

**KILOMBERO**  
**SUGAR COMPANY**  
AN ILLOVO SUGAR AFRICA COMPANY

# KSCL **NEWSLETTER**



APRIL 2022



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## MESSAGE FROM THE MD



To all our Muslim colleagues – Eid Mubarak and to our Christian colleagues – we hope you had a Good Easter!

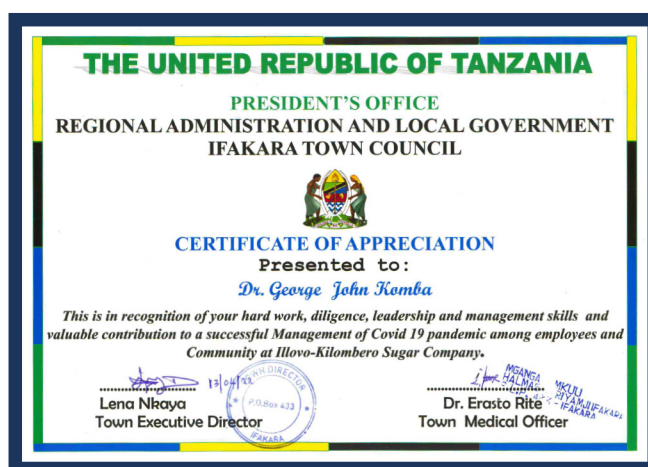
Welcome to our Fourth Edition of the KSCL Newsletter keeping you informed of the business progress, key projects, safety issues, key engagements and events undertaken from in and outside our company including key business highlights for 2022.

I would like to highlight the following key issues:

We have commenced factory overhaul in preparation for a new production season 2022/2023. During these times, there is higher safety and health risks exposure to employees/contractors due to ongoing maintenance activities. I appeal to all of you to be more vigilant and focus on safety in each and every activity you do.

There has been identified a new Covid-19 variant known as Omicron - BA. With many countries lifting Covid-19 restrictions, the variant could soon spread to our country. International data suggests that those who are vaccinated are less likely to be infected and if they do contact Covid they experience less severe symptoms.

I continue to encourage everyone to continue taking precautionary measures to avoid being infected and more importantly, I strongly advise everyone to get vaccinated.



Our medical facility continues to provide Covid-19 vaccinations at no cost. All employees, dependents and the community at large above 18 years of age who are yet to be vaccinated are encouraged to do so.

Please be advised to seek medical advice whenever you feel unwell/ill by calling the hospital emergency number: **+255 784 386 255.**

Due to persistent heavy rains occurring from the beginning of February, that led to challenges of cane supply to the mills, the crushing season ended on the 22nd February 2022. The performance of the factories was generally good, supported by the sucrose pol percentage being higher than anticipated (an average of 12.64% for Both MCP and Kilombero Growers) this was due to very dry conditions throughout the milling season. The lack of adequate rainfall, however, negatively impacted MCP cane yields from a budget of 70 tons cane per hectare (Tcha) to a final 66 Tcha, while the growers produced 48.5 tons per hectare. The total cane crushed for the season was 1,268,369 tons out of which MCP supplied 602,357 tons while the Kilombero Growers supplied 666,012 tons a little more than the targeted amount of 600,000 tons. The revised target for the season was to crush over 1,300,000 tons.

The amount of carryover cane to be harvested in 2022/23 season is 8,251 tons for MCP and 53,000 tons for the Kilombero Growers. The total sugar produced this season was 132,076 tons against the target of 124,700 tons, 6% higher, thanks to good factory performances, reliability and higher than expected sucrose % cane, aided by the drier than normal operating conditions during the season.

The 2022/23 season is expected to commence on the 28th May 2022 subject to allowable weather conditions.

Despite good performance of our operations over the season ended March 2022, the business is facing a significant challenge around exceptional price increases of its key production inputs caused by the impacts on the world economy of Covid-19 pandemic and more recently the Russian/Ukraine war. The overall input cost inflation experienced by the company to date is 13.8% and expected to increase further with the recent increase in world oil prices to above \$110/ barrel. The large cost increases are mainly driven by increases in fertilisers by 52%; factory and farm chemicals by more than 15%; packaging costs by more than 30%; steel and factory spares by more than 20% and fuel and related transport costs by more than 20%. Further increase in the costs of imported materials is expected due to a worldwide shortage of containers which also causes delays in delivery of goods.

In order for our sugar to remain competitive and affordable to our customers, it is vital that we continue to look at ways to make more sugar for the same cost and look to reduce usage of inputs to reduce cost of production.

We continue to see a steady increase in demand for Bwana Sukari prepacks driven by our availability in the market along with strong brand campaigns. Recently Fimbo Butallah, Head of Commercial, was in the press to tell the public that Kilombero Sugar has sufficient Bwana Sukari sugar available for the upcoming holy month of Ramadhan commencing in April 2022. The Company has received a license to import 5,000 tons of sugar, being part of the total 20,000 tons approved by the Government for importation by sugar producers, to cater for the sugar gap this year.

2021/22 production season for IDTL was closed on 25th February 2022 achieving a production of 15,520kL Extra Neutral Alcohol (ENA) against the original budget of 12,205kL ENA. This is a record production achieved by the distillery. The distillery was upgraded at the beginning of the 2021/22 season and ran at daily production rate of above 50 KI per day during the season. Congratulations to the IDTL team for a job well done!

*A big thank you to everyone for a successful 2021/22 season and wishing everyone a safe overhaul as we prepare for the new crushing season 2022/23!*

Guy Williams  
**COUNTRY MANAGING DIRECTOR**



## DC FOR KILOMBERO VISITS VICTIMS OF RAIN STORM

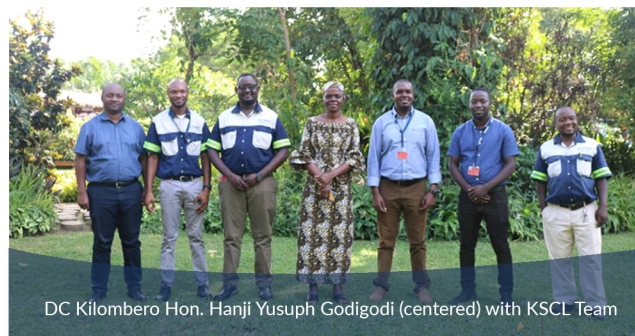
On 4th Jan 2022 the District Commissioner for Kilombero, Hon. Hanji Yusuph Godigodi visited the Estate. The objective of the visit was to meet and comfort victims of rain storms from Jumatatu, Jumanne and B3 streets.

Her visit also intended to establish the magnitude of the problem and the state of dwellers after the misfortune. In her remarks Hon. Godigodi conveyed Government's deep concern of on the misfortune and commended urgent efforts taken by the Management to restore roofing for Jumatatu houses and finding alternative houses for those from Jumanne and B3 streets.

The DC also urged the Company to be vigilant especially during the rainy season. She advised that urgent measures be taken such as cutting down trees which are on the verge of collapse to avoid potential disasters and preventing foreseeable damage to life and property.



One of the Estate houses impacted by a fallen tree after a heavy rain storm



DC Kilombero Hon. Hanji Yusuph Godigodi (centered) with KSCL Team

## NATIONAL TPAWU LEADERS VISIT KSCL



HR Head Mr. Beda Chacha left with the National Chairperson and Secretary for TPAWU

The Chairperson for the Tanzania Plantation Association Workers Union and his Secretary visited the Estate on the 21st of January 2022.

The main objective of the visit was to get a general understanding of the relationship between the Management and the association members, get a general overview on the ongoing production progress, ensure that the governance meetings are convened as required and to get an update of ongoing labour matters.

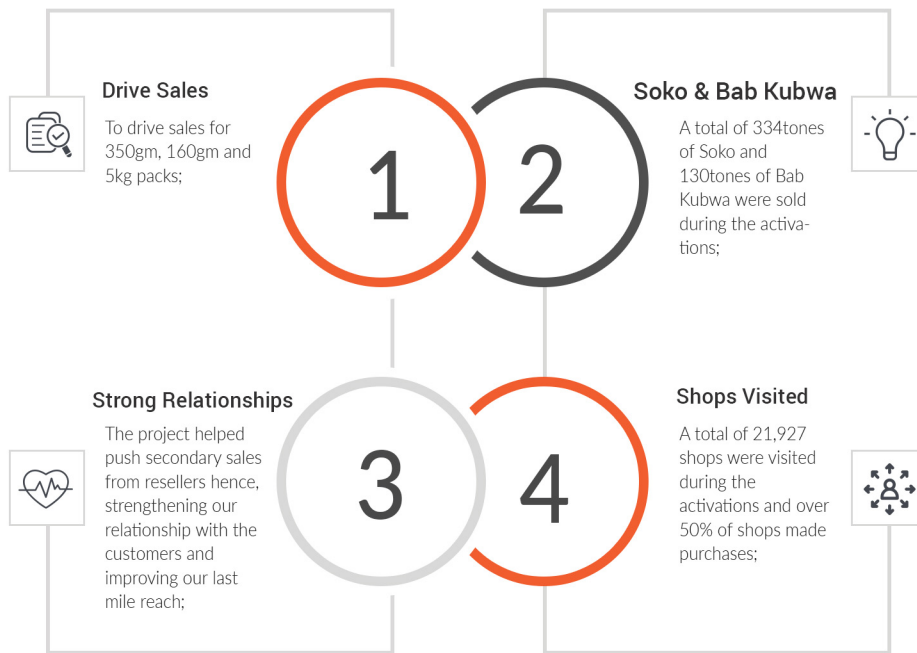
On Behalf of Management, Human Resources Head - Mr. Beda Chacha informed the TPAWU leadership that the Collective Bargaining Agreement is still live and that the requested negotiations will commence once approval has been granted. He also informed them that the constitutional meetings were being held as required.

The TPAWU Chairman highlighted the need for regular engagements between Management and the Union leaders and at Department levels so that some of the issues can be resolved before they are taken to Commission for Mediation and Arbitration.

# BWANA SUKARI TRADE & MARKET ACTIVATIONS

Kilombero Sugar Company conducted Trade Marketing Activation in eight (8) regions to drive the penetration of Robo Plus, Booster and Bab Kubwa Packs. Four (4) teams on ground, each with a branded van went around key market areas, to engage with traders, ensuring all Bwana Sukari SKUs are stocked and well placed on the shelf for brand visibility purposes. The teams offered traders with promotional materials such as T-shirts, and also placed ABS boards, posters, and shelf strips to create brand visibility in the stores.

During the activations, the team managed:



The teams managed to deploy point of sale materials in outlets that communicate our brand and SKUs. 6,687 shops were branded with paper posters, ABS boards, Buntings, shelf strips and received T-shirts and caps as give aways.



## CONTRIBUTION TO THE SCHOOL FEEDING SCHEME

KSCL joined other stakeholders in support of government's efforts to improve the education sector. KSCL contributed through a provision of sugar to the Unubini Primary school in Temeke District, Dar es Salaam Region.

The contribution was made through the 'Nimeshiba Mama' a Hunger Relief Project which intends to provide porridge with sugar to around 800 school children three (3) times a week for a period of nine (9) months.

The key objective of the project is to support nourishment endeavours for the school children by providing them with meals to enable them pursue their education comfortably and improve their attention in the classroom.



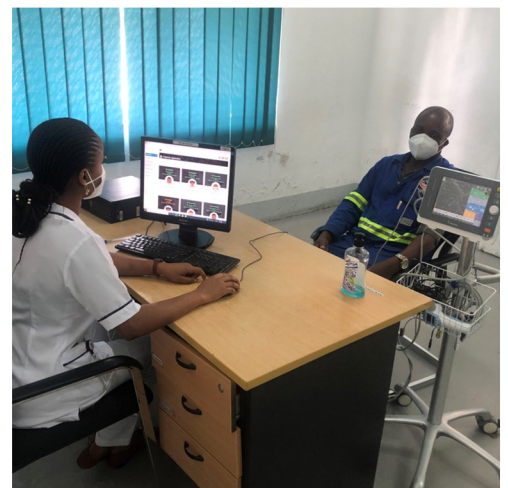
Pupils of Unubini Primary School having their porridge during break time

## KSCL HOSPITAL GOES DIGITAL

Just a few years ago, hospitals and similar healthcare facilities lagged behind as compared to other industries when it came to effective use of digital technology. Our facility, like other many hospitals in Tanzania, was still using a manual system up until early January 2022.

After several system tests in December 2021, Kilombero e-medical system ([kilombero.emedical.co.tz](http://kilombero.emedical.co.tz)) was adopted and has completely reformed our health care delivery.

The hospital now enjoys the fruits of e-health technology such as excellent storage of patient related data, quick access to patients' information, enhancing privacy and security, reduced medical errors, reduced costs including reducing the usage of paper and thereby being environmentally friendly. In addition, the new system allows for proper realisation of income and inventory control and has reduced duplication of diagnostic testing, imaging and history taking.



# THE INVESTMENT, INFRASTRUCTURE AND ENVIRONMENT COMMITTEE VISITS KSCL

The Investment, Infrastructure and Environment Committee for Kilosa District visited the Estate on the 13th of January 2022. The team consisted of the District Executive Director for Kilosa, a few Officials and ward Councillors.

The objective of the visit was to get a better understanding of our operations and in particular cane loading/offloading at the cane gantry.



During the visit which included a visit to the cane gantry, the safety requirements as per the Occupational Safety and Health Authority (OSHA) were explained.

The District Executive Director expressed the need for further awareness building from the company in-order to enlighten its stakeholders about the business operation and, in particular, its relationship with the Kilombero Growers.



KSCL Team with the Investment, Infrastructure and Environment Committee for Kilosa District at the Cane Gantry

The District Executive Director also highlighted the need for the AMCOS leaders to monitor the hauliers so as to mitigate frequent cane overload and avoid the inconvenience of being requested to reduce the load carried when they reach the cane gantry at the mill.

In order to keep one of its key stakeholders updated and aligned with the business objective, the Company frequently conducts meetings with its growers to discuss the business progress which includes both the prospects and challenges. During this quarter, the meeting was conducted on the 2nd February 2022 at the Bwana Sukari Country Club.

One of the important updates was the newly restructured Growers Department which has put in place five (5) Grower Support Managers who will be responsible for overseeing the AMCOS categorized into 6 zones, with 21 Grower support Officers. This new development has been put in place to specifically support the growers in preparation for the expansion project. The new structure was effected from 1st March 2022.

The Growers thanked and commended the management for this initiative which will have a positive transformation of growers activities through forging stronger ties with the company, improving sugarcane farming methods hence improving yields and also ensuring a good flow of communication from the Company to the growers and vice versa.

The Growers however requested the need for infrastructure improvement especially KII which was in a bad shape due to commencement of the rains. They also requested purchasing of seed-cane from the Company for their farms and particularly in the upcoming expansion project.







# INTERNATIONAL WOMEN'S DAY COMMEMORATION



Women of Kilombero Sugar Company celebrated International Women's Day in a special way by conducting various social activities throughout the week commencing on the 7th- culminating to the launch of Women@ KSCL Forum on the 11th March 2022. The activities included:

- ▶ *Cleaning the environment;*
- ▶ *Planting trees in the various areas surrounding the Company.*
- ▶ *Promoting health testing for women as well as Covid-19 vaccination;*
- ▶ *Provision of gender support desk.*



While presenting the speech to the Guest of Honour, the Chairperson of the Organizing Committee explained that the objective of establishing this platform within the Company is:

- ▶ *To develop and empower women;*
- ▶ *Develop an integrated strategy and action plan for gender parity;*
- ▶ *Solving various gender challenges within the workplace;*
- ▶ *Establish a tradition of celebrating International Women's Day every year;*

Also in attendance at the launch as the guest speaker was Ms. Anabahati Mlay who represented the Association of Tanzania Employers (ATE), Ms. Suzan Ndomba Duran.



During her motivational speech, Ms. Anabahati encouraged and motivated women of KSCL to work hard and strive to develop themselves so as to break the biases in the community that women can only do some kind of jobs and not others. She also reminded them that as much as they have their rights, they are equally expected to understand and undertake their responsibilities to the best of their ability at work, home and within the community they live in.



During his speech to the guests, Guest of honour who is also MD for KSCL explained that the Company still has the opportunity to make various other improvements to support women which include:

- ▶ *Capacity building of women through training to improve their work performance;*
- ▶ *Creating an more enabling workplace environment to meet their gender needs;*
- ▶ *Allowing time for further learning and development;*
- ▶ *Building their confidence and self-esteem;*
- ▶ *Denouncing violence and promote women in the workplace and at home, including encouraging women to report incidents - speak-up campaign or whenever;*
- ▶ *Including and engaging more women in various decision making forums of the Company;*
- ▶ *Increasing the number of women in our employment as well as in senior leadership positions.*

He however indicated that, change is a step-by-step process and that the Company will strive to deliver those commitments. He also called on all women to take advantage of any available opportunity which arises and compete with their peers to increase the number of women in senior positions.

Moreover, he encouraged women to work hard in their roles, develop professionally and enhance their skills to achieve their goals and ultimately increase their performance.



Women of Kilombero Sugar Company Participants who celebrated International Women's Day

## MWANAMKE WA SHOKA

Bwana Sukari sponsored Mwanamke wa Shoka Project 2022 to create brand awareness and engage with women from different parts of Dar es Salaam who are doing business and employed in various sectors.

The sponsorship offered Bwana Sukari on-ground visibility through social media coverage, radio advertisements, presenter mentions and TV coverage on EFM, ETV and EDigital (Instagram, Facebook and YouTube). Our reseller have benefited from the campaign through product sales during the events.

We also had Live Radio events taking place in Mwembeyanga Temeke, Mbezi Beach Afrikana, Bunju, Tabata and Ubungo. Each event had an audience of 500-700 women attending on ground, and live national radio coverage through Uhondo program that airs on weekdays from 9am-3pm.

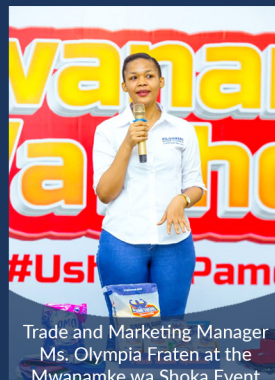
The most interesting part of the campaign was the Kitchen Party Gala that took place on 20th March 2022, with more than 1,000 women attending and aired live on ETV and EFM. The event was graced by the District Commissioner for Temeke, Ms. Jokate Mwegelo and the District Commissioner for Kigamboni, Ms. Fatma Nyangassa, and included stage performances from artists and a few words from inspirational speakers.

Out of the 14 awards nominations for Women that were presented during the night of the event, Bwana Sukari presented an award to Mwanamke wa Shoka 2022 – Sports. Bwana Sukari was offered a slot to talk about the brand and the opportunity to conduct product sales. The venue was well branded with Bwana Sukari theme and we offered free tea to women as part of brand engagement.

Bwana Sukari and Mwanamke wa Shoka Campaign have been partnering for the past three years and have successfully managed to create brand awareness and engagement with women and general public through various media platforms.



A cross-section of women at the Mwanamke wa Shoka project sponsored by Bwana Sukari



Trade and Marketing Manager Ms. Olympia Fraten at the Mwanamke wa Shoka Event



# SPEAK - UP CAMPAIGN LAUNCHED

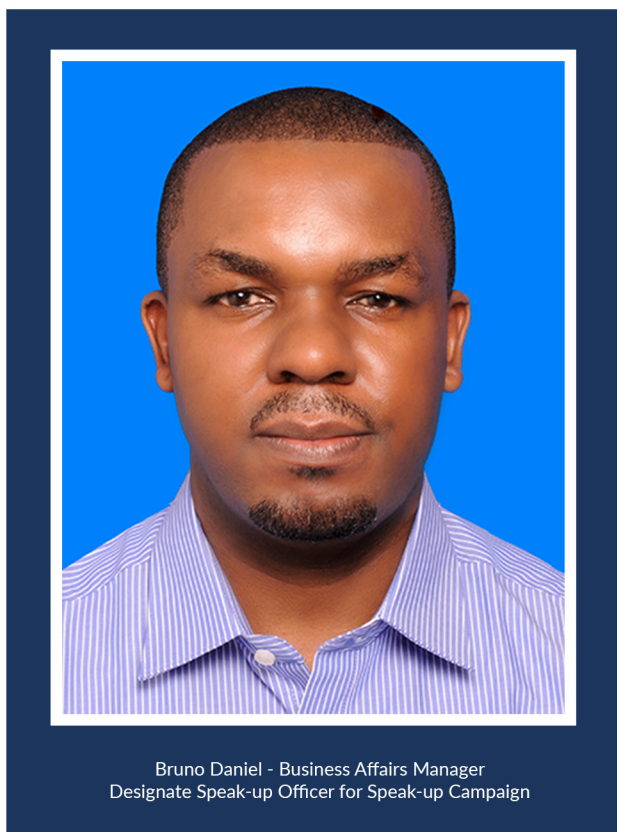
## Speak Up

is a series of enhanced whistleblowing measures intended:

*This new philosophy promotes and protects a culture of trust, fairness and accountability and encourages effective and honest communication at all levels of the Organisation.*

*The campaign has introduced a Speak Up Officer as a local alternative and business-specific, more approachable contact to whom a report can be made.*

- A** To encourage employees to come forward with their concerns;
- B** Ensuring they are supported and protected while speaking up;
- C** Ensuring that everyone has a voice.



Bruno Daniel - Business Affairs Manager  
Designate Speak-up Officer for Speak-up Campaign

We would like to introduce to you our Speak-up Officer **Mr. Bruno Daniel** who works within the Corporate Affairs Department.

If you spot something wrong at work, speaking up is the right thing to do.

We care about you and we care about your concerns.

- 1. Talk to your line manager** - the best thing to do in most cases;
- 2. Contact the Speak Up Officer:** Bruno Daniel [Bdaniel@ilovo.co.tz](mailto:Bdaniel@ilovo.co.tz). 0785 677142 if you prefer or if the issue is unresolved;
- 3. Use the Speak Up phone line +255 800 78 0026** or via the website: [www.speakupfeedback.eu/web/absugar/tz](http://www.speakupfeedback.eu/web/absugar/tz) if you feel you can't report your concerns internally.

Please be aware that the Speak Up procedures should not be used to raise matters in relation to your personal circumstances, such as your terms and conditions of employment and other grievances. You should continue to raise these matters as you usually would under normal grievance procedures.

So, remember, if you ever see something that's not right at work, we want you to feel empowered to...

**Speak openly, Speak safely and Speak Up!**



# TAPPING TECHNOLOGY FOR SUGAR INDUSTRY DEVELOPMENT

The Tanzania Society of Sugarcane Technologists (TSSCT) Members from Kilombero Sugar Company (KSCL) and National Sugar Institute (NSI) conducted their annual workshop on the 12th March 2022 held at Kilombero Sugar Company.

The Objective of the meeting was to discuss challenges in the growing of sugarcane and production of sugar with a view to finding mitigation measures to enhance productivity.

Also under discussion was the preparation of an annual general meeting with a national theme; "Research and technology; The role of TSSCT in the Tanzania Sugar Industry Development".

The primary role of TSSCT is to promote and provide knowledge, science and technology with the aim of enhancing skills in sugarcane husbandry and sugar production and improving overall performance in the sugar industry.

The Platform also enables members to exchange ideas through the presentation of documents, debates and seminars that help maintain professional trends in the sugar industry.



TSSCT members in a group photo during Centre Workshop at Kilombero Sugar Company.

## IMPROVING BEST PRACTICES IN AGRICULTURE TOWARDS EXPANSION PROJECT

On behalf of KSCL, Mr. Ephraim Mafuru - Head of Corporate Affairs participated in the workshop which took place from 14th -15th March 2022 at Morogoro Region for preparation of an Implementation Plan for the Kilombero Cluster.

This workshop was a result of a previous high level engagement held towards the end of 2021 organized by SAGCOT, whereby the heads of various entities got together and analysed the company's expansion project, its prospects and challenges in the growers space and agreed to formulate plans to prepare the right environment for ensuring growth and sustainability of KSCL and the growers' community.



The workshop brought together the Government, Non-Governmental Organisations and the private sector operating within the valley including interested parties, with the objective of improving and promoting best practices in agriculture with a view of improving yields. The partnership is expected to enhance relationships with various stakeholders and gain their support in the expansion project. The workshop was coordinated by the Morogoro Regional secretariat and SAGCOT Centre Limited.



**What topics would you like to see in our next edition?**

Share your feedback by sending your email to:

[corporatecommunications@illovo.co.tz](mailto:corporatecommunications@illovo.co.tz)





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