

nzoia sugar

Sweetening Kenya since 1978



MARKET

Nzoia Sugar is predominantly a high quality brown sugar made from cane harvested in the rich soils of Western Kenya - mainly Bungoma County, Busia County and parts of Kakamega county. Last year they achieved a turnover of Kshs. 5.5 Billion at about 15% market share.

A total of 27,800 hectares is under cane farming and, out of these, 3,400 hectares is from the Nucleus Estate owned by Nzoia Sugar Company. The factory is rated at 3,000 TCD with annual sugar production of about 65,000 metric tonnes of brown sugar.

Their target reach is across all consumer segments but the bulk of Nzoia Sugar (70%) is sold in 50 Kg bags to wholesalers who resale to retailers for self packaging in smaller units for onward selling to consumers. Nzoia Sugar branded packages of ¼ and ½ kg offerings targets the lower end of the market. The growth of various channels like the supermarkets, hypermarkets and medium size groceries

have created a huge opportunity for the bulk of their branded sugar, mainly 1 and 2 kg offerings. Nzoia have managed to serve these key channels either directly or through distributors.

There has been a general increase on branded packaged sugar in line with the rapid growth of the channels based on current shopping trends. Nzoia Sugar aims at strengthening distribution to cope with current and anticipated growth in

demand of branded sugar.

There is also a huge market for white sugar and Nzoia plan to avail the same offering in the near future.

ACHIEVEMENTS

Nzoia Sugar Company is one of key players in the sugar industry contributing immensely to the economic livelihood of the inhabitants of western Kenya counties and tax contributions to the National Government. It employs about 1,300 permanent members of staff and over 3,000 casuals. This translates to over 20,000 people whose livelihood relies on Nzoia Sugar directly. There are over 66,000 cane farmers who indirectly rely on Nzoia Sugar company cane payouts. The company boasts of three modern packaging machines that have contributed to increased output and quality branded sugar.

The company has continued to invest in quality management systems geared towards customer service. Due to this the following

certifications have been achieved:-

ISO Certification: Nzoia Sugar is ISO 9001-2008 certified, an indicator of the Company's competence in rendering quality services that match international standards.

Diamond Mark of Quality: The Company was awarded the Diamond Mark of Quality by Kenya Bureau of Standards for producing high quality brown sugar which meets world class standards.

Gold Medal Award: Nzoia Sugar was recognised internationally when it was awarded the Gold Medal Award for excellence in business practice in Geneva, Switzerland.

Re-Branding: The Company successfully went through a re-branding exercise by embracing a new brand identity and new logo all in new colours. The re-branding message has been re-enforced through increased promotions and advertising effort.

HISTORY

The Company was incorporated in 1976, with cane planting, and later sugar production started in 1978 at a milling rate of 2,000 tonnes cane per day (2,000 TCD) and sugar of about 200 tons per day.

The Government is the majority shareholder owning 98% share while Fives Cail Babcock (FCB) and Industrial Development Bank own the remaining 2%.

The factory and head office is located in Western Kenya Bungoma County and the Company is mainly involved in sugar cane growing through input support to farmers and cane milling .

Initially Nzoia Sugar was packaged in 100 Kg Bag but this has changed to the current bulk packaging of 50 Kg.

In 2008 Nzoia Sugar company management Board, acting on marketing research feedback,



took the bold initiative to re-position their products in the market place by re-Branding and the introduction of re-juvenated branded sugar packages. The Company's commitment is to continue developing new products that meet changing consumer needs and lifestyles

PRODUCT

Nzoia Sugar initially relied on 50 Kg bulk packing for its business. These packages lost identity immediately they were offloaded at the retail outlets due to various traditional modes of repackaging. With the lost identity consumers could not differentiate Nzoia products from various imported sugars, leaving the brand vulnerable to market forces.

A few years ago Nzoia Sugar took the path of brand rejuvenation through re-branding. This was enhanced by heavy investment in three sets of branded sugar packaging machines to boost output and raise quality standards that meet consumer satisfaction.

The branding exercise that commenced in 2008 was also aimed at re-positioning the company in the market place, increasing brand visibility and give the brand the required aesthetic qualities to compete. The new look Brand was launched in March 2012 and is now available in 2 Kg, 1 Kg, ½ Kg and ¼ Kg packages. Consumer up take of their listed products has been impressive.

Nzoia have also maintained the higher packages of 50kg, 25 Kg and 10 Kg that are partially branded.

RECENT DEVELOPMENTS

Nzoia Sugar intends to grow the volume of branded sugar from the current 20% to 40% by



installing additional packaging machines.

A second set of evaporators is under construction to be commissioned around July/ August 2013. This will help reduce the frequency on evaporator cleaning and thus increase the processing time and Sugar output.

A second sugar dryer to handle 800 tons per day is under construction to be commissioned in mid 2013 and will greatly improve sugar quality.

Nzoia Sugar strengthened its promotion effort to communicate the New Look Branded sugar and to support our customers sell out.

The promotions have mainly been through National Radio Station, major TV Houses – NTV, KTN, Citizen TV. The company advertises in the popular print media and Nzoia Sugar also promotes its products through sponsorship of events. The most recent one is the sponsorship of the Trans-Nzoia Golf open. They also participate in various Agricultural shows and



Trade Fairs – Kakamega Agricultural show, Nairobi International Trade Fair, Kitale Show.

Nzoia have also embraced outdoor advertisements through the use of wall branding, billboards and posters using the current tagline of "Sweetening Kenya Since 1978"

BRAND VALUES

Nzoia sugar vision is:-

- To be globally competitive in production and marketing of sugar and other products. This



translates to their mission which reads:-

- To efficiently, innovatively and sustainably produce and market sugar and other products in a clean and safe environment to the satisfaction of all Nzoia stakeholders.
- Nzoia sugar as a brand is committed to fulfill consumer requirements by deliberately delivering the following values:

Fulfillment – Nzoia sugar products are made to satisfy consumer needs and aspirations.

Value Proposition – Nzoia are committed to avail their products as a market leader in value for money.

Consumer choice – Nzoia currently have a wide product line portfolio in form of various convenient packages to fit in diverse consumer needs and incomes.

Innovativeness – The brand is sensitive to continually changing consumer needs and through innovation it will evolve to remain relevant in line with consumer aspirations.

Sense of belonging – Nzoia sugar is a strong Kenyan brand that matches any brand in the same category.

www.nzoiasugar.co.ke



Things you didn't know about nzoia sugar Company Ltd

Nzoia Sugar avails the largest offer of brown sugar in the country.

Nzoia Sugar company has the largest company owned nucleus Estate farm in Kenya of 3,400 ha.

Nzoia Sugar zone boasts of having very rich soils suitable for producing high quality cane hence the sweetest sugar in Kenya.

Nzoia sugar was recognised internationally for excellence in business practice in Geneva, Switzerland and awarded the Gold medal award.

Superbrands