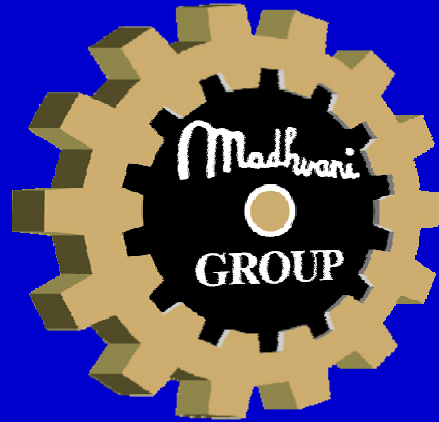


The Madhvani Group



AN EAST AFRICAN SUCCESS STORY

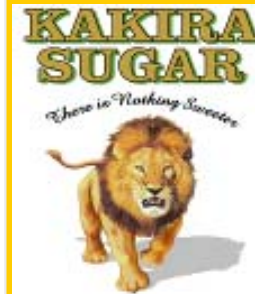
The Madhvani Group

Started in 1920s

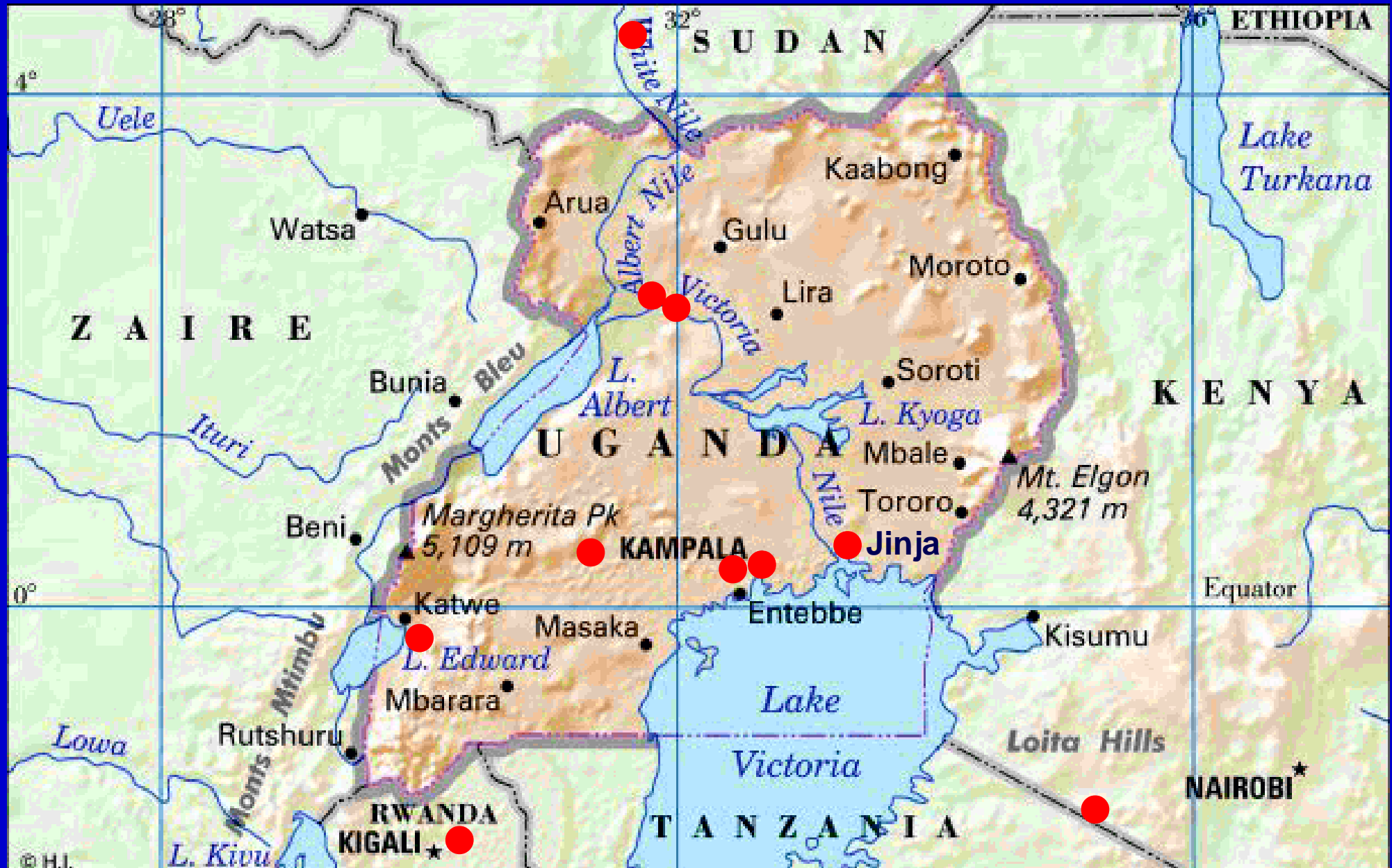
- Agriculture/agro-processing
- Packaging
- Steel

1985 Diversified into services

- Tourism
- Aircraft charter + maintenance
- Insurance
- Information technology
- Construction
- Property development
- Security services
- Trading



Madhvani operations in East Africa



There is Nothing Sweeter



KAKIRA SUGAR LIMITED



Uganda's leading sugar producer

Kakira Sugar Ltd

Our Vision:

To excel in our principal activities of producing **sugar, power and downstream products** and to maintain our position as a leading sugar producer in East Africa and Uganda.



Kakira Sugar Ltd

The Group's economic "flagship"

1930: \approx 150 TCD

Today:

- > 6,000 TCD
- Satellite estate 10,700 Ha (35% of cane)
- Out-grower Farmers (65% of cane)
- Sugar factory + ancillary units
- Supporting infrastructure
- Power Co-generation plant

Field Activities



Land
Preparation



Field Activities

Cane planting



Field Activities



**Spraying
Herbicide**

**Mechanised
Weeding**



Field Activities



**Centre-Pivot
Irrigation for
Cane
Nurseries**

**Portable
Sprinkler
Irrigation**



Field Activities

Young sugar-cane



**Manual
Harvesting
of Mature
Cane**



Field Activities



**In-field Loading
of Estate Cane**

**Farmers' Cane
Delivered**



Factory Activities



**Off-loading
Harvested
Cane**

**Cane
Crushing**



Factory Activities

Juice Clarification



Evaporation of Water from Juice



Syrup Concentration



Vertical Crystallisers

Factory Activities

Separate sugar from molasses



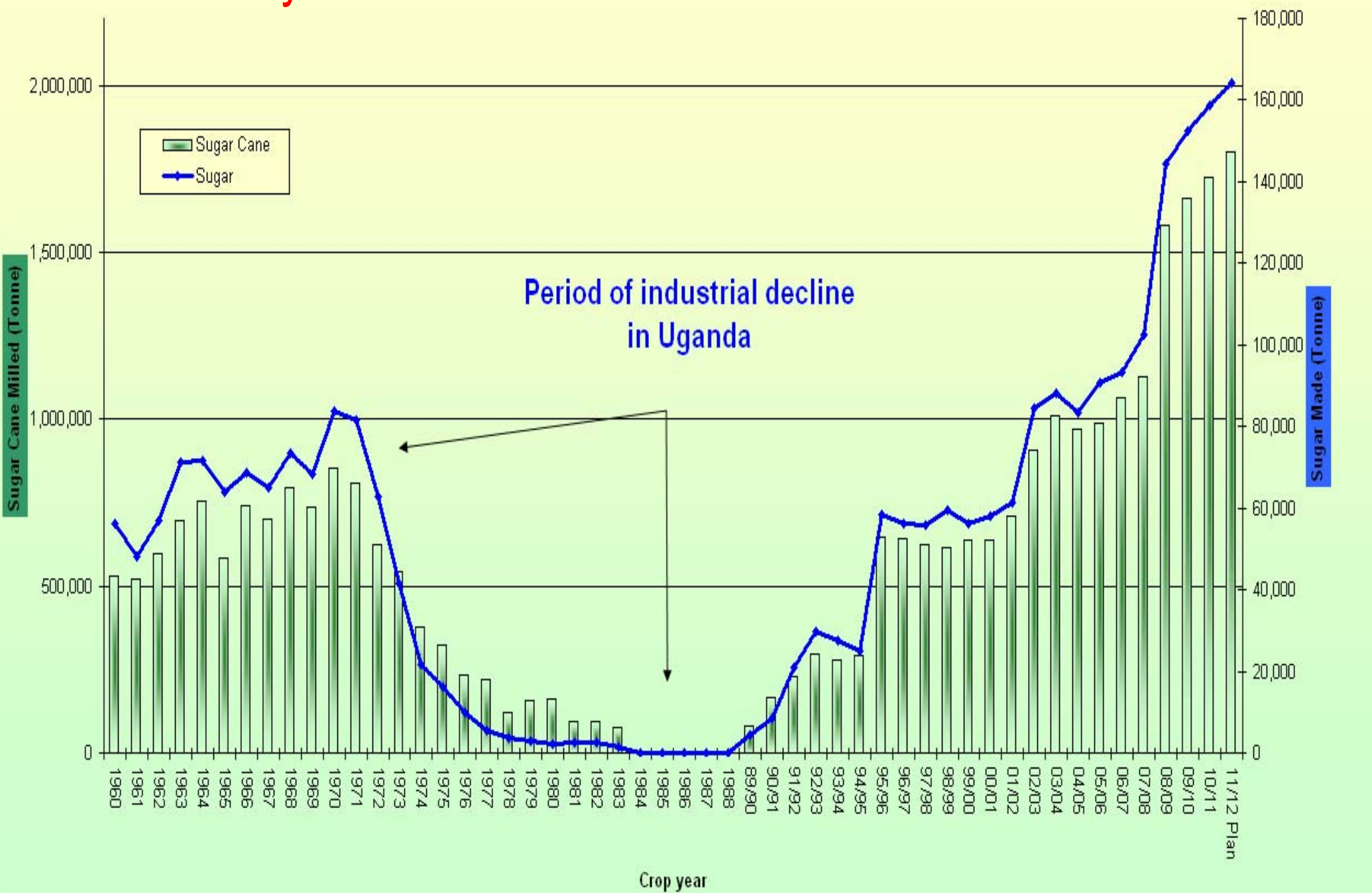
Sugar drying



Sugar
Bagging

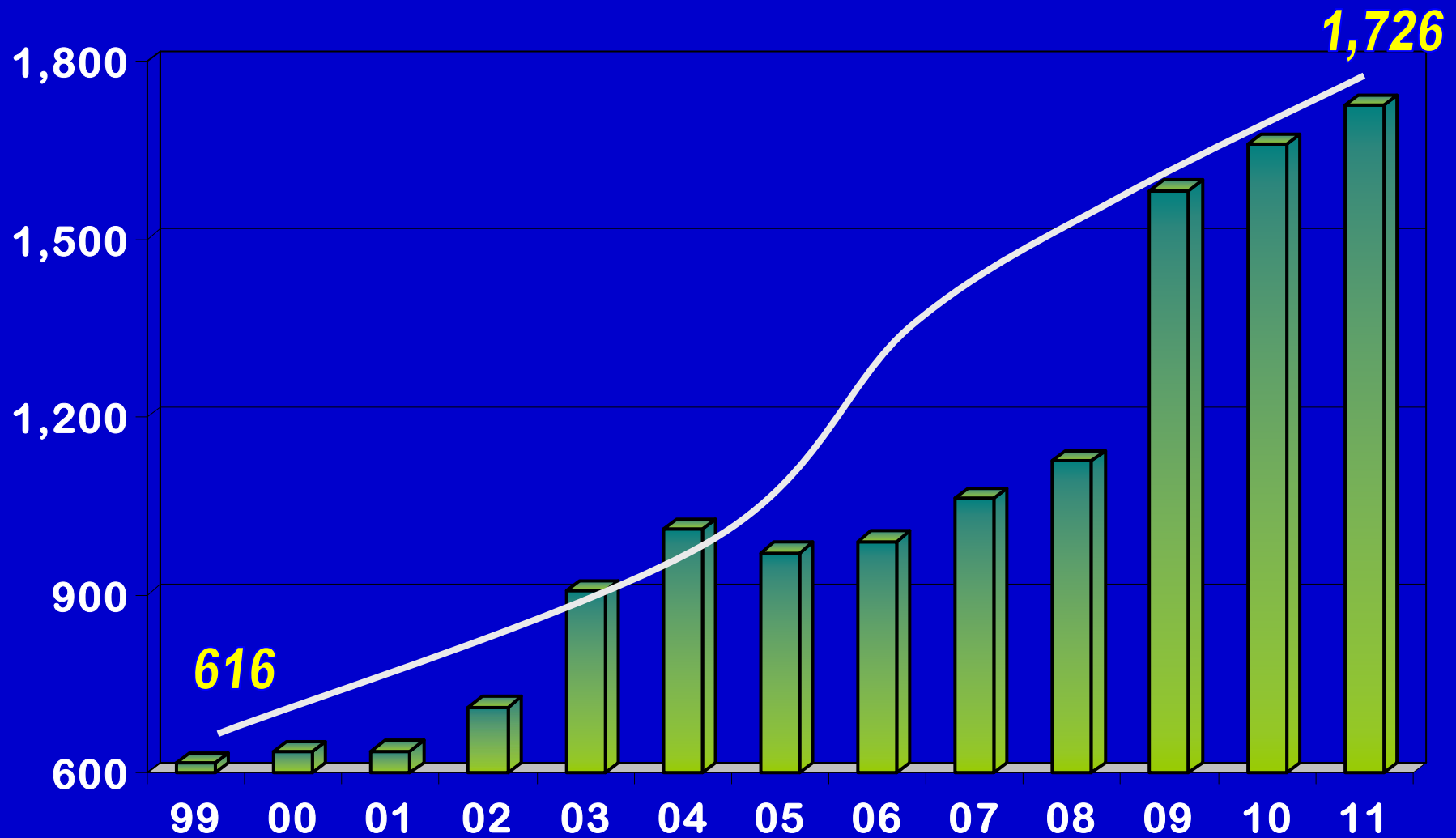
1985: loans US\$ 59m,
rehabilitated by 1995.

KAKIRA SUGAR PRODUCTION FROM 1960 to Date



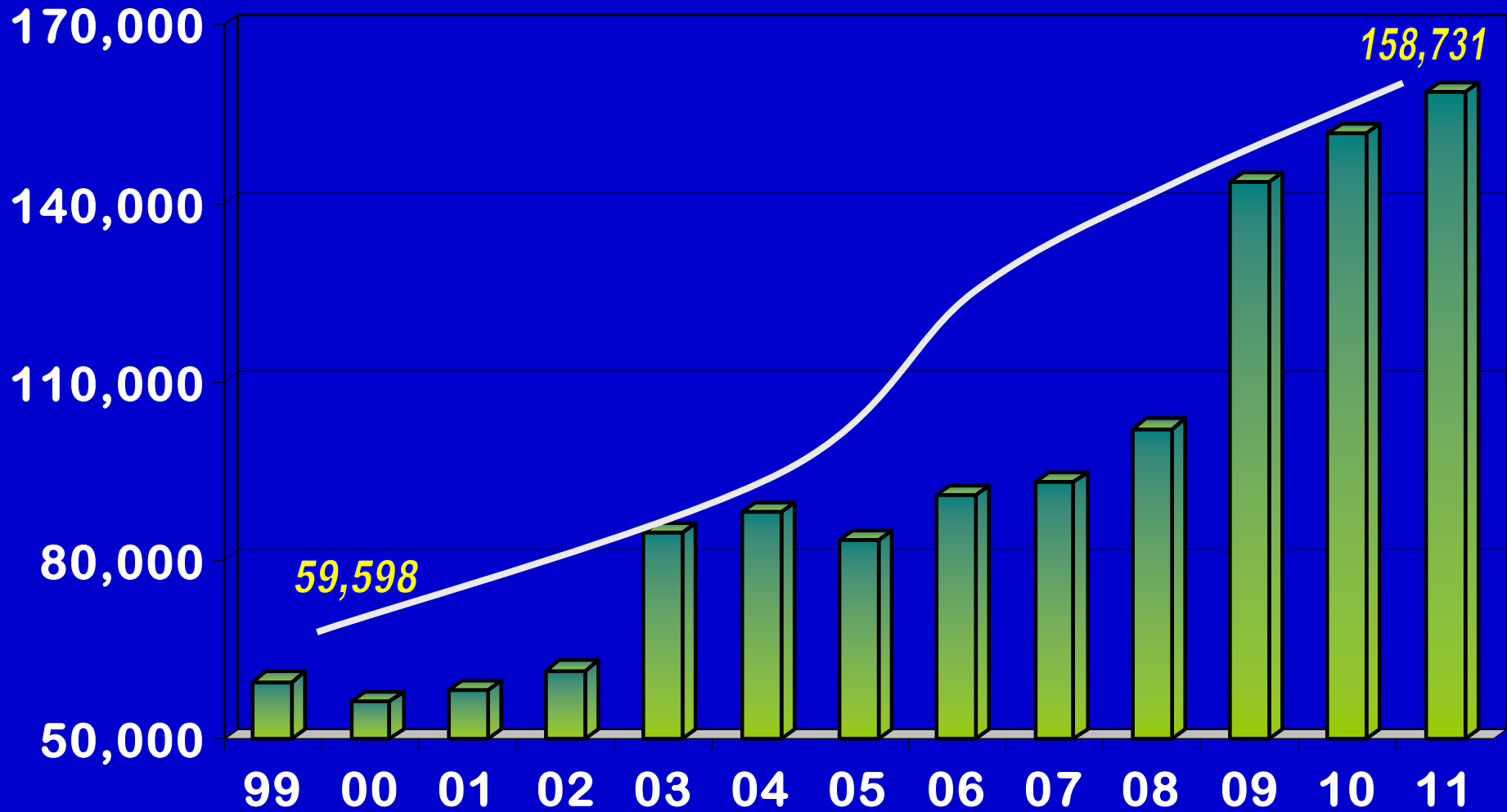
Sugar Cane Crushed

'000 tonnes



Sugar Poduced

Tonnes

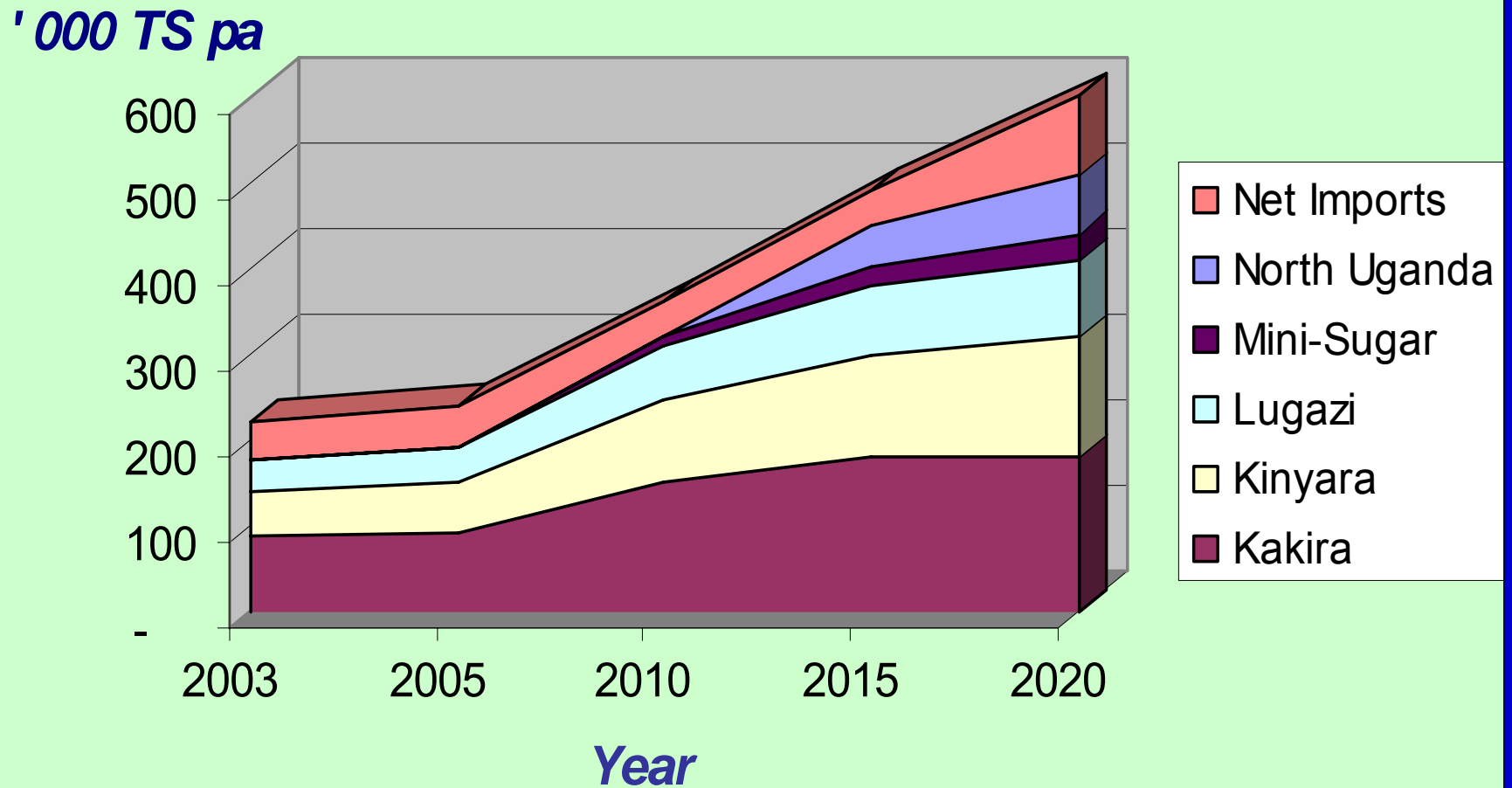


SUGAR: Quantity Demanded

- a) Household Income [Poor persons 8.44m (05/06)
7.16m (09/10)
1.28m
- b) Per Capita Consumption of sugar = 12kg,
(compare with Kenya, 23kg; World 24.3kg)
- c) Multiple **Uses**, e.g. processed foods, pharma, etc
- d) Population Increase = **103 million** by 2050
- e) Exports to the Region

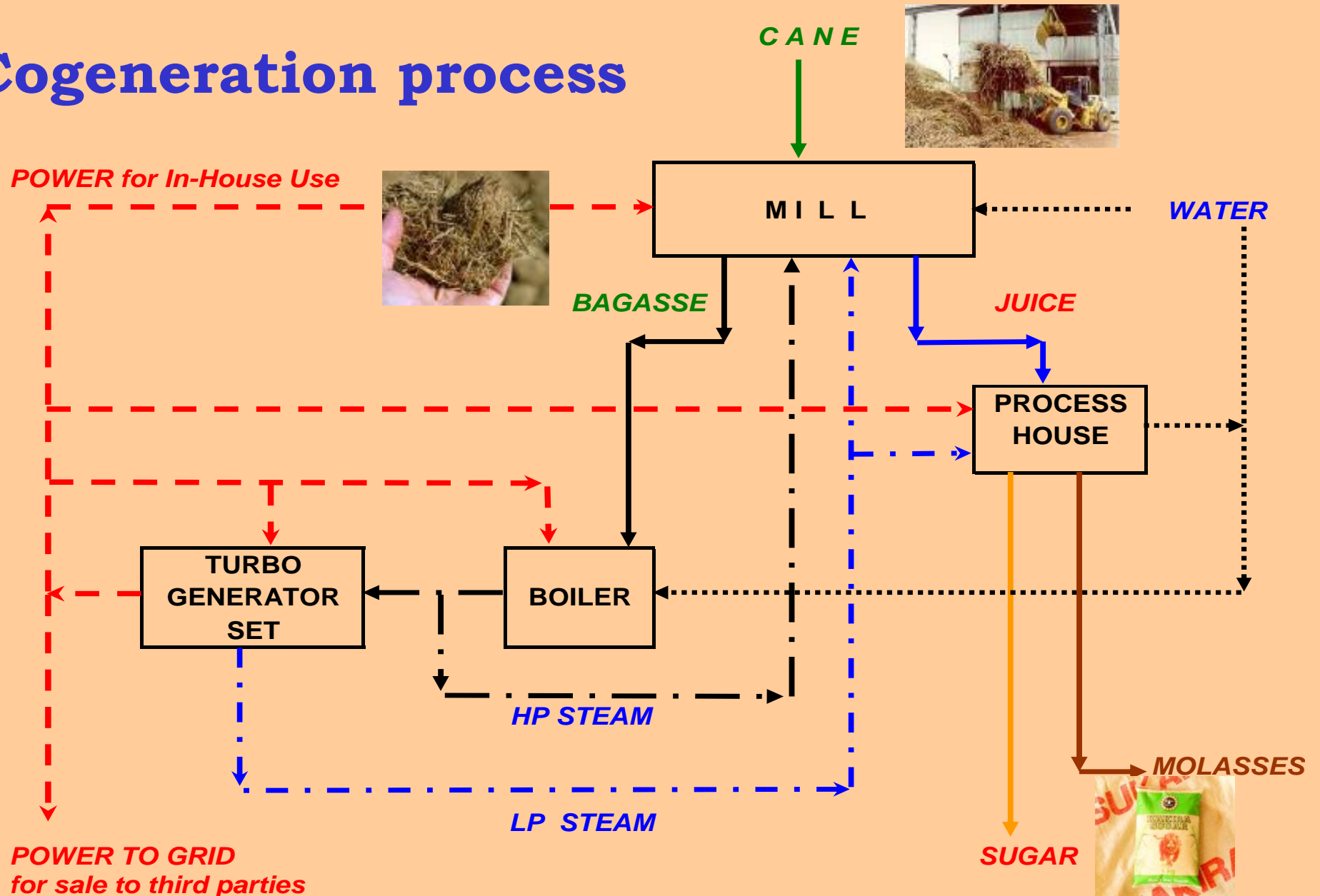
SHORTFALL \approx 100,000 tonnes by 2020

SUGAR: Quantity Supplied



Co-gen Activities

Cogeneration process



Co-gen Activities

New boilers + power house



Co-gen Activities

New 16 MW TA



Co-gen Activities

New Power House Control Panels



Co-gen Activities



New Bagasse Handling System Shed



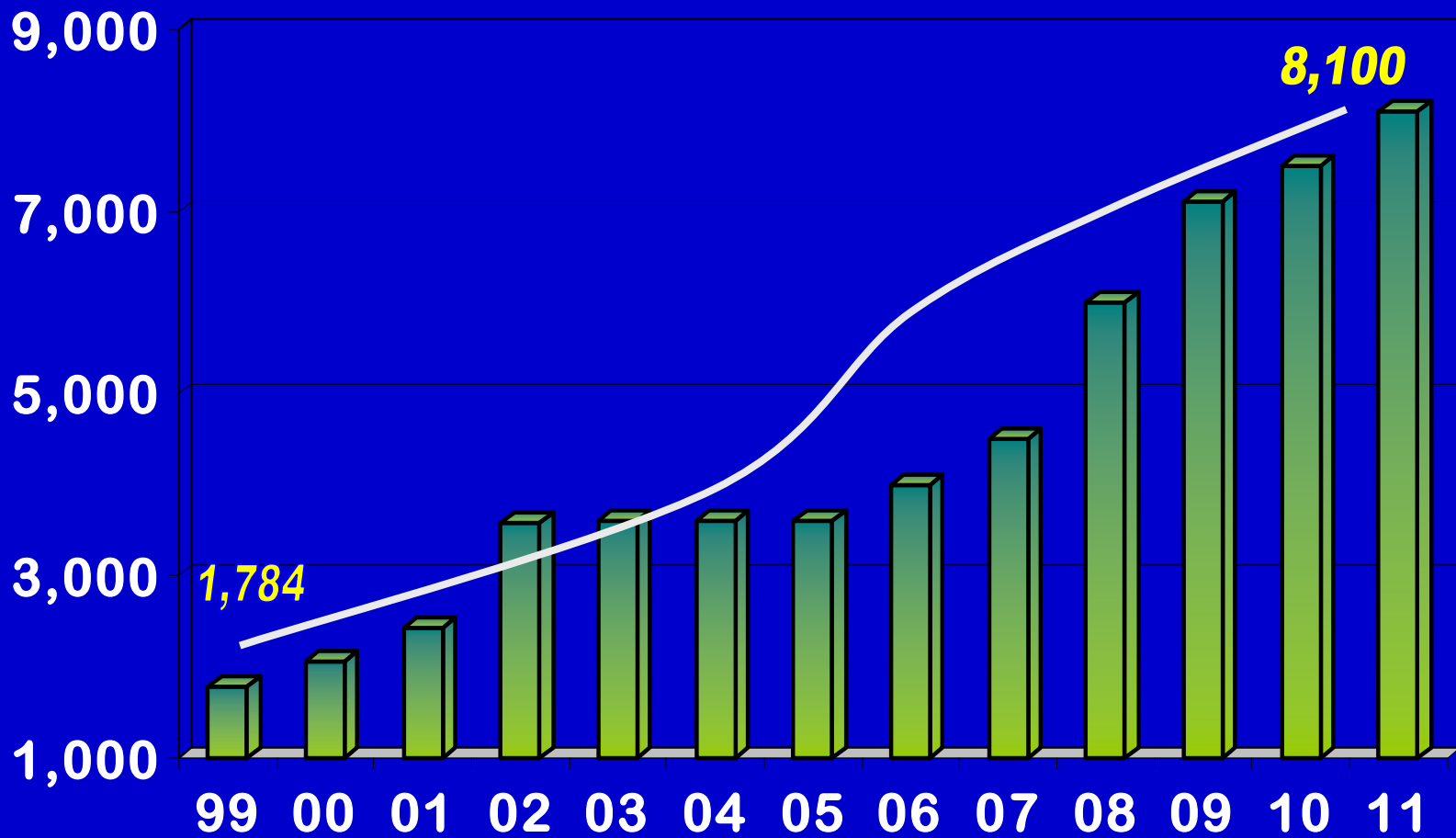
New Switch-Yard for Power Export

KSL – Corporate Social Responsibility

To the OUTGROWERS

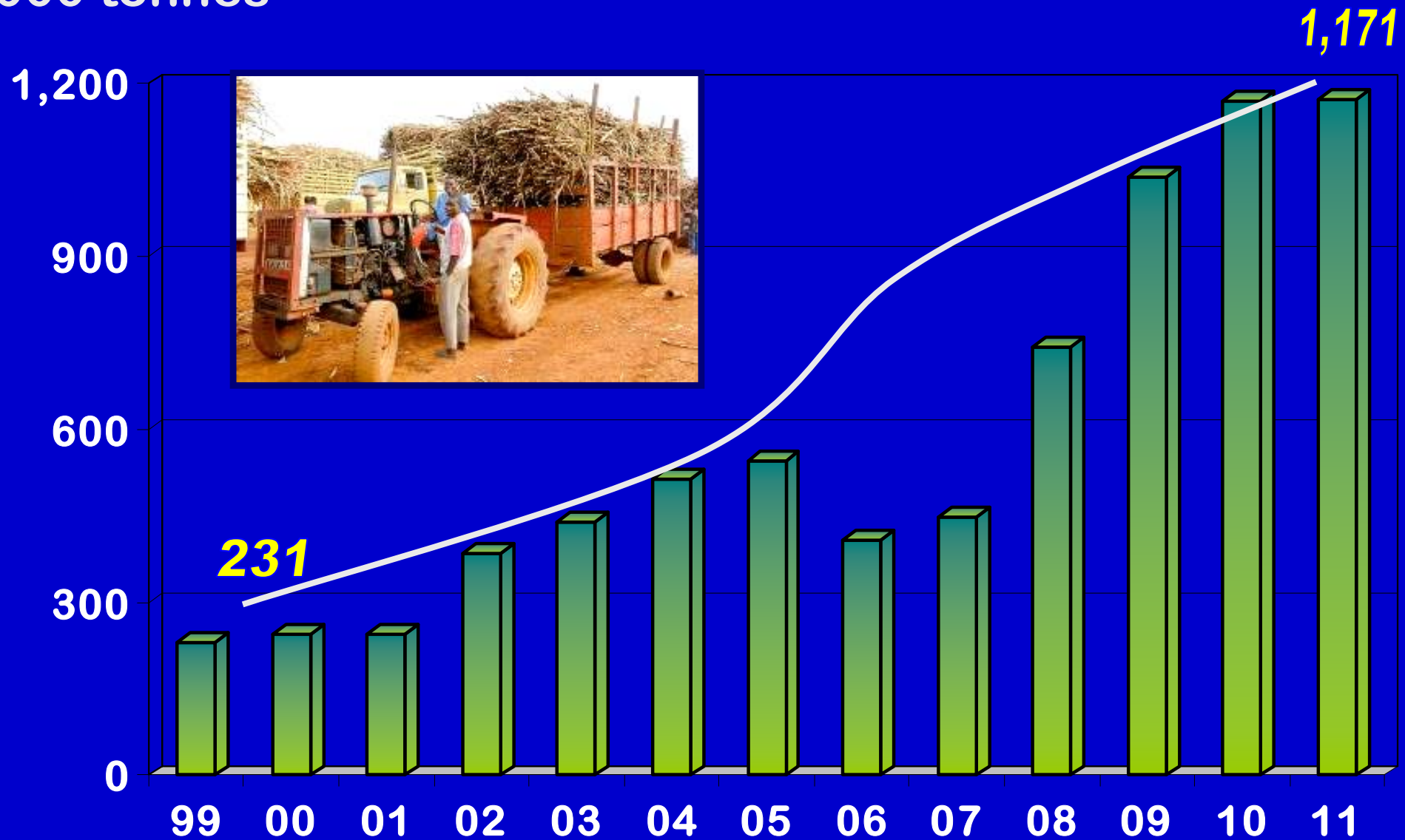
- Supply of seed cane and agro-chemicals
- Advice on agricultural practices and techniques
- Use of agricultural equipment, etc.

No. of Out-growers



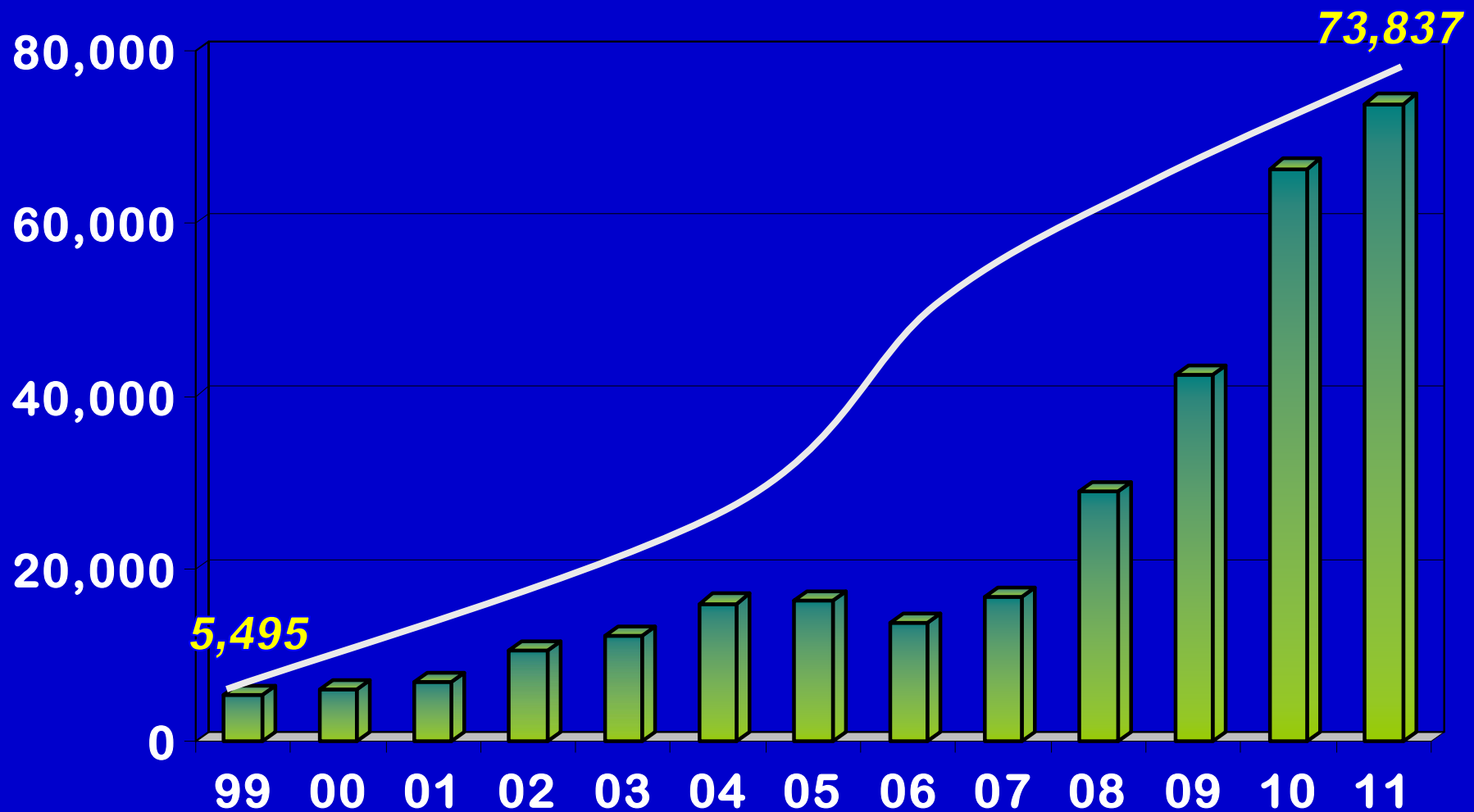
Out-growers' Cane Supply: QUANTITY

'000 tonnes

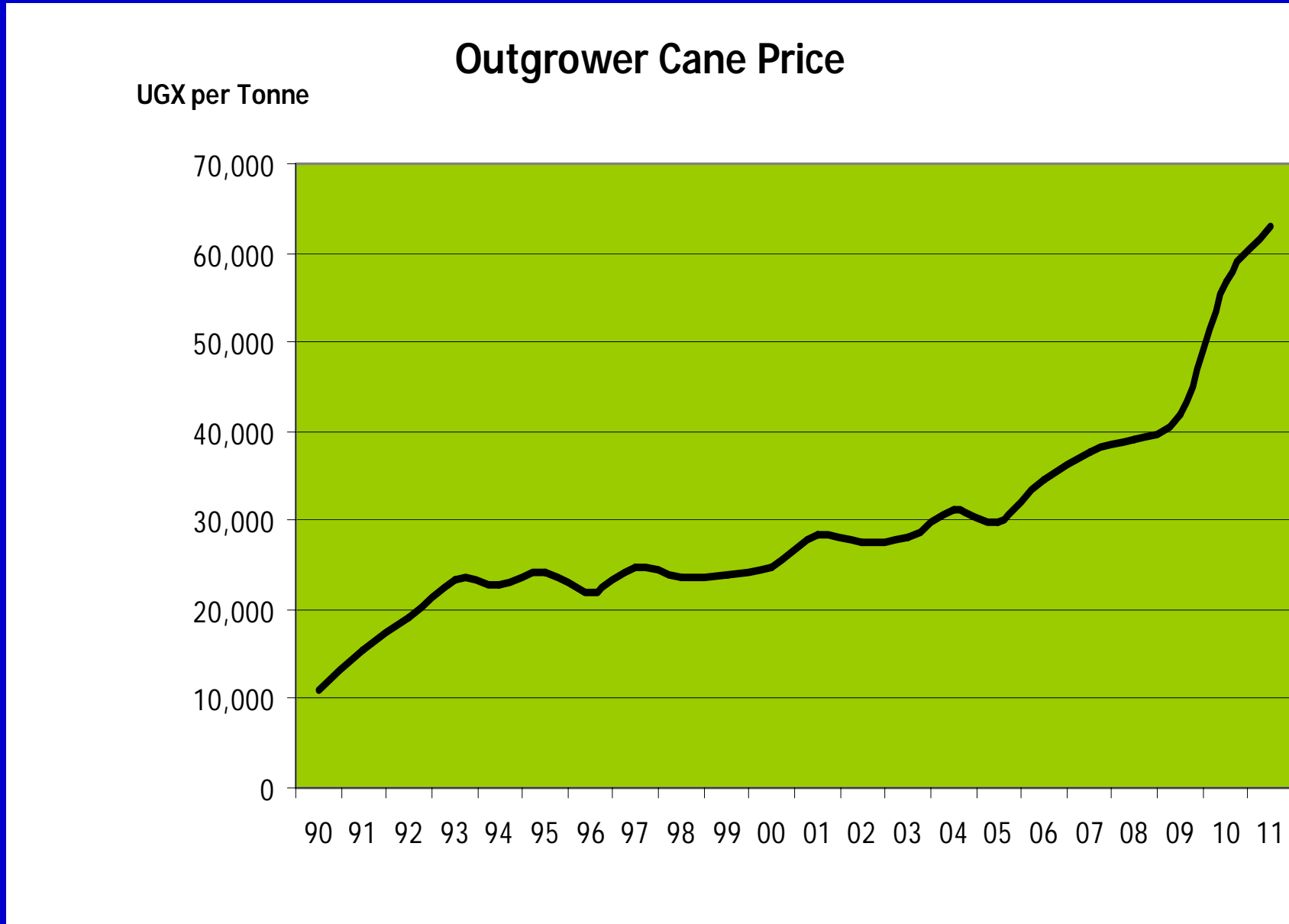


Out-growers' Cane Supply: VALUE

UGX Million

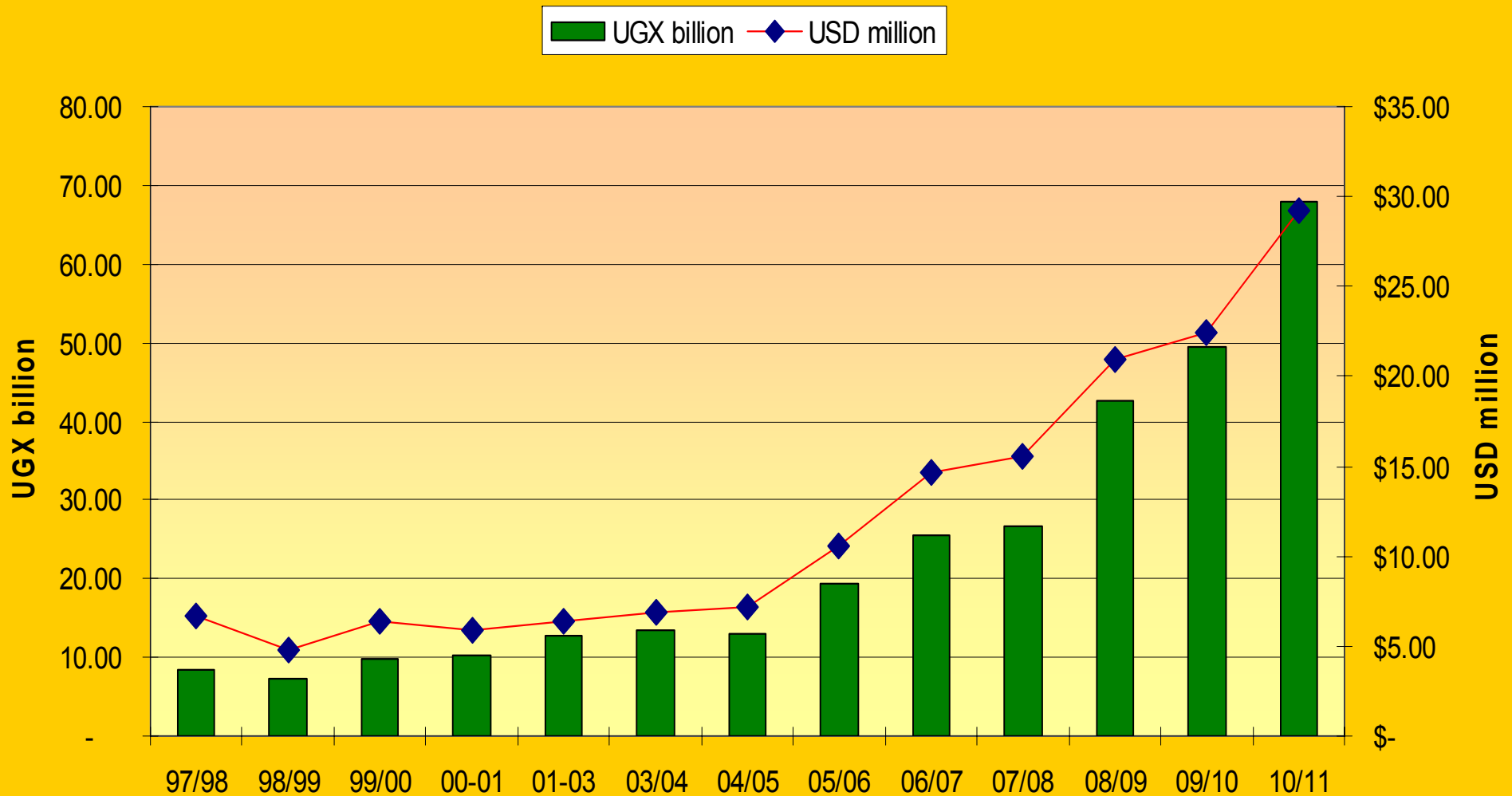


KSL – Corporate Social Responsibility



KSL – Corporate Social Responsibility

KAKIRA - TAX PAYMENTS TO GOVT.



KSL – Corporate Social Responsibility

KORD FUND



- **Partnership** - KSL and the Busoga Outgrowers Assoc.
- Accelerate **infrastructural** development
- Funded by a **contribution** per tonne
- Projects supported by other donors
- Selected by NEPAD as the **best** agricultural and social development **initiative in Africa**

KSL – Corporate Social Responsibility



KORD Fuel Station



Bifulubi to Kyando Road



Busedde school lab



Waitambwoe classroom block

KSL – Corporate Social Responsibility

- **3,400 houses for labour and management**
- **Water supply for factory and employees**
- **HV & LV electrical distribution systems**
- **Modern telecommunication network**
- **Office buildings**
- **Roads**
- **A 75-bed hospital + Ambulances**
- **12 schools for the employees' children**

KSL – Corporate Social Responsibility



**Staff and
Workers
Housing at
Kakira**



KSL – Corporate Social Responsibility



Kakira Hospital

KSL – Corporate Social Responsibility



**MM Primary
School at
Kakira**



The good news (Planned Capacity)

Sugarcane Crushing = 2,000,000 tonnes

Sugar Bagging = 182,400 tonnes

Power Exported to the Grid = 32 MW

Bio-ethanol Distilled (from 74,000 tonnes of molasses)
= 20 million litres p.a;
(Save forex US\$ 20m)

Tax remittance = US\$ 34 million

Outgrower outflows = UGX 180 billion

KORD fund

The bad news (Challenges)

Mayuge sugar mill:

- **No cane established**
- **14 kms from KSL**

Jaggery Mills (ox-driven/motorised) = 51

- **Unregulated**
- **Local gin (waragi)**

Drought = unfavourable climatic condition

Counting Losses (wastage)

Sugar Recovery (low sucrose) = 120 tonnes

Sugar (Jaggery equivalent) = 6,000 tonnes

Power Exportable (lost to Mayuge) = 3 MW

Power Exportable (lost to Jaggery) = 2 MW

Bio-ethanol (from Molasses (500 t/d)) =

1.8 million litres (US\$1.8m forex)

Tax Revenue = Is Mayuge tax compliant?
(Jaggery not taxed)

Counting Losses (KSL & Govt)

Entity	Type	Value UGX million
Kakira	(based on 830TCD) Sugar	30,634
	Electricity	8,806
Gov't	Sugar Excise	573
	Sugar VAT	9,681
	Electricity	1,585
CSR	Scholarship/Roads/KORD	1,052

KwH of **electricity** lost to the country = 38,144,681

Corrective Action

1. Implement Sugar Policy – ‘**zoning**’ (50 km distance from mill to mill) Mayuge should relocate
2. **Regulate** jaggery milling
3. Plant **more cane**
 - (KSL registered cane in 25km radius = 32,000 ha (6.13% of cultivable land))
 - Amuru Sugar Ltd
4. Increase **yield** per hectare
5. Value Addition – **Bio-ethanol**

THANK YOU!

**Obstacles disperse themselves when
human mind makes firm determination**

-Muljibhai Madhvani

Contact: www.kakirasugar.com