

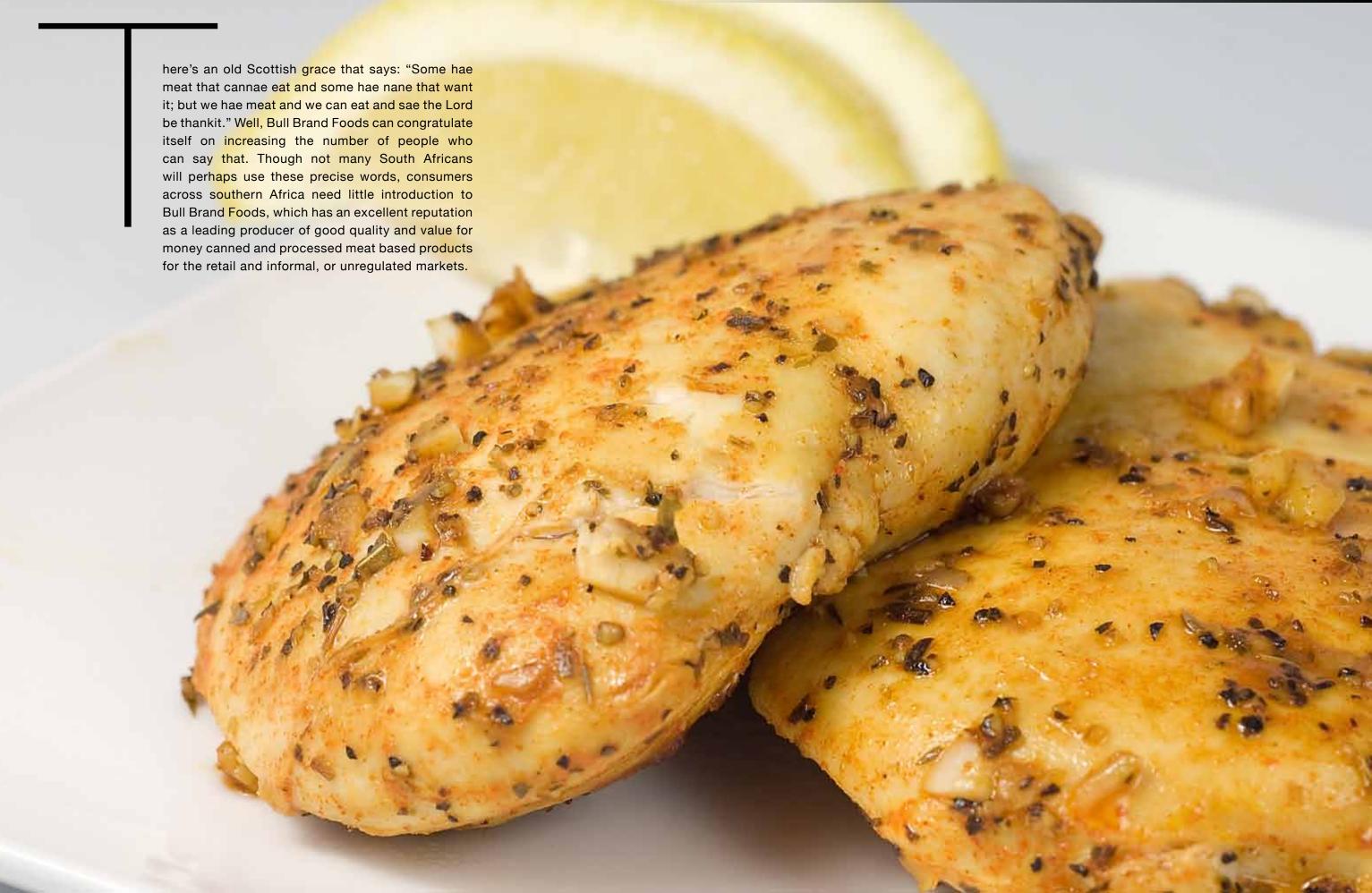
BULL BRAND FOODS

www.bullbrand.co.za





Bull Brand is the largest company in JSE-listed KAP International's consumer division. It has its niche in South Africa's canned meat market but does not intend to rest on its laurels



The Bull Brand range of meat products is wide and varied. As well as the eponymous Bull Brand flagship corned beef label, its other brands such as Gants, Spekenham, Apex and many house brands and private labels are just as well known and trusted. Apex is a value for money corned meat product containing 45 per cent lean meat, while Gants and Spekenham have a regional footprint—Bull Brand is more familiar in Gauteng, while these are popular in the Eastern Cape and KwaZulu Natal, and the Western Cape and Namibia respectively. In addition, Bull Brand manufactures own label products for many of South Africa's leading chain stores and wholesalers.

Over the 50 years of its history, Bull Brand has diversified from canned products and developed products in other formats that the market has demanded. The frozen and convenience range includes a choice of burger patties from the Mega Burger to the Slender and Tender options. Bull Brand has also become a major supplier of burger patties, steaks, chops and boerewors (traditional South African sausage) to many franchise outlets. The recently developed barbecue chicken breasts have also proven popular in the fast food markets and will soon be available in retail outlets, the company says.

More recently, Bull Brand developed its Snax range of biltong sticks, sheets, slices and dry wors. Surely no food is more typically South African than biltong, a dry raw meat product developed in the days of the Voortrekkers as a way of preserving raw meat. Produced in various flavours and with uniquely colour coded packaging, Snax is available in retail outlets and at selected forecourts at many filling stations.

In 2009 Bull Brand divested its fresh meat businesses to concentrate on its canning and processing operations at Krugersdorp. In the same year Gareth Campbell, a manager with experience in a wide variety of industries in South Africa and abroad, was appointed as managing director of Bull Brand Foods, with a place on the executive committee of KAP International Holdings. His primary focus since then has been to develop Bull Brand's canned and added value product offerings. A lot of changes have been introduced on Campbell's watch, and one of his earliest actions was to introduce a revitalised strategic plan to define the identity and direction of the company.

Capital equipment was ordered and installed. "The can handling and labelling lines were commissioned in 2010, and have contributed to a smoother operation, improved workflow and better plant efficiencies," he said.

The major production facility for canned and processed meat products at Krugersdorp is a veterinary approved establishment for the South African market and for exports into the African and other markets. It is also certificated under SANS 10330:2007 and meets all the necessary HACCP requirements (LHS 0077). "The cannery and processing plant is continually being upgraded and modernized to improve efficiencies and increase production capabilities to meet the growing demand for our products and to maintain our excellent reputation for quality products and service," said Campbell.

Product availability has also improved with the introduction of a proactive production planning model based on future sales forecasts. In 2010 the canned meat market was hit by competition from fish following a bumper catch, but value added products (including Snax) have continued to sell well, and the impact of the fall in sales volumes was addressed through careful margin and cost control measures. As a result, plant efficiency at Krugersdorp was improved in the second half of 2010.

One of the most significant milestones was the accreditation of the entire Bull Brand product range as halaal, an Arabic word meaning permitted (under Islamiclaw), and in terms of meat, properly slaughtered and processed and free from pork. Certification by the Muslim Judicial Council SA (MJC)—established in 1945 and one of the oldest, most representative





and most influential religious organizations in South Africa—has had an increasingly positive effect on demand as the word has spread, said Campbell. This has been most noticeable in the Western Cape and KwaZulu-Natal markets. Bull Brand has long been dominant on Gauteng's supermarket shelves but has had a lower share in the other two principal South African markets in which halaal accreditation is more of a key market driver.

South Africa's Muslims, who number around 730,000, are concentrated in the Eastern and Western Capes. They represent only two per cent of the total population, but they tend to be a high income group and therefore significant in the food market. However, Bull Brand's vision is to produce a superior quality branded product that satisfies the palate of every meat connoisseur, without regard to their background or faith. "We have made it our responsibility to produce a branded product that is consistently superior in

quality, safety and value," said Campbell.

Going forward, Bull Brand's focus will be on achieving growth and improving efficiencies to ensure sustainable profitability, said Campbell. Key drivers of growth will be the development of new and innovative products and new markets—particularly in exports and directly into the informal market sector in South Africa.

The increased plant utilisation and improved efficiencies will ensure that Bull Brand remains competitive and the leading brand in its market space; meanwhile additional resources will be dedicated to 'Expanding the Brand' and developing the new products and markets required for Bull Brand to remain the market leader and the most recognised brand throughout the markets where it is present. www.bullbrand.co.za





