of mind among consumers.

BRAND VALUES

New KCC’s brand values can be summarised as: Simplicity, accessibility, humanity (soulfulness), innovation and authenticity; and its personality as elegant, modern, confident, positive and smart.

It’s a brand committed to quality, providing products that have a long history and a rich heritage. Key to New KCC’s consumer commitment is good value for money; and those who choose the Gold Crown Brand know that it represents premium quality.



THINGS YOU DIDN'T KNOW ABOUT NEW KCC

- New KCC is the oldest and largest leading dairy company in East and Central Africa, established in 1925
- Gold Crown milk was the first fresh milk brand to be packaged in Tetra Rex
- KCC Fresh was the first fresh milk brand to be packed in Tetra Classic
- Shakalaka is the first and only whey drink to be produced in Kenya and East Africa
- KCC started the first school milk program in Africa in 1979