

# Vertmance Agric Partners Limited

# The Challenge

**Nigeria's per capita daily protein intake is estimated to be 45.4 g as against the FAO minimum 53.8g (Iyangbe and Orewa, 2009). This situation is as a result of a broken protein supply chain, especially of ruminants and most especially cattle.**

Africa's largest economy, depends on her neighbors for cattle supply (over 90%), and lacks a breeding or modern livestock production industry.

These animals are slaughtered under primitive, unhygienic conditions and sold to consumers at top dollar with the risk of food-borne diseases, including typhoid and diarrhea. The cost of Nigeria's 173 million annual episodes of diarrhea and the 35 million ailments attributable to beef alone is said to be \$5.6 billion, and treatments/lost income cost \$156 million.



## Security & Health Challenges

Animals are moved from Nigeria's Northern border outposts, mostly by herdsmen who clash with farmers, leading to countless deaths in their long walks to the main markets in the South. Importation and middlemen costs ensure the animals arrive expensive and diseased.



## Cost-To-Value Disparity

Nigerians are at the bottom of the league table of protein (meat) consumption globally (14th Lowest in the World lagging War ravaged Palestine, Liberia and Uganda!), despite paying top dollar for this commodity and getting the product in mostly unhygienic conditions.

## Agricultural Sector Economic Contribution

The Nigerian Agro sector is geometrically contributing to our nation's GDP - especially in light of the continuous shrink in the contribution of the oil sector.

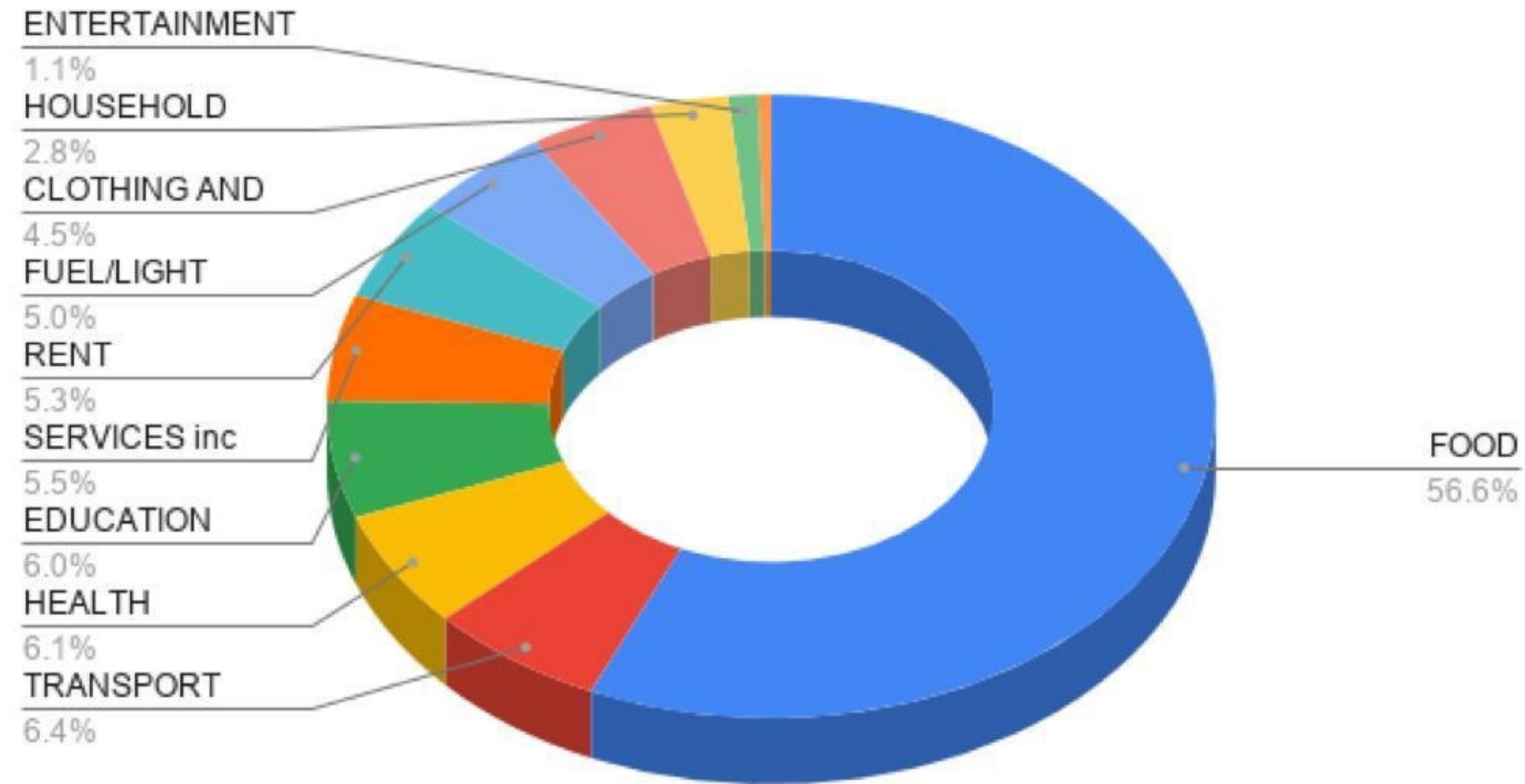
This had inevitably lead the government to look appropriately into promoting policies that encourage non-oil sectors (especially agriculture)

The collapse and volatility of oil prices witnessed during this COVID-19 period makes this evermore urgent.



# Nigerian Business Environment

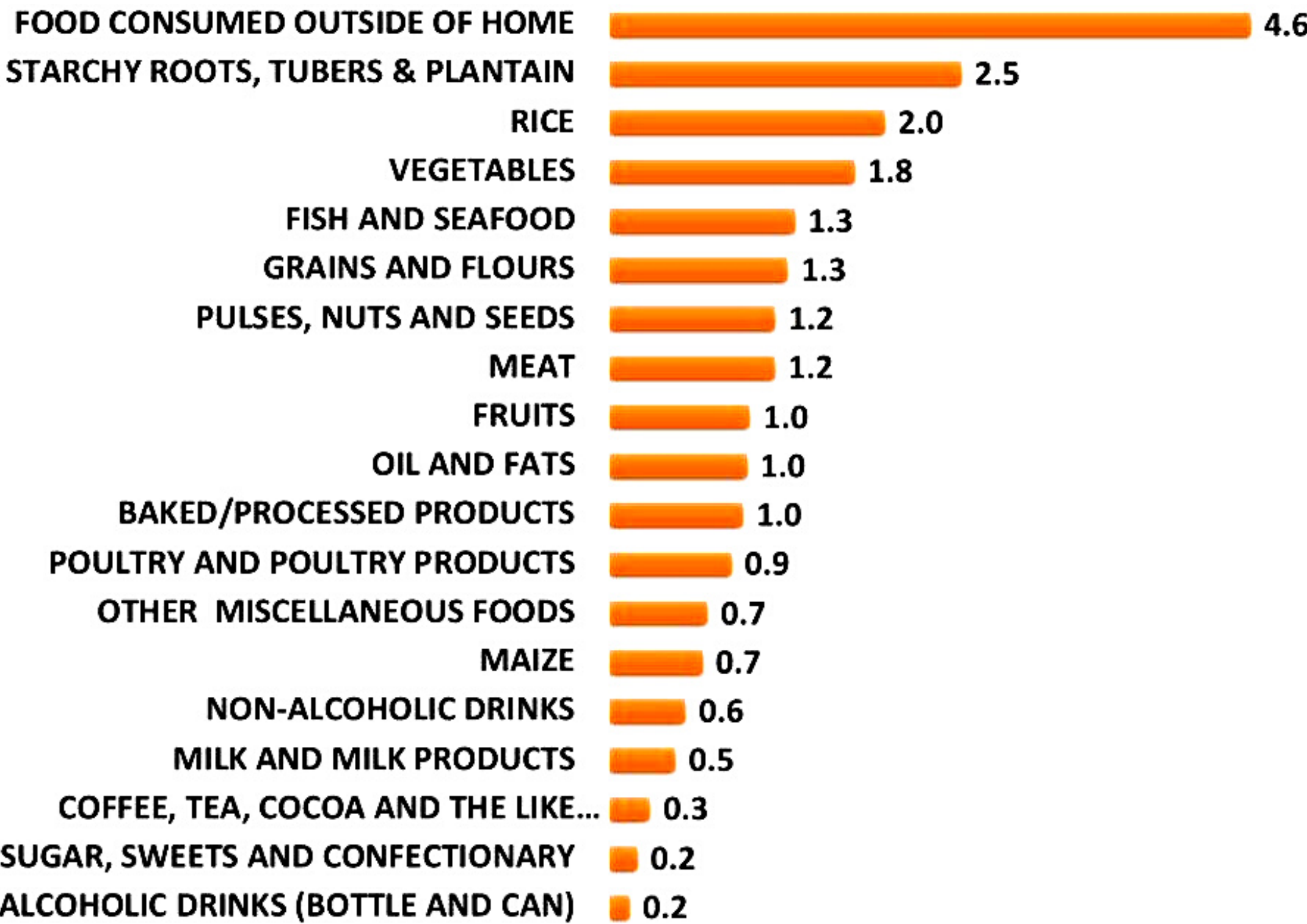
Household Spendings - Percentage



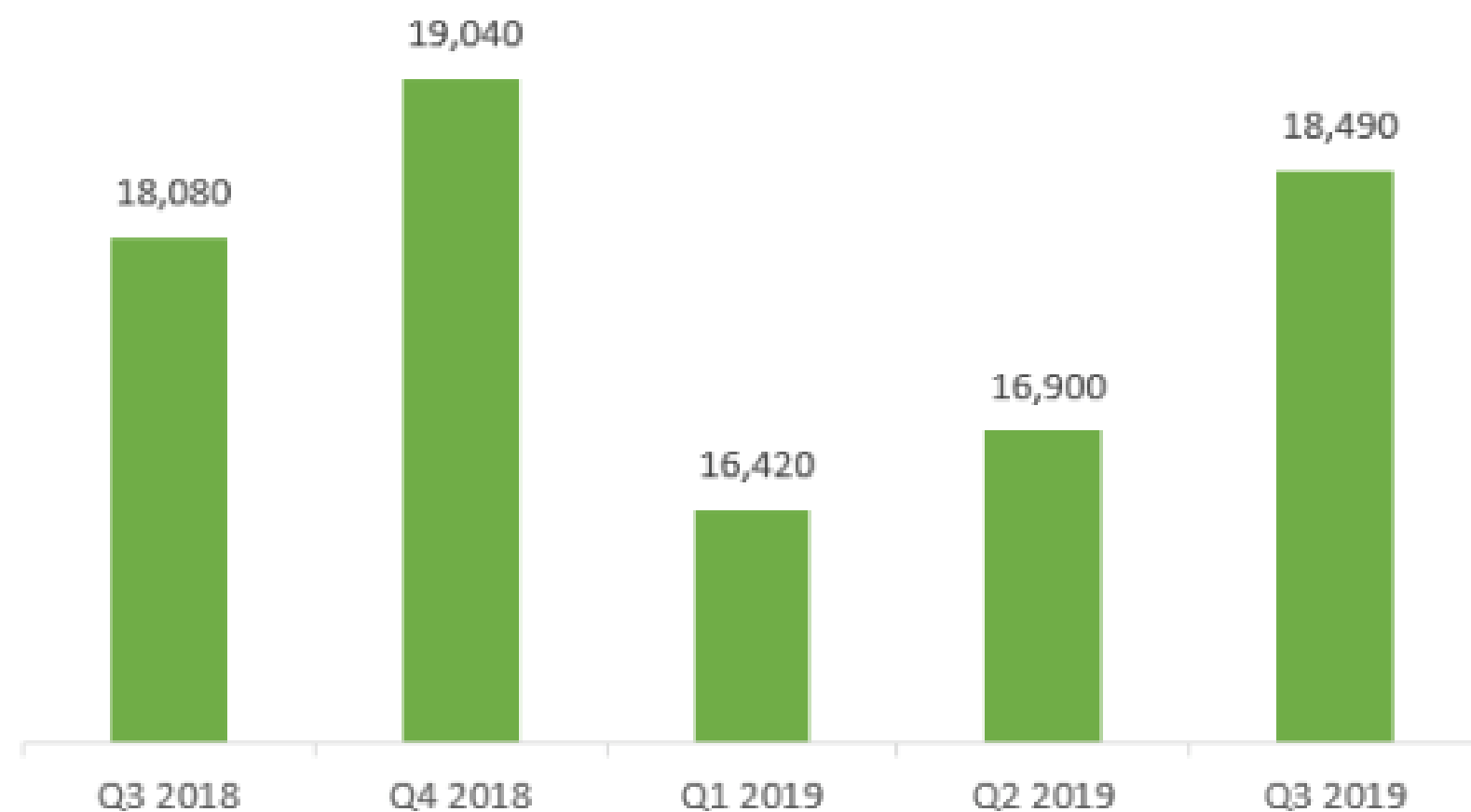
# Breakdown of ₦23 Trillion Spent on Food in Nigeria

Shows our direct addressable domestic market is ₦6.5 trillion (excluding food consumed outside the home).

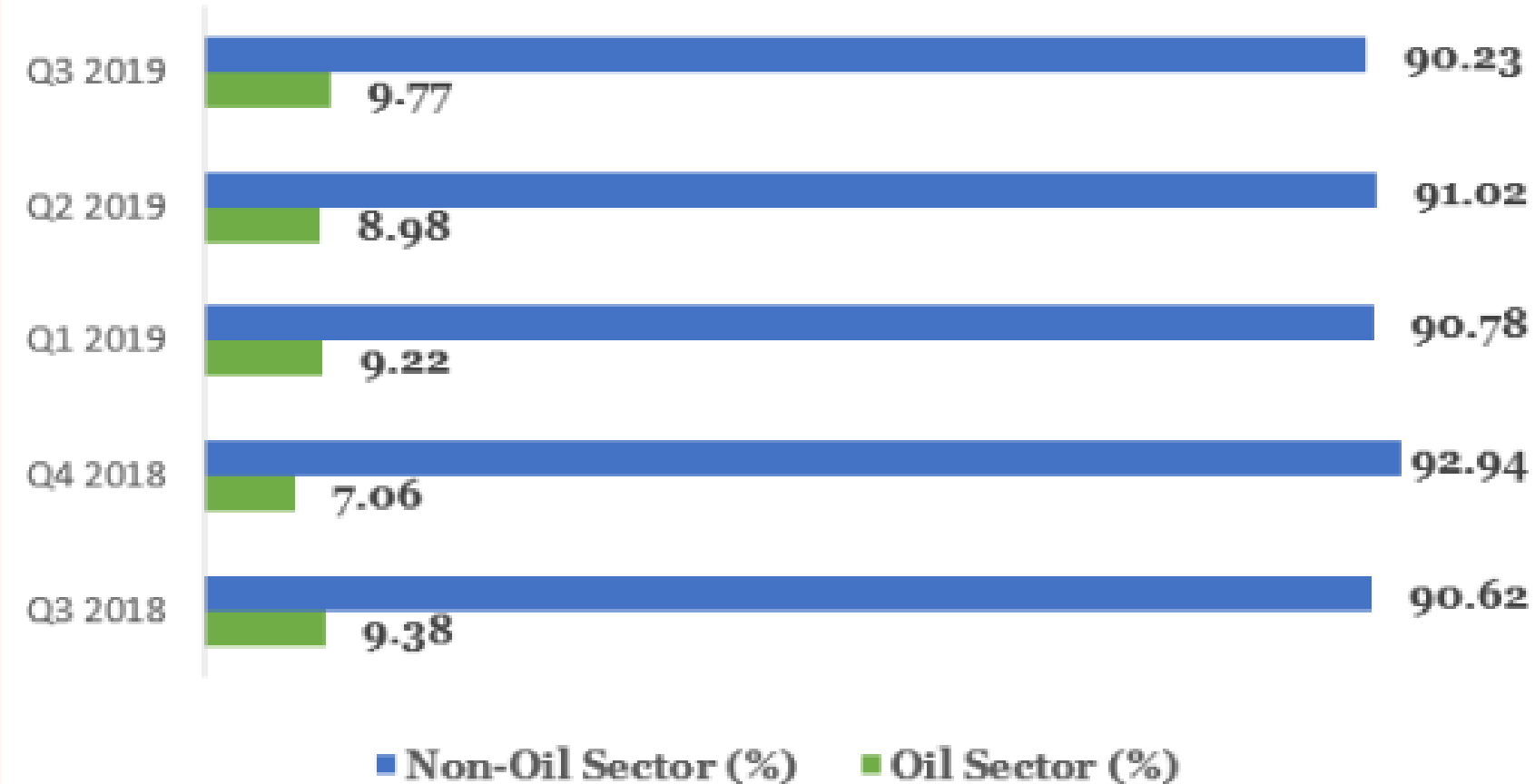
If we extrapolate the statistics that ₦8 trillion addressable domestic market for VAP in its market of Meat, Grains, Rice and Maize.



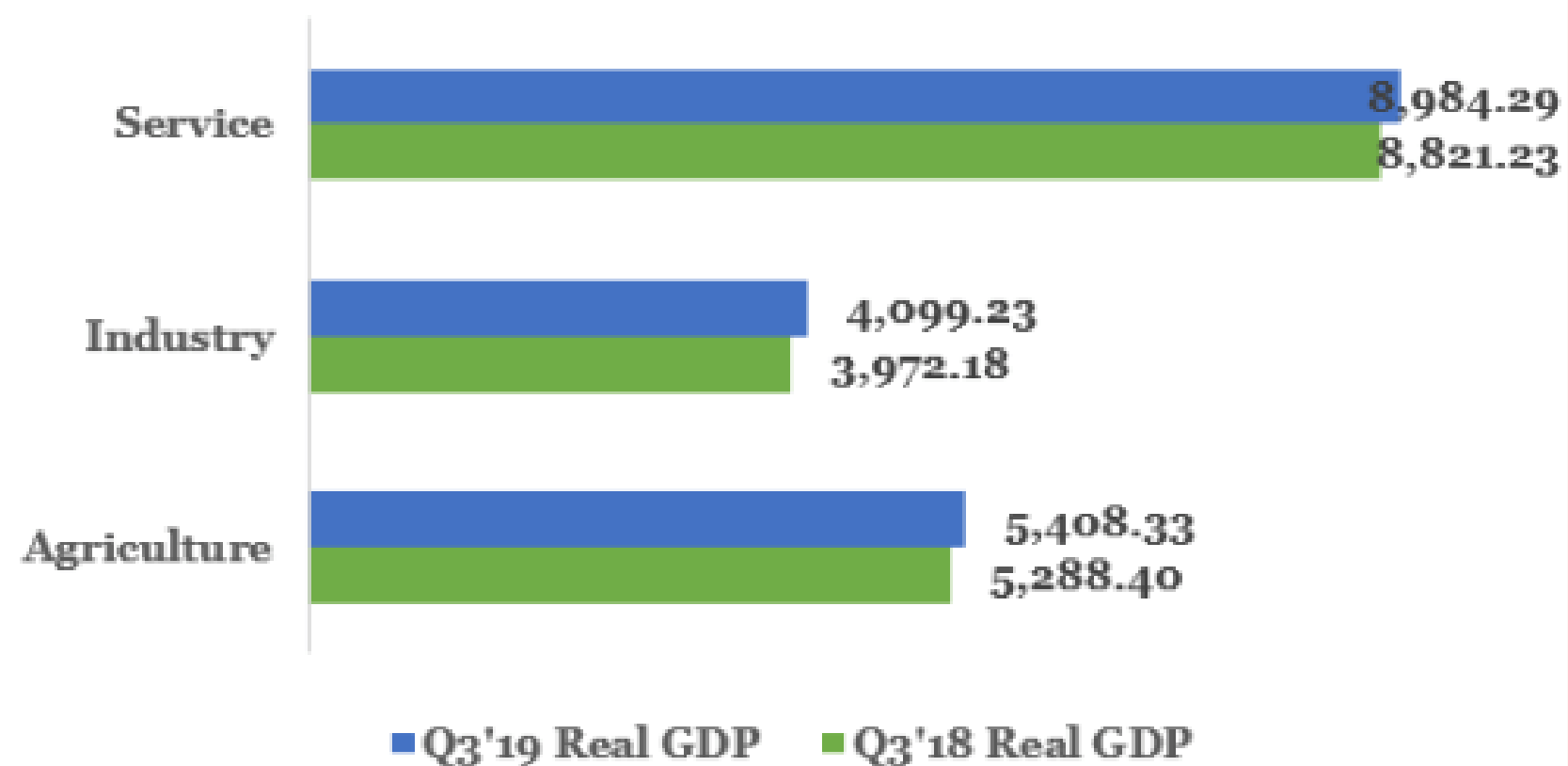
Real GDP (N'billion) Since Q3 2018



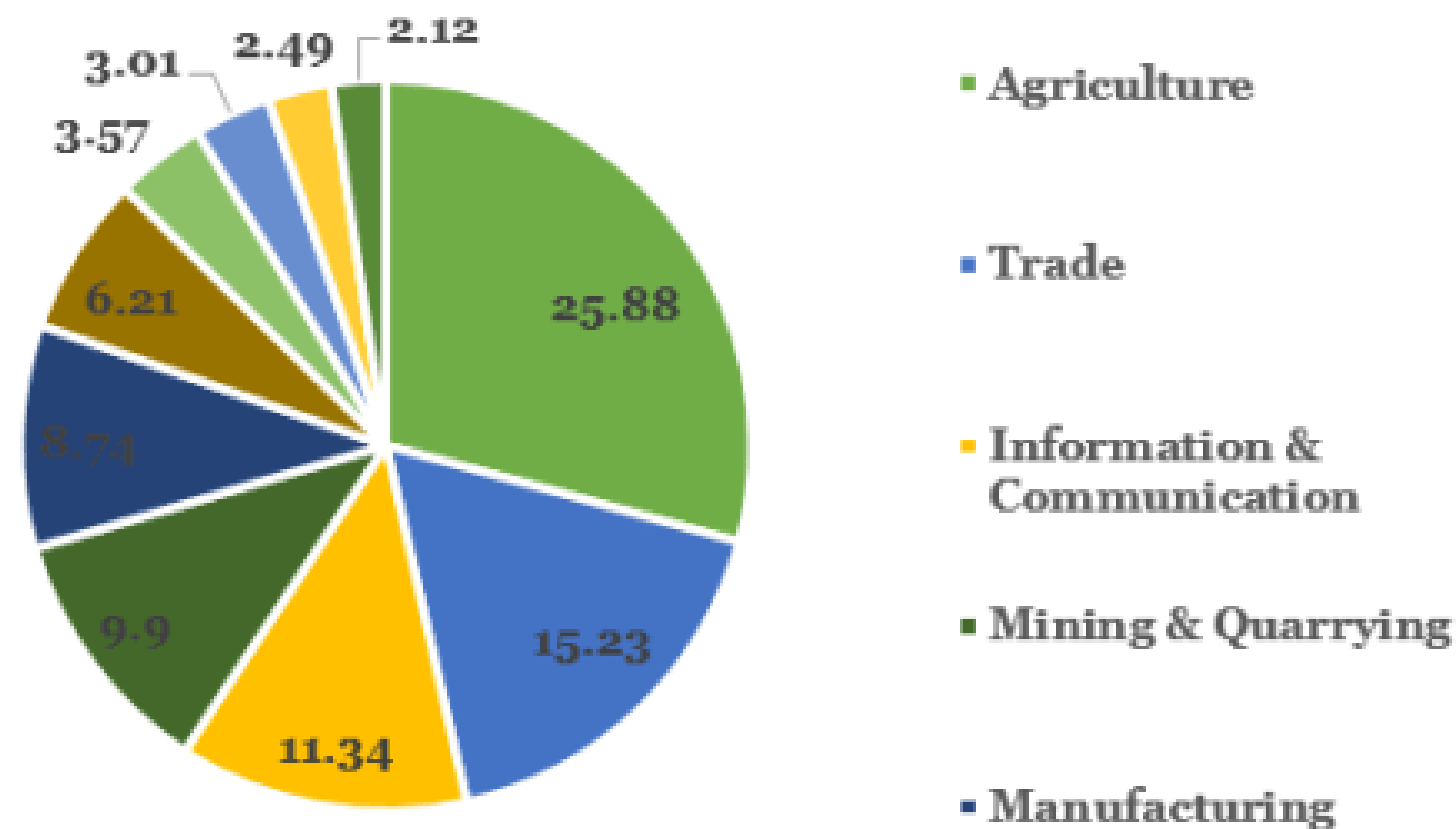
Contribution to GDP: Oil Vs Non-Oil



Contribution in Q3'18 Vs Contribution in Q3'19

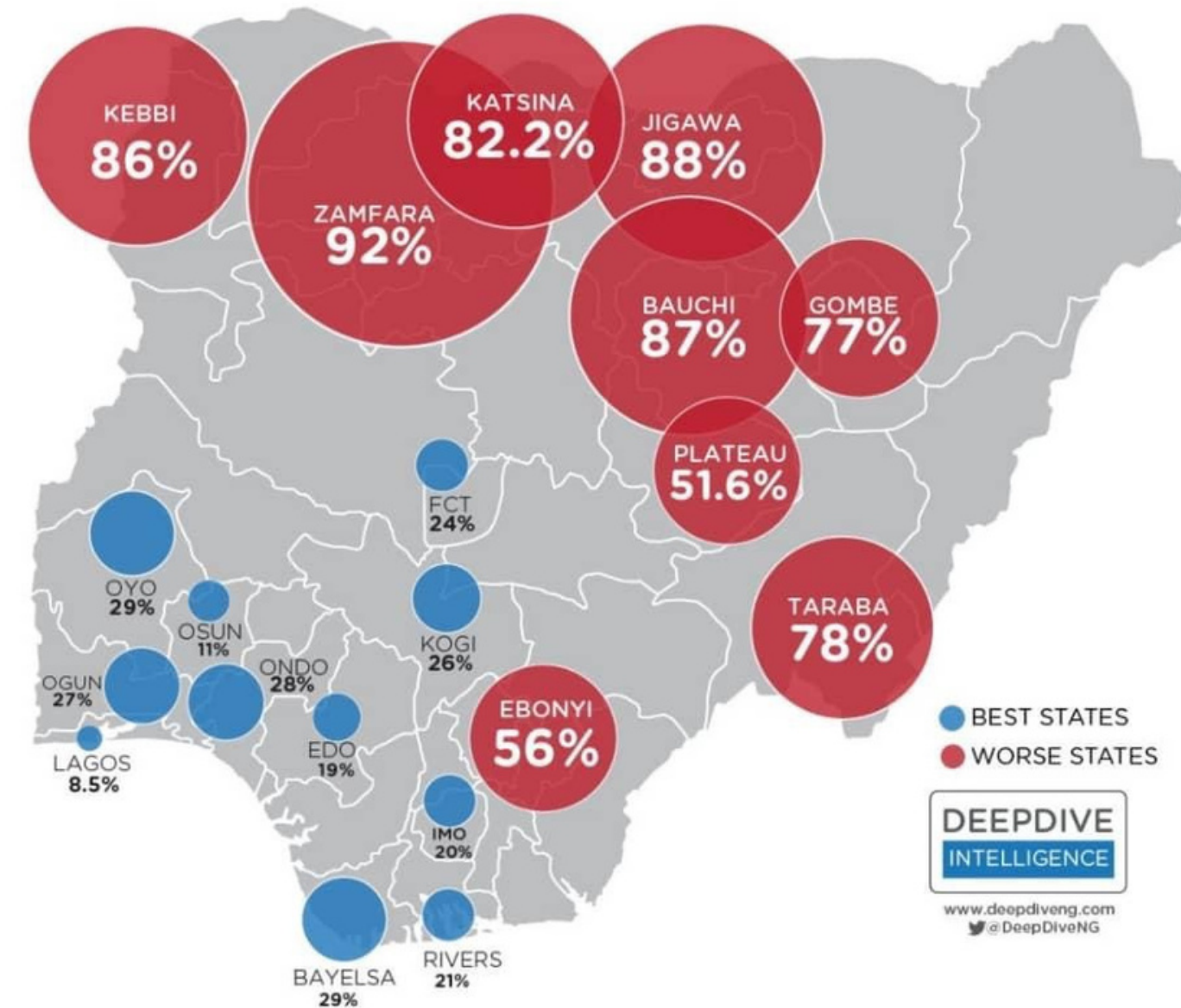
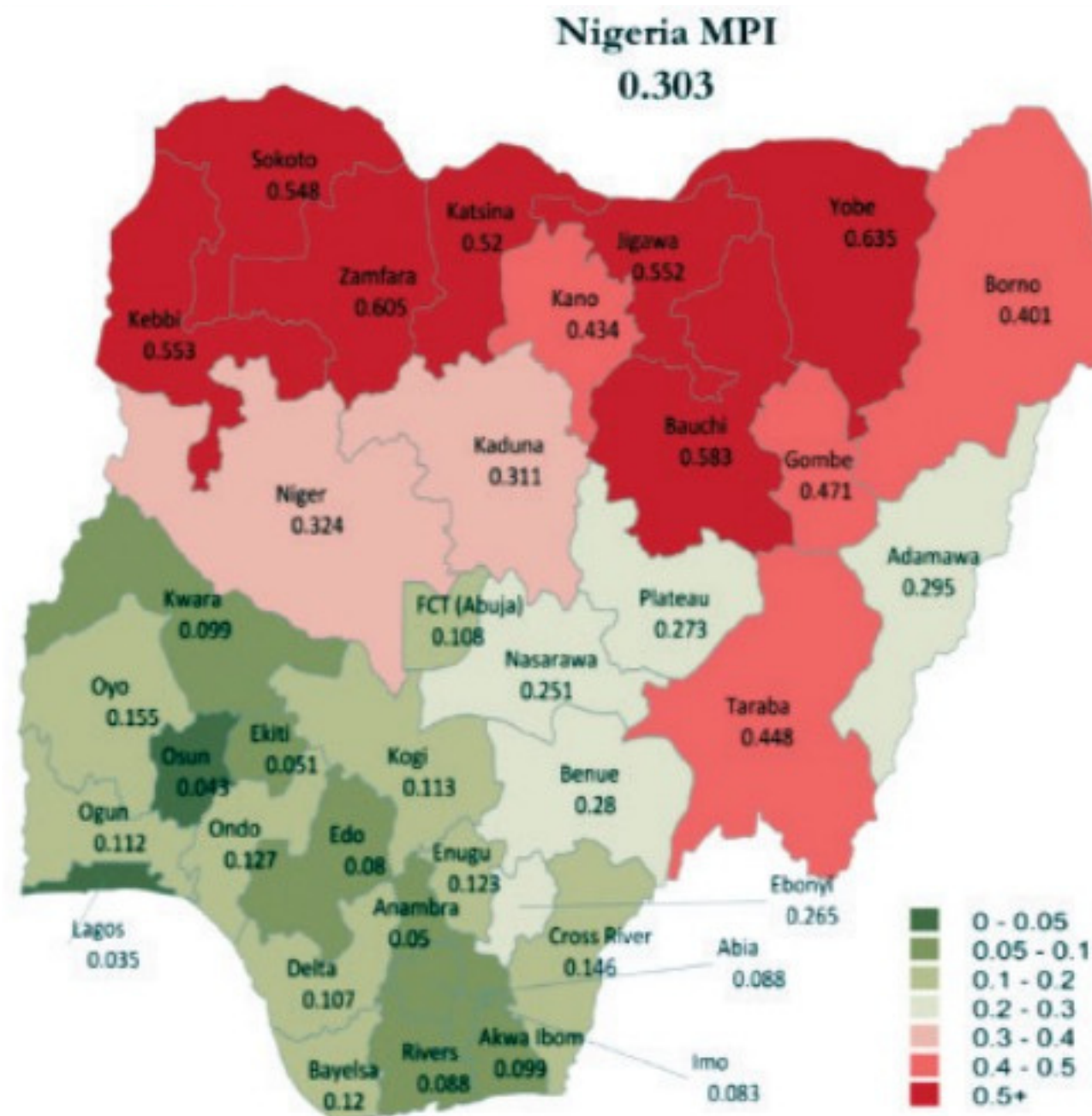


Top 10 Major Activity Sectors (Q3'19)



# Poverty Index Map

## SUBNATIONAL POVERTY RATES





# Ongoing & Portfolio

## Initial Investment

- ★ We Invested \$175,000 raised from angel investors In infrastructure.
- ★ Parent (VRL) Invested over \$350,000 over 3 years in acquiring 40 hectare site, leasing over 200 hectares directly, and securing rights to addition 1,300 hectares.

## Additional Investment

- ★ Additional estimated \$250,000 to \$400,000 in sweat equity invested to develop operations and set up operations between 2017 and 2019
- ★ So far we have raised 230 million (Approx. \$500k) naira (trade line to focus on livestock.

# Livestock Production Portfolio



## Financing Raised for Livestock

★ Raised ₦140 million trade line to focus on livestock. This includes infrastructure upgrades and trading (retail outlets inclusive).

## Value of Current Stock

★ We currently have about 220 heads worth ₦45 million in stock, expensed ₦20 million naira to trade additional 100 heads (trade now exited).

★ ₦15 million naira to enhance Infrastructure and overhead to handle 300 heads of cattle on main ranch.

★ Secured rights to additional 540 heads of cattle in NIRSAL value chain line is at 20% (to be repaid in September 2020).

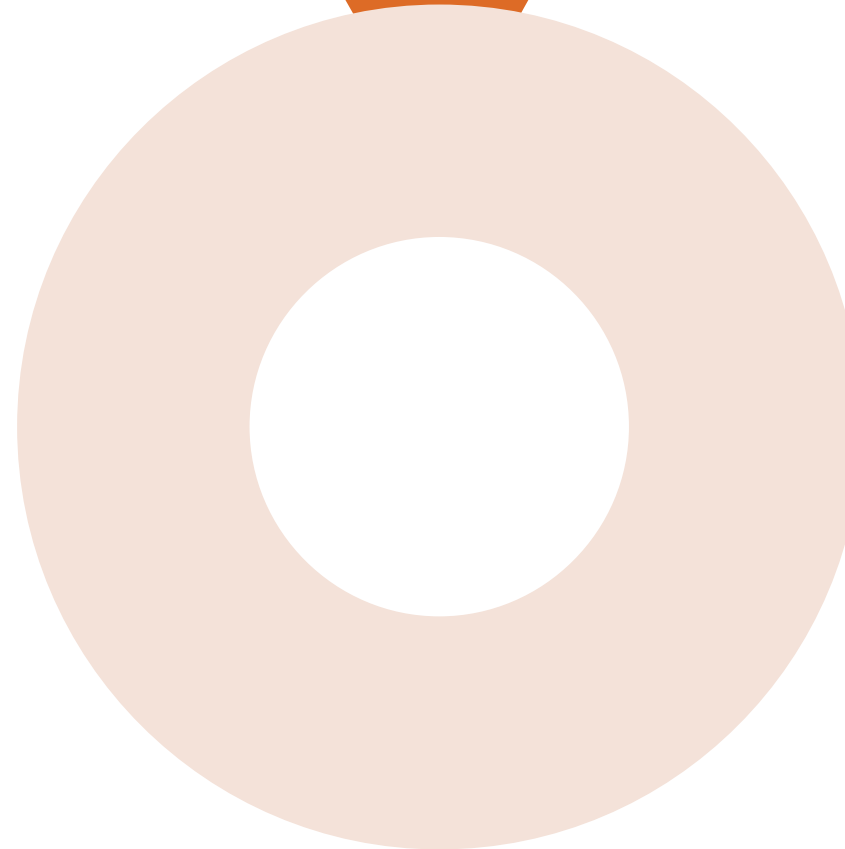
# Expected Return on Livestock

**25%**

Return on Cattle  
Production/Wholesale

**20%**

On the Retailing including  
Online & Franchise sales





# Grains Production Portfolio

## Estimated Revenue Raised

- ★ Raised ₦80 million trade line to focus on feedstock (grains) at 15 % (due September, 2020).
- ★ Expending ₦40 million at Doma Site directly on 200 hectares.
- ★ ₦40 million to be utilized as off-take for Anchor Borrower Program on 750 hectares being farmed under Evergreen Cooperative Subsidiary.

Line converted to USD to hedge and has risen in value by over 10% since hedged.

**Will Require Refinancing...**

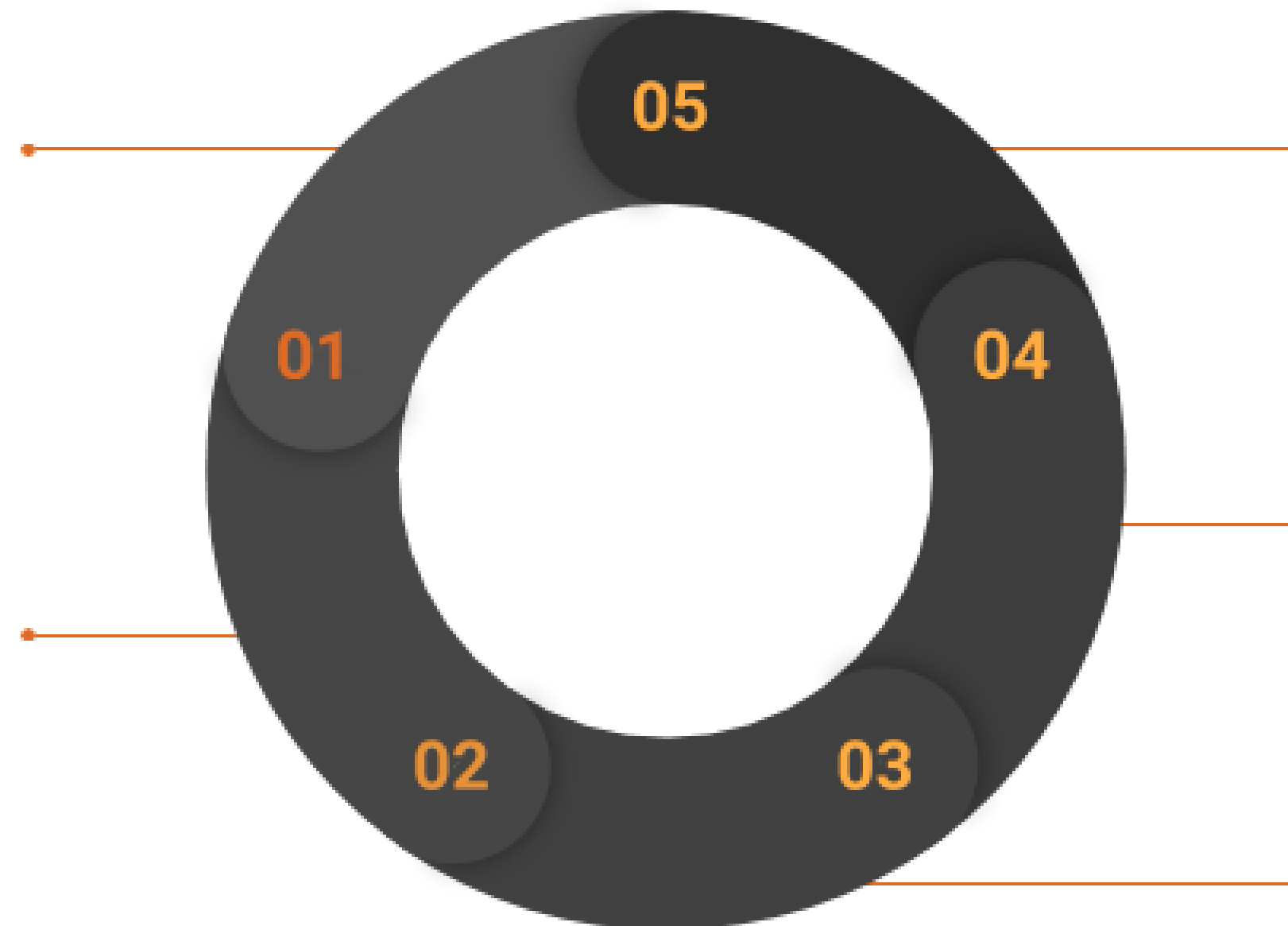
# Our Crop Production Cycle

## Seed Genetics & Land Preparation

Seed quality is the basis of efficient crop production, that is why we strive to always provide our farmers with high quality seeds.

## Nursery, Planting & Fertilizers

To minimize nutrient runoff, we took a great deal of effort to understand the response of plants to fertilizer applications within our production system.



## Retail / Offtaking

Off-taking of farm produce has been described as a means to deepen crop industrialisation, impetus to rev up agricultural productivity and solution to current poor agricultural financing in the country.

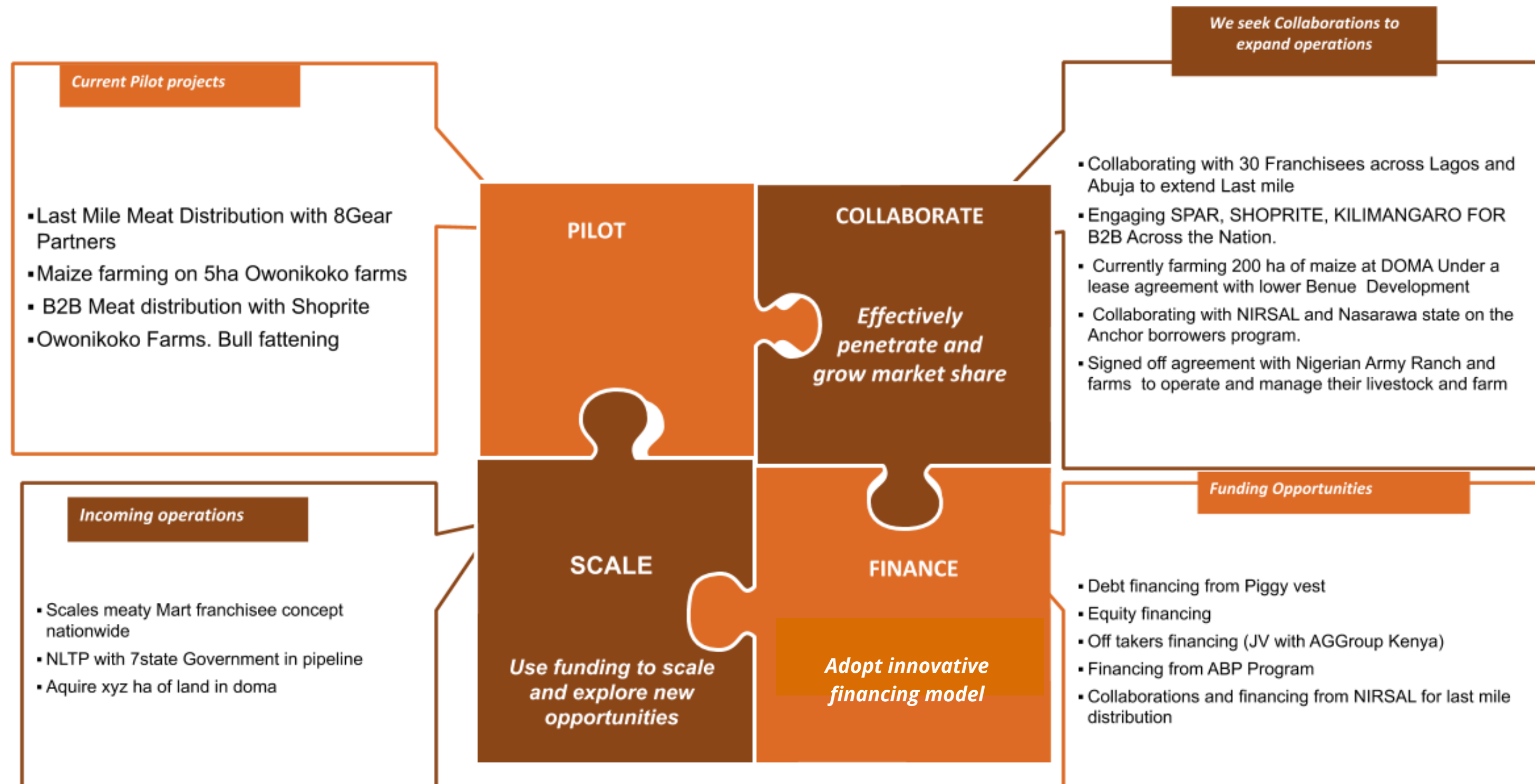
## Harvest & Storage

We perform basic harvesting operations which can be done in individual steps or in combination using a combine harvester.

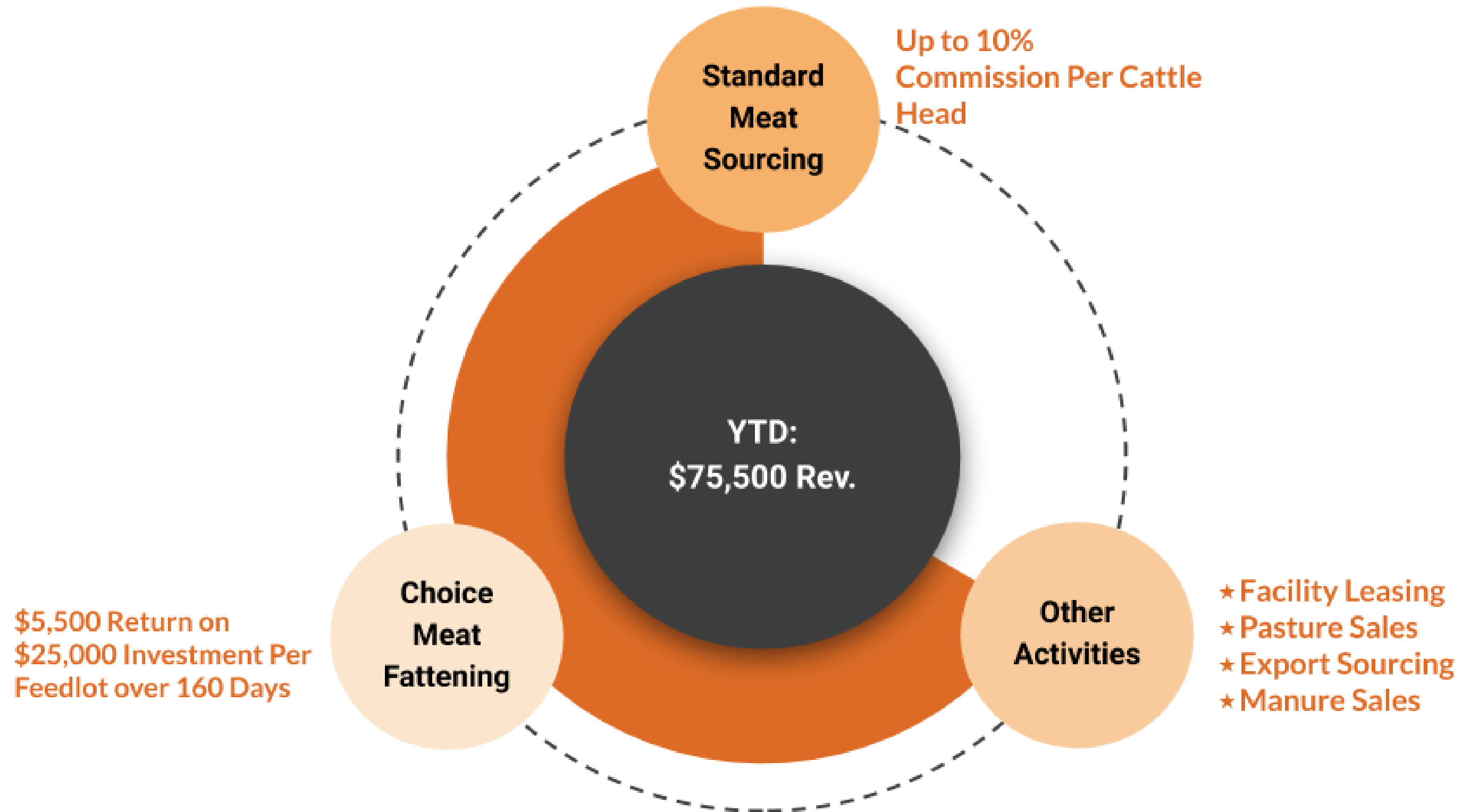
## Pest Management

Our farmers follow an efficient Pest control regimen for regulation and/or management pests, as they impact adversely on profitable agricultural activities.

# Our Execution Strategy



# Revenue Model





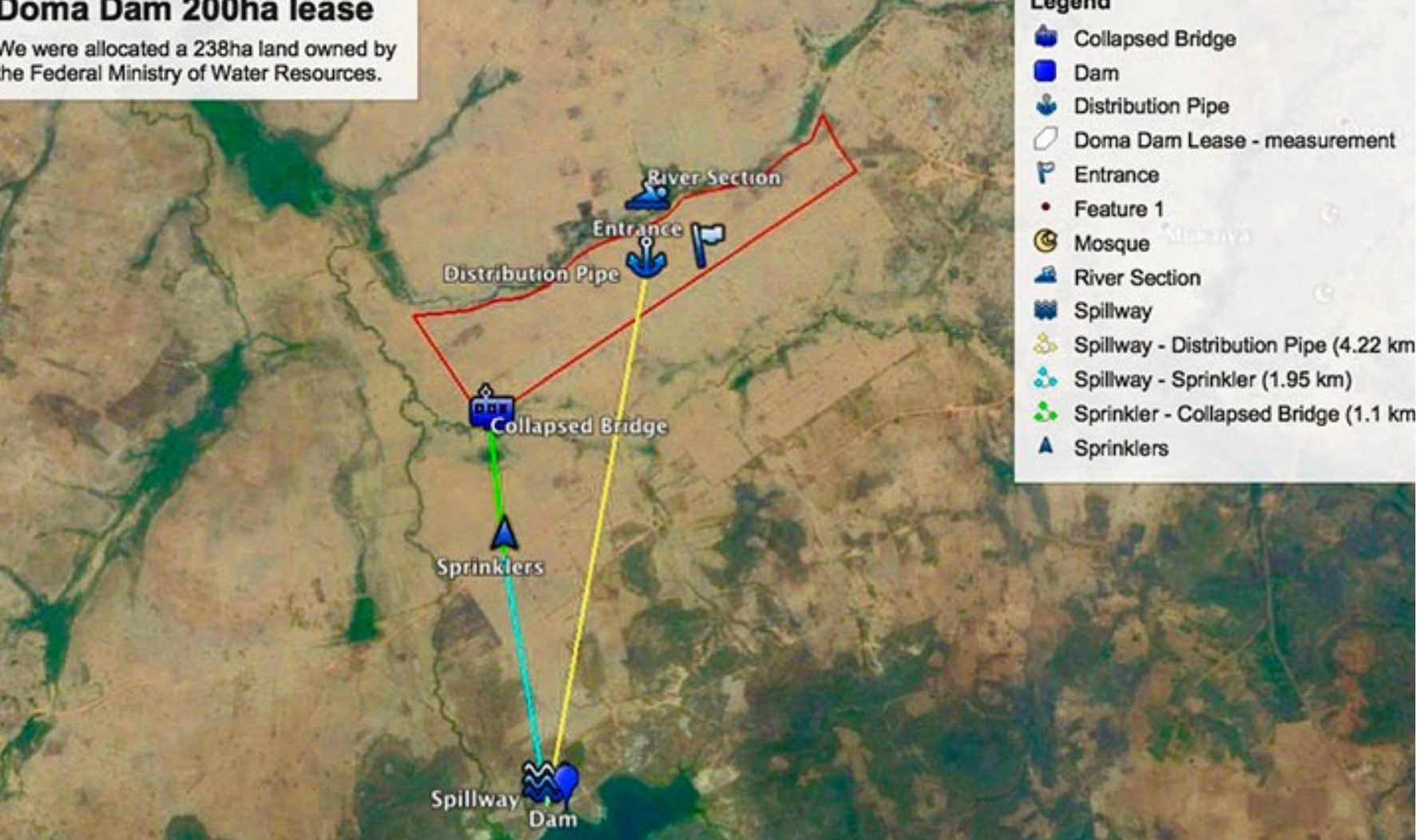
# 2018: Project Hump- Owonikoko

In a bid to fulfill our mission of building an efficient and competitive commercial agriculture capable of providing high-value added products for domestic and foreign markets, we built OWONIKOKO RANCH & FARMS.

OWONIKOKO is an INTEGRATED feedstock production and livestock fattening enterprise involved in upgrading and multiplying livestock breeds/herds with local adaptability and improved quality and yield.

## Doma Dam 200ha lease

We were allocated a 238ha land owned by the Federal Ministry of Water Resources.



# 2019: Project Hulk- Doma Dam

- ★ We have currently secured 200ha plot concession in Doma Dam from the FGN for feedstock production
- ★ Additional 2,300ha at Doma Dam, up to 500 ha under agreement for community farming & Anchor Borrower Program
- ★ We currently engaged over 175 farmers



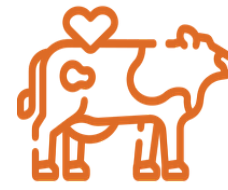
# 2020: Project Last Mile- Meaty Mart

★ In line with our expansion and integration strategy we flagged off our retail chain in July, 2020

★ 3 Flagship stores (2 in Lagos, 1 in Abuja) is Live, and several resellers and online store is activated

★ Up to 10 people are directly employed, and processing facilities are in Keffi and Lagos facilities

# Our Unique Selling Proposition



**Cattle Sourcing Network & Reduced Upfront Capital**



**Access To Massive Acreage For Feedstock**



**Optimized & Integrated Operation.**



**Access To Market (with network of marts & off takers)**



**State-of-the-Art Modern Infrastructure / Facilities**



**Capital Efficiency (achieved by leveraging strategic partnerships)**



**Best-In-Class Globally-Trained Personnel**

# Expansion Opportunities



Expand Feedstock  
to 1000- 5000Ha in  
Taraba & Kaduna  
Sites



Last-mile retail  
supported by  
NIRSAL



Supply of beef to  
Park 'n' Pay,  
Shoprite, Spar



Solidifying partnership  
with large overseas  
Ag-entity



Franchise of Meaty  
Mart, Increase  
footprint to 30  
Locations

# Opportunities Summarised

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## Capital Injection

Seeking for Investments and/or Private Equity Injection for rapid expansion to gain market share



## Strategic Partnerships

NLTP - Nasarawa, Lagos, Ogun, FCT all in the pipeline to truly scale across livestock and feedstock



## Expand Market Reach

Leverage Meaty Mart Platform to expand touch points with consumers in Africa's largest economy



**Michael  
Oluwagbemi**

## **CVO/Board Chairman**

### **Background**

MBA, London

MSEE, Houston

PE (USA), PMP, COREN (NGR)

Serial Entrepreneur

GE Fellow

Ashoka Global Changemaker



## Security & Health Challenges

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# Team

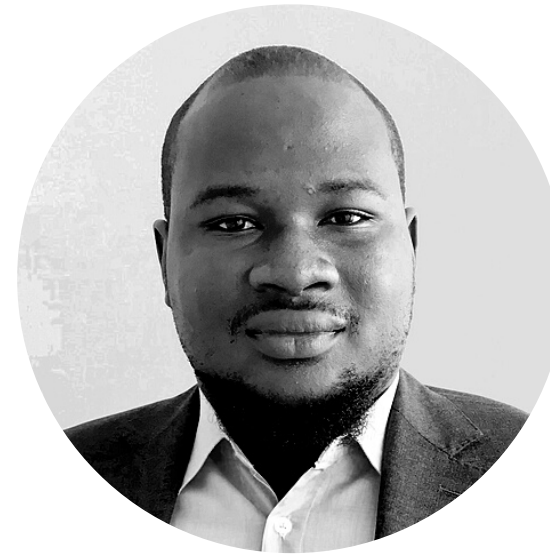
Meet the Team Members



**Femi Oluwagbemi**  
General Manager



**Ademola Asubiaro**  
Group CFO



**AbdulRahman Adamu**  
Business Manager



**Kemi Akinola**  
People Manager

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