



SugarTalk™

Sourcing : Manufacturing : Consulting : Delivering

Ragus®

Specialists
in Sugars

Challenging Times. New Opportunities.



Welcome to SugarTalk – the relaunch of our client publication formerly known as Crystal Clear – which is designed to keep you up to date with new innovations and product enhancements at Ragus, as well as developments both here and in the wider industry.

As we celebrate 80 years of independent family ownership, the launch of SugarTalk – which has its roots in a recent customer survey – is just one illustration of our responsiveness to customer comment and

our readiness for the challenges and opportunities we anticipate over coming years. A new and improved web site, set for launch in the first half of this year, will also help keep you abreast of the exciting changes we will be making to ensure our continued growth this year, and beyond. But more about those in coming issues.

Strong positioning for the future

While we, like so many others, could not have anticipated the speed of change that 2009 would bring, we did anticipate the depth of challenges facing the world economy and, indeed, have already responded to the considerable changes that have affected the food industry as a whole, and our market in particular, over the past five years. Actions taken to ensure the health of our business have included ensuring you have more direct access to decision makers and those with extensive manufacturing experience; investing in a strong customer support team and a CRM system so that you get decisions and answers faster; and implementing plans for long-term refining efficiencies. As a result, we are confident that we are now well placed for the opportunities that testing times such as these inevitably bring.

Some of the changes made have involved more clearly defining and communicating what Ragus offers:

Sourcing: As the independent sugar specialist – and one that focuses only on sugar – we at Ragus

believe there can be no compromise in the quality of our sourced raw materials. Indeed, as you will see in our article on Sourcing, we were among the first in our industry to have all the relevant accreditations and have been fully approved for the manufacture of Fairtrade and Organic products for over a decade.

Manufacturing and delivering: We enjoy 80 years' experience in refining, manufacturing and delivering, to our clients' total satisfaction, a wide range of speciality products, backed by customer service that is renowned in our industry as being second to none.

Consulting: Over the years, we have made it a practice to get to know and understand our customers' businesses – to such a degree that we are called upon to provide advice that can only be gained over many years' applied experience. It's one of the reasons why we eschew middle-men, and ensure that all of our customers have access to personnel at all levels, all of whom have had extensive hands-on production experience.

An ill wind

As the old saying goes, "It's an ill wind that blows no one any good" and past experience has shown that in uncertain and difficult economic times the demand for sugar-based products increases as people eat at home more, and seek comfort in confectionery and bakery foods. This means that whether you are already a Ragus customer, or are considering working with us in the future, it has never been more critical to ensure that you have your supply line firmly established.

An independent reliable source of quality sugar-based products

And while we are not complacent about the future, having weathered 80 years of the ups and downs in trading markets, and having thrived as a strong, independent and reliable source of quality sugar-based products, we are confident in planning for our growth over the next 20 years. Despite the undoubtedly difficult economic times ahead, Ragus is continuing to look to the future; to developing existing relationships and building new ones for a strong and healthy future.

Ben Eastick, Director
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1928
80 years
of sugar
expertise
2008



SugarScene

– a market update

2008 proved to be a volatile year on the world markets, with investor interest in general commodity markets driving prices up at the beginning of the year, only to have them fall back at the very end.

The world's biggest sugar exporter, Brazil, was severely impacted by the world financial crisis, with credit lines being withdrawn at a time when the industry was investing billions of dollars for expansion of ethanol production. The potential for ethanol (fuel from renewable sources such as sugar and wheat) will be affected in the short term, as the current price of oil languishes below \$50/barrel compared to a high of \$147/barrel in 2008, and the global sugar market will be finely balanced between supply and demand in 2009.

Steady market prices in Europe

In the EU sugar sector, 2008 saw the industry complete most of the enforced quota/production decreases set by the European Commission, and a large consolidation of ownership took place. The EU has now moved away from being the world's largest exporter to its largest importer, resulting in it becoming subject to possible price and

supply volatility in the world market post 2009.

The effect of all this “on the ground” will not be felt by most customers during 2009; market prices will remain steady (subject to exchange rate fluctuations). On the supply side, although we expect to have sufficient supplies, it should be noted that 2010 could see more volatility due to the potential for demand outstripping supply in both beet and cane raw material.

Financial fluctuations

With sugar market prices in the UK/EU set in Euros and converted to Sterling (GBP) when invoiced in the UK, the fluctuations in exchange rates has played a large part in raising prices during 2008. This looks likely to continue, with the potential for Sterling to decline further over the next 12 months.

James Eastick, Director

email: jbe@ragus.co.uk

Where the customer really is king



Delivering the highest possible quality of personal customer service, from your first contact with us to the delivery of your product, and beyond, is at the heart of everything we do at Ragus. Achieving that consistent level of quality service is, however, no accident. It requires a commitment that is embedded at the very core of the business; one that requires every member of staff to take ownership of their relationship with clients, as Customer Service Manager, Frank O'Kelly, explains.

Taking ownership

“All of the team at Ragus, from the directors, to the customer service staff, to those in research, manufacturing and delivery, take pride in what we do, and have an absolute commitment to our customers. Unlike many companies that find that their business falls into what can often be seen as natural divisions by function – which has the ultimate effect of creating silos in the working environment – at Ragus, we see ourselves, and work, as a single team. So, whenever you contact us, the person you speak to will take ownership of your call. They will do any liaising and investigating required, tapping into the experience and expertise of colleagues across all relevant sections of the business, before feeding back their findings or solutions. Because, we all know from personal experience that you don't want to be passed around from department to department. You want to pick up the phone and speak to someone who will give you an answer.”

Going the extra mile

This attention to integrated working ensures that customers have unparalleled exposure to the combined expertise of hundreds of years of experience and it means that when there is a particular challenge to be met, a solution is always found.

Regular customer surveys

Of course, attaining such high standards of customer service is one thing. Maintaining them is quite another. Which is why, as an integral part of Ragus's customer management activities, surveys that ask our clients to honestly and openly assess every aspect of our customer service are regularly undertaken.

“We want our clients to find it easy to do business with us and to get satisfaction from working with us,” says Frank. “Unlike many companies, where the focus is inward looking, at Ragus we recognise that the emphasis must be on the needs of the customer. Our customer surveys – which we undertake annually at least, but often more frequently – allow us to put every aspect of our offer under the microscope. Of course, in actual fact, every call we take and make is about us getting to know our clients; about their needs and concerns; maintaining strong and open relationships; understanding what is really going on.

“Because, only once we know all of that can we take the necessary action to improve, resolve or anticipate our clients' needs, so that we can make sure that we exceed their already high expectations.”

To contact our customer team,
email Frank O'Kelly at
fk@ragus.co.uk
or call 01753 215424.

Richard Livermore (Right) using a portable refractometer which measures the amount of pure sucrose in the cane juice.

Chief Chemist Phillip Mold (Far right) checks syrup clarity at our Slough laboratory.

From field to factory



As one of the first sugar companies to become involved in the Organic and Fairtrade movement, and the very first accredited for Organic and Fairtrade sugar syrups, Ragus has over a decade's experience in sourcing the most ethically available products; products that have been audited from field to factory, to ensure the most reliable source of supply and delivery of the highest possible standard of goods.

Reliability and quality

In a world of ever-more competition, that search for reliability and quality is increasingly important, and, while the economy may be taking a down turn, the standards expected by clients and their customers, quite rightly, remain undiminished.

“At the very heart of our success as a company lies our approach to sourcing,” explains director, Ben Eastick. “We believe strongly in working directly with the mill owners; in creating and developing long-term relationships that benefit the mill’s operation and its social and environmental situation, as well as meeting our commercial need.

Supporting established and emerging markets

“A key part of that relationship is to help mills develop and implement best practice in processes – irrespective of the size of their operation. For instance, in the case of larger, well established operations, such as the mill we work with in

Paraguay, we often act as a fresh pair of eyes, helping them to see and implement improvements in processes in which they have already made a sizeable investment.

Committed to providing best advice

“For operations in emerging markets, such as Cuba, our involvement is much more about helping them win accreditations; providing ideas for processing, quality control and bagging improvements; and ensuring the security of their product, so that they too can implement best practice in processes and become more commercially competitive.

“It’s not about size, but ethos, and their ambition to be among the best in the world. Irrespective of what stage of development a mill has reached, we take our role as advisers very seriously. We believe we have a responsibility to use our extensive knowledge and the experience gained and implemented in the larger mills to help facilitate the development of smaller and emerging operations.”

Long-term support and guidance

Ragus Quality Control Manager, Richard Livermore adds, “Although mills in emerging markets are not necessarily less established than other mills, they are often at the early stage of trading on the world markets. As a result they have not necessarily had the full benefit of new technologies. In addition, it takes time for their workforce to

adjust to the idea that they are working in a professional food factory; that there is a need for specific hygiene and dress standards and well-proven processes, so long-term support and guidance is often invaluable to them.”

Regular supplier audits

With increasing attention being paid to food safety issues such as allergens, food intolerances, carbon deposits and sulphite levels, the Ragus quality control team makes regular visits to audit its suppliers to ensure standards and processes are maintained. This ensures that the products Ragus delivers to our customers are of the highest standards and meet the expectations of BRC and ISO certification.

Highest quality products

Says Richard, “While sugar cane has no additives, harvesting, processing and packaging can often introduce elements into the product, such as metal, cane fibres and carbonised sugar, which is why it is so important to have proper checks in place. So, in addition to the checks and screening that take place before the sugar cane is delivered to us in the UK, we also recheck and audit the products twice after they have arrived at Ragus and before any is shipped to a client. That is why, when we say we provide only the highest quality products to our clients, we can have complete confidence that we do.”

For more information on sourcing and quality control, please



Sourcing raw cane
Organic and
Fairtrade sugars
from South America

Ben Eastick examines sugar cane with Fernando Campos Jnr of Azucarera Iturbe SA during a 2008 visit to their plantation and milling operations in Paraguay.

Ragus has been at the forefront of supporting Organic and Fairtrade sugar production for over ten years. We have developed close working partnerships with our suppliers which now contribute to building sustainable sourcing, efficient farming and improved quality – involvement that helps them to grow the sugar we refine and deliver to you.



Strong support at OOH Live

Ragus's recent attendance at the BAKO sponsored OOH Live 2008, the first trade show aimed exclusively at those involved in the brunch, lunch and snacking markets, is further indication of all our commitment to customers, irrespective of their size.

Frank O'Kelly, customer services manager, explains, "Because it is not always financially viable for smaller customers to come directly to us at Ragus, our relationship with wholesalers, such as BAKO, is an important one. It allows customers that require smaller stocks to have access to our high quality products, and to the experience and expertise that goes into their

creation, but to also reap the rewards in terms of administration and transport costs that come with being part of the purchasing power of a large wholesaler.

"When BAKO invited us to attend OOH Live, we were delighted to be able to support them at this new event. It gave us an ideal opportunity to share our product and technical knowledge with visitors; and to strengthen the relationships we have with individual BAKO representatives, who manage the relationship with BAKO's customers on our behalf."

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Vat's the way forward

As part of Ragus's programme of development, the end of 2008 saw the installation of a new inversion pan, Vat 1, at our refining operation in Slough. The vat, which can handle production for a full 25 tonne road tanker in one production process, enables us to meet the increasing customer demand for larger batches, while also providing additional flexibility to make smaller ones. Once the plant is fully bedded in, it will pave the way for additional vats of the same design. Installation of two smaller capacity vats, for producing batches of up to 2,500 litres, is also planned.

Commenting on the new addition, factory manager Mel



Boyle, said, "The specification for the new vat is very high. It is designed to handle a wide variety of thick viscose products at the extreme ends of the temperature spectrum, so much so that, although we don't want syrups to cool, it can handle products even if they have gone stone cold. State-of-the-art computerised controls ensure that the programmes are exact and deliver precisely the results we want, and they also make making programme adjustments much easier.

"During the trial period, we have already seen that Vat 1 cuts down on production times, even when we increase the load. Turnaround is greater, resulting in increased productivity and costs savings, and the fact that it is of the most modern construction ensures that we achieve the highest possible levels of hygiene."

To find out more, or to discuss any production issues, contact Mel Boyle at email: mb@ragus.co.uk

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