

100 YEARS OF SUGAR CORPORATION OF UGANDA'S FIRST SUGAR FACTORY



Partners in Progress



PART II

BY MS RADHA MEHTA
(Granddaughter of N.K.Mehta)

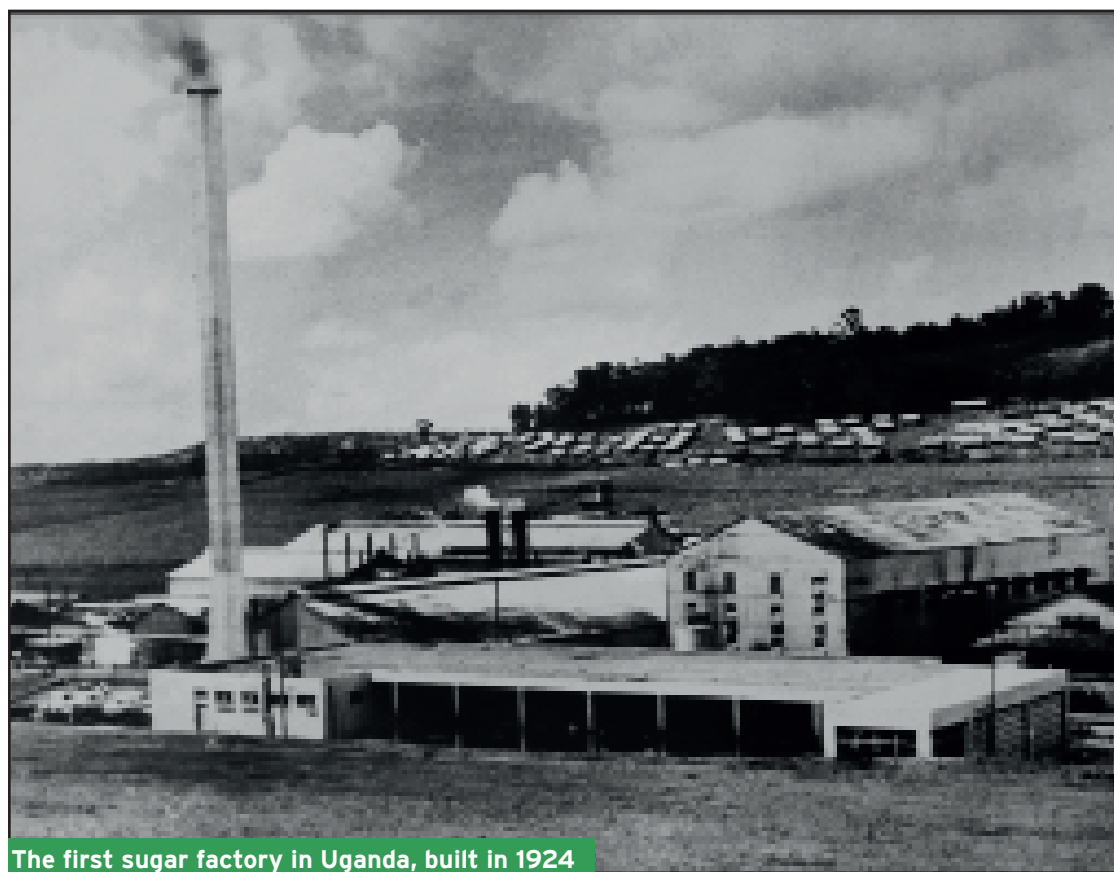
Often when Nanji used to travel along the route from Jinja to Kampala, he would pass the peaceful village of Lugazi. He was struck by its vibrant and natural beauty. The land was luscious and green, criss-crossed by streams, with undulating hills and forests, ringed by distant mountains. The orange purple hues of the evening skies slowly gave way to darkness, which brought with it the sounds of insects, night birds and other creatures of the night.

For Nanji, it held a strange attraction and in 1920, he bought 2000 acres of land there from a local chief.

His dream of starting a sugar factory was taking shape in his mind. It was a risky venture, as he had no experience in this field. Many people around him considered this to be a foolhardy plan that would never succeed. Yet Nanji, once again, felt a surge of joy in his heart that God had given him the impetus to experiment in a new adventure.

And so it was, on the fertile land of Lugazi, that Nanji went on to realise his dream of constructing the first sugar factory in Uganda. In October 1924, over 5,000 people from all walks of life, gathered to mark the birth of the "Uganda Sugar Factory," a landmark in the industrial history of the country. It was officially inaugurated by Sir Geoffrey Archer, the then Governor of Uganda.

The factory commenced production, however, very soon Nanji began to realise that he would need to invest in better machinery and employ industry



The first sugar factory in Uganda, built in 1924

IN OCTOBER 1924, OVER 5,000 PEOPLE FROM ALL WALKS OF LIFE, GATHERED TO MARK THE BIRTH OF THE "UGANDA SUGAR FACTORY."

experts in order to maximise efficiency. The sugar that was being produced was so damp it had to be dried out in the sun.

To raise the necessary finance, he had no choice but to sell most of his other businesses. Determined to succeed, he also visited sugar factories in Mauritius where he studied the best practices for the industry.

By 1929 he was able to more than double the annual production of sugar from 30,000 to 70,000 bags, each weighing 100kg.

In 1928, Nanji also set up a distilling plant which could produce alcohol as a by-product of sugar. This was inaugurated by the then Governor, Sir William Gowers.

The Uganda Sugar Factory faced many challenges in its early years. In 1930, it faced a natural disaster where swarms of locusts completely destroyed the sugar plantations. In Nanji's words: "...one could not see even the sun in broad day light when they flew like faint yellow clouds, ... and ate up voraciously .. what human labour and bountiful nature had so abundantly produced."

Sugar production halved but Nanji's unwavering faith in God helped him keep his nerve and gather the strength to carry on through the crisis. By 1933 he had grown the sugarcane plantation to 6000 acres.

Before he started the plantation, Nanji had built a grass hut on a hilltop in Kawolo which he used as a place of rest on weekends. One weekend he developed a fever and had to cancel his plans to go there. He learnt the next day that it was burnt to the ground after being struck by lightning. Again, fate had intervened and saved his life.

Later on, he constructed two bungalows in its place, which till today remain as the much-loved Mehta family residence.

Nanji often liked to tell the story of his

Indian doctor, who had been employed to take charge of the Lugazi medical camp set up for his employees. The doctor was relaxing at his home one evening with his front door open, when a lion walked into his house. For what seemed like a lifetime, the doctor sat there, barely able to breathe or talk. Eventually the lion got up and left. The petrified doctor handed in his resignation to Nanji the following day saying that he would not stay on for any sum of money. Nanji calmed him down and persuaded him to stay on, joking that at least the lion had not been hungry!

On the other hand, Nanji's appetite for business was insatiable. He had his sights set on growing tea, a business which at the time was restricted to Europeans only. Undaunted by this Nanji, in 1932 made a case to the Colonial Secretary in England, and in 1934 was granted permission to grow tea. He established the Uganda Tea Corporation comprising tea plantations and a factory in Kasaku.

Nanji continued to working tirelessly for 18 hours a day and the business grew from strength to strength. In 1941 he moved back to India due to ill health, leaving the factory in the hands of his two eldest sons Khimji and Dharendra.

In 1953 Khimji abruptly left the business. Nanji was very displeased and asked his youngest son, Mahendra, who was in the UK to come back and help. Mahendra was not happy with his father's decision as he had his heart set on going to Oxford University. Nevertheless, he came back and started learning about the Ugandan operations under the support and guidance of his elder brother Dharendra, who had taken charge of the factories.

Mahendra began to settle in, and following his father's footsteps went on tour to see what new developments he could learn from in the sugar industry worldwide. He was very impressed with high levels of automation in Australia, where a lot of harvesting was done mechanically. In Hawaii he noted an efficient transport system and the use of hydraulic off-loaders.

Nanji was still heartbroken by the departure of his eldest son. He also needed one of his sons to take over the growing business in India. In 1958, Dharendra decided to move to India to look after the Indian operations.

However, Nanji felt that Mahendra

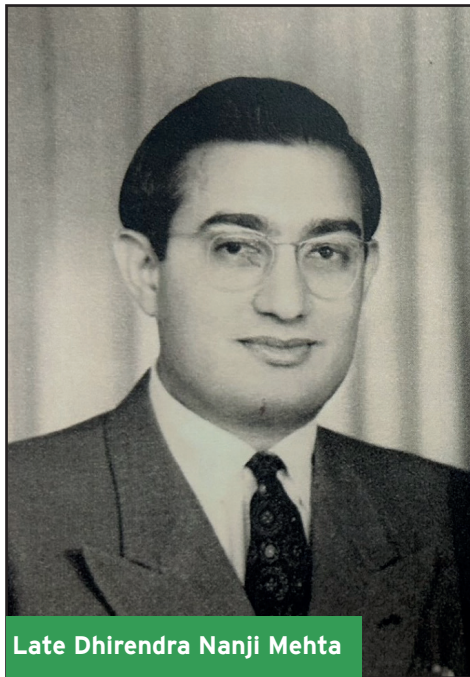
UGANDA LIMITED - LUGAZI



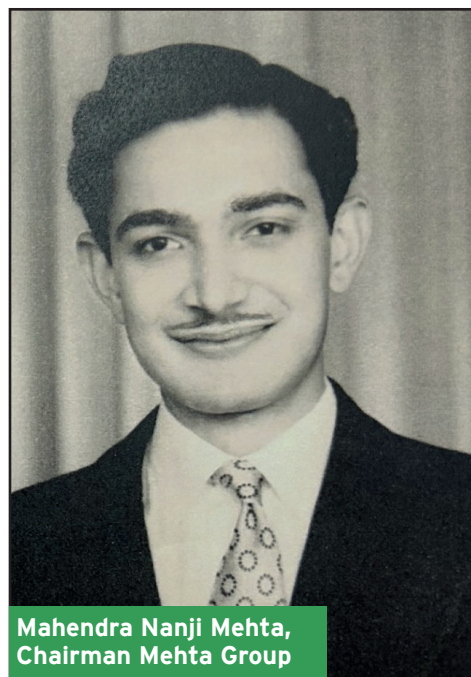
was still too inexperienced to run the Uganda business. With a heavy heart, he announced his decision to sell the Sugar factory, and negotiations started with Huletts sugar, South Africa.

Nanji had attempted to sell the factory twice in the past. This was the third time. Fate had decided otherwise on the first

In order to expand, he needed to acquire land, some of which was far away and it was not economical to extend the existing estate railway system which transported the cane. Mahendra, inspired by his earlier travels, replaced this system with road transport and introduced mechanical loading, which



Late Dharendra Nanji Mehta



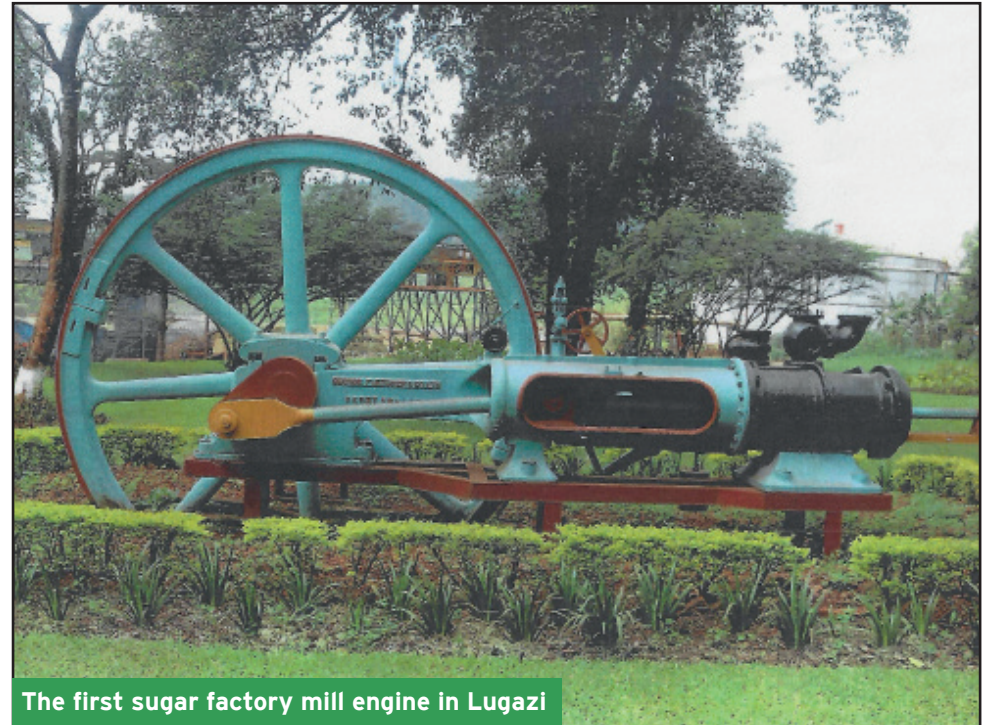
Mahendra Nanji Mehta, Chairman Mehta Group

two attempts and the sale did not go through. Fate intervened for a third time, when Mahendra looked his father in the eye and announced that he was ready to run the factory himself. Nanji was quiet, but the next day he agreed.

Mahendra threw himself into work, learning everything about the industry from planting and harvesting, to finance, administration and marketing.

greatly improved efficiency. In some areas he also introduced sprinkler irrigation in order to increase the cane yields. Stringent administrative and financial controls including photo ID cards were put into place to address the growing problem of ghost workers.

Along with sugar, the Mehta Group continued to grow other businesses. In 1962 the workshop of the Uganda Sugar



The first sugar factory mill engine in Lugazi

Factory was spun off into a separate company, UGMA Engineering Limited. UGMA contributed significantly to the development of Kinyara Sugar Factory, which was being built by Mehta Group in partnership with the Government. This was the third sugar factory to be established in Uganda.

In 1968, Cable Corporation was set up to manufacture power cables, the first such unit in Uganda.

When Nanji came back to East Africa for the last time in 1966, a journey that took him only 6 hours, he was impressed to see the progress that had been made. The sugar estate covered 22,000 acres of land and the factory had reached a

maximum sugarcane crushing capacity of 700,000 tons per annum.

For Nanji the Uganda Sugar Factory, which he had built through sweat and tears, symbolised "... what effort and enterprise can do.. against all odds.. frustrations and failures which we often meet in life."

No one, including him, could have foreseen the dramatic turn of events that would devastate not only his cherished asset, but his family, his friends and Uganda itself.

TO BE CONTINUED
NEXT WEEK



First molasses based distillery plant in Uganda built in 1928



Current fully automated distillery plant modernised in the year 2012