



Parallel to the launch of innovation in its traditional sectors, Sugat keeps expanding into new areas of activity. A strategy based on supply of recipes and the establishment of direct digital channels allows the brand to communicate with consumers, educate the market, and expand the uses of the variety of products

Sugat Industries was founded in 1957. At first the company operated as a sugar manufacturing plant that was based on the growing of beet sugar in fields in southern Israel. Due to Israel's water shortages and changes in subsidies granted to European sugar producers, a decision was made to shut down the plant and focus on marketing and packing imported sugar. In 2007, as a result of the changes in sugar supply in the global market, Sugat established a sugar refinement plant in Kiryat Gat.

In recent years, the brand has expanded well beyond sugar. Sugat now includes sugar substitutes, rice, salt, flour, legumes, cereal and baking and cooking products. Over the past few years, the brand has achieved success in revolutionizing sectors that had, until recently, been considered commodities by turning them into brands. Underlying Sugat's business strategy is the desire to continue to reinforce the brand in various sectors in which the company is active, while initiating breakthroughs and launching innovation in various areas so that Sugat can offer added value.

One of the aspects that have made Sugat unique in recent years is its ability to identify food trends and to understand which cereal or which raw material will become a niche product in the mainstream. The power of the Sugat brand encourages consumers to try its products, thereby contributing to their expanded use. In the past year, Sugat has adopted a number of initiatives to help it grow and expand in several areas:

### Entry into the Special Flour Sector

At the end of 2011, Sugat 'shook up' the flour category in Israel with the launch of a new series of specialty flour

for baking. To develop the new series, Sugat worked with Stiebel Flour Mill and Chef Erez Komrovsky, whose recipes can be found on the packages of the products in the series.

The new series included 10 types of functional flour designed for specific uses: Challah, pizza, foccacia, cookies, etc. To differentiate the products and to emphasize the particular uses of each type, the flour comes in paper packages, each in a different color.

### Launching of the Organic Series

Sugat decided to expand its brand into the organic foods market, identifying the developments in the organic market in Israel, where it found it could bring added value. On the one hand, organic products have transformed from being niche products to products displayed on central shelves in most supermarket chains. On the other hand, consumers have begun demanding uniformity in products that it acquires as well as top quality.

Last year, Sugat joined forces with an Italian manufacturer that controls the entire growing and production chain of organic pulses and provides top quality products that are packaged and marketed by Sugat. To date, the products in the new series include chickpeas, white beans, red lentils, green lentils, peas, burghul and spelt. The series will expand to include other organic pulses.

### Access into the Sugar Substitute Sector

For years sugat has been identified with sugar. Because the brand is identified with natural substances, Sugat avoided moves into the market of sugar substitutes



that are not made of natural substances. Only at the end of 2011, after the patent of Sucralose (which is a natural sweetener) had expired, did Sugat launch its sucralose series.

The series was launched in conjunction with "Israel's sweets guru", Chef Carine Goren, who converted selected recipes to recipes containing sucralose.

In the future, Sugat will launch additional sugar substitutes based on the stevia plant.

### Launching of the Bread Crumbs Series.

The bread crumb sector is an example of a dormant sector in which Sugat's entrance caused a stir, enhancing the sector with extra products and creating interest. In the past, Sugat had been active as a supplier of regular bread crumbs; however, it was unsure whether to continue investments in this area. As a result, Sugat identified a demand for more sophisticated and diverse products and developed a series of crunchy panko-style bread crumbs in a range of flavors, introducing a diversity of products that resulted in crispier breaded coatings in special flavors such as french fries, Grill, etc.





You can find us on - 

[www.sugat.com](http://www.sugat.com)



## Development of Customer Communication Channels

Technological developments in recent years with digital applications becoming an important influence on consumer's decision-making process during shopping, and the ability to communicate with consumers, are part of the reasons for the development of various digital channels:

**Smart phones** – Several years ago, Sugat launched an iPhone application that allows consumers to receive and view recipes based on the products they have available at home and receive content that interests food lovers.

**Facebook** – Sugat's Facebook page has a community of over 20,000 food lovers, a number that is steadily increasing. The Facebook page allows Sugat to manage daily communication with members, to update content from various channels, and carry out targeted activities and recipe competitions throughout the year.

**Sugat's Food Channel on Walla!** – Sugat's recipe zone

in Walla's food zone includes recipes and instructions for meals that include various Sugat products. The branded area, which reaches over 250,000 individual visitors a month, uploads every week an instruction video on certain recipes, presented by a recognized chef. It also includes text content and recipes that, once uploaded have been shown to increase usage of the Sugat products used in the recipe.

**Sugat channel on YouTube** – the channel includes dozens of clips and filmed recipes and centralizes all video content of the Sugat brand.

**QR Codes** – All Sugat products come with a QR code. Scanning the code with the smart phone allows users to reach the Sugat website, where they can view recipes (video or text) that include the scanned product.



## The New Refinery Plant

With the launch of Sugat's new sugar refinery plant in Kiryat Gat, the company

## Things You Didn't Know About Sugat

- 25 years ago, Sugat marketed only 8 products. Today, it markets around 150 products, each of which has the QR code imprinted on it that leads to a different, designated recipe.
- In Sugat's refinery plant, 250,000 tons of sugar are refined every year (worth 250,000,000 packages of 1kg sugar).
- Sugat's refinery was built in compliance with stringent environmental quality standards, and water efficient systems.
- Molasses, which is one of the products of sugar refinement, is also used as a raw material to create food mixes for cattle.
- Over 250,000 unique viewers visit Sugat's food channel on Walla every month.



began importing raw, unprocessed sugar that it refines itself, allowing it to present the "Made in Israel" label on Sugat packages. This draws customers, particularly in the current economic climate.



**1959**  
Sugat plant opens in Kiryat Gat

**1988**  
Sugat acquired by ED&F MAN, an international corporation operating in the sugar market since 1783.

**2000**  
New corporate identity and logo emphasize the Sugat name on packages.



**2009**  
Sugat enters the salt sector, and launches the Ten Minute series.

**2010**  
Sugar packages manufactured in Israel with the hat logo.

**2011**  
Sugat expands its operations in the flour sector.

**2012**  
Sugat enters the organic sector.