

TPC LIMITED

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CORPORATE BROCHURE



Sweet agent of change

Robert Baissac, CEO of TPC Limited, one of Tanzania's largest enterprises in the sugar sector, talks to Jayne Alverca about the unique potential of the industry to support East Africa's development goals



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ugar is a staple output of Tanzania's agricultural sector and has a key role in supporting the country's economic development. Nestling in the alluvial valleys below Mount Kilimanjaro is the 16,000 hectare estate of TPC Limited, which produces almost one third of Tanzania's total sugar output.

CEO Robert Baissac has made optimising sugar production the foundation of a long and successful career. In 2000, he re-joined the Mauritius-based CIEL Group as chief executive officer of the company's sugar operations in Tanzania when a 75 per cent stake was acquired from the Tanzanian government.

The estate he manages currently produces 800,000 tons of cane per annum. This is processed on-site to produce 375 tonnes of sugar per day, or 85,000 tonnes per year. This year, domestic demand is extremely buoyant and one of the biggest challenges is keeping pace with demand, which is fuelled by a tendency for traders to illegally export domestic production to the neighbouring countries of Kenya and Uganda where it commands higher prices. At present, there is such a critical sugar shortage in the country that the government has called on local and international firms to help import 100,000 tonnes of sugar to meet the deficit predicted for next year.

Since Baissac became CEO, production at the estate has increased almost three-fold

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and virtually all of the increase has been driven by increased yields, rather than by expanding the area of land under cultivation. “We are situated in a very highly populated region which is also very arid. The availability of arable land on the estate is also limited by the high levels of salinity across almost half of the total area. All of this means there is simply no scope for expansion into new areas,” he explains.

“Since privatisation, the emphasis has been on increased productivity per hectare, or what we term a vertical increase, which we have achieved in a number of ways,” he continues. “In the first instance, we now make use of new improved varieties of sugarcane with a higher yield, whereas prior to privatisation only old varieties of cane were used. One of our first actions on taking over the estate was to seek out agreements with research institutions across the world to

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identify the best producing varieties suitable for cultivation here.

“We also converted the old irrigation system to a new aerial system and we introduced drip-feed irrigation to some areas because it is the most efficient in terms of water usage. Lastly, we have undertaken many field trials to optimise fertilisation of the crop including the methods we use to apply it.”

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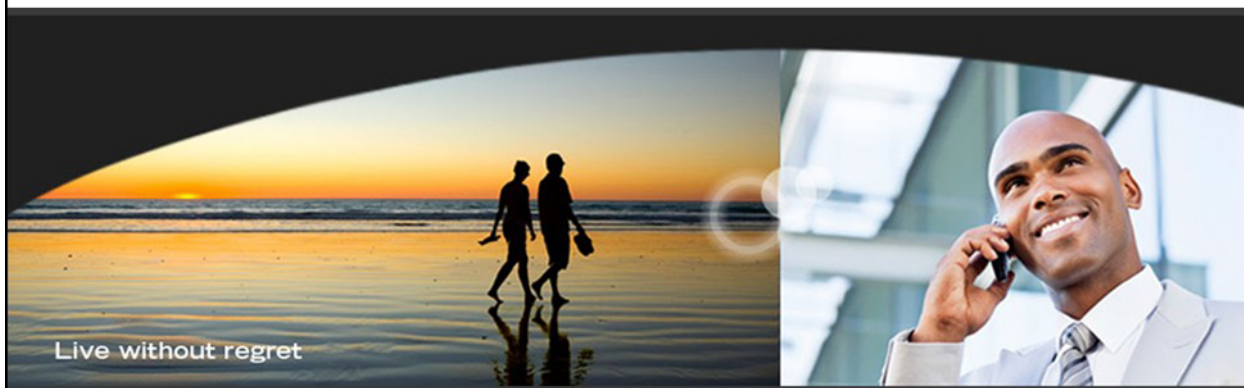


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TPC Limited is the biggest company and the largest employer in the Kilimanjaro region and Baissac is keen to leverage the company's position to support wider development goals in the region. "There are many ways in which our revenue is recycled into the local economy, beyond the obvious injection of taxes," he states. "Firstly, through the salaries of the 2,000 people we employ and through our purchases of materials and services. We buy locally wherever we can, but this is not possible if we require high-technology items. Similarly, fertilisers and herbicides have to be imported because Tanzania has a limited chemical industry."

Sugar estates, he believes, are a wonderful vehicle ideally suited for development activity

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Premium Agro Chem Ltd is one of the leading fertilizer distributors in Tanzania and is proud to be affiliated with the highly esteemed TPC Limited as one of their fertilizer suppliers.

in Africa. "Land and water are the essential requirements, but there is no need for a complicated infrastructure so independent implementation is possible. It is an ideal way to generate employment and in turn improve living conditions for rural people who would otherwise migrate to the already over-congested urban centres.

"We also contribute positively to the environment," he continues. "Sugar cane



plantations are inherently eco-friendly because they positively impact on CO2 levels in the atmosphere. Moreover, all the energy for our processes, including irrigation and domestic consumption, is derived on-site from the combustion of bagasse, a sugar cane by-product, to create a clean, renewable energy source.”

He explains that not all estates can meet their own energy requirements and still produce a surplus, but TPC is able to supply all the villages on the estate as well as those on the perimeter and still has a little excess to offer to the national grid.

As well as providing a vital energy source which would not otherwise be available, the company also supports the local community in micro-business development through partnerships with NGOs and has initiated many education and infrastructure improvements.

However, Baissac believes that the real potential for the business as a dynamic agent of change has barely been tapped yet. Well-

“ We want this estate to be a leading example of how the sugar industry can contribute to Africa’s development ”

managed sugar production produces revenues that can be recycled as additional investment in the region in many innovative ways. “For example, the arid part of this estate has the potential to become a conservation area with tourist potential which could provide another great stimulus to the local economy. We have already put rangers in place to protect the non-arable part of the estate and when we obtain the necessary licences we hope to re-introduce animal species completely destroyed through poaching and regenerate the original flora of the area to totally return it to its natural state. It would be a very positive impact on the ecology of the area,” he states.

Other projects to produce additional wealth

and diversify the economic base of the area include future plans for a distillery to make use of another by-product, which is molasses. There are also plans for a poultry project. The synergies here would give high-quality fertiliser for the sugar cane while providing another income-generating stream for local people. Affordable protein would also contribute to better nutrition.

“We cannot do everything at once, but we have many similar projects which we look forward to introducing over the next few years. We want this estate to be a leading example of how the sugar industry can contribute to Africa’s development,” he concludes.

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