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AN ANALYSIS OF FACTORS AFFECTING THE MARKETING OF HIPPO WHITE SUGAR BRAND IN THE EASTERN REGION OF ZIMBABWE.

A thesis submitted to the Faculty of Management and Administration in PARTIAL FULFILMENT of the requirements of the Executive Masters of Business Administration Degree
By OBERT MOYO

DEDICATION

I dedicate this research to my wife Emma and the boys Tafara Gilbert,

Robertson Tatenda, Obert Takudzwa Jr, and Takunda George Moyo.

DECLARATION

I ….**O. MOYO**…. declare that this work is original and has not been submitted to any University for the award of any degree

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Student signature and date

Approved for examination

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Name and Signature of supervisor and date

ACKNOWLEDGEMENTS

ABSTRACT

This study sought to establish factors that have a bearing on current and future marketing of "Hippo White" sugar, a brand Hippo Valley Estates (HVE) that was launched in the year 2004 as part of its long-term survival strategies. Since the launch, the brand has faced a number of challenges. The study sought to establish a deeper understanding of issues affecting the marketing of the brand and establishing strategies that can be adopted by HVE management to militate against changing consumptions patterns, customer preferences and new market alignments.

The research utilized a questionnaire that was administered to companies in the Eastern Region of Zimbabwe. The population included sole proprietors and companies (Private and Public) who are major customers of HVE. Research showed that all customers are sensitive to the colour of sugar packaging and caking of the sugar. Companies were found to be more reactive to quality issues when compared to Sole proprietors. Of the sugar brands, Hippo brand was more popular and better preferred. Customers had similar distribution preferences with the most popular distribution mode being for the manufacturer to deliver sugar to their premises. Sole proprietors and Companies were equally affected by problems faced by the sugar industry. Some of the recommendations were that HVE must adopt a strong stance that guards the quality of the brand with emphasis placed on 2kg pre-packs

production and mapping out a sugar distribution strategy that will facilitate the transportation of sugar to customers.

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CHAPTER ONE

1.1 INTRODUCTION

Abbott G C., (1990) says, "Sugar *has* always *been* a highly politicized commodity that is extensively produced the world over and one of the strange ironies of the sugar industry, is that domestically it suffers from too many regulations and controls, while internationally, there are not enough". The world sugar market is one of the most highly regulated markets in the world, with significant policy-based barriers in many of the major exporting and importing countries. Government policies in these countries impact on sugar production, consumption and trade by artificially raising domestic prices.

For sugar producing firms to survive the changing patterns of consumption, new market alignments, or the competition from alternative sweeteners they must concentrate on establishing a strong market share in the domestic market (World Sugar news 2005). Whereas sugar has historically been prey to extreme climatic cyclical changes, that are coupled to the vagaries of the variable world sugar market and the ever-changing sugar commodity market so quoted by the Food and Agricultural Organization (1998), companies such as Hippo Valley Estates (HVE) have to continuously revise and adapt their production and marketing strategies to meet these challenges to survive. It was these challenges that forced Hippo Valley Estates to broaden its product mix by the introduction of its own White sugar brand "HIPPO WHITE". After the launching of the brand in May 2004   customers' complaints related to

product quality surfaced. It was the researchers' aim to investigate and get an understanding of issues that are linked to the new brand

1.2 BACKGROUND TO THE STUDY (Production Trends)

1.2.1 World sugar production

As declared by the FAO (2003), World sugar production has been steadily increasing over the years with forecasted production set to reach 144 million tonnes in 2004/05, a 2 percent increase over 2003/04 levels, this is a result of a larger harvest in Brazil and some recovery in India. "Sugar production in Africa (developing and developed countries) has been on the increase with forecasted production to increase by 5.8 percent in the year 2004/05 to reach 7.9 million tonnes in2004/2005, reflecting the growth in South Africa, where output is expected to increase to 2.6 million tones, the increase in output is mainly due to an expansion in irrigated areas." FAO (2003),

1.2.2: Sugar production in Zimbabwe.

There are two sugar manufacturers/factories in Zimbabwe that are located in the Southeastern part of the country in an area popularly called the low-veld namely Triangle limited and Hippo Valley Estates limited. Jointly have an installed cane milling capacity of 4.8 million tons of cane and produce 600000 tons of sugar per annum. National consumption is estimated at around 330000-360000 (ts/y) (55-60%) (Equivalent to 25kg/head) with the rest being exported, Zimbabwe is therefore a net sugar exporter (ISO SUGAR year book 2005).

TABLE1.1 HISTORICAL ZIMBABWE SUGAR INDUSTRIAL PRODUCTION (1970- 2004) Average

Years	1970-1979	1980-1989	1990-1999	2000-2004
Triangle	138662	174240	194099	265828
H.V.E	133129	246869	201641	244918
% Increase	0	54.94	45.61	87.92
Product output	271791	421109	395740	510746
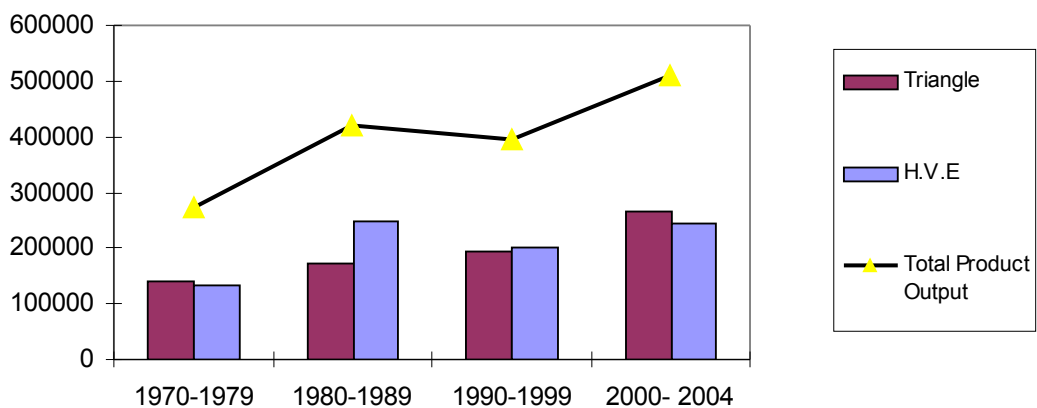
Source: ZSA. Fig1.1 Zimbabwe Sugar Production (1970-2004)

From a historical perspective, the overall sugar production trend has been on the increase, with both mills producing the same quantities of sugar in the 1970-1979 periods. In the 1980-1989 and 1990-1999 period, Hippo Valley Estates produced more sugar compared to Triangle.

From 2000-2004 (five year average) the situation changed with Triangles' production out striping Hippo Valley Estates by 8.5% on average, for the first time in the 30-year history of sugar production in Zimbabwe. It is pertinent to note that the consumption trends mirrors the production trends, because the Zimbabwean economy progressed tremendously over the period from 1970 to the late 90s. A situation that is linked to an increase in the employment rate where workers' increased disposable incomes was spent on buying essential food commodities, sugar included.

1.2.3: Distribution and Marketing Logistics

Sugar marketing in Zimbabwe relies very heavily on rail and road transport for efficient distribution of sugar (s); Raw and Refined.

Sugar distribution/ marketing is split into two categories: Namely;

 a) Raw and Sunsweet Marketing logistics:

 The marketing responsibility for the products above is vested in a company that is jointly owned by the two mills called Zimbabwe Sugar Sales ltd (ZSS). The mills generate cane and sugar production estimates for the season (See table: 1.2). Once the figures are at hand, ZSS compiles a sugar disposal plan that indicates the monthly sugar movement or distribution pattern that must be adhered to by the Mills. This plan shows the sugar tonnages to be sold on the local and export markets (See table: 1.2).

Table: 1.2 *Zimbabwe Sugar Crop Disposal Main Allocation Years 2004-05*

Hippo Valley Estates	238,000	185,000	
Triangle Ltd	255,000	250,000	
Total	**493,000**	437,005	
Disposal			
Local market			
Local refined-ZSR	161,400	130,350	29.83
-- MILLS	53,801	51,805	11.85
Local Sunsweet	132,300	101,225	23.16
Small traders		15,000	3.43
Total	**347501**	298,380	68.28
Regional Markets			
Botswana Refined	32,050	31,765	7.27
Namibia refined	16,600	16,000	3.66
Namibia Sunsweet	22,335	26,000	5.95
SACU-Others	11,500		
Total	**82535**	73,765	16.88
Exports			
ACP protocol quota	24,151	37,860	8.66
ACP SPS Quota	25,800	25,800	5.90
USA Quota	13,013	1,200	0.27
Total	**62,964**	64,860	14.84
Grand Total	**493000**	437,005	100.00

1.2.4: Sugar exports:

As indicated earlier local Zimbabwe sugar consumption is relatively large at 68% of the total production on average, even though the local demand has been increasing of late, the consumption trends are also impacted upon by the illegal cross border sales that are spurned on by the price monitoring control regime that is set well below the world market price of the sugar, International Sugar Journal (2004).

The industry also places great importance on the access to one or more preferential markets where on average, it exports about 12-15% of its sugar produced per year and at higher than world market prices. See table 1.3.

The following are some of the export arrangements that are in place: as indicated in the * International Sugar Journal (2004),

a) African, Caribbean and Pacific (ACP), European Union (EU) Sugar Protocol
b) United States of America (USA) Preferential quota
c) Other regional bilateral agreements (COMESA, SADC,)

The extent of world sales varies from year to year and is determined by the surplus volumes e.g. for the year 2002 it accounted for 14%[5] of the total production.

It is pertinent to note that in Zimbabwe's case, access to export markets is constrained by the land locked status and distance from ports thus reducing the ex-mill prices received, in short it reduces the profitability.

1.2.5 Local Market

a)   Raw

Sugar

Zimbabwe Sugar Refineries Limited (ZSR) is the major local purchaser of raw sugar from the two mills, with refinery plants that are based in Harare and Bulawayo (See table: 1.2). ZSR purchases over 30% of the total sugar produced. The National Railways of Zimbabwe (NRZ) network that runs from the low-veld to the refinery plants up country ostensibly carries out bulk raw sugar dispatches. Of late however, due to NRZ's inefficiencies in transporting the sugar to up country customers (Refineries), sizeable quantities of raw sugar tonnages have been carted by road.

b)

Sunsweet

Sunsweet sugar sales and marketing logistics is solely the responsibility of ZSS, where in, once the product has been produced at the mills, individual customers can/ are allowed to pay for the product (Sunsweet) at ZSS offices located at the Zimbabwe Sugar Association Experiment Station (ZSAES) in Chiredzi, with product collection taking place at the respective mills. Here the dominant buyers as at October 2003 were, wholesalers who purchase the product at factory prices.They and add retail/markup prices (set selling margins) before selling to the Small-scale shop owners who are in the vicinity.

Table 1.3 .Traingle and Hippo Valley Estates Refined and Sunsweet Sugar Production (year 2000-2004)

	2000	2001	2002	2003	2004
Triangle Refined	45,358	61,070	62,710	55,211	50,115
HVE Refined	14,118	25,196	38,358	33,107	24,033
Triangle Sunsweet	80,041	88,585	89,097	87,939	69,840
HVE Sunsweet	76,616	88,160	80,591	76,816	58,498
Triangle Raw	159,609	148,558	146,274	100,275	100,477
HVE Raw	165,192	136,072	164,934	127,221	114,109

Tons

Years
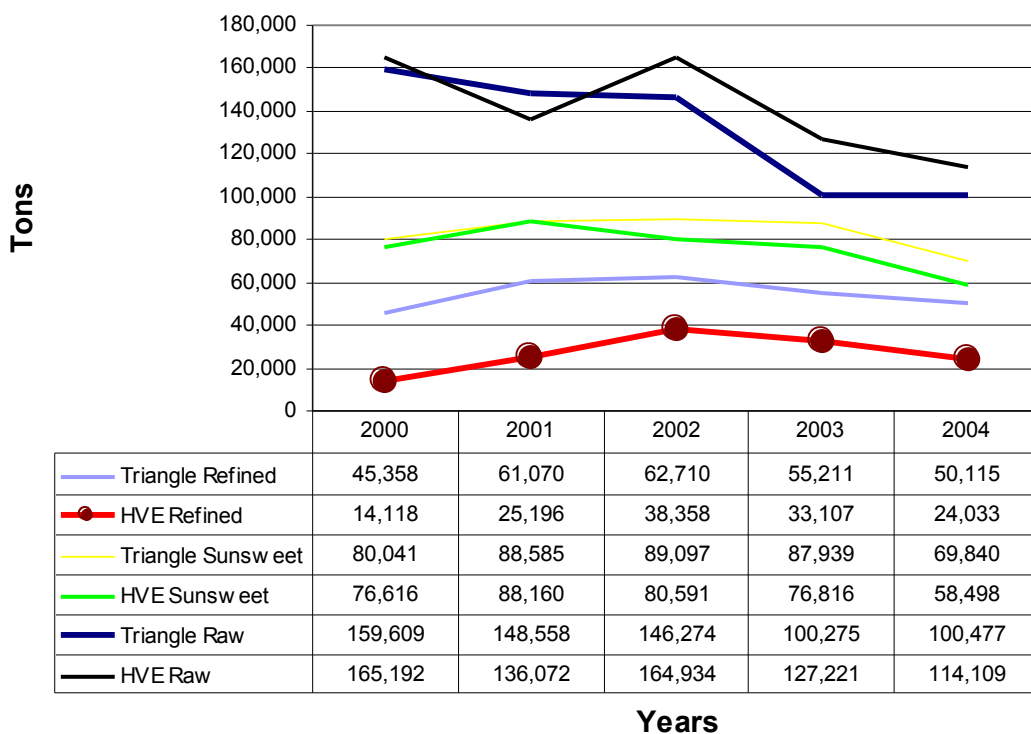
Source: Zimbabwe Sugar Sales Yearly crop disposal (2004)

c) Refined Sugar

Refined/white sugar is processed within the factory complex in a   back end refining plant. After accounting for and purchasing the raw sugar value that would have been utilized to produce refined sugar through ZSS channels, the refined sugar produced is then solely the miller's product i.e. the miller through its marketing department must source for sugar distribution outlets that handle and sell the product in a manner that enhances the profitably of the refining operations. HVE introduced its own refined sugar brand called "HIPPO WHITE" in May 2004 following this launch, customer complaints we received that were in the main related to; Sugar quality i.e. the look of, the caking and pre-packs breakages.

 It was the main thrust of the research to investigate and analyse these and other factors that affect customers' purchasing decisions/perceptions of HVE refined sugar in Zimbabwe.

1.2.6 SURVIVAL- The Challenges Ahead

 In the short to medium term, the tariff structures alone will not help an organization to survive on a sustainable basis. An organization must employ competitive techniques in the growing of the cane, `effective and efficient` milling and innovative marketing techniques which seek to explore avenues that increase profit margins. As mentioned earlier, the Hippo Brand was introduced in may 2004, customer complaints related to quality

were trickling in and with out a full understanding of issues, theoretically, a situation would be attained/reached, where sales would start to taper off in the short to medium term. This was the Litmus / driving force from the researchers point of view to carry out an investigation through a survey of Hippo refined sugar customers.

Like many other Agro-based companies in Zimbabwe and with sugar being the flagship of the group business, HVE faces many challenges as summarized below.

Face greater uncertainties than at any other time in recent years. The future of hitherto guaranteed and protected markets at attractive prices is the greatest unknown, compounded by the likely prospect of continuing low world prices, pressure from Brazil and Australia to disrupt the ACP Preferential markets, the move towards greater trade liberalization. (Of note however is the worrisome development that the EU member states have proposed to cut the sugar price by almost 39% for the next 3 years (2006-2008). This development poses a threat to Hippo's foreign currency earnings as this has in the past guaranteed a market and a price set by the ACP states for the commodity from 1993 to 2003, See Appendices 2.

 Reduced consumption on the local market due to the decline in the purchasing power of consumers, high transport costs and a fast shrinking market size. (Note that Local demand has been increasing of late due to the existing pricing structure (government controlled) that has seen the smuggling

of the commodity across borders due to low prices). Sena Company Published (2005).

A stringent price control regime that has targeted most of the basic commodities, sugar included. This has exposed manufacturing industries to escalating running costs against controlled earnings; this scenario has been in existence since 1998.

Low agricultural production under the fast-track land reform combined with severe droughts has seen a significant portion of the commercial farm economy decline. There was a dramatic drop in cane yields from 100 tons per hectare on average to the present 71 tons per hectare as at 2004 statistics. (Source Internal). The major cause of the decline is attributed to the learning curve that is linked to new cane farmers that are still assimilating the required knowledge and techniques to reach the previous levels of production.

Very slow diffusion of technology from abroad and scarce foreign currency reserves are affecting the industry's capital expenditure programs.

Sugar quality issues that invariably arise with an increasing level of customer sophistication and are worsened by heightened perceptions.

1.3 Statement of the Problem (Why embark on the study)?

Faced with the challenges: HVE's original strategy of increasing profit margins through increasing volumes (bulk quantities) had to be changed with the focus shifting to the production of high-value products such as white sugar, where a 13 Percent and 25 percent price differential exists between White and

Sunsweet sugar and Raw sugar on the domestic market respectively. HVE had to map out a strategy to increase its local refined sugar market share thus stem the economic decline, ensure a stabilization of return on Capital Employed (R.O.C.E) and in the long run achieve a sustainable realization of targeted performance criteria (The bottom line).

Since the resumption of white sugar production in 1997, agreed marketing arrangements were that HVE had to produce refined sugar, dispatch the product in one-ton bags to Z.S.R's small pre-packaging plants situated in Harare and Bulawayo some 400 odd kilometers away. The sugar would then be sold under the Gold Star brand in Zimbabwe. These arrangements did not fully address the stake holder's long-term strategy/goals for sustainable company performance (profitability) in that HVE had to:

Pay a branding charge for using the Gold Star branding name thus foregoing a percentage of its profit margins in the process.

Negotiating with ZSR on a host of issues chief among these were related to product quality on a regular basis, with the number of customer complaints increasing by the week.

In short, HVE's efforts in attaining full compliance to the contract requirements was time consuming for management and with time, the arrangements did not make business sense. As such, a strategy to overcome the identified hurdles was put in place. It entailed the following action plans.

The installation on a trial basis of a small pre-packing plant within the milling complex.

Continuation of the marketing arrangements as stated before i.e. HVE Bulk refined sugar being pre-packed and sold under the Gold Star brand.

The Packaging plant upgrade program had to be phased over a 3-year period.

After garnering enough confidence, expertise and experience by HVE personnel, an appropriate stage would be reached, where by Hippo Valley Estates had to launch its own brand.

After having achieved all the above set targets, in May 2004 HVE launched its own White sugar brand "HIPPO WHITE".

As the 'HIPPO WHITE' brand has been in existence for the last two years, a number of customer complaints related to quality and distribution had cropped up during this period, chief amongst these was the issue of Refined sugar colour, caking and product availability. It was the researcher's aim that through a well-coordinated research effort conducted through a customer survey would their requirements and or perceptions be revealed that have a bearing on the marketing of Hippo white sugar.

1.4: Aim of the study:

It was the intention of this research to investigate through a survey of Refined Sugar buyers / customers factors that have a bearing on their purchasing decision, as issues of quality have surfaced once in the past and to what extent is the White /refined sugar quality issue as mentioned earlier is of prime importance to the customers (Sole proprietors and company). The research

findings are likely to help HVE management in understanding, help in adjusting its marketing mix as it sells sugar to buyers with stiffer competition that is bound to arise from a liberalised marketing economy a phenomena that from the researchers point of view will happen sooner rather than later.

1.5. Objectives of Study

To determine whether sole proprietors and companies react similarly on sugar quality issues.

To determine whether all sugar brands are equally known to customers.

To establish sugar distribution preferences of customers.

To establish trends in the quantities of sugar purchased by customers.

To recommend strategies that HVE management can incorporate in the formulation of their marketing mix when selling the "Hippo White " sugar Brand.

1.6 Research Questions & Hypothesis

The following research questions form the basis of this investigation:

What Sugar Quality characteristics matter in determining the purchasing pattern of white sugar In particular "Hippo White"?

   What branding factors (Logo, value, and packaging, Price, labeling, Production, Marketing and breakages) do customers utilize as they decide to purchase Sugar Hippo White Included?

What kind of distribution mode(s) (deliveries, form utility, minimum effort) do the customers of Hippo White Brand prefer?

What are the trends in the quantities of sugar purchased by customers?

Hypotheses

The research hypotheses were:

1. H_O: Sole proprietors and companies exhibit same purchasing behaviour in their choice when buying sugar.

   H_1: Sole traders and companies exhibit different purchasing behaviour.

2. H_O: Sole proprietors and companies exhibit same quality preferences when buying sugar.

   H_1: Sole traders and companies exhibit different preferences when buying sugar.

3. H_O: All Brands are equally known to customers.

   H_1: Some brands are better known than others.

4. H_O: All Brands are equally preferable to customers.

   H_1: Some brands are better preferred than others.

5. H_O: Sole proprietors and companies have same distribution preferences.

   H_1: Sole proprietors and companies have different distribution preferences.

6. H_O: Sole proprietors and companies are equally affected by problems in the sugar industry

H_1: Sole proprietors and companies are not equally affected by problems in the sugar industry.

By answering these hypotheses, the researcher seeks to blend theory and best practice together in enhancing the knowledge of what motivates customers in a their decision to buy "Hippo White Sugar".

1.7 Significance of Study

The study will help the researcher find out / understand buyers' purchasing preferences that are linked to White Sugar Quality, Branding and distribution. The study will help in presenting Hippo Valley Estates management with factors to take into account, as it aligns /tailors some of its marketing strategies to meet customer expectations/ satisfaction.   The customer is king (unknown).

1.8 Assumptions

All customers make a purchasing decision that is based on a measurable outcome (e.g. credit facilities being offered, warranties associated with the product, after sales service, Price reductions, Cost reduction, supplier errors, Unethical Behaviors, Scandals and opportunistic behaviors).

Branding incorporates issues such as Value; logo, Price, technique, marketing and production, these issues play a pivotal role in customer purchasing decision process.

Distribution techniques that deliver goods to customers (Quickly/timely and with minimum effort) play a pivotal role in the purchasing decision process.

The researchers underlying assumptions are based on the statement by Harvard Business School professor Clayton Christensen who traces the purchasing process and succinctly says: "When the performance of two or more competing products has improved beyond what the market demands, customers can no longer base their choice on which is the higher performing product. The basis of product choice often evolves from functionality to reliability, then to convenience, and, ultimately, to price." The research delved into factors that influence a purchaser's decision to buy HVE refined sugar and tries to answer the question why?

Conceptual framework

The researcher has developed a mini model as an overview for the research study. The study focuses mainly on the factors deemed to be variables to the effectiveness of marketing sugar assuming that the factors that affect sugar marketing are as given (see figure 1.1). The variables are discussed in detail in chapter two in which the relevant literature is reviewed.

Figure 1.1: Factors that affect the marketing of Sugar Model

Independent Variables	Dependent Variables
Population and Demographics, Region Location Land stock Area. Resources and Environment (More than one country) Science and technology Macroeconomic Statistics Legislation	Driving Forces in the market • Sugar Quality • Branding (Name, Logo Price, Value, techniques, and production.) Distribution (Quick & timely deliveries, Minimum effort by customer. Place Convenience) • Current trends (which trends will die and fade)

Recall (share)
Advertising (share)
Marketing skills (audit)

Business Partner ships /Relationships
Trust

Ultimate Quantities of product Purchased

1.9 Scope delimitations

Even though there are a plethora of issues related to the marketing of sugar, the study was limited to three specific issues namely: Quality, Branding and Distribution.

The surveys were carried out to Sole proprietors and Companies (Private limited and Public Limited). All either own: wholesale outlets, Supermarket chains and medium sized food stores that purchase the HVE White Sugar Brand. It is fact that over 90% of refined sugar sales volumes are distributed in this region. It was assumed that the results/findings at hand could be extrapolated to the rest of the country without any lose of significance to the study.

The Eastern region of Zimbabwe is chosen area: see figure 1.2

Figure 1.2: Eastern Zimbabwe map (Tel One Cellphone coverage map).

The area covers Beit-bridge in the South, Rutenga, Ngundu Halt, Masvingo South, Nyika, Gonarezhou National Park in the East, Chisumbanje, Chipinge , Vhumba up to and including Mutare Nyazura on the map.

Figure 1.3 .H.V.E Regional Refined Sugar OffTakes 2005
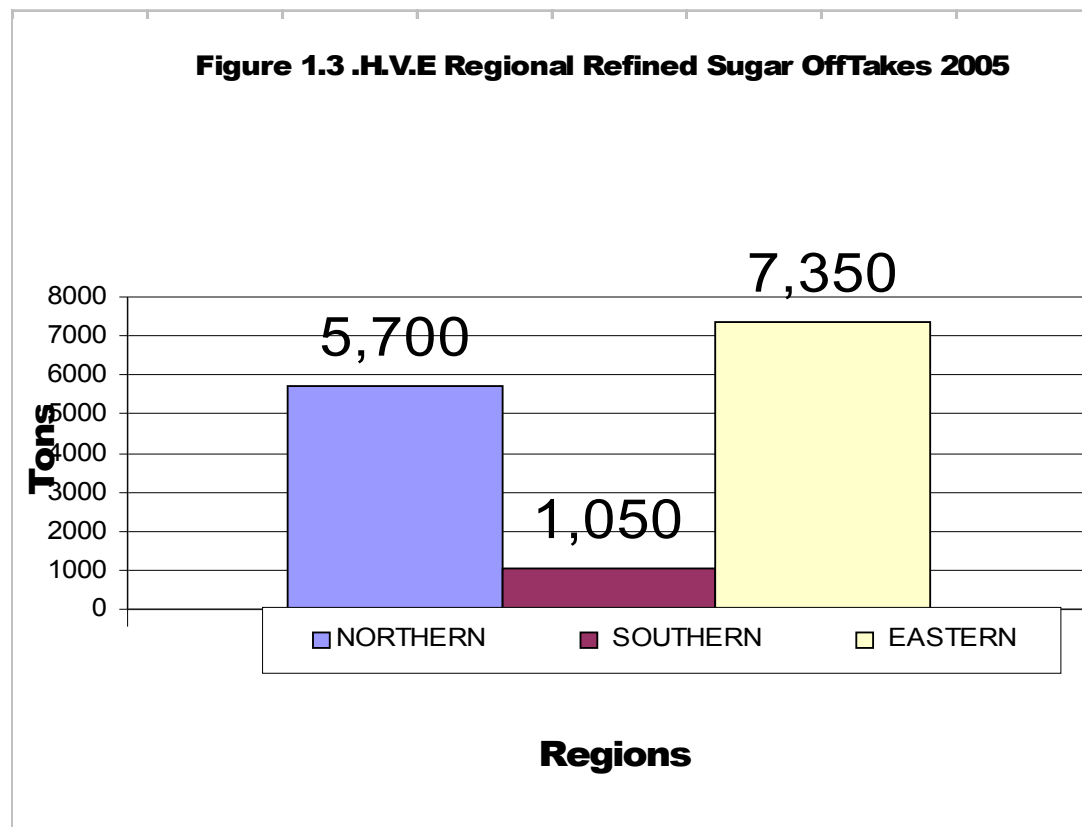
1.10 Limitations

The research was limited to the eastern region of Zimbabwe only as this is the major area where H.V.E refined sugar is distributed and sold.

It was also not possible in the time available to cover all the Sole proprietors and companies (Private and Public) in the region who purchase H.V.E Sugar.

Definition of Terms

A: White refined Sugar:

Is the most common form of sugar consumed in Zimbabwe and Southern Africa as well. Dissolving raw sugar and purifying it in a process/method called carbonatation process involving calcium hydroxide and carbon dioxide and by various filtration stages make refined sugar. White refined sugar is typically sold as granulated sugar. Which has been dried to prevent lumping. Granulated sugar is available in various crystal sizes, for home and industrial use depending on the application.

Hippo White; is refined sugar that is produced, per-packed and marketed by Hippo Valley Estates under the brand name ' HIPPO'

Gold Star: Is refined sugar that is produced, pre-packed and marketed by Zimbabwe Sugar Refineries In Harare and Bulawayo under the brand name "Gold Star"

Tongaat Hullet white: Is white sugar that is produced, pre-packed and marketed by Triangle Ltd under the brand name "Tongaat"

B: In House Brands

These are consumer products that are adopted by manufacturers as a way of uniquely identifying their products e.g. Pot o Gold, Family favorite.

C: Supermarkets

Are large, low-cost, low-margin, high-volume, self-service stores that carry a wide variety of food, laundry, and household products?

Examples are OK Bazaars and T.M Super Markets.

D: Chain store

Is one of a group of four or more retail stores under the same ownership and management, handling the same line of goods, and operating under a single management policy.

It provides a wide-area or national coverage with consistent, well-developed, and controlled marketing methods.

Generally purchases are made in large volume through centralized purchasing and warehousing functions.

E: Rail transportation

Is the most efficient way to move bulk shipments over long distances.

Rail is relatively dependable and cost-effective, but it is not always flexible.

F: Trucking

Offers a fast way to ship a consistent service for both large and small shippers. Trucks are dependent on highway infrastructures, which may not be available in some parts of the country.

Trucking is very flexible because trucks can haul goods wherever there are roads.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Peter Drucker (2002) explains marketing this way: "The aim of marketing is to make selling superfluous. The aim is to know and understand the customer so well that the product or service fits him or her and sells itself." This is not to say that selling is unimportant. It is the most important part of a larger "integrated marketing communications" that must be orchestrated for maximum impact on the market place, (Vander walt, 1997).

R.L. Oliver (1994) observed that customer satisfaction results from a process of internal evaluation that actively compares expectations before purchase of a product/service with perceived performance during and at the conclusion of a purchase experience. Satisfaction is a product of the alignment between prescribed functional and emotive performance elements and the ability of the company to meet the performance expectations. Sustained preference is a product of meeting these requirements over time.

Dave Dolak (2005) says of the marketing of commodity products: "Commodity products are largely undifferentiated products that offer little or no *perceived* differences between competitive offerings". These are lowly differentiated products or services with high levels of substitutability and straightforward price discovery. Commodity products are fungible as competitive offerings are

easily interchangeable. As there is no little-to-no perceived difference, consumers shop for commodities primarily on a low price basis. Producers of commodities are driven to compete on low price and high volume. In general, the product life cycle is at the point where significant customer education and assistance is not required, customers have widely adopted the product, the market is mature enough to have attracted multiple competitors, and the market expands while prices decline as consumers demand price concessions.

John McKean, (1985) says "The Human Touch thinks of the organization-customer interaction as a series of cascading touch points. Those touch points comprise the customer environment and it is through interacting with that environment that customer preference is formed".

2.2 Quality characteristics (Sugar)

Quality is one of the cascading points that an organization –customer interaction process must follow so as to create lasting customer loyalties. Quality in its self has different definitions and evokes different understandings to many an author, to illustrate the varied nature of this subject matter some are captured below:

Taguchi (1980) says: "The quality of a product is the monetary loss passed to society once the product has been build and shipped."

Persig (1974) says "Quality is neither mind nor matter, but a third entity independent of the two, even though Quality cannot be defined, you know what it is"

Crosby (1979) says "Quality means conformance to requirements"

Japanese Industrial Standards Committee, 1981 define it as: "[Quality is] a system of means to economically produce goods or services which satisfy customers' requirements"

Feigenbaum (1983) says "Quality means best for certain conditions...(a) the actual use and (b) the selling price"

Sashkin & Kiser (1993) says: "[Quality] means that the organization's culture is defined by and supports the constant attainment of customer satisfaction through an integrated system of tools, techniques, and training"

2.2.1 Total Product

When a consumer buys a product, he or she is purchasing the total product, which includes everything that adds value to the seller's offering. The core product is the actual benefit the consumer is seeking from the purchase. For example, when consumers purchase Kodak film, they are buying "A Kodak Moment," the core benefit.

The actual product consists of product attributes such as quality level, design, brand name, and packaging. All of these features help differentiate the product from its competitors. For example, Kodak film is the actual product. Its brand name, packaging and other attributes differentiate it from its competitors. All of these features have been combined to deliver the core benefit – "moments of your life." Product quality is the set of features and characteristics of a product that determine its ability to satisfy needs. Total Quality Management (TQM) is a philosophy that commits the organization to continuous improvement in all of the activities. ISO 9000 is a set of related standards of quality management that have been adopted by a majority of organizations the world over Zimbabwean companies included. Product design refers to the arrangement of elements that collectively form a product. Colour is an important aspect of design.

2.2.2 Branding

Introduction

Branding as a marketing strategy has seen a significant increase in interest in recent years due to a variety of factors. Dave Dolak (2005) says "The increase in competition in just about every product category coupled with the ability for most consumers to quickly and easily seek out and compare all competing offerings via the Internet has put a great deal of pressure on brands to strengthen their positions and continually seek ways to deliver greater value to customers".

Companies are now fully realizing the importance of creating strong brands that provide real customers benefits so they can avoid the vicious practice of continual price slashing and cost reduction due to the downward pressure that exists in commodity markets. They're discovering that it is desirable to compete on more than just price and volume.

Dave Dolak (2005) states, " The answer lies in first identifying or devising ways to create unique attributes and unique promises of value offered solely by you and your product offering. This distinction as to why your brand is unique in your category is also referred to as your unique selling proposition. Your unique selling proposition (USP) tells your target market the main and most important reason they should choose your brand over competing brands. Your USP is a claim of a unique set of benefits not found anywhere else. Once you have defined your most important unique selling proposition, then you begin to build your brand based on it".

Dave Dolak (2005) suggests six steps to commodity branding namely:

Step #1: Conduct a comprehensive audit.

Step #2: Find and define points of differentiation in your offering.

Brands as commodities

 The brand follows the logic of the commodity. It has a 'use value' (meets needs/ has a use) and an 'exchange value' (is exchangeable with other commodities at its price, which is determined by the amount of necessary

labour embodied within it). ie brands meet needs/wants and are made in order to sell (to realise surplus value).

Step #3: Choose the most compelling and unique point of differentiation to create a strong position for your brand.

Step #4: Eliminate reasons for your customers not to purchase from you.

The need to sell means that firms always seek to raise the product beyond simple use-value – to give it more appeal than a generic use (hence branding).

Step #5: Create a powerful image for your brand.

The companies' CEO's of brands openly suggest and exalt the branding process and openly indicate," that they do not really deal with products but that they create and sell 'experiences', 'concepts', 'meanings'. This process is then cascaded down to the targeted population /the appropriate level in this particular scenario "The Youth".

Step #6: Market the brand.

Branding is about the techniques by which a commodity is itself embodied with new kinds of value and appeal, in a process that includes production, design, and especially marketing. Advertising is only one part of marketing.

How do they work?
Below is an analogy on how the branding process works/ might work in any organization.

a) The brand 'experience'

b) Youth and the creation of brand value

The Youth becomes not just a site to market to, but also a site to generate brand meaning (Van Der Walt, 1996)

> The Ghetto style, Sputnik, 'bro-ing' and the use of viral-marketing.

> A Racialised basis of use of black style to sell to mass white audience on the basis of US fear/fetishisation of black culture.

c) Branding everything.

This incorporates synergistically linked products that increase the numbers of the targeted audience e.g. web-like nature of brand. Pop concerts, mystery bands and Schools.

2.2.3 Distribution preferences

According to P. Kotler, etal (1991) traditionally, distribution has been seen as dealing with logistics of how to get the product or service to the customer. It must answer questions such as:

> Should the product be sold through a retailer?

> Should the product be distributed through wholesaler?

> Should multi-level marketing channels be used?

> How long should the channel be (how many members)? etc

Products must be available to consumers who want to purchase them conveniently, quickly, and with a minimum of effort. The distribution system determines a product's marketing presence and the buyers' accessibility to the product. P. Kotler, etal (1991) says "Distribution (also known as place) provides utility. *Time utility* is offering the product when the customers want to purchase it. *Place utility* is offering the product where the customers want to purchase it. *Possession utility* facilitates customer ownership of the product. *Form utility* might be needed if changes have been made to the product in the distribution channel (Coca-Cola concentrate sold to bottlers)" G. Lancaster (1988). A number of alternative 'channels ' of distribution may be available

> ➢ Selling direct
>
> ➢ Retailer
>
> ➢ Wholesaler
>
> ➢ Agent (who acts on behalf of the producer.

Channel members

According to P. Kotler, etal (1991) distribution channels can thus have a number of levels. Kotler defined the simplest level that of direct contact with no intermediaries involved, as the 'zero level' channel. The next level, 'the 'one-level' channel, features just one intermediary; in consumer goods, a second level channel is a wholesaler who is used to extend distribution to the large number of small, neighborhood retailers.

Monitoring and managing channels: In much the same way that the organization's own sales and distribution activities need to be monitored and managed, so will those of the distribution chain, in practice, of course. Many organizations use a mix of different channels; in particular, they may complement a direct sales force, calling on the larger accounts, with agents, covering the smaller customers and prospects.

2.3 Conclusions

The purchasing patterns of consumers in relation to Refined sugar a commodity just like any other commodity is succinctly summed up from Sputnik (1996) which warns its clients that ," If the cool trend is visible in your neighbourhood or crowding your nearest mall, the learning is over. It's too late… You need to get down with the streets, to be in the trenches everyday "

Scott Bedbury (1998) says Consumers don't truly believe there's a huge difference between products', which is why, brands must 'establish emotional ties' with their customers through the experience"

The learning point is for companies to master   their customers' requirements every day and follow the purchasing trends, Likes and dislikes of the customer, other wise by the time an organization is aware of customers' requirements, it might be too late to do anything Sputnik (1996).

 This points to an organization having to research and keep on researching its customer preferences day in and day out.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This is an exploratory research project. Its main purpose was to establish through a survey of Refined Sugar buyers / customers, factors that might have a bearing on customers (Sole proprietors and Companies) purchasing decision. The research was narrowed down to three issues namely: Refined Sugar Quality, Product Branding and Distribution.

The targeted population was for refined sugar customers that are confined to the Eastern region of Zimbabwe who constituted over 90 % of the H.V.E refined sugar customers.

Research method chosen

The researcher chose conventional research (CR) because in (CR) the main advantages are that, (CR) helps in revealing what you don't know about your brand. CR will quickly afford a researcher to gather information as quickly as is possible from people in a way/ fashion that is non-threatening.

Over and above this, people can fill in their paper anonymously and it is inexpensive to administer to many people over a wide geographical spread and can generate lots of data. (CR) how ever has some disadvantages as well: chief amongst these are that it is only able to uncover what others know. The wording can bias clients' response, its impersonal, doesn't get the full story and finally one requires a sampling expert.

3.2 Data collection methods,

Secondary Data:

Most of the data was of a secondary nature gathered from Dispatch, Large-scale distributors and Monthly dispatch records, current news articles and company materials. Additional extensive Internet searches were conducted for relevant and current data that were not included in the print, microform and company   literature.

Interviews:

One-on-one telephone and personal interviews with personnel in sugar distribution fields, quality control, marketing and sales departments of food and beverage processors and producers were conducted.

 Face to face interviews were carried out to those customers who had not responded within the stipulated time periods.

The last method of data gathering was through a questionnaire.

 A simple questionnaire to gather customer responses was sent to refined sugar customers, which included amongst others: Sole proprietors and Companies (Private and Public). The questionnaire was a short simple one, where the respondents could easily pick up a preferred choice an answer from the laid questions and one that best suited his response to a particular operation /issue.

The questionnaire was made simple to avoid the following:

Wordiness not too complicated.

Ensure a high response rate, by asking short pertinent issues.

Getting the results from the tool and use it as a diagnostic instrument.

Options to all the questions were limited; with the respondents having to choose one that best fitted their views on Sugar quality, Branding and Distribution.

3.3 Methods of data presentation and analysis.

Analysis of data

Hypothesis were tested using the chi test .The researcher chose the test for independence as it is one of the most frequent uses of chi Square used for testing the null hypothesis that two criteria of classification, when applied to a population of subjects are independent. If they are not independent then there is an association between them. This search for associations was on quality, branding and distribution.

The formula for calculating chi-square is:

$$X_\alpha^2 = \frac{\sum(O_i - E_i)^2}{E_i}$$

That is, chi-square is the sum of the squared difference between observed (*o*) and the expected (*e*) data (or the deviation, *d*), divided by the expected data in all possible categories.

Data was presented in frequency and cross tables. Hypotheses were tested using the chi square test of independence.

CHAPTER 4

RESEARCH RESULTS AND ANALYSIS

4.1 Introduction

The results of the research study are presented and analysed.

4.2 Background information of Companies

Out of a total potential refined sugar customer base of 85 Sole proprietors and Companies (Private and Public) a total of 42 responses were received a 49.4% return rate.

Table 4.1 Break down of questionnaire companies

	Sole Proprietor	% Respondents	Company	% Respondents	Totals
Retailers	8	19	8	19	16
Wholesalers National Chain Store	16	38	10	24	26
Totals	24		18		42

Source: Questionnaire companies break

Of the 42 respondents: 19 % of the Sole proprietors own retail outlets, 38% of the sole proprietors owned either Wholesale and or National chain store outlets, 19% of the companies surveyed (private and Public) owned retail outlets, 24% of the companies surveyed owned wholesale and or national chain stores. The biggest customer segment of H.V.E sugar purchasers is sole proprietors, a fact that management must take note of.

Results:

a) Figure 4.1.1 The reaction of sole proprietors and companies on sugar quality issues.

Null Hypothesis: H_0, Sole proprietors and Companies react similary on quality issues

H_1 - Customers react differently regarding quality issues

Observed (Oi)

Raised Complaints	Sole Pro	Companies	Total
Yes	2	10	12
No	22	8	30
Total	24	18	42

Expected (Ei)

Raised Complaints	Sole Pro	Companies	Total
Yes	6.86	5.14	12
No	17.14	12.86	30
Total	24	18	42

$(Oi - Ei)^2 / Ei$

	Sole Pro	Companies	Total
Quality	2.77	4.59	
Other	1.38	1.83	
Total		X^2	10.57

Degrees of freedom = 1

Reject H_0 if $X^2_{cal} > X^2_{5\%}(1)$

if $X^2_{cal} > 5.99$

As X^2_{cal} (10.57) >5.99 we reject Ho and conclude at 5% test level, there is sufficient evidence to suggest different customer behavior regarding complains

Fig 4.1.2: Determination of whether sole proprietors and companies show same preferences when buying sugar.

Null Hypothesis: H_0,   Sole proprietors and companies show same preferences
                  when buying sugar
        H_1 -   Sole traders and companies have different preferences when buying sugar

Observed (Oi)

	Sole Pro	Companies	Total
Quality	8	8	16
Other	16	10	26
Total	24	18	42

Expected (Ei)

	Sole Pro	Companies	Total
Quality	9	7	16
Other	15	11	26
Total	24	18	42

$(Oi - Ei)^2/Ei$

	Sole Pro	Companies	Total
Quality	0.14	0.19	
Other	0.09	0.12	
Total		X^2	0.54

Test level =5%   Degrees of freedom = 1

Reject H_0 if $X^2_{cal} > X^2_{5\%}(1)$

      if $X^2_{cal} > 5.99$

As X^2_{cal} (0.54) < 5.99, we accept Ho and conclude that at the 5% test level, there is no sufficient evidence to suggest different customer preferences .

Figure 4.1.3: Determination of whether sole proprietors and companies exhibit same quality preferences when buying sugar.

Null Hypothesis: H_0, Sole proprietors and companies exhibit same quality preferences when buying sugar
H_1, Sole traders and companies exhibit different behavior

Observed (Oi)

	Colour	Neatly packed Sugar	Packaging	Totals
Sole	6	8	12	26
Companies	4	6	6	16
Total	10	14	18	42

Expected (Ei)

	Colour	Neatly packed Sugar	Packaging	Totals
Sole	6.19	8.67	11.14	26
Companies	3.81	5.33	6.86	16
Total	10	14	18	42

(Oi -Ei)^2/Ei

	Colour	Neatly packed Sugar	Packaging	Totals
Sole	0.01	0.05	0.07	
Companies	0.01	0.08	0.11	
Total				0.32

Test level =5%
Reject H_0 if $X^2_{cal} > X^2_{5\%}(1)$
        if $X^2_{cal} > 5.99$
As X^2_{cal} (0.32) < 5.99, we accept Ho and conclude at 5% test level, there is no sufficient evidence to suggest different customer quality prefences.

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Figure 4.2.1 Determination of whether all sugar brands are equally known and
preferred by customers

Null Hypothesis:	H_0, All brands are equally known to customers			
	H_1 - Some brands are better known than others			
	Hippo White	Triangle White	Gold Star	Total
Observed Numbers (O)	22	12	8	42
Expected Numbers (E)	14	14	14	42
O-E	8	-2	-6	0
$(O-E)2$	64	4	36	
$(O-E)2/E$	4.57	0.29	2.57	7.43 $=X^2$

Degrees of freedom   2

Test level =5%

Reject H_0 if $X^2_{cal} > X^2_{5\%}(2)$
         if $X^2_{cal} > 5.99$

As X2cal (7.43) >5.99 , we reject Ho and conclude that at 5% test level, there is
significant evidence,that some brands are better known than others.

Figure 4.2.2 (a) Determination of whether all brands are equally preferable to customers

Null Hypothesis: H_0, All brands are equally prefferrable to customers.

H_1 - Some brands are better preffered than others.

	Hippo White	Triangle White	Gold Star	Total
Observed Numbers (O)	26	8	8	42
Expected Numbers (E)	14.0	14.0	14.0	42
O-E	12.0	-6.0	-6.0	0.0
(O-E)2	144.0	36.0	36.0	
(O-E)2/E	10.3	2.6	2.6	15.43 $=X^2$

Degrees of freedom 2

Test level = 5%

Reject H_0 if $X^2_{cal} > X^2_{5\%}(5.99)$
        if $X^2_{cal} > 5.99$

As X^2_{cal} (15.43) > 5.99, we reject Ho and conclude that some brands are better preferred than others.

Figure 4.3.1 Sugar distribution preferences of customers.

Null Hypothesis: H_0, Sole proprietors and Companies have same distribution preferences

H_1 - Sole Proprietors and Companies have different distribution preferences

Observed (Oi)

Distribution Mode	Sole Pro	Companies	Total
Manufacturer to deliver	12	10	22
Own transport	12	8	20
Total	24	18	42

Expected (Ei)

Distribution Mode	Sole Pro	Companies	Total
Manufacturer to deliver	12.6	9.4	22
Own transport	11.4	8.6	20
Total	24	18	42

$(Ei-Oi)^2/Ei$

Distribution Mode	Sole Pro	Companies	Total
Manufacturer to deliver	0.000	0.001	
Own transport	0.000	0.001	
Total			0.002

Test level =5% Degrees of freedom = 1

Reject H_0 if $X^2_{cal} > X^2_{5\%}(1)$
    if $X^2_{cal} > 5.99$
As X^2_{cal} (0.002) < 5.99, we accept Ho and conclude at 5% test level, there is no sufficient evidence to suggest different customer preferences with regards to sugar distribution.

Figure 4.3.2; Establishing whether sole proprietors and companies are equally affected by problems affecting the sugar industry.

Null Hypothesis: H_0, Sole proprietors and Companies are equally affected by problems in the sugar industry

H_1 - Sole Proprietors and Companies are not equally affected by problems in sugar industry

Observed (Oi)

Factors	Sole Pro	Companies	Total
Pricing	14	6	20
Product Availability & Deliveries	10	12	22
Total	24	18	42

Expected (Ei)

Factors	Sole Pro	Companies	Total
Pricing	11.4	8.6	20
Product Availability & Deliveries	12.6	9.4	22
Total	24	18	42

$(Ei-Oi)^2/Ei$

Factors	Sole Pro	Companies	Total
Pricing	0.375	0.501	
Product Availability & Deliveries	0.341	0.455	
Total			1.672

Test level =5%   Degrees of freedom = 1

Reject H_0 if $X^2_{cal} > X^2_{5\%}(1)$
        if $X^2_{cal} > 5.99$
As X^2_{cal} (1.672) < 5.99 we accept Ho and conclude at 5% test level, there is no sufficient evidence to suggest different impact of problems on sole proprietors and companies.

4.3 Other Research Findings

All respondents indicated that the price of sugar is a consideration when buying sugar. All respondents indicated that the 2kg pack size gives them the Highest turnover be it Refined and or Brown sugar.

All respondents indicated that Pre-packed packets' breakages in storage were equally the same be it from Hippo, Gold star and Triangle sugars

 Purchasing patterns could not be linked to the length of business service of any Sugar buyer.

 Figure 4.4 Quantities of sugar purchased by customers (Trends); (Internal .source)

Year 2002-05 Refined Sugar Sales Trends
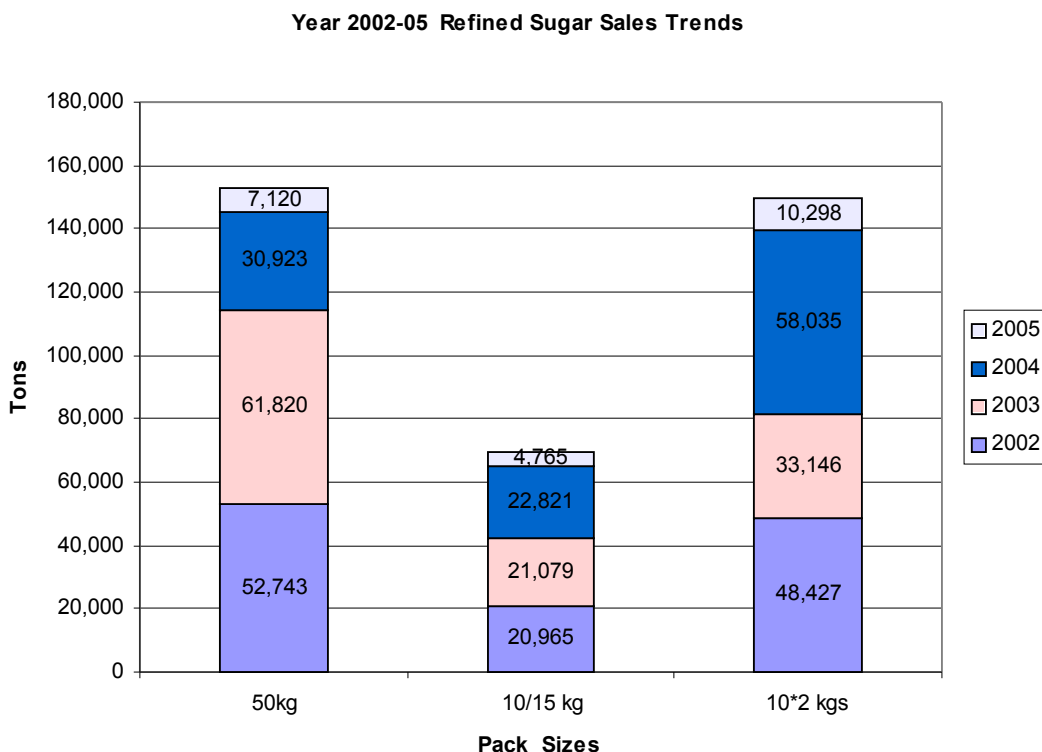
Figure 4.5 Refined sugar monthly sales (ZSS Sugar year book 2005)

Refined Sugar Monthly Sales 2005
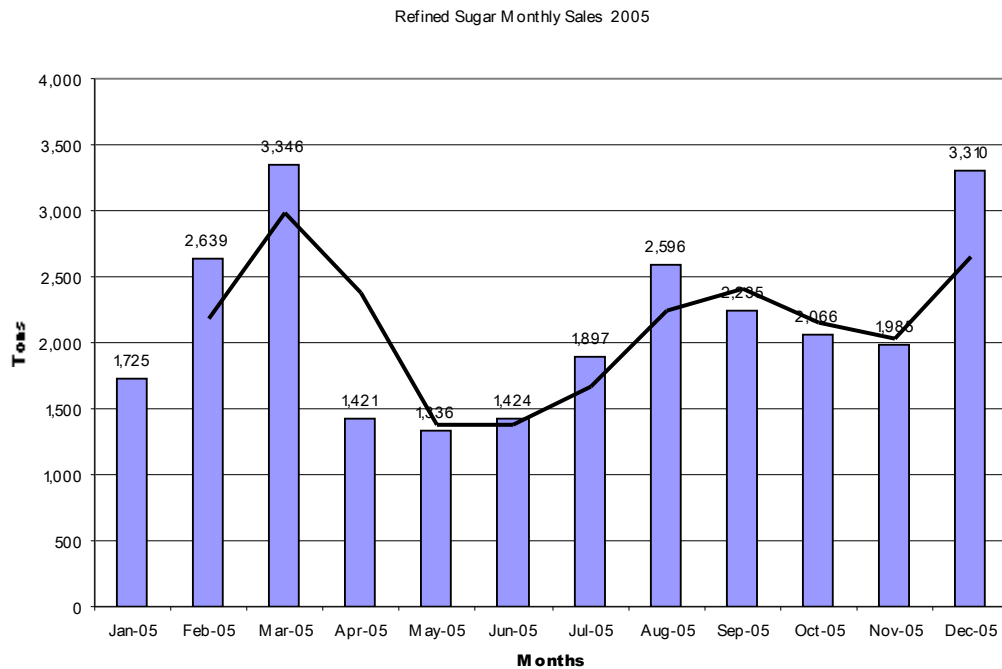
From the data collected the Purchasing of sugar (refined) is cyclical (seasonal), with the highest demand /consumption being registered in the Period (February to march), drops marginally in (April – July) and demand picks up in August to December of each year. The 2 kg pre-pack size is the biggest seller by a 2:1 margin.

Table 4.2 Refined sugar yearly sales (2002-05)

| Year	50kg	10/15kg	10x2kg
2002	52.743	20.965	48.427
2003	61.820	21.079	33.146
2004	30.923	22.821	58.035
2005	7.120	4.765	10.298

4.4 DISCUSSION

White sugar is the popular and better preferred than brown sugar. Survey showed that given a choice, almost everyone would prefer white sugar. This concludes that when white sugar is within reachable limits in terms of: pricing, is readily available, meets quality expectations it will have a higher market share than brown sugar.

From the research findings Issues of quality came out as the most sensitive ones as all customers showed that they prefer good sugar. Sole proprietors and companies showed that they all consider quality when they buy sugar. They also showed that they all look at the various quality aspects of white sugar, which includes colour, cleanliness of the packets and the packaging.

Although all customers are so sensitive to quality issues, sole proprietors showed that they usually don't raise complaints on quality issues to the supplier as compared to companies. However, since they look at quality when purchasing sugar, this is likely to have a bearing on their trend of buying sugar from a supplier with a brand which they are not satisfied with even though they don't raise complaints. This is likely to be worse for companies that practice the total quality management principles (TQM), which note and records complaints whenever they receive poor quality sugar. This will definitely affect their purchasing trends from the given manufacturer.

Research data revealed that more complaints have been registered on Hippo White Brand (67%) and (33%) on Tongaat Huleets with 50% of the customers who raised complaints having raised them for more than three times. A significant percentage indicated Hippo White Brand registering more breakages than other brands.

From the research data, some brands proved to be popular than others and the data showed that Hippo White is better known than other brands.

In terms of preferences, the research also showed that some brands are better preferred than others and the data singled out Hippo White as the most preferred. This was again supported by the response on 2kg packets where the majority of the customers showed preference for Hippo White 2kgs. However, since the above analysis showed more complaints on Hippo white, this gives an idea that the brand is very popular is characterized by

inconsistencies in quality, poor customer service and or other unidentified aspects that were not revealed by this research.

The results show that all other things being equal, Hippo white is better preferred than other brands.

Research findings indicated that all customers have same preferences regarding sugar distribution. The most preferred distribution mode was for the manufacturer to deliver the sugar to the customer premises. This shows that many customers have problems in transportation of sugar, not a surprise, due to the current fuel shortages and the high cost of running a transport fleet. This means hiring of their own transport will be very expensive and too involving, resulting in them charging more at the selling point, slowing business and ultimately losing business due to low turnovers.

All customers showed that they are affected by problems faced by the sugar industry and are affected by issues of sugar pricing and product availability.

Other findings

Most customers buy approximately 30 tonnes of sugar or less per month and almost all of them prefer 2kgs, which have showed to have a higher turnover than other pre-packs.

In general customers indicated that they are particular about the service of the manufacture, or customer service.

This concludes that the way a company assists in facilitating the following transactions; credit facilities, discounts, prompt deliveries, and complaints handling has a greater bearing on the customer choice of supplier/ manufacturer.

CHAPTER 5

5.1 CONCLUSIONS

From the research findings, it was concluded that;

➢ Refined sugar customers are not equally familiar to all sugar brands, with Hippo White being a very popular brand as compared to other competing brands. The brand has been widely accepted by customers.

➢ Despite its acceptance the brand has registered more customer complaints than others. An indication that the brand is characterized by inconsistencies in quality. Quality issues of concern are colour and sugar-caking tendencies. Complaints, which have surfaced so far, are mainly on caking of the sugar while in the hands of the customer, which has resulted in several returns to the supplier.

Customers sugar distribution preferences were for the manufacturers to deliver sugar products to their premises.

All customers (>95%) prefer 2kg pre-pack sizes as they have the highest turnover.

HVE management must formulate a strategy that incorporates the formulation of a marketing mix when selling the "Hippo White" sugar Brand.

5.2 RECOMMENDATIONS

The recommendations of the survey are:

➢ That HVE must take a strong stance on guarding the quality of its refined sugar. This can be enhanced by the implementation of Quality Management Systems such as ISO 9000.

➢ Hippo Valley Estates also needs to consider investing in conditioning equipment to minimise the issue of caking of white sugar.

➢ Production emphasis should be on the 2kg pre-packs and produce other sizes as per customer requests.

➢ Hippo Valley Estates should map out a versatile sugar distribution strategy. The advantages in adopting this strategy will be:

> ➢ Economies of scale,
>
> ➢ Guaranteed customer satisfaction,
>
> ➢ Reduction of in-transit breakages due to better controls leading to improved customer service and image of the company.

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APPENDICES: Sunsweet Customers as at year 2003

Destination	50kgs	10/15kgs	10*2 kg	Comments
Produtrade				
Cairns Mutare				
Mutare Cools				
Tiyago Stores Mt Darwin (Collecting)				
T &T Mutare				
OK Mutare				
TM Main Store				
TM Sakubva				
TM Dangamvura				
Redistar Nyamaropa				
Masere Stores Watsomba				
Wholesale Centre				
Chikiyi Investments – Chirumanzu				
Redstar Rusape 1				
Redstar Rusape 2				
TM Rusape				
OK Rusape				
Trador Rusape				
Redstar Gutu				
Bradella Mutare (Collecting)				
Jaggers Mutare				
N Richards Chipinge				
TM Chipinge				
Redstar Chipinge				
TM Masvingo				
OK Masvingo				
Redstar Masvingo				
Tsungai Masvingo				
Jaggers Masvingo				
Bhadella Mutare (Loben)				

Table 1. Zimbabwe Yearly   Crop Disposal Plan 99-05

Production	1999	2000	2001	2002	2003	2004	2,005	Total	% of production
Hiipo Valley Estaes	270000	260000	250814	280000	233000	251000	185,000	1,729,814	46.99
Triangle Ltd	300000	283450	290000	280000	263000	285000	250,000	1,951,450	53.01
Total Mills production	**570000**	**543450**	**540814**	**560000**	**496000**	**536000**	**435000**	**3,681,264**	**100.00**
Disposal									
Local market									
Local refined-ZSR ---	216935	168557	191100	190875	121395	178480	130,350	1,197,692	32.53
MILLS	53920	32791	34150	39200	46572	60000	51,805	318,438	8.65
Local Sunsweet	134000	123442	128000	130000	148460	135000	101,225	900,127	24.45
Small traders				2250	121		15,000	17,371	0.47
Total	**404855**	**324790**	**353250**	**362325**	**316548**	**373480**	**298,380**	**######**	**68.59**
Regional Markets									
Botswana Refined	28660	27266	27650	28320	31845	32050	31,765	207,556	5.64
Botswana soft browns	2625	2078	2100					6,803	0.18
Namibia refined	9450	15997	16800	16800	16620	16620	16,000	108,287	2.94
Agola-Refined		9636						9,636	0.26
Namibia Sunsweet	18000	23200	26000	26000		26000	26,000	145,200	3.94
other-Sunsweet		736	10000	11164	4103	4200		30,203	0.82
Kenya Sunsweet		5000	7480			12000		24,480	0.66
other refined		4675	28534	23604				56,813	1.54
Total	**58735**	**88588**	**118564**	**105888**	**52568**	**90870**	**73,765**	**588,978**	**16.00**
Exports									
ACP ptotocol quota	31000	30955	30400	32118	31000	24140	37,860	217,473	5.91
ACP SPS Quota	30872	30230	25700	25800	27800	26100	25,800	192,302	5.22
USA Quota	15000	12210	12500	12500			1,200	53,410	1.45
World	28938	56227		20969	67804	21410		195,348	5.31
Total	**105810**	**129622**	**68600**	**91387**	**126604**	**71650**	**64860**	**658,533**	**17.89**
Grand Total	569,400	543,000	540,414	559,600	495,720	536,000	437,005	3,681,139	100.00

Appendices 3.1; World Sugar prices (2003-05)

*In US Cents per lb. f.o.b. Caribbea*n

DATE	WORLD Price	US Price	EU Price	SPS Price	MFN Price
01.03.2003	8.90	20.39	24.50	23.18	18.38
01.04.2003	7.60	20.39	24.48	23.16	18.36
06.05.2003	7.05	19.9	25.29	23.90	18.90
01.06.2003	7.08	20.00	26.46	25.02	19.79
01.07.2003	6.38	19.62	25.45	24.06	19.01
08.08.2003	6.79	19.77	25.48	24.09	19.01
01.09.2003	6.95	19.31	24.30	22.97	18.13
02.10.2003	7.10	19.82	26.23	24.80	19.61
03.11.2003	5.32	19.04	25.90	24.48	19.33
02.12.2003	6.38	18.91	27.01	25.53	20.14
02.01.2004	5.67	18.42	28.03	26.50	20.90
05.02.2004	5.58	18.67	27.68	26.15	20.56
02.03.2004	6.21	18.67	27.01	25.49	19.94
01.04.2004	6.40	19.02	26.39	24.90	19.47
03.05.2004	6.89	19.10	25.87	24.41	19.10
02.06.2004	7.22	18.37	26.71	25.23	19.80
01.07.2004	8.16	18.73	26.34	24.86	19.48
03.08.2004	8.17	18.17	26.43	24.96	19.60
01.09.2004	8.13	18.48	26.56	25.09	19.70
01.10.2004	8.50	18.59	27.05	25.54	20.02
01.11.2004	8.60	18.69	27.70	26.15	20.48
06.12.2004	8.80	18.51	29.30	27.67	21.76
04.01.2005	9.17	18.84	29.79	28.14	22.14
01.02.2005	8.95	18.53	27.80	26.21	20.43
01.03.2005	9.17	18.56	28.39	26.78	20.88
01/04/2005	8.70	18.90	27.93	26.35	20.59

Appendices 3.**2**: Comparative Prices f.o.b Caribbean (Cents per lb)

Comparative Prices f.o.b. Caribbean (Cents per Lb)
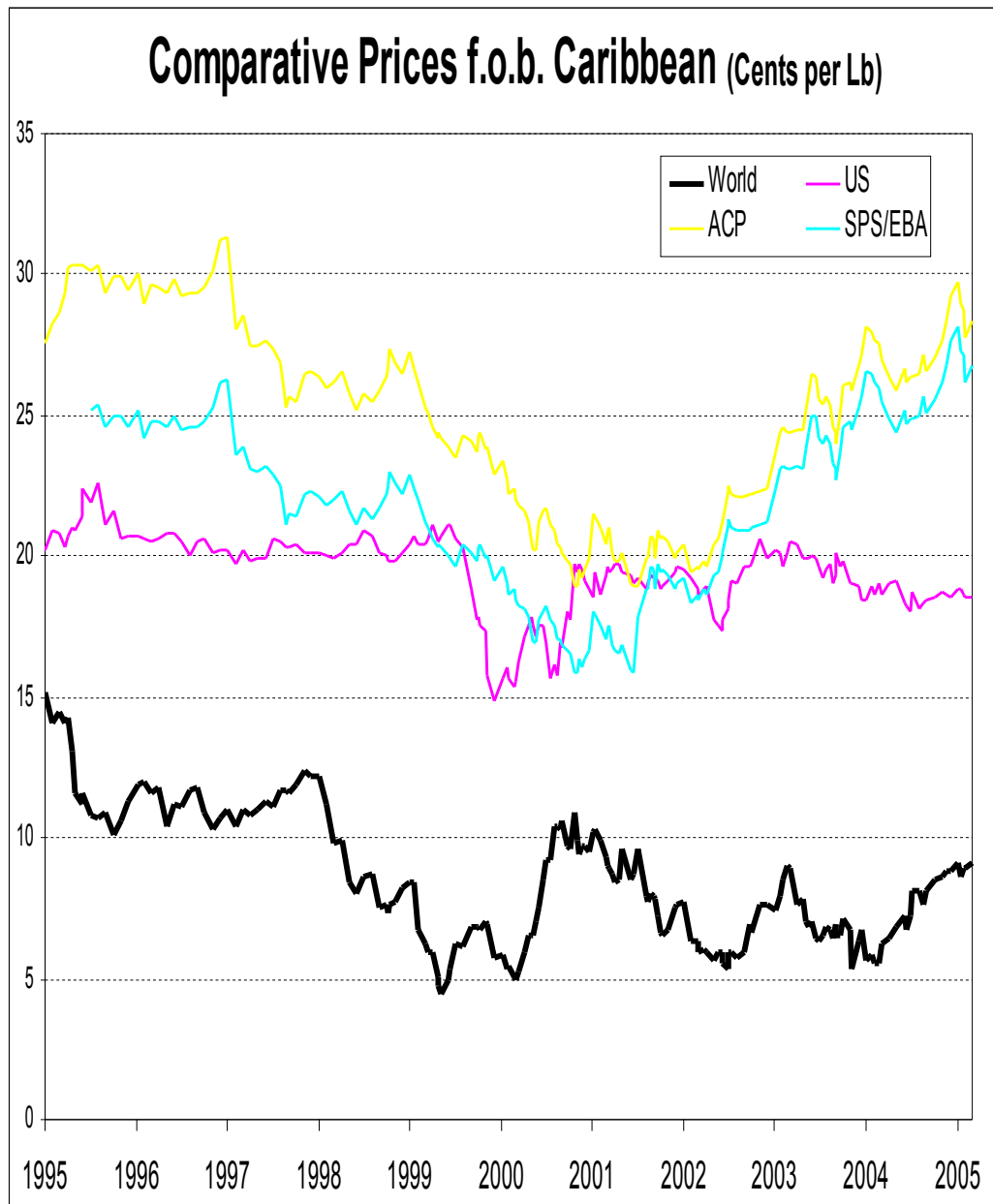
Figure 1.2 World sugar prices (1995-2005) Craznkow

Table 1.4	HIPPO VALLEY ESTATES LIMITED	
	REFINED SUGAR SALES FORECAST	
		Total to 31/03/2005
NORTHERN REGION		Tonnes
BON MARCHE Avondale		150
BON MARCHE Borrowdale		150
BON MARCHE Chisipite		150
BON MARCHE Eastlea		150
BON MARCHE Mt Pleasant		150
OK 2nd Street		150
OK Ardmbare		150
OK Avonlea		150
OK Bindura		150
OK Braeside		150
OK Budiriro (Plus Others left out below)		150
TOTAL NORTHERN		**5**
SOUTHERN REGION		
OK Entumbane		150
OK Gwanda		150
OK Gweru		150
OK Jason Moyo		150
OK Kwe Kwe		150
OK Lobengula		150
OK Nkulumane		150
TOTAL SOUTHERN		
EASTERN REGION		
OK Chiredzi		600
OK Masvingo		600
OK Mutare		600
OK Rusape		600
OK Triangle Express		150
Bhadella Mutare		600
Checheche Business Centre		600
N Richards -B/Bridge		600
N Richards -Chipinge		600
N Richards -Chiredzi		600
Redstar -Chiredzi		600
TM -Chipinge		600
TM Chiredzi		600
Local Retailers/Schools/Hospitals		600
TOTAL EASTERN		**7**
NATIONAL TOTAL		