

Umbonowethu

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The First Word

*by Adey Wynne
(Chief Executive Officer)*

The 2013/14 season has been challenging. This is best illustrated by USM's to-date Lost Time Available (LTA) percentage of 10.73%, relative to a season average budget of 6.25%. Having said this, the LTA is coming down nicely, after some difficult weeks. Well done to the factory team for getting on top of the challenges. It goes without saying that our "ATTENTION TO DETAIL" needs to remain high for the balance of the season. Going into the offcrop, particularly from a planning perspective we need to be focusing on preventative maintenance. We need to ensure a good offcrop program; this is essential for high performance in the subsequent season.

We all know that the summer rains are about to begin and we all know this has an impact on our business. Crush plan scenarios are in place and aim to get USM to 1'135'000 tons at season close. My expectation is that we can get to 1'140'000 tons, particularly if we have a few dry weeks when we can 'hunt down' a few chickens by achieving 39'000 ton crush (see the happy smiling face on page 4). It goes without saying that USM's business is primarily about crushing as much cane as possible in the shortest possible time period. The more cane we crush, the more sugar we make and ultimately the higher profit made. We are unfortunately 100'000 tons of cane behind budget and this has an impact on the Team USM Bonus (TUB). We need to up our tons cane crushed.

cane production increased and partly because of the tough market conditions. Our market success relative to other millers can also be attributed to USM's recent FSSC accreditation (see page 7). This has been a great team effort, well done! Overcoming challenges generates a sense of achievement; it makes us proud as individuals and collectively as a team. Welcome to all the new appointments at USM, I hope our proud culture is visible and infectious!

Despite the challenges to-date there is much to celebrate at USM, our new factory entrance being the most visible. Well done to the Civils Team for a job well done; this improves the overall image of the company and gives us all a lift when we come to work. Another reason to celebrate is a recent independent market survey that USM commissioned, which confirms that our marketing agents, Sunshine Sugar (SSS), have been doing an excellent job with end user sugar customers (a summary of these results is presented on page 5). In spite of difficult market circumstances with a flood of sugar imports coming into South Africa, SSS have managed to grow USM's market footprint year on year and need to be commended. USM's overall bagged sugar sales are down because year on year, other millers stopped buying from USM, partly because their own

We are on the home straight in terms of the crushing season. However, my closing message remains the same; we need to continually gain momentum in all aspects of our business and to get into a rhythm of consistent high performance, irrespective of the departments we are in. If we are going to maximise our TUB, this means working together within our departments and as a united USM team. Attention to detail is key.

As always, work smarter, work together, have fun and be safe!

Adey

Welcome to USM

With such a beautiful entrance the USM TEAM can be confident that visitors and contractors alike are met with an image that portrays how proud we are of what we achieve as a team and how proud we are to wear the USM logo. The new changes are quite artistic and it says, "Welcome to USM we hope you enjoy your stay!"

*by Kobus du Plooy
Civils Admin Clerk*

Like they say, first impressions are lasting and this new look will definitely encourage a professional and lasting impression of the mill. Upon entering the administration offices and the factory/security entrance, the look of the buildings and surrounding areas are refreshing and clean and the upgraded driveways and paintwork to the factory buildings create a professional appearance.

The tarred factory/security entrance is a huge improvement as it now has clearly demarcated visitor parking bays allowing for spacious vehicle movement. The flower beds, flags, and sign boards are like the "cherry on the cake" for the entrance.



On the cover: Thumbs up for USM sugar according to a recent market survey, Joseph Hlatshwayo agrees! Photo by Les Roberts.

Let's Talk Production

by Sankelo Matsebula
Process Manager

Cane Crushed and Recoveries

The factory is at the time of going to press 114,508 tons of cane behind partly because the LTA being 5.09% above budget – past labour issues also contributed to this. We've experienced a couple of equipment failures in the plant and would need to improve our plant inspections. Preventative maintenance is vital and it is important for our employees to pick up the signs of equipment fatigue before the failure occurs.

Crushing at a slow rate contributes to a back log and rateable sugar dispatch remains a challenge for the production team. With a full warehouse the priority is to sell our sugar in bulk.

With the mill's overall recovery rate at 0.9% below budget we need to "make hay while the sun shines" or while we are still in the dry season. Our main focus until the end of this season is to keep crushing all the time and to make plenty of sugar.

The USM team had a record crush rate in week 25 at 43,159 tons of cane and a record 265 TCH – this is in line with our USM mission. WOZA 2016!

Congratulations to J-P Brouard,
Process Shift Foreman, seen wearing
his uniform for the first time!



Weekly Factory Performance Report - Ending: 29 September 2013

DESCRIPTION	WEEK	WK BUDGET	VAR	TO DATE	TD BUDGET	VAR
CANE & EXTRACTION						
TONS CANE	32961	27950	5011	804132	918640	-114508
TCH	234	250	-16	236	250	-14
SUCROSE % CANE	14.81	14.01	0.80	13.74	13.40	0.34
FIBRE % CANE	14.10	14.28	-0.18	13.61	13.63	-0.02
MIXED JUICE PURITY (SUC)	87.41	87.18	0.23	86.50	87.18	-0.68
FIBRE/HR	33.03	35.70	-2.67	32.16	33.82	-1.66
BRIX/HR	38.17	40.17	-2.00	36.08	38.34	-2.26
EXTRACTION (SUC)	96.62	97.10	-0.48	96.77	97.10	-0.33
IMB. % FIBRE	334.45	350	-16	335	350	-15
BAGASSE MOIST.	52.47	50.00	-2.47	51.51	50.00	-1.51
EFFICIENCIES						
ENG EFFICIENCY	90.09	94.91	-4.82	90.59	95.95	-5.36
OPS EFFICIENCY	97.72	98.09	-0.37	98.93	98.05	0.88
O.T.E.	83.72	66.55	17.17	80.98	85.65	-4.67
LOST TIME % AVAILABLE	12.15	7.45	-4.70	11.07	5.98	-5.09
HOURS NO CANE STOPS	0.28	0.20	-0.08	159.15	80.00	-79.15
ENERGY						
STEAM % CANE	63.34	57.00	-6.34	61.37	54.77	-6.60
TONS COAL BURNT	237	73	-164	7239	1876	-5363
POWER EXPORTED	409605	336000	73605	8784328	8400000	384328
BOILER EFFICIENCY						
SUGAR RECOVERIES						
TONS SUGAR M&E	4135	3394	741	94252	106089	-11837
TONS MOLASSES M&E	1367	1077	-290	32952	35763	2811
B.H.R.	87.14	88.74	-1.60	87.62	88.25	-0.63
O.R.	84.20	86.17	-1.97	84.79	85.69	-0.90
UNDETERMINED LOSS	3.14	1.80	-1.34	2.37	1.80	-0.57
MOLASSES LOSS	9.51	8.53	-0.98	9.71	9.01	-0.70
FILTER CAKE LOSS	0.20	0.60	0.40	0.30	0.60	0.30
MOLASSES PURITY (POL)	37.84	32.00	-5.84	35.84	32.00	-3.84
LATEST MOLASSES TPD	7.10	3.00	-4.10	7.30	3.00	-4.30
ENVIRONMENTAL						
RAW WATER CONSUMPTION	142			70505		
EFFLUENT C.O.D.	0	75	75	15	75	60
EFFLUENT PH	7.90	7.0	0.9	8.01	7.0	1.0
TONS EFFLUENT	327			36087		
FOOD SAFETY						
MOULDS	0	100	100	1	100	100
YEAST	67	100	33	21	100	79

Sugar Quality

Thanks to great efforts by our processing team our quality of sugar is good with the grain size consistent at 0.67. Most of the rust in the sugar is removed by the new rare earth magnets installed during offcrop. The new air filters have also improved the quality of air coming in contact with the sugar in the drying phase by removing airborne particles.

The modification on the Rotary Screen has improved the removal of lumps before packing. Well done to the Back End team for that!

Sugar quality analysis from the factory laboratory (right).

	DAY	WEEK	MONTH	TO DATE
Raw Sugar Colour	952	1013	1032	1074
Pol % Sugar	99.42	99.39	99.4	99.38
Moisture % Sugar	0.08	0.08	0.07	0.07
Fines % Sugar	22	21	22	21
Grain Size	0.67	0.69	0.67	0.67

USM Cleaning St Lucia Beach

USM was one of the proud sponsors of the annual KZN Ezemvelo Wildlife, St Lucia Marine Honorary Officer's initiatives to celebrate International Coastal Clean-up day on Saturday 21 September 2013.

This event involved hundreds of learners from surrounding schools who each received a USM branded t-shirt before starting the day on the beach.



Learners from schools around the St Lucia area braved the rain and cold this year to clean the beach.



Look who caught a chicken!



Mduzuzi Mthethwa seen here kissing a free chicken he received as part of the USM TEAM's Chicken Challenge. The Chicken Challenge is an incentive for each employee to play their part in crushing more than 39000 tons of sugar cane per week.

Organise, Focus and Get it Done

*by Esther Bwambale
HR Generalist*

At USM, the importance of employees being organised has a major effect on the overall success of the company. We often ask candidates during interviews how they plan their work schedule to establish at what level they are in terms of their ability to organise.

Being organised has many advantages and if used more effectively, it can help you to focus on priorities. Being more organised also allows you to feel in control of your schedule rather than letting your schedule control you!

Follow these simple and easy steps to get organised.

1. Make a list of daily and weekly tasks.
2. Decide what's most important.
3. Plan a deadline.
4. Accomplish small tasks.
5. Stay focused.
6. Review your progress.

These simple steps will help you to become an organised, stress free, productive and efficient employee. Try them every day and see your productivity soar!



Esther Bwambale



Reduce Recycle ReUSM

USM has partnered with Eco Systems to assist in a waste recycling campaign and to kick-start this programme bins labelled with the type of waste to be placed in it (plastic, paper and tin) has been placed in the canteen, outside the administration building and in various offices.

- Plastic waste includes; plastic juice and water bottles, lids and dishwashing liquid bottles.
- Paper waste includes newspaper, catalogues, magazines, note books, envelopes and note-paper.
- Tin waste includes beverage cans, paint and varnish cans, screw caps and lid foils.

"The success of any recycling campaign rests on the shoulders of the individual and their commitment toward reducing and recycling items. USM employees are encouraged with this campaign to think about what they use and how they can reduce the amount of waste they generate," said Vusi Tembe, human resources manager.



Blessing Mhlongo throwing a 500ml Coke bottle in the Plastic bin

A 24-Hour Emergency Service for USM

NEW



Meditrax EMS was sourced as USM's on-site emergency service, able to assist in case of emergencies or injuries on duty.

Meditrax EMS has a strong medical team comprising of Advanced Life Support, Intermediate Life Support and Basic Life Support practitioners, all registered with the HPCSA. They are also registered as an ambulance service with BHF and ALS accreditation.

The ambulance attendants are fully qualified and will also be available to assist within the plant in the event of a multiple casualty incident.

NEW EMERGENCY CONTACT NUMBER: 082 8999 911

Proudly USM

A sugar market survey was conducted during August this year regarding our bagged sugar supplied within South Africa.

The survey, conducted by a Durban based agency during August 2013 approached all USM customers to find how our quality, supply, delivery and service levels were rated. The USM sugar performance was rated on a scale of 10 (being a high score):

Surveyed Item	Score
Service	8.61
Pricing	7.92
Trade relationships	8.60
Reputation	8.17
Business ethics	8.57
Added value	8.15
Image	8.58

Our sugar is not sold in branded packaging for customers to relate to or build a close relationship with as we are selling our bagged sugar in the Sunshine Sugar Supplies brand. We're happy to announce that in future a new USM branded 25kg will be visible. The design of the 25kg bag is the same as the bigger 1 ton bag, holding the details of the recent certificates the company achieved. PROUDLY USM!

End of Season Pressures

by Nlakanipho Dlodlo
Acting Cane Supply Manager

Cane Supply Update

As at the 2nd August the mill has managed to crush a total of 673,547 tons, which is 59% of the MGB estimate. The mill only has 15 weeks left before we close on 15 December 2013.

The forecast mill crush is 1,131,825 tons, if we achieve 36,000 for the next 4 weeks and 26,000 for the balance of the 11 weeks left due to rain expected. From a cane supply perspective we will have to "mix and match" as we approach the rainy season, some weeks we can do this while other weeks will pose a serious challenge.



SSG; Umhlana Co-Operative

Last year a sum of R 3.3 million was approved by Umthombo Agricultural Finance to develop 200 hectares of land. To date the Umhlana Co-Operative managed to plant 73 hectares. Contractors have just finished their final weeding and most of the fields have reached canopy stage.

The biggest challenge the co-operative currently faces is cattle grazing, approximately 7 hectares was severely grazed (see picture above). The problem was subsequently reported to the local authority and they are working with the respective parties towards a positive solution.

Land Reform Project (RECAP)

We have received our final phase funding of R7.2 million with the total amount being transferred R33.6 million. Of this, R26.2 were used with the balance of R7.4 million to be spent this financial year, before July 2014.

SUMMARY PHASE		DATES RECEIVED
Total Funds Transferred	R 33,692,031.78	MARCH 2011, SEPTEMBER 2011 & AUGUST 2013
Total Expenditure TD	R 26,272,113.77	
Committed bal TD	R 7,419,918.01	
% Spent TD	78%	

Keeping Score

by Graham Brown
Chief Financial Officer

Ultimately the Finance Department's task and being 2/3rd of the way through the season it is now more than ever that we need to know how we are doing. It's been an interesting year with our slow start of our sugar sales at the beginning of the season changing the original planning in terms of warehouse space, bulk tankers required and understanding the bagging profitability as a result of lower than anticipated throughput and a revision of our required cash flow structures.

Looking from a "Glass half full" mentality it's certainly been interesting times and we will come out of this stronger and smarter than before. As an Industry we are struggling to come to terms with the extent of imports entering the country, all from markets that have historically enjoyed Government subsidised sugar production resulting in a cheaper alternative to the local market. This together with the substantially higher local crop has resulted in 3.5 times more sugar finding its way into the export market. The export market has always been the least attractive market for the SA Sugar Industry and with a higher percentage of exports this season compared to the local market it has resulted in a lower weighted average price per ton of sugar and ultimately a far more challenging business environment for all Millers and Growers.

That being said USM needs to focus on what we can control and that simply is working smarter, more efficiently and driving costs downwards per ton sugar produced.

The Finance team's ability to communicate costs, budget variances and come up with suggestions on ways do things better is at the forefront on the service we need to be providing. Much has been said already about our accounting system, Syspro, and it is now more than ever do we need to be communicating "the score" on a real time basis. Admitting like all new accounting systems the bedding down process has taken far longer than anticipated but recent review, discussions with the finance team and the latest system generated reports certainly suggest that we are getting on top of the system. A better service delivery to all concerned is imminent.

With this in mind thanks must go to the Factory team for their continuing to embrace change (and being patient); stores and procurement; payroll and time office and to the financial and management reporting teams for their attitudes of continual improvement. USM's own developed Cane Payments System is getting very close to being a reality, the complexity, required detail and the extent of work in running two systems has been mind-blowing.

Rachel Pienaar take a bow!

Rachel Pienaar take a bow! Rachel's level of unwavering commitment and tenacity is a lesson to us all. Finally a genuine thanks to the Finance Team for helping me settle back in and best wishes to Cane Supply and Warehouse teams moving forward. USM is blessed to have so many committed departments filled with fantastic people.



Rachel Pienaar
Accountant Assistant

USM Sugar “Bagged” Global Food Safety Accreditation

*by Julie Grogan
Quality Assurance Controller*

Food Safety is a Global Concern, not only because of the importance for public health but also because of its impact on International Trade. In order for USM to sell sugar in these markets with confidence we embarked on a journey to meet the set requirements of the Food Safety Standards, i.e. SABS ISO 22000.

The USM team put in a lot of effort, time and applied attention to detail in order to achieve the ISO 22000 accreditation last year October 2012.

This was not sufficient and we knew we could get more and therefore took our food safety a step further into implementing the globally recognised FSSC 22000 standard. During July 2013 we achieved this accreditation and we look forward to the support from all the USM team members in maintaining these systems going forward. Well done USM TEAM, we made it happen!



*The USM TEAM driving the
FSSC accreditation.*



Housekeeping

by Karin Kruger, Risk Control Officer

The Law as prescribed in OSHA Section 8.1 instructs us to keep all areas in the company dry, clean, hygienic and in an orderly state. In order to achieve this and assist the various heads of departments, the USM supervisors nominated for housekeeping and maintenance will in future budget for their respective general housekeeping related maintenance plans.

Our housekeeping and workplace environment conditions can be vastly improved if all walkways, driveways, packing areas as well as non-packing areas are clearly demarcated and maintained in a dry, clean, hygienic and orderly state. Areas that have to be used by disabled persons will also need special aids and appliances in order to conform.

The key to rehabilitating areas where superfluous material, waste and spills occur lies in how quickly those areas are cleaned up. Accidents can happen in a matter of seconds!

It also remains the duty of all employees to report all housekeeping and risks to their supervisors as soon as the risk becomes apparent.

Original hard-copies of the USM Safety Health and Environment (SHE) monthly inspection checklists which is used for monitoring of housekeeping, general plant condition and essential routine maintenance as well as witnessed behaviour irregularities, has to be kept in a hard copy file and in date sequence for each geographical area inspected. These records should be available for presentation to an inspector, incident investigator appointed SHE Representative and or to satisfy any future legal enquiries that may occur for a period of at least 36 months.

Although we are not there yet, it is clear that we have exciting challenges ahead and it will take the following continuous efforts to achieve our goals to make USM safe;

- Line management’s drive to cultivate cleaning behaviour in their various areas of responsibility to upgrade housekeeping standards,
- Weekly cupboard inspections until the housekeeping standards improve,
- Removal of all scrap steel and components from the plant. These items should be sorted and stacked neatly in the respective reclaim yards, the rest will be collected by the scrap contractor.



USM Image - Bad Housekeeping vs. Good Housekeeping



The USM TEAM gathered at the Noah Melusi Orphan Care Centre on 18 July 2013 to give 67 minutes of their time as part of celebrating International Mandela Day by painting the centre's dining room hall and kitchen.



On our bikes, ready set, go!

The Monzi Cycle Challenge is part of the Big 5 Mountain Bike Series which aims to encourage community participation in a healthy outdoor sporting activity that also encourages family participation, community and business networking. USM is a proud sponsor of this event which took place on Sunday, 8 September 2013.

The event's development rider program as well as bicycle give away at each event means that the Big 5 inspires everyone involved in the event to effect positive change in their community by simply participating.

More than anything, family is the driving motivation behind the Big 5 Series. Mountain biking is unique in that it appeals to all ages and each event ensures that it places as much emphasis on catering for the leisure rider as it does for the competitive racer.

The Big 5 Mountain Bike Series has come a long way since 2006. Cyclists compete for honors by racing the full series where their best four times count. Growth in all the distances 10km, 25km and 50km has been phenomenal with a 30% growth in the last year and with the recently announced sponsorship by MiWay the series is set to boom.

Doing the Weighbridge Waltz

*by Smangele Maphanga
Laboratory Manager*

Although a small section at USM, the weighbridge plays a critical role in our business. At the heart of what it does lies the accurate and efficient weighing of trucks entering and leaving the factory for delivering sugar cane and dispatching our sugar. This is much like a waltz, I heard someone say once with the trucks coming and going and the weighbridge operators carefully pacing and steering their dance partners (trucks) around.

For accuracy and traceability the weighbridge operates using an infrared beam system linked to the plant's

Laboratory Information Management System (LIMS). Despite some challenges during the previous season, the team used the opportunity for creating a great improvement on weighbridge accuracy and operation.

The following changes were effected to make the weighbridge more effective and render faster and more accurate results;

- We reduced the call outs to check our scales to zero, this due to six load cells being replaced in 2012 and following a proper service maintenance plan.
- Instrumentation call outs for faulty sensors were reduced from 11 to zero due to modifications on sensors during the off crop maintenance time.
- The scale division were also reduced from 50kg to 20kg for greater accuracy.
- To improve the LIMS network, we changed the fibre optic cable connection to a wireless connection.

We are proud of our weighbridge employees and I can proudly say that they "Make it Happen" for the USM TEAM.



Doing the weighbridge waltz is Audrey Shabalala, weighbridge clerk.

