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## 1. Executive Summary

### 1.1. The Problem

Nigeria is simultaneously the world's 13th largest tomato producer and the world's largest importer of tomato paste. Although approximately 200,000 Nigerian farmers grow over 1.5 million metric tonnes of tomatoes every year, half of their harvest is lost before reaching the market, and the remaining 50% is subject to significant downward pressure on price due to common gluts in the markets and the perishable nature of the crop. Farmers, who are among Nigeria's most financially vulnerable population, bear the burden of both these post-harvest losses and this price uncertainty. Smallholder tomato farmers lack access to a consistent, large market for their produce, rendering them unable to consistently make a profit and dis-incentivized to increase their yields or change their farming practices. As a result, domestic supply cannot meet local demand for fresh tomatoes, which exceeds 2 million metric tonnes or \$2.5 billion annually. The country supplements local demand for fresh tomatoes with \$360 million (over 300,000 metric tonnes) of imported tomato paste annually.

Nigeria is the most populous country in Africa and the seventh most populous in the world – its population is expected to grow from 170 million today to over 440 million by 2050. This has grave implications for the country's food security situation, given that it is heavily dependent on food imports. If global food prices were to spike and drive up the price of imports, as they did in 2007-2008, Nigeria would struggle to feed its population.

### 1.2. The Opportunity

A well-located, commercial tomato processing operation focused on continuous production rather than absorbing seasonal harvest gluts can increase incomes over five times for participating smallholder farmers, who comprise 75% of Nigeria's workforce. The Nigerian Federal Ministry of Agriculture and Rural Development has made a commitment to improve farm-to-processor links in the tomato value chain, but no business has yet developed a viable, sustainable model to competitively aggregate, process, package and sell tomato paste domestically. Our model links farmers directly to paste production, simultaneously reducing poverty for small holder farmers, who are among the country's most vulnerable population, and decreasing Nigeria's dependence on an imported food product that is a dietary staple in Nigerian cuisine

### 1.3. Mission

Tomato Jos is an agricultural production company that believes in the power of farming and processing local food products for local consumption. Our mission is to make tomato production a sustainable, profitable business for Nigerian farmers.

### 1.4. Value proposition

Value to farmers: we give farmers the tools and the incentive to sell a greater proportion of an increased tomato yield at a consistent, fair price.  
Value to consumers: we provide consumers with access to domestic tomato paste that





matches the quality of imported products at a lower cost.

### 1.5. Theory of change

If we can connect Nigerian farmers to domestic consumers of processed tomato products, we will improve the lives and incomes of smallholder farmers, provide more non-farming job opportunities for the increasingly urban population, and increase the stability and sustainability of the food supply in Nigeria.

### 1.6. Solution

Substantially improving the livelihood of smallholder tomato farmers requires moving multiple metrics simultaneously. Farmers must be able to sell more of their product, by increasing yields and reducing post-harvest losses; they must be able to capture a greater amount of the value of their harvest; and they must be less vulnerable to seasonal price fluctuations. To make this possible, Tomato Jos embeds farmers' production within a supportive, self-contained agribusiness ecosystem focused on local production, processing, distribution, and farming practice improvement.

At scale, Tomato Jos will operate three business lines: (1) Farm and agricultural center with farmer education and bundled inputs to help smallholder farmers grow and harvest crops more efficiently; (2) Logistics and supply chain support to navigate the "last mile" to smallholder farms and safely bring produce to the processing facility; and (3) Food processing and packaging facility that prepares finished goods for distribution in Nigeria.



As the business attains profitability, Tomato Jos will consider options to reinvest a portion of profits into expanded agricultural support programs for farmers in the surrounding community. Through investment in the community, we hope to further align farmer outcomes with the success of our venture and improve the lives of smallholder farmers and the competitive landscape for local agriculture, translating into future returns for the business.

### 1.7. Social Return on Investment

Tomato Jos will have a large positive impact on Nigeria's agribusiness sector, the social fabric, and overall economy by ultimately achieving the following:

- Increase revenues from tomato sales five times for participating smallholder farmers by year five.
- Create a demonstration farm that actively spreads agricultural best practices to the surrounding community.
- Provide a consistent market for approximately 1,000 farmers within our network by year five.



- Link farmers to markets and strengthen value chains through logistics systems that are able to navigate the “last mile” to smallholder farms.
- Improve access to the appropriate quantities of fair-priced inputs such as fertilizers and high-yielding seeds through bundling and pooled procurement.
- Reduce financial risk from volatile crop prices by offering forward purchasing agreements.

### **1.8. Financials**

Tomato Jos follows a low margin, high volume base of the pyramid model where profit is driven by both scale and technological innovation to control costs. We project that Tomato Jos will become profitable within three years of launch following investment focused on expanding the farmer network, our nucleus farm and expanding tomato paste processing capacity. Over this period we anticipate that Tomato Jos will undergo two key capital raises: a \$500,000 in seed equity in the first quarter of year two to fund our Nigerian nucleus farm expansion, launch the Dami system and begin processing tomato paste. Following the successful scale-up a \$3,000,000 growth equity subscription in quarter one of year four is required to fund expansion of the business model. Once Tomato Jos reaches scale we believe that profit margins will approach 15%.

### **1.9. Management Team**

Our four founding members have over 10 years of combined work experience in Africa, with professional and educational backgrounds that span agribusiness, logistics and supply chain management, consulting, finance, marketing and business development, investment management and nonprofits.

***Mira Mehta, CEO:*** Two years’ investment management experience, four years at Clinton Health Access Initiative (CHAI) solving HIV-related operational and supply chain problems in Nigeria.

***Nike Lawrence, COO:*** Five years’ investment banking research, one year at Acumen Fund building agriculture and healthcare pipelines and portfolios in Liberia, Sierra Leone, and Ghana.

***Shane Kiernan, CFO:*** Three years’ investment banking / management experience, two years at CHAI assisting national governments to secure financial resources for national health systems.

***Jared Westheim, CTO:*** Three years’ healthcare consulting experience, three years at CHAI and Technoserve implementing international development and agribusiness projects in Africa.