



JEANETTE CLARK, 16 JUNE 2020

Figuring out how to produce tomato paste in Nigeria: The story of Tomato Jos



Mira Mehta

In January 2020, Nigerian **agribusiness** company Tomato Jos broke ground for its tomato paste processing plant in the northern state of Kaduna. The idea to process tomatoes into tomato paste first came to American-born entrepreneur Mira Mehta as

she was travelling for her non-profit work in the north of the country in 2008 and saw first-hand the post-harvest loss of tomato crops. After attending Harvard Business School in 2012, where she fine-tuned her business plan, Mehta founded Tomato Jos in 2014.

Tomato Jos has been perfecting its tomato farming process ever since, increasing its yields and training local partner farmers. “I didn’t think it would take this long,” Mehta admits. “I thought that it would take us maybe two years to figure out the farming and then we’d be on our way to processing. In the end, it took us five years to figure how to bring gold standard processing to Nigeria and to marry those practices with the realities on the ground.”

With every annual harvest, the Tomato Jos team would learn lessons that could only be implemented the next year. “You can’t just take a perfect system from California and then plonk it down in **Nigeria** and expect it to work. You have to figure out which things move yield the most, which things are possible in Nigeria given infrastructure constraints, etc.”



Tomato Jos has achieved improvements in tomato cultivation far above average Nigerian yields.

The gradual progress the company was making convinced Mehta she was on the right path. “The fact that we were doing it differently to everyone around us gave me confidence. I realised that if we can build our business this way, we were creating a pretty strong barrier for entry for competitors.”

Outstripping average yields

Today, Tomato Jos has 50 full-time employees, 20 additional local security staff members patrolling the fields and 350 partner farmers who receive support and education to increase their crop yields for supply to the company. “On average, we also hire anywhere between 20 to 200 casual day labourers at any given time; that is a pretty strong employment reach already.”

Currently, the company’s tomatoes come from a total of 25 hectares of farmland. Its own commercial farms account for five hectares, while the rest belongs to smallholder farmers. The aim is to increase the area under cultivation to 120 hectares, with a 40/60 split between its own fields and smallholder farmland.

Since the first year of operation, Tomato Jos has achieved improvements in tomato cultivation far above Nigerian baseline yields. According to documents shared by Mehta, the average yield for tomatoes in the country is just five metric tonnes per hectare. Tomato Jos’ average yield is 39 tonnes per hectare and its highest yield achieved was 71 tonnes. Through classroom and field-based training, Tomato Jos has focused on changing more than 100 specific farming behaviours for the farmers in its programme and increased their incomes by up to 15 times.

The underlying low productivity of Nigerian farming is a primary reason why so much food is still being imported, says Mehta. “For the processor, the farmer has to sell at the right price and imports are still cheaper due to the way products are grown in Nigeria.”

It took Tomato Jos some time to find the correct approach to increase productivity. The company had to work with the realities on the ground. To get 80% of its programme farmers compliant with a 50-tonne per hectare yield was far better than 10% of farmers with a yield of 100 tonnes per hectare.

Capturing market share

Nigeria is the **world's 13th largest** importer of tomato paste. This is despite significant post-harvest losses of approximately 45% of the tomatoes cultivated in the country because buyers can't be found.

“There was this obvious market anomaly, where the link between supply and demand seemed to be broken. Driving around northern Nigeria during certain times of the year you would just see piles and piles of tomatoes that the farmers couldn't sell. There was also the market opportunity in the way Nigerians consume tomato paste as part of their cuisine,” Mehta says.



Mira Mehta at the groundbreaking ceremony of the company's tomato processing factory.

While waiting for construction to finish on the processing facility, the Tomato Jos team is now planning the marketing and distribution of its branded product. The Covid-19 pandemic has impacted its immediate timelines; machinery needs to be imported from Italy and construction was halted as it is not classified an essential service.

The tomato paste market in Nigeria is a lucrative one – \$500 million a year. With its first processing plant running at full capacity, Tomato Jos will capture only up to 1% of the national market share and between 5% to 10% of local demand in Kaduna State. “In our first year, we will be able to produce around 500 to 700 tonnes of product, then we will aim to triple that in our second year,” adds Mehta. The market in total is around 400,000 tonnes.

She admits it is a competitive space with most of the major multinational companies vying in the market spending millions a year on advertising.

Tomato Jos will highlight that it uses local Nigerian tomatoes, grown by local Nigerian farmers. Secondly, it will be looking at distribution deals with larger food companies that would see tomato paste as part of their product offer. “In Nigeria, distribution is key. If you can get your product in the market via the correct distribution channels it will sell,” Mehta explains. To be able to compete, the company will sell Tomato Jos paste at a slight discount compared to the prices of the leading brands.

An interesting dilemma the team is currently addressing is the colour of the paste. Tomato Jos tomatoes produce a bright red tomato paste, which is lighter and brighter than the dark red the market is used to (the darker colour is due to oxidation and age). “The Nigerian customer is extremely aware of colour,” says Mehta. She believes it won’t be prudent to put a premium product on the market that does not match the general customer’s expectation in colour. “The first product we launch will have to look and feel like the product that the customer knows.”

Lessons learnt

The company has just raised €3.9 million in funding, led by Goodwell Investments through Alitheia Capital – its West African partner – with participation from Acumen Capital Partners and VestedWorld.

Despite setbacks created by the pandemic, Tomato Jos is striving to achieve a production test run by March 2021 and product launch by June next year. “We are hoping that we can make up for the delays as we have built a lot of leeway into our timelines.



Tomato Jos currently sources tomatoes from 25 hectares of farmland.

“I can’t stress enough how much help I have received over the years. How much I have relied on the kindness and the patience and the time and the intelligence of other people to help me get to where I am,” says Mehta of the success achieved thus far. “I am not a farmer or an agronomist.” She confesses one of her weaknesses as an entrepreneur is dealing with conflict and as a perfectionist, she had to accept conditions on the ground do not always allow for such exacting standards before moving forward.

Mehta cautions foreign entrepreneurs to heed a certain element of Nigerian culture: the relational nature of doing business in the country. “It is actually a very small country. You never know who you are talking to, who they know, who they have worked with. It is really important to understand how relationship-based working in Nigeria really is.”

Further reading

[June 2020] [Burkina Faso: Food processing company adds value to locally-grown cassava](#)

[June 2020] [Moving Egyptian fashion forward: How the youngest in a family of entrepreneurs is taking the company online](#)

[May 2020] [How Kenya’s Wandia Gichuru has tackled the business of fashion](#)

[May 2020] [Fish leather shoes: Kenyan entrepreneur finds export market for](#)

innovative products

[May 2020] Spotting opportunities in Ethiopia: The story of serial entrepreneur Addis Alemayehou

TAGS: KADUNA STATE, MIRA MEHTA, NIGERIA, TOMATO JOS

