

# COSUMAR

## MOROCCO

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CORPORATE BROCHURE



# A sweeter tooth

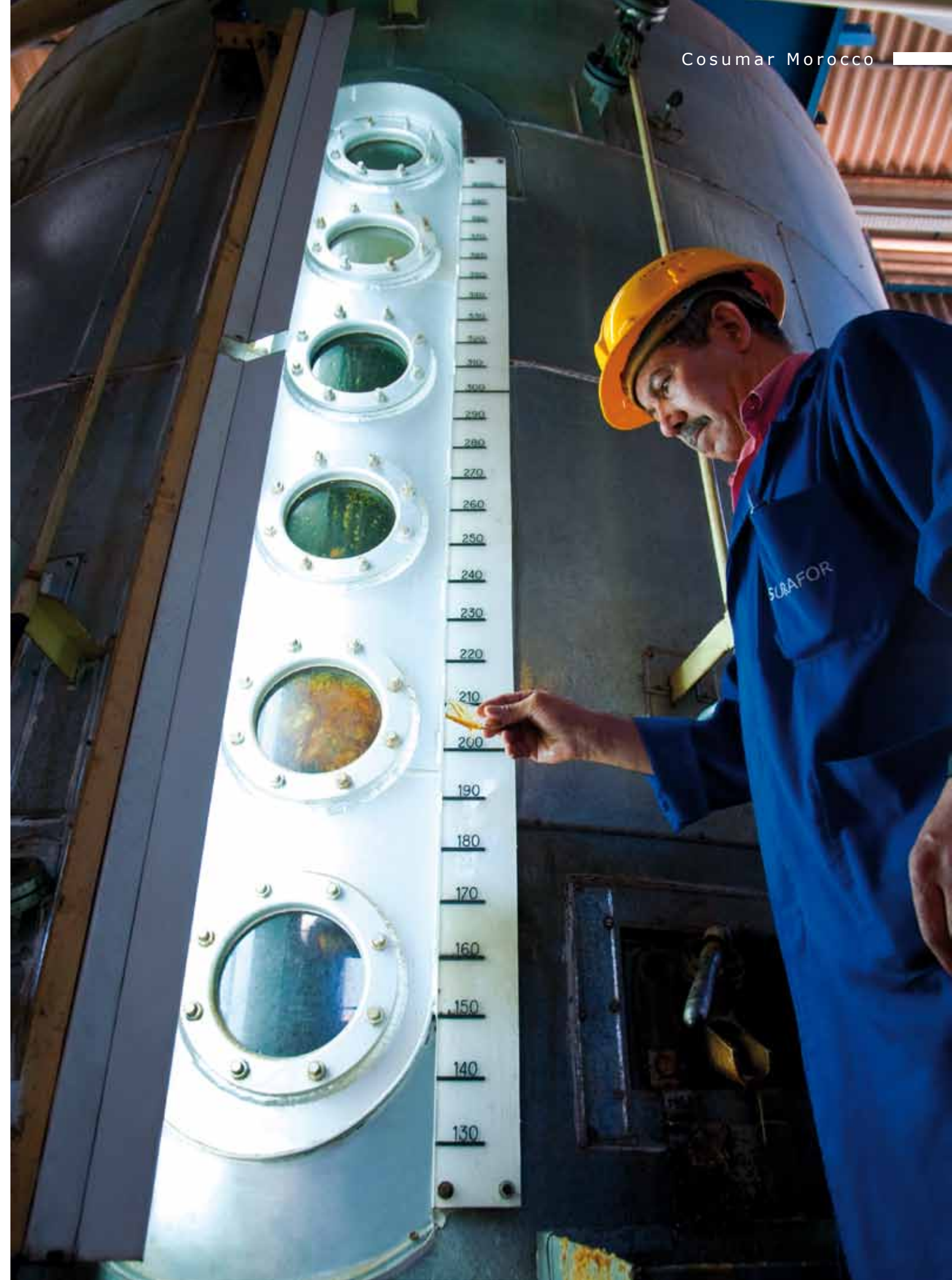
Continuous improvement is not just a manufacturing issue. Moroccan sugar company Cosumar is making improvements across the company, from agricultural practice through to customer service. Ben Sansom reports

**T**here is no doubt that the world is developing a sweeter tooth, and Africa is playing its part in boosting demand. Global figures show that over the past few years, the increase in sugar consumption has outstripped the growth in production; and in Africa, these figures are even more impressive. Between 2000 and 2008, consumption increased by 30 per cent, while sugar imports soared by 73 per cent, with the largest consumers being Egypt—also a major producer—as well as Nigeria, Algeria and Morocco.

Although there is a long history of sugar production in Morocco, the cultivation and processing of sugar cane reached its zenith way back in the ninth century, largely centred around the regions of Souss and Chichaoua. Following a period of steady climate change which affected the region's ability to grow sugar cane, however, the industry declined and eventually production ceased completely.

It wasn't until 1929 that the tables began to turn. The first refinery in Morocco (COSUMA) was founded by a consortium of foreign investors, and took the first step towards revitalising the Moroccan sugar industry, opening a refinery to process imported raw sugar. Investments in advanced technologies and the construction of new facilities, along with a policy of continuous improvement, ensured steady company growth. The company was part-owned by the state in 1967 and became Cosumar, the Moroccan Sugar and Refining Company. The government opened a range of new sugar mills within different perimeters of Morocco and began promoting the return of agricultural land to sugar cane and beet production. Ownership by Omnium North Africa (ONA) in 1985 ensured Cosumar remained in a position to play a key role in the continuing expansion of the sugar industry in Morocco.

Today, the company employs some 2,500 permanent staff and is once again independent. With the privatisation of state interests in the sector, Cosumar acquired the four public sugar companies, a move that elevated it to the position of Morocco's sole national sugar company. Producing over 1.2 million tons of sugar a year, the company currently has the capacity to produce over four million tons of beet and cane sugar cultures, which leaves ample capacity for expansion.





Cosumar partners with some 80,000 beet and cane producers located in five well irrigated agricultural areas of Morocco: Gharb, Doukkala, Loukkos, Tadla and Moulouya. Operating as five companies with nine industrial sites, the company produces some 45 per cent of the national sugar requirement from nationally produced crops. Some 80 per cent of this output is from sugar beet and 20 per cent from sugar cane. A further 55 per cent of the national requirement is refined at the Cosumar plants from imported raw sugar.

Since acquiring the four national companies in 2005, Cosumar has been working closely with the government and the Moroccan Interprofessional Sugar Federation (FIMASUCRE) and is participating in the national Moroccan Green Plan—a scheme which aims to promote food security, improve farmers’ incomes, protect and conserve natural resources and integrate agriculture into the national and international markets.

The Cosumar contribution to this plan has been enshrined in the Indimage 2012 business plan. “As part of Indimage 2012, we have allocated a total investment of 3.6 billion dirhams to continue the modernisation of our industrial facilities, the optimisation of our agricultural performance and business efficiency, and the service to our customers and partners,” said CEO Mohammed Fikrat.

Launched some five years ago, the programme is targeted at modernising the sugar industry across the country and improving productivity, efficiency and quality by implementing industrial and agricultural best practice.

In 2009 alone, the company invested two billion dirhams into expanding the sugar refining unit in Casablanca and modernising its operations to international production standards. Forty million dirhams has been spent on implementing an integrated management system for quality, security and environment, which will not only monitor product quality, but also environmental performance. As a result of this, the company has already achieved substantial energy savings by identifying and implementing improvements such as changing the crystallisation method used in the refineries.

Meanwhile, efforts continue to be made to limit the impact of manufacturing and agricultural activities on the environment, with projects including the investment of 1.6 million dirhams to improve waste

treatment units as well as for the introduction of clean technologies across group operations.

At Suta, the Oulad Ayad plant has also been extended to increase sugar beet processing capacity from 6,400 to 8,000 tons a day. The work included the commissioning of a tower diffuser and a thin juice decalcification unit. Meanwhile, a new bagasse boiler costing 50 million dirhams has been installed at Sunabel Mechraa Bel Ksiri. Using a by-product of sugar cane as a biomass fuel, the new boiler produces steam to process the beet, and optimises energy consumption by replacing coal with a by-product which would otherwise be a waste product of the site.

“As for the upstream agriculture, we encourage and support farmers in improving their performance through the promotion and widespread use of good practice,” Fikrat said. And this support was much appreciated during 2009 when after a period of water scarcity heavy rains caused widespread flooding and disruption to the sugar growing cycle.

One of the challenges for the agricultural sector in Morocco has been a shortage of labour. Cosumar has addressed this by introducing mechanisation into the sugar growing process, and has seen crop production improve significantly. Both the Doukkala and Tadla areas have enjoyed a clear breakthrough in beet harvesting capacity through the introduction of mechanisation, while the use of mechanical harvesting at Loukkos increased from 58 to 90 per cent between 2006 and 2009.

As the final strand in the Cosumar strategy for business improvement, the company has been sharpening its customer focus. A customer satisfaction survey showed satisfaction levels varying between 50 and 80 per cent, depending on subsidiary. Improving customer satisfaction to over 80 per cent in every subsidiary by eradicating the causes of dissatisfaction is now a primary company-wide target. In addition, the company has begun a pilot scheme to explore the feasibility of forming contractual relationships with its customers, particularly with the wholesalers who represent around 80 per cent of the sugar market.

“These projects have not only allowed us to build a better medium term profitability, but also to better serve our customers and partners, thus promoting a sustainable performance for our business,” Fikrat said. [www.cosumar.co.ma/site/index.asp](http://www.cosumar.co.ma/site/index.asp)

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