



Vega Foods: Brand with a conscience

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The belief that good quality and enjoyable food should not be the preserve only of the affluent but available to all was the starting point of Vega Foods, says the company's CEO, Vikram Chand.

Although the brand is only 10 years old, it is now present in several countries across the length and breadth of Africa. It has been giving venerable and old-established packaged foods companies a good run for their money.

Vega Foods is among a handful of Singaporean companies that focuses almost exclusively on the African market. "The key for us is value," says Chand. "Our products are excellent value for money and we make sure they are affordable for the majority. I will never sell anything that I do not eat myself."

There is an astonishing range of canned, boxed, bottled and bagged foods on display at their headquarters in Singapore. Dairy, canned fish, canned meats, spaghetti, juice, biscuits, sauces – all jostle for attention on the crowded shelves.

Container loads of the enticingly packaged food products are shipped out to teeming markets, stalls, shops and supermarkets across Francophone and Anglophone countries spanning the African continent.

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story is unique. Chand looks very much an Indian but we were astonished to hear him talk fluently in Japanese at a restaurant nearby.

“Japanese is my first language,” he said, “followed by English and a host of other languages.” He was born in Japan to an Indian family that had lived there for over 70 years. Vega Foods is a small part of the GRUPO KAYBEE, which specialises in yarn, fibres, fabrics, garments, apparel and steel trading. “Food forms less than 20% of the business – but it has a great future,” he believes.

As an export-oriented organisation, the company is always on the lookout for new markets. “We saw a gap in the processed foods market in Africa,” he recalls and although the company was not then involved in foods, “we decided to go in.”

Chand says he felt Africans were getting a raw deal from the established foods industries, many of which had been set up in colonial times. “Africa was a bit of a dumping ground.”

“We sensed that if we could provide good quality at affordable prices, we had a future.”

“We formed partnerships with strong local distributing companies. They are experts at what they do, while we concentrate on our own expertise”

Chand says Vega Foods provide not only a bit of affordable luxury to the ordinary African shopper but often essential proteins and vitamins to complement their often simple meals.

But while Vega Foods is not the only packaged foods exporter to Africa, its

But, of course, while Africa provided enormous opportunity, it also posed considerable challenges. “There are 54 ‘Africas,’” he says, referring to the number of countries on the continent. “Each is different, each has a distinct palate. Some like more salt, some less, some love mild foods, others cannot abide anything that is not spicy or tangy.”

Then there is the whole issue of volatility to contend with. “Currencies can suddenly lose value and one can lose years of income in a few months.”

Risk management is the key

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Risk management is the key

Managing risk is the name of the game. "There are a lot of nuances which need to be understood, business is a lot more tedious, detailed and complicated than people think."

But for those who can ride the storms, Africa is a great market. Vega Foods started trading in Cameroon, where it quickly gained 60% of the condensed milk market. This success was replicated in other neighbouring countries. The widely used CFA currency, which is pegged to the euro, provided a degree of price stability.

As the demand for a greater variety of foods sourced globally began to grow, the company concentrated on providing the right products at the right prices.

"We formed partnerships with strong local distributing companies. They are experts at what they do, while we concentrate on our own expertise." The foods that have found such favour in Africa are now being sold in China and parts of Australia.

Has he considered manufacturing foods in Africa itself? "Not yet," says Chand. "But we are looking at the tremendous possibilities that, for example, the cassava presents."

For the time being, Vega Foods is content to provide the African customer with the best food available for the price. Summing up why Vega Foods has made such inroads over a short time, Chand says: "It is difficult to build a business without a conscience so we're trying to be a brand with a conscience."



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