



Nestlé Manufacturing Operations in Nigeria: A Profile



MAGGI®

MIX'PY™

Bring rhythm to your cooking

Give your Cooking a rich Flavour

*MAGGI's New Seasoning Powder is
easy and fun to use. It gives a delicious
taste and exciting aroma to your meals.*



Real Star, Real MAGGI®, Real Woman

Overview of Nestlé Manufacturing Operations in Nigeria

In the Beginning....

The first sales of Nestlé products in Nigeria date back to the beginning of the 20th century. This was through local importers who placed their orders directly with British trading companies active in the country. Imports were at first sporadic, but became regular from the 1920s when Nestlé decided to set up office in Nigeria to organize the importation and distribution of products. Then in 1961, one year after Nigerian independence, the company officially created "Nestlé Products (Nigeria) Limited". Thus began the first phase of Nestlé operations in Nigeria as a wholly-owned subsidiary of Nestlé Holdings Limited.

Nestlé Industrial Presence in Nigeria

Nestlé's Industrial presence in Nigeria began in a small way in 1971, when the steady increase in sales encouraged the Company to start packaging part of its bouillon products at the Ilupeju Factory.

These were the well known MAGGI cubes, most of which were imported from Switzerland. A number of other factors were favourable for business ... the petroleum boom in the 1970s, the stability of the naira, the increase in buying power of the population (90 million Nigerians at the end of the 1970s, namely a quarter of the whole African population), as well as the politico-economic measures taken by the government to encourage the nigerianisation of emerging industries in the country.



The Nestlé management in Vevey, Switzerland decided to integrate its activities one by one into the national economy, to progressively substitute imported products by products manufactured locally.

Nestlé Nigeria head office - the old site of Nestlé factory at Ilupeju.





The Agbara Manufacturing Complex

The Agbara Manufacturing Complex

In 1978, Nestlé brought a 16-hectare plot of land in the industrial zone of the town of Agbara, some 60 km from the commercial capital Lagos, and built its first major factory which was inaugurated on Wednesday, February 24, 1982 by the Honourable Minister of Agriculture, Mallam Adamu Ciroma, on behalf of the President of Nigeria.

Built at a cost of N30,000,000, production at the Agbara factory began on schedule starting with MAGGI cubes in mid 1981, Nestlé MILO October, 1981, whilst Nestlé CERELAC - Maize manufacture commenced in January 1982.

Between 1982 and 1985, a further sum of N10,000,000 was invested on improvements. During the years that followed, Nestlé added major extensions to this factory to process locally available raw materials, namely corn, sorghum and soya. By 1992, Nestlé Production was almost completely integrated into the local economy, with 85% of the raw materials and nearly all of the packaging materials going into locally manufactured products "made in Nigeria".

Nestlé Factory, Agbara



Local Sourcing of Raw Materials and New Product Development

One of the corporate strategies of Nestlé is to purchase raw and packaging materials as much as possible from local suppliers. Nestlé focuses on local suppliers for two reasons: On the one side it helps financially (less currency risk by using local Naira and not USD/EUR foreign payments), on the other side it also helps with our commitment to develop the local Nigerian economy. These benefits are mutually beneficial for Nestlé as well as the Country.

Consequently, under the second phase of Nestlé long-term development programme, Nestlé commenced local production of some of the products found to be acceptable to the Nigerian consumer. This phase of the programme involved using the same raw materials as were used for the imported finished products. This was done deliberately to gain and retain the confidence of the consumer towards locally manufactured food products. The successful implementation of this phase was carried out with the assistance of our foreign partners, Nestlé S.A Switzerland, and our technical advisers, Nestec Limited.

By 1983, we commenced the third phase of our manufacturing operations in Nigeria which involved the gradual replacement of those imported raw materials which are capable of being grown or produced locally, and the development of new products with high local content, soon after the commissioning of Agbara Factory.

The success of our efforts is evidenced by the introduction or launching of our good quality products with very high local raw materials into the market between 1984 and 1986.

CERELAC – Maize was introduced into the market in December 1984. Nestlé CERELAC, a highly nutritious infant milk cereal provides the right start for babies when they are ready to go on cereals (i.e. start complementary feeds). Nestlé CERELAC-Maize contains the essential nutrients a baby requires to achieve full growth potentials.

Nestlé CERELAC milk cereal is produced from high quality milk, delicately combined with maize. Nestlé CERELAC provides the essential amino acids and adequate amount of protein required by growing babies to maintain and achieve normal growth and development. Nestlé CERELAC Maize, provides important nutrient, fortified with iron fumarate to ensure better iron bio-availability in the infant. The creamy milk taste of Nestlé CERELAC Maize makes babies switch easily from all milk feeds to semi-solid foods.



Nestlé NUTREND, another cereal weaning product with over 95% local raw materials was launched in February 1986 after very successful clinical trials in three Nigerian Teaching Hospitals. The NUTREND formula was initially developed by Nestec Limited of Switzerland for tropical countries to provide a weaning food based on soya protein which corresponds to the recommendations of the International Code Alimentarius Commission. There were three varieties of the NUTREND formula: wheat-soya, rice-soya and maize-soya. Since maize and soya are grown in Nigeria, we chose the NUTREND maize-soya formula.

Nestlé NUTREND is a cereal product that combines high quality maize and dehulled Soya in an excellent proportion to produce a nutritionally adequate meal for feeding babies from 6 months of age upwards. The protein complementarity of maize and soya protein in Nestlé NUTREND provides the right balance of protein quality and quantity from an all-vegetable source, hence providing complete essential amino acids for proper and adequate growth and development of the growing child. Nestlé NUTREND is fortified with bio available iron to meet the infants iron need. Nestlé NUTREND has a unique taste.



Local Sourcing of Raw Materials and New Product Development (Contd)

CHOCOMILO

In January 1985, we introduced Nestlé CHOCOMILO. Nestlé CHOCOMILO is MILO powder made available in cube format. This unique energy cube is best enjoyed when shared with family, friends, colleagues and visitors. It is available in cubes of 2.75g packaged in two formats:

- 100 cubes pack
- 30 cubes pack



We also launched Nestlé GOLDEN MORN, nutritious instant family cereal in October 1986. It is prepared from whole maize and soybean sourced entirely from local raw materials.



Nestlé GOLDEN MORN is a very exceptional, made in Nigeria cereal, introduced into the Nigerian Market in 1986.

- It is a delicious, highly nutritious and quality product.
- It is to be enjoyed by every member of the family.
- It is an all family cereal which can be consumed anytime and anywhere.

Product composition: This delicious and nutritious cereal is basically made from:

1. Whole grain maize and
2. Soybean

Nestlé GOLDEN MORN is very affordable and is available in:

- 50g for one time consumption and
- 500g for the whole family.

MAGGI Chicken

A chicken flavoured seasoning for savoury dishes. It adds a rich chicken flavour to dishes. It is ideal for cooking dishes such as stews, jollof/fried rice, etc. It is available in 4g cube and 10g tablet.

Nestlé first introduced a chicken flavoured seasoning in sizeable quantities into the Nigerian market in 1979 as MAGGI double chicken cube.

MAGGI chicken, cube was launched into the Nigerian market in January 1992. The product was a huge success to the extent that by the end of 1992, Nestle Nigeria had recorded sales 90% over the budgeted volume.



MAGGI Crayfish

A crayfish flavoured seasoning for savoury dishes. It adds a distinct crayfish flavour to dishes. It is ideal for cooking pottage and local dishes. It is available in 4g cube and 10g tablet. The product was launched in Nigeria in 1993.

Local Sourcing of Raw Materials and New Product Development (Contd)



MAGGI Mix'py

A powder seasoning made from a rich blend of seasonings to give a rich aroma and taste to your dishes. It is available in 2 flavour variants:

MAGGI Mix'py Classic

A rich blend seasonings with a mild onion flavour to enhance the aroma and taste of soups, pottages and other dishes. It is available in 6g sachet.

MAGGI Mix'py Ginger/Garlic

A rich blend of seasonings with a distinct ginger/ garlic aroma. Suitable for use in stews, rice dishes, seasoning meat and others. It is available in 6g sachet.

Nestlé MILO

Nestlé MILO is a chocolate malt food drink which contains a combination of natural ingredients specially formulated to provide energy for an active lifestyle. The dynamism of the brand is demonstrated in its variety of formats.

Nestlé MILO Powder:

Nestlé MILO delivers wholesome nutrition with a balanced ratio of carbohydrates, protein, minerals and important vitamins (B1, B2, B5, B6, B12, & C). The unique taste and goodness of MILO remains the same whether mixed with hot water or cold water.

It is the perfect day-starter at breakfast, refreshing during the day and soothing at night. It is available in 5 different sizes namely:

- | | | | |
|----|-------------------------|----|--------------------|
| a. | MILO 900g (Tin) | b. | MILO 500g (Tin) |
| c. | MILO 500g (Sachet) | d. | MILO 200g (Sachet) |
| e. | MILO 15g (Single serve) | | |



Integrated Malt Extract Plant

The N33million Sorghum Malt Extract Plant

In keeping with the Federal Government of Nigeria objective of gradually replacing imported raw materials with local substitutes, Nestlé embarked on construction of a fully integrated plant producing concentrated Sorghum Malt Extract.

The company embarked on the project in 1988, investing 33million Naira in building and equipment. The plant enabled Nestlé Nigeria to produce malt extract syrup from locally grown and malted sorghum having the qualities of imported Barley Malt Syrup. This was a successful replacement of an imported item in the manufacture of MILO food drink in which malt extract is the most important ingredient.

The plant is one of the few of its type in the world that transform sorghum into malt extract. The construction of the plant at this time (1988) made Nestlé one of the first Nigerian companies to set up a finally integrated plant for production of Sorghum malt extract in industrial quantities.

The production process which involved four stages at the time of commissioning was uniquely developed by NESTEC to suit the special needs of the sorghum grain. The four stages are Cleaning, Malting, Extracting and Gristing.

Nestlé Nigeria received tremendous support of its technical partners, NESTEC of Switzerland. Significant direct assistance was received from NESTEC Consultants during the trials and start-up of the plant and they continued to provide follow-up support for the optimization of plant and process.

The project was given a high priority; the period from beginning of construction to start-up of production was only 16 months to allow a rapid change from imported to locally manufactured extract.

Estimated potential savings in foreign exchange (1989) was equivalent to N40million a year at full capacity production. The sorghum to be used at the plant was obtained locally.

Sorghum Malt Extract Plant, Agbara.



The N500 million Enzymatic Hydrolysed Plant Protein Mix (EHPM) Factory

In pursuit of efforts to locally source raw materials for the manufacture of MAGGI, Nestlé commissioned another factory in Agbara on 26th June, 1995.

Built at a cost of over N500 million, the agro-allied factory was conceived as a regional production centre for the production of Hydrolysed Plant Protein Mix, an essential ingredient in the manufacture of MAGGI range of seasonings. The new factory was the result of intense effort of research to develop a new technological process, specifically adapted to satisfying the needs of Nigerians by providing high quality food products which will, in future generate a flow of exports to the West African sub-region.

EHPM Plant, Agbara



Nestlé Waters Plant, Agbara (cont'd)

In response to Nigerian consumers' quest for an ideal balance of safe, clean, healthy and a pleasant refreshing drinking water, Nestlé commissioned a new Ultra Modern Nestlé Waters plant in Agbara in June, 2005 to manufacture Nestlé PURE LIFE, a premium drinking water.

The Ogun State Governor, Otunba Gbenga Daniel while commissioning the factory, described it as "a visible and laudable investment which will contribute to the economic development and industrial growth of the country". He expressed delight that the commissioning and subsequent launch of Nestlé PURE LIFE would address the growing problem of lack of access to safe and high quality drinking water in the country.

The Plant benefitted tremendously from the cutting-edge technology developed by Nestlé Product Center in Vittel, France, particularly in technology to protect water resources, guarantee highest standard in the production and highest product quality for the consumers.

The central laboratory carries out over 200,000 chemical, microbiological and organoleptic analysis every year. The central laboratory is not only a quality guarantee of the resource and the final product, but also a centre of expertise for the hundreds of Nestle Waters production sites around the world.

A team of tasters conducts sensory tests on some samples everyday. The Central laboratory also trains and monitors the personnel responsible for the frequent daily quality controls at every bottling plant to ensure uninterrupted quality monitoring.

Nestlé Waters Plant, Agbara



Nestlé Waters Plant, Agbara (cont'd)

Nestlé PURE LIFE has leveraged its healthy positioning to become the preferred bottled water brand for the on-the-go, out-of-home and family-in-house consumption occasions.

The commissioning of the Nestlé Water plant in Agbara is one of Nestlé's intervention strategies for the provision of safe, affordable, and high premium drinking water in the country.

The Plant represents Nestlé's contribution to the attainment of one of the Millennium Development Goals in Nigeria of which the provision of safe drinking water is a key objective.

In Parallel with growth, Nestlé Nigeria Waters is committed to scrupulous protection of its source, drawing only the bare minimum required for its operations.

Water quality: a major priority quality is the cornerstone for Nestlé success. Stringent quality assurance process are at the heart of Nestlé Water Production.



Infrastructural Upgrades at Nestlé Waters Plant, Agbara.



Waste Water Treatment Plant.

As the leading Nutrition, Health and Wellness company, Nestlé has made sustainable use of water an essential priority and its responsible management one of its major goals.

Nestlé manufacturing processes use water in a variety of ways such as for washing, boiling, extraction and for reconstitution of dried raw material.

Among the key success drivers in sustainable use of water and responsible management of this precious resource in Nestlé are water use reduction, reuse, recycling and provision for wastewater reduction and treatment.

When all options for water use reduction, reuse and recycling have been exhausted, the waste water that is left must be treated before discharge to the environment.

In pursuit of efforts to reduce both the volume and load of the wastewater from manufacturing operations, Nestlé has built a wastewater treatment facility at Agbara Factory. This ensures that the physical, chemical and biological parameters of the waste water are controlled to within limit set by the government of Nigeria before discharge from the factory.

Nestlé Waste Water Treatment Plant, Agbara.



Agbara Factory Infrastructural Upgrades

Agbara Factory Infrastructural Upgrades

Despite the 12 billion Naira (CHF 87 million) investments in a new manufacturing complex at Flowergate Mixed Development Scheme, near Sagamu in Ogun State, the existing factory at Agbara continues to witness unprecedented investment in massive infrastructural upgrades.

The following facility upgrades which costs about 9 billion Naira is in line with Nestlé's corporate strategy to enhance competitive edge and increase its market share in Nigeria:

- New Jumbo Roller Dryer for the All Family Cereal Plant
- New high speed wrapping machines for MAGGI
- New Ultra-modern high speed automated machine for Nestlé PURE LIFE
- New vacuum Band Dryer for MILO production
- New warehouse extension for raw materials
- New Cereals Milling plant
- New Staff Clinic
- Factory Canteen extension
- Oil handling station for MAGGI
- CIP Station for EHPM Plant
- New Walkway
- New Staff House

The investment underlines Nestlé's strong belief in the potential of the local market and resilience of the Nigerian economy.

These investments have (and will continue to) resulted in a massive increase in Nestlé's foreign direct investment in the recent years.



New Jumbo Roller Dryer for the All Family Cereals Plant.



State-of-the-art Vacuum Band Dryer for Nestlé MILO production



New Warehouse Extension for Raw Materials



New high speed wrapping machines for MAGGI production

Infrastructural Upgrades at Agbara Factory

Factory Road Improvement



New Walk Way



Agbara Factory Clinic



Factory Canteen extension



New Cereal Milling Plant

The new cereal milling plant which replaces the old milling plant in the warehouse will mill maize and soya.

The 50k T Soy/maize milling plant is fully automated.



₦3.6 Billion Agbara Factory Tri-Generation Power Plant

Nestlé's factories use energy in a number of ways during the transformation of raw materials into finished products – for moving materials within the factory, for cleaning, cooking and packaging, and for controlling emissions and treatment of waste.

To ensure efficient use of energy in the manufacturing operations, Nestlé has built a tri-generation power plant which will generate power, produce chilled water and hot water, increase energy efficiency from 42% to 74% and reduce CO₂ emissions by 5000 tonnes per year.

Electoral output:	Max 7.6 MIN
Chilled Water output:	Max 3:8 MIN
Hot water output:	Max 2.4 MIN
Emissions reduction:	5,000 CO ₂ /year
Employment generation for Nigerians	
Dual Fuel:	runs on diesel or natural gas
Synchronization possible with the grid	

The tri-generation plant is a major contribution to Nigeria's drive to reduce CO₂ emissions which contributes to global warming.



The Tri-generation Plant





Controlling Emissions & Waste at Agbara Factory

Why the Energy Efficiency initiative?

This initiative was introduced because energy is expensive and is associated with multiple environmental hazards. The Energy Efficiency Programme is part of Nestlé's efforts to optimize its manufacturing operations to reduce environmental footprints.

Reducing the amount of energy needed and, therefore, the amount of energy consumed during manufacturing, is a critical element in the management of energy resources.

Impacts of the Energy Efficiency Initiative

- * The new CNG station is expected to reduce pollution generated from forklifts, contributing to a healthier environment with lower emissions.
- * The new power plant will also improve power reliability with dual-fuel concept (gas/diesel)



Nestlé ₦12 Billion Flowergate Factory

Having fully utilized the 16-hectare land at Agbara factory and buoyed by strong consumer demand and potential of the local market, Nestlé embarked on construction of a new factory in Flowergate Mixed Development Scheme, near Sagamu in Ogun State in 2007.

Built at cost of 12 billion Naira (CHF 87 million), the new state of the art manufacturing complex which is equipped with the latest food processing equipment and occupies 36 hectares, has great potential for future expansion.

The new factory will initially offer direct employment to 180 persons and indirect employment to hundreds of others. The new plant would also offer additional opportunities for Nigerians as Nestlé increase its market share and broaden its Nutrition, Health and Wellness business platform.

Specifically, the new factory will manufacture Popularly Positioned Products (PPPs) such as MAGGI boullion cube and other culinary products. The Popularly Positioned Products business model is a key driver for the future growth of Nestlé operations in Nigeria.



Nestlé #12 Billion Flowergate Factory (cont'd)



Nestlé ₦12 Billion Flowergate Factory (cont'd)



Nestlé #12 Billion Flowergate Factory (cont'd)





Cooling Towers at Flowergate Factory



Chillers at Flowergate Factory

Pure Goodness



Give your body the goodness
it deserves.

Enjoy the taste of Nestlé PURE LIFE.



Great Water, Great Taste.

For Your Orders, please call

Quas: 08052797258 (North), Peter: 08052797362 (East), Taylor: 08052797242 (West),
Tessim: 08052797378 (West)



Raise Your Game

With



Refreshing Nestlé MILO contains Actigen-E, which is a combination of vitamins and minerals that help you release energy to WIN.

The energy food drink of future champions

FUNKE

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Real Star, Real MAGGI®, Real Woman

