

MUHORONI SUGAR FACTORY TO COMMISSION A SH 80M POWER PROJECT, PROMISES TO CLEAR OUT-STANDING FARMERS' ARREARS

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By Dickens Wasonga.

The over 40,000 sugar cane farmers within the Muhoroni sugar belt now have a reason to smile, thanks to the just concluded

three months maintenance at the Muhoroni sugar factory.

Although the farmers had to remain patient for three months to be paid for cane delivered to the factory from September last year, soon they will have the last laugh, as the company makes arrangements to pay the outstanding arrears, now standing at ksh.160m.

According to the factory's Agricultural manager, Mr. Joel Wangendo, efficiency at the sugar milling plant was at its lowest last year, and continued use of the machines only led to further losses.

"The mills extraction was 83 per cent before we stopped, but after the maintenance now we are doing 90 per cent", said Wangendo.

Kenya sugar board, the industry's regulator, gave a lease of life to the factory when it injected ksh.120m towards the maintenance work, which saw major rehabilitation of the mills, and steam production going up significantly, thereby improving efficiency at the plant.

The company's general manager, Mr. Joshua Korir said the works which cost the firm over Kshs. 300m concentrated mainly in two critical areas, the mills and the boilers, which he described as the key areas in the factory's running.

The firm had to source for additional funding from itself, and the well wishers, who included the suppliers.

" Work at boiler 1 and 2, which produces 25 tonnes of steam per hour, is now complete. We started off with boiler 4, which gives about 40 tonnes of steam per hour, and work is still ongoing at boiler 3, with a capacity to produce 40 tonnes of steam per hour, to run our turbines", said Mr. Korir.

Before the repairs, the mills were misaligned and could not extract efficiently, according to the GM, who said after the maintenance the mills were re-set and new rollers fitted.

The works, according to the senior manager, also saw a re-done of both the mills foundation, and hydraulic systems.

With a more improved system, Muhoroni is now expected to use only 11 tonnes of sugarcane to produce one tone of sugar.

According to industry players, the ideal conversion rate should be 10 tonnes of cane to produce 1 tone of sugar, and profit making milling factory like Mumias is already operating within this margin. The ideal situation, however, is also determined by cane varieties, among other factors.

During the 2008-2009 financial year ,Muhoroni, under the Joint Receivers and Managers Engineer, Martin Owiti and Kipn'getich Bett, the Factory milled 429,000 tonnes of sugar, and paid over Ksh.1b to farmers and transporters.

The current high production costs is anticipated to go down tremendously, now that the mills and the boilers at the factory are efficiently running, which will also lead to increased profitability to the firm, whose management is still under receivership.

Farmers will also sigh with relief when the Ksh 80m KSB road grant the sugar company received towards the end of last year, to purchase road equipment, becomes fully operational sometime this year.

Currently, most roads within the Nyando sugar belt are in sorry states, and sometimes make cane deliveries a nightmare to both the farmers and transporters. However, the grant is expected to greatly enhance the capacity of the sugar factory to upgrade the road network within its zone.

According to Mr. Wang'endo, the company has already received a motor grader, and a compactor roller, which are already in use, and three -15 tonnes tipper lorries are expected anytime this week.

He said the company has also ordered for the supply of a Front-end-loader, a Back-hoe loader, Low loader and other equipments, which will soon be supplied.

"We expect that by the end of this month, 90 per cent of the equipment will have been delivered", he added.

Another key Milestone achieved is a power generation project, which has since been launched at the sugar milling company, which is targeting to boost its power production by 3 megawatts.

The TA[4] Turbo- Alternator project, fully funded by the plant, and projected to cost of Kshs. 80m, kicks off officially next month, and will see electricity bills at the company drop by up to 80 per cent.

Currently, Muhoroni spends between Ksh.8m to Kshs. 10m per month on electricity bills alone.

The Company has also embarked on an intensive cane harvesting at the factory's 1400 hectares Nucleus estate, as a strategy to raise funds, to off-set the farmer's arrears.

30 per cent of the arrears have been paid out as advances to farmers who had pressing issues like hospital bills and school fees, upon request.

"We have a few teething problems here and there, given we only resumed operations a few weeks ago, but the arrears will be cleared soon", said the General Manager.

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