

SABMiller taps into home-brew taste

SABMILLER launched a new beer this week to tap into the rising popularity of home-brew types of beer - a market said to be worth up to US\$4-billion a year.

"We want people to gravitate into what is highly aspirational for them, but to some extent unaffordable, with an entry-level beer," said Mark Bowman, MD of SABMiller Africa.

The world's first commercially produced cassava beer, Impala, will be sold in Mozambique for about 25% less than other commercial beers.

This is thanks to using locally grown cassava and a tax break agreed by the Mozambique government, said the world's second-largest brewer.

A 550ml Impala Cervejas sells for 25 meticals (R7.50). The product contains 70% cassava and 30% barley.

In the first two days, all 300000 bottles marketed were sold, said Bowman.

SABMiller aims to increase raw materials it sources locally to 50% in the next two years. It now imports about 80% of its raw materials.

More local content will benefit subsistence farmers and cut transport time and costs for the brewer. The venture will create jobs for more than 1500 farmers and their families.

"Smallholder farmers around Africa play an increasingly important role in our chain," said CEO Graham Mackay.

SABMiller has operations in 36 of Africa's 53 countries and Mozambique makes up 15% of the brewer's African business. In the past four years, SABMiller spent \$1.5billion in Africa on capital investment.

Bowman said the plan is to introduce the beer to other cassavagrowing countries. Capital costs on the project were "insignificant", he said.

Mackay said SABMiller is unlikely to launch the beer in South Africa, which does not have a "discount" category. SABMiller's sorghum beer Eagle is a success in Uganda.

Source: Business Times

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