

21 January 2021

Innovations Session N°2

Grow local: Conquering local markets



INNOVATIONS
SERIES



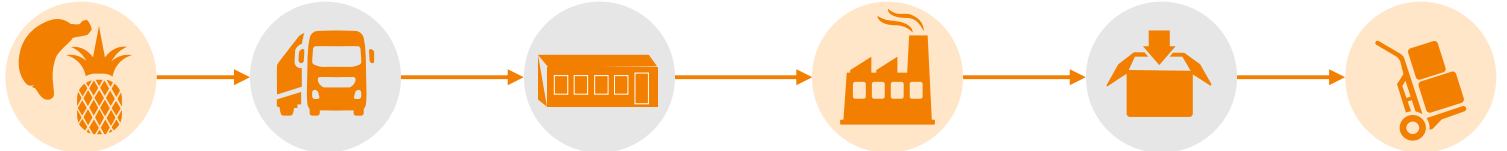


ReelFruit:

Developing the Fruit Value Chain Through Value-Added Processing and Markets





ReelFruit aims to tap into the most lucrative sectors of the horticultural value chain to build a globally competitive fruit processing business

Fruit value chain



Farming **Transport** **Warehousing** **Processing** **Packaging** **Marketing/ Distribution**

Nigeria is the largest producer of fresh fruit in SSA, accounting for 22% of production, less than 1% of produce is exported

-  **Mango**
775,000 tons/yr
-  **Pineapple**
988,000 tons/yr
-  **Coconut**
200,000 tons/yr
-  **Banana**
2.73m tons/yr

Overview

- Nigeria processes less than 5% of all fruit it produces, despite growing demand for processed fruit products
- Local demand for dried fruit as healthy snacks and inputs for Fast Moving Consumer Goods (FMCGs)
- Growing demand for packaged fresh-fruits for airlines & retail
- International demand for dried tropical fruit, In the EU market alone, tropical dried fruit is 1% of total dried fruit imports, worth **\$270MM**

- ReelFruit is building local and export markets for distribution for processed fruit products.
- The company is focused on the following channels:
 - Formal Retail
 - Airlines
 - Schools
 - Hotels
 - Informal Mass Market Channels

Milestones and Metrics (2013- Date)

Year 5 to 10

Year 0-5

Product growth

- The company launched with 4 SKUs, introducing dried mango and pineapple in 2 sizes in March, 2013
- The company added 3 new products and increased its SKUs to 11
- Increased Store presence to over 300 locations nationally
- Export sales: US (Amazon), Switzerland, Saudi Arabia, Netherlands

Key Trade Partners



By 2021, The company will commence backward integration efforts with a 1.5 ton daily fresh fruit processing capacity factory

ReelFruit's Proposed Expansion Plans

- The Company will build a fruit processing facility located in the outskirts Lagos, Nigeria
- The processing facility will be capable of dried fruits – such as mango, pineapple, banana, coconut, – all from local agricultural produce – at a rate of 1.5 tones/ day of fresh fruit throughput
- Due to its strategic domestic location, the Company will benefit from reduced logistical (shipping & admin) of raw materials as well as delivery to end consumers, thus being able to give farmers higher prices for their products
- The company will increase it's farmer network to over 300 farmers

Factory highlights



The factory's daily production output will be roughly **1ton** of dried fruit daily, using 6tons of fresh fruit daily



The factory will process mango, pineapple, coconut, banana and plantains



The location is ideal given the road networks linking to the rest of the country

Benefits



Greater control of supply chain- direct buying and building out growers
Improve gross margin by 50%



Give ReelFruit the capacity to handle demand from local FMCGs



Allow for flexibility to develop a wider range of products for mass market

Social Impact

Our Model Introduces Female Farmers To High-Value Mango Farming



- ReelFruit has a 14-Acre Mango Farm in Anturu, Kaduna, with 6500 stands of Keitt and Kent Mangoes (***funded by IDH Sustainable Trade***)
 - ReelFruit supplies Farmers with Seedlings, Inputs, Training and Technical support in the production of improved Mango varieties via standardised management practices. Upon harvest ReelFruit will be a guaranteed market for the mangoes, with a profit-share reward system
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- Beneficiaries: 45 Women, aged between 18 -50 years with an average annual income of N75000 (\$205)
 - They are mostly mothers with an average of 3 children per woman.
 - 300% increase in farmer incomes leading to improved quality of life and standard of living. Increased potential of income through profit sharing of mango sales.
 - **Impact to date:**
 - Monthly Stipend of \$30 as salaries
 - Global Gap Training on Mango Farming
 - Intercropping of short-term crops with guaranteed market access to augment incomes

Thank You!

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Thank you

