



P&J For Juice and Paste "Paste & Juice"



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The Tomato News Conference
October 26th, 2022 Parma



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Introduction...

- The presentation is meant to introduce P&J 's methodology of expansion and development of capacity moving from the top **50** factories to be ranked among the world's biggest **10** factories producing tomato paste.
- The mission for accomplishing above vision is divided into action plans:-
 - * **Immediate action plan, 1st line 1000 ton/day (Under Process).**
 - * **Intermediate action plan, 2nd line 2000 ton/day, after steady performance of the first line.**

***Today, there is a world gap between production and consumption of tomato paste.**

-The top leading world processing countries are facing big issues and economical challenges such as:

1-Italy & Spain: Facing issues in water availability for irrigation, and price of fresh tomatoes increased by 63% & 57% respectively in the last 5 years due to increment of agricultural inputs, as growers started to plant other crops that have higher income and lower risk like: cotton, sunflower, corn, rice...etc.

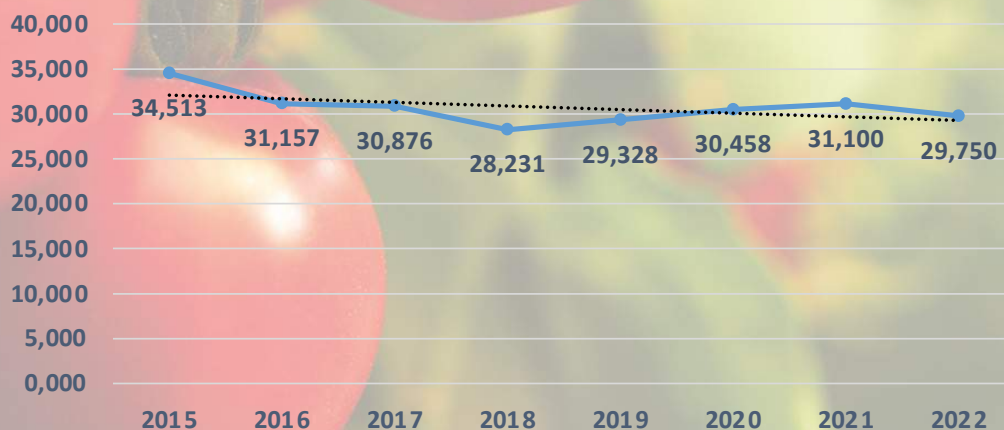
2-California, USA: Facing a big issue in water availability for irrigation is becoming the main big issue, as experts have expected that it will last for a long time.

3-China: Government has removed the incentive for planting tomatoes and added it to other crops like: oil seeds, corn, sunflower, soya beans & cereals...etc. Also cost of maritime shipping has increased x10 times during the last 3 years, which become totally uncompetitive.

Global Gap of Processing Tomatoes...

- The existing world gap in processed tomatoes is the main motive for P&J to increase its production capacity of processed tomatoes.
- Global production of processed tomatoes **decreased by 4.8 million tons in the last 7 years.**

Global Production of Processed Tomatoes - (Million Ton)



*Source: AMITOM, WPTC & Tomato News



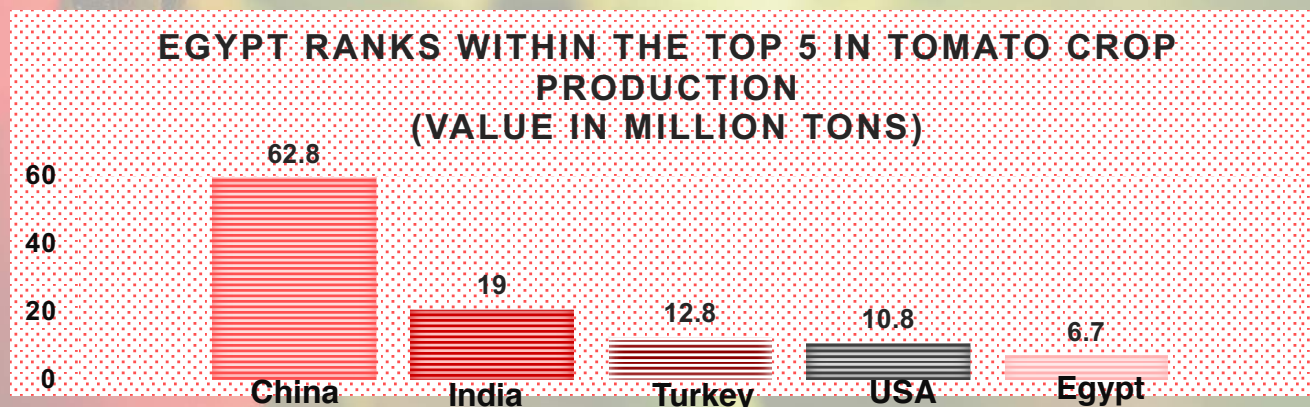
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Why Egypt?...

*Egypt being among the top 5 countries in production of fresh tomatoes, is the right choice to fill in such gap in tomato processing industry.



*Source: FAO/2019

Why Egypt?...

*The Leading Export Hub...

- Egypt, with its geographical location has one of the leading export hubs in Africa with five main seaports handling over 6 million containers (in 2019-2020). Port-Said seaport ranked among top 15 seaports in the world.



Why Egypt?...

*The Leading Export Hub...

- Egypt has the advantage of short transit time to Europe, Africa & MENA Countries.
- Transit time from Egypt to Europe around 2-10 days.
- Transit time from Egypt to African markets around 7-30 days.
- Transit time from Egypt to Gulf & MENA countries around 2-7 days.



Why Egypt?...

***Egypt has the most competitive prices compared to other competitors - “Free Trade Agreements”**

- Egypt has free trade agreements allowing its goods to penetrate the following markets with 0% customs duties:
- Egypt - Europe free trade agreement (EU Countries)
- COMESA (African Countries)
- MERCOSUR (Argentine, Brazil, Uruguay & Paraguay)



Why Egypt?...

***Egypt has the most competitive prices compared to other competitors - “Free Trade Agreements”**

- GAFTA (Arab Countries)
- EFTA (Iceland, Liechtenstein, Norway & Switzerland)
- AFCFTA (54 African Countries) - Entered into force in Jan.01st, 2021



Why Egypt?...

*New investment law in Egypt...

1- What's new in the law?

- New guarantees are introduced to foreign investors, they've the right to transfer their profit abroad.
- Extra incentives are granted for investor & exemption from stamp duty tax and registration fees.
- More transparent, straightforward and more structured.
- A new dispute settlement forum has been established.
- Tax deductions to cover a portion of investment costs of the project.
- Additional incentives.

Paste & Juice Co.

*Company Overview...

- PASTE & JUICE is the first private sector Tomato Paste & Fruit puree manufacturer in Egypt since 1995 with the 1st production line 200 ton/day, and 2nd production line 500 ton/day was added in 2006. The factories are located in Sadat city.
- PASTE & JUICE represents around **45%** of total production of tomato paste in Egypt/year.



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Paste & Juice Co.

***Paste & Juice Heading Forward
(Ranked Among Top 50 Processors Worldwide)...**

- According to the recent ranking published by the (**World Processing Tomato Council**), Paste and Juice Co. become among the **Top 50** tomato processing companies worldwide in 2020 with total annual production capacity of 231,000.00 Tons in 330 days .



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Paste & Juice Co.

*Paste & Juice - Reliable Reporting Source (International Publications)...

-P&J has become the associate member representing Egypt in the “**AMITOM**” association for tomatoes processors, as we meet with members of AMITOM from Europe, North Africa, Turkey & China through conference calls on monthly basis to discuss the new trends and crop situation.

-P&J is the official contact and reporter of tomato crop situation in Egypt to “**Tomato News**” website, they also publish articles covering our industrial & agricultural activities.



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Paste & Juice Co.

***Paste & Juice - Reliable Reporting Source
(International Publications)...**

- P&J is the sole reporter for tomato paste prices from Egypt to “**Tomato Land**” website.
- P&J is the main reporter of strawberry crop to **IHS Markit** website (One of **Informa Platforms**).



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Paste & Juice Co.

Paste & Juice - International Presence
(Events & Conferences)

-P&J participated in “**Tomato News Conference**” in France in **May 2019** as **Golden** sponsor.

-P&J has been invited by the organizers of “**Tomato Forum**” in Koln-Germany to make presentation about tomato cultivation & processing in Egypt in **October 2019**

-We are participating in global trade shows such as: (**Anuga - Germany, SIAL France , Gulfood - UAE...etc.**) on yearly basis.



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Paste & Juice Co.

Paste & Juice - International Presence
(Events & Conferences)

- P&J participated in a research project for the “**Holistic Resilience Solutions for Egyptian Companies**” concerning the (Tomato Value Chain & Assistance Provided to Farmers in Egypt) conducted by **Cenfri** & commissioned by **FSDAfrica** in collaboration with **AXA** Egypt.
- We regularly go on business trips to targeted markets based on conducted market research and studies & according to our marketing plan.
- P&J became a member of international working group created by **AMITOM** to improve & modify the global **HS Codes of Tomato Paste/Products**.



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Paste & Juice Co.

Paste & Juice - World Professional Reputation
(Tomato processing Industry Movie)

- P&J has a well perceived global professional and performing reputation, as the French TV (Channel 5) has chosen Paste and Juice co. to make a movie about the tomato processing industry in Egypt in **Jan.2022**. As they have filmed in our fields in upper Egypt, and our factories in Sadat city during two full days.



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Main Products Portfolio...

1- Tomato Products...

Tomato Paste

Cold Break 36 –38% BRIX “For the use of all different types of Tomato Paste for Retail”

Cold Break 28 –30% BRIX

Hot Break 28 –30% BRIX “For the use of Tomato Ketchup & Tomato Sauces for Retail”

Passata 12 –14% BRIX

*Chopped
Tomato 6–8% BRIX*

*Tomato
Juice 5-6% BRIX*

Main Products Portfolio...

2- Fruits Products...

Mango Pulp

Brix (Soluble solids) at 20° C "14%"

Strawberry Puree

*With Seeds and Without Seeds
Brix (Soluble Solids) at 20° C "8%"*

Guava Puree

Brix (soluble solids) at 20° c "8- 9%"

Hot Red Chili Paste

Brix (Soluble solids) at 20° C "13 & 20%"

***Our production lines are capable of processing all types of fruits, except citrus fruits.**

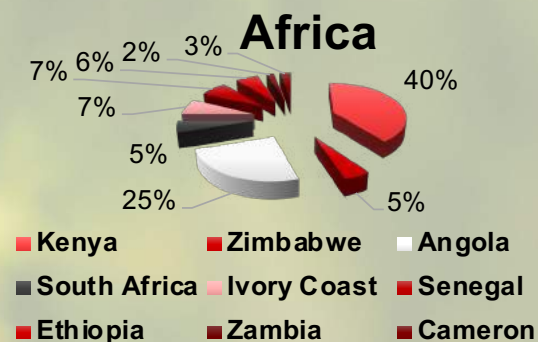
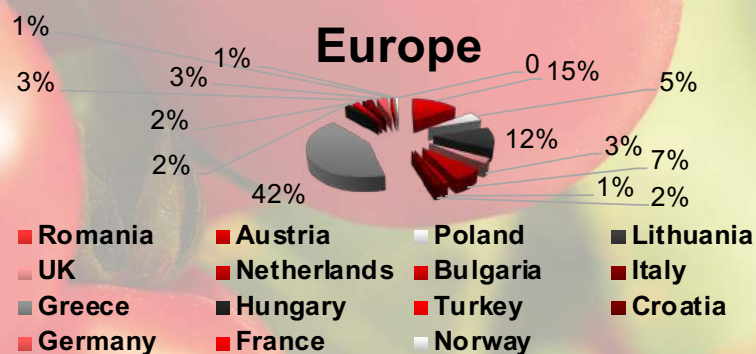
P&J Export Markets...

- P&J exports more than **95%** of its total production representing more than **50%** of total Egyptian exports of tomato paste.
- P&J is ranked **No.1#** and the biggest exporter of bulk tomato paste in Egypt according to the reported figures and statistics by global sources: **Trade Data Monitor, ITC portals, Tomato News...etc.**
- We are exporting our products to world markets covering Europe, Africa, Mena & Gulf Area and others. (please refer to next slide)

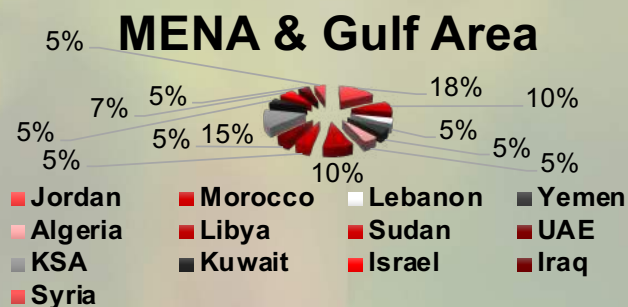
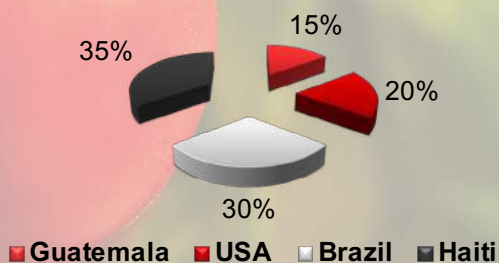


P&J Export Markets

Paste & Juice Main Export Markets are:



North & South America



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Industrial Expansion Plan...

- Based on our existing production capacity 231,000.00 tons/year, we are covering only **(3%)** of the needs in our existing markets.
- With each added capacity, we will be able to fulfill a percentage of the needs of our existing clients/markets and acquire more new clients penetrating new markets, as the excessive world demand still growing.



Production Capacity	Investment /Euro	Produced Quantity x 330 Days/Ton Fresh Tomatoes	Produced Quantity X 330 Days/Ton Tomato Paste	Global Rank
700	Current	231,000.00	30,800.00	50
1,700.00	5,300,000.00	561,000.00	74,800.00	21
3,700.00	7,000,000.00	1,221,000.00	162,800.00	6

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Industrial Expansion Plan...

Paste & Juice - Future Vision
(Ranked Among Top 10 Processors Worldwide)

- Reaching a daily production capacity of 3,700 ton/day through 330 days, giving an annual processing capacity of **1,221,000.00 million tons/year** compared to annual processing capacity of the leading processors in the world, we will be ranked no.6 over the world.

Rank by Annual Capacity	Company Name	Country	Number of Factories	Yearly Processing Capacity/Tons	Produced Quantity of Tomato Paste/Year
1	Morning Star	USA	3	4,900,000.00	700,000.00
2	Sugal Group	Portugal	5	2,550,000.00	364,285.71
3	Tunhe	China	12	2,080,000.00	297,142.86
4	Ingomar Packing Co. (Kagome Group)	USA	2	1,550,000.00	221,428.57
5	Conesa	Spain	9	1,500,000.00	214,285.71
6	Paste & Juice	Egypt	4	1,221,000.00	174,428.57

*Source: WPTC

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Reason for Expansion...

Paste & Juice Heading Forward...

- The existing world gap in processed tomatoes is the main motive for P&J to increase its production capacity of processed tomatoes.
- Reaching the processing capacity of **3,700 ton/day**, centralized in same production facilities; this will significantly reduce our fixed cost enabling us to be more competitive with higher profit margin.



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Road Map...

Paste & Juice Heading Forward...

1) *Developing and increasing our existing production capacity:*

- By replacing the existing pasteurization & aseptic filling unit of the 500 ton/day line with a brand new state of the art technology, and replacing the existing pasteurization & aseptic filling unit of the 200 ton/day line with the “higher capacity unit” of the 500 ton/day line; that will eventually increase our existing production capacity from 700 ton/day up to 1,000 ton/day.



Road Map...

Paste & Juice Heading Forward...

2) Introducing new production lines on two consecutive stages:

- 1st: Processing line 1,000 Ton/Day
- 2nd: Processing line 2,000 Ton/Day

- (Project Implementation Time Frame):



Capacity	Receiving Offers & Contract Negotiations	Lead Time of Receiving Equipments	Installation & Startup
1,000 Ton/Day	Jan.2022 – Feb.2022	Mar.2022 – Oct.2022	Nov.2022 – Dec.2022
2,000 Ton/Day	Jan.2025 – Feb.2025	Mar.2025 – Oct.2025	Nov.2025 – Dec.2025

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Centralized Production Facilities...

-Centralizing the expansion project in the same location will allow us to have the following benefits:-

***The following existing departments will be able to serve the project in its different stages:-**

- Financial dep. – Admin. & Legal dep. – HR dep. – Purchasing dep. – Planning dep.

- Security dep. – Commercial dep. – Marketing dep. – IT dep.

-A central receiving pool designed for receiving 2,000 t/day and implemented as per progress in the project.

-Reaching the processing capacity of 3,700 ton/day, this will significantly reduce our fixed cost/cost of utilities enabling us to be more competitive with higher profit margin.



The New Line Features...

1-Super Hot Break, the new line is capable of producing SHB product which is highly needed in international markets especially USA, and P&J will be the only factory producing (SHB) in Egypt.



2-One Ton Box, the new aseptic filler has the capability to fill in 1 ton box which is highly requested in the US & European markets.



3-Extra Energy Saving Group, (steam reduction, reduce waste of water, reduce natural gas consumption).



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Supporting Projects...

Digital Transformation...

1) *Projects accomplished...*

- **ERP system provided by SAP**, to connect all company's departments and to organize & control all processes.



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Supporting Projects...

Paste & Juice – Group of Supporting Projects

2) Projects under implementation...

- **Waste Water Treatment Plant**, it will be designed to treat 3,500 m³ before final discharge.
- **Recycling Waste Water Treatment Plant**, for reusing the fresh water for processing, and decrease our annual consumption by (-75%).



Paste & Juice Certificates...





Thank You...



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Paste & Juice future objectives:

Considering the great potential in tomato cultivation in Egypt. Paste & Juice co. is determined to attain the following Capacity expansion objectives:

Year	Capacity in tons	Total Daily capacity in tons
current	700	700
2022 Additional Expansions	300	1000
2023 Additional Expansions	1000	2000

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Expansion of agriculture in Egypt



Potential Growth in the Newly reclaimed land areas, depending on ground water.

- During the past 20 years, the Egyptian government has adopted the concept of the expansion of agriculture extensively in the new lands located in many desert areas all over Egypt which had a direct impact on the increase in the amounts of different Agricultural crops.
- The success of this concept was due to the following:
 - Soil characteristics
 - Climate conditions
 - Abundance of irrigation water (Ground Water)
 - Agricultural development policies
 - Strategies and policies towards the horizontal expansion of Egyptian Agriculture
 - Water-use efficiency

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Tomato Cultivation in Egypt

- Tomato crop in Egypt is now by far the largest vegetable crop with production exceeding 6.7 million tons in 12 months planting.
- Egypt is among the top 5 producers of raw tomatoes world wide.
- The great potential for the Tomato growing in Egypt, due to the abundance of newly reclaimed agricultural areas and water sources and suitable climate conditions for growing year – around.
- The full support from the Egyptian government on its higher levels for agriculture industries and agro-processing and its value added.



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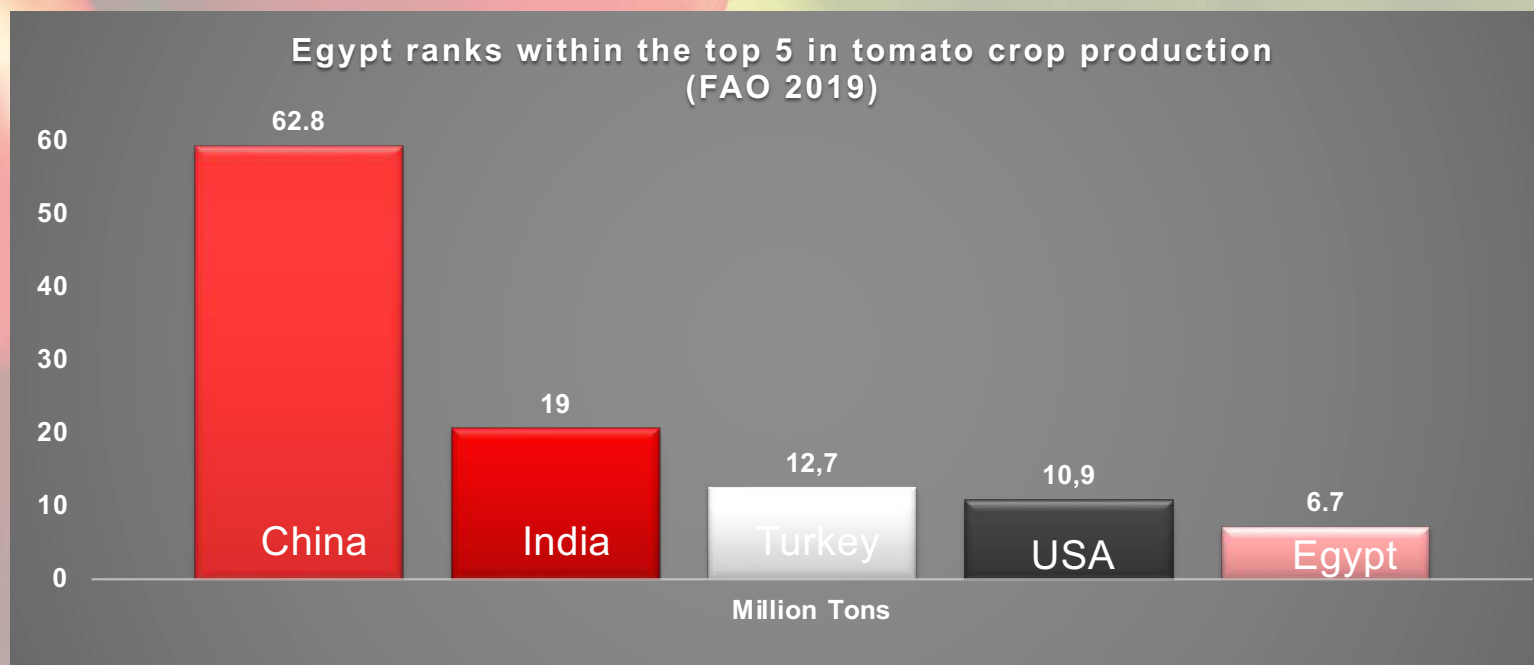
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Tomato Cultivation in Egypt



This graph shows Egypt's rank among the Top 5 producers worldwide



*Source: FAO

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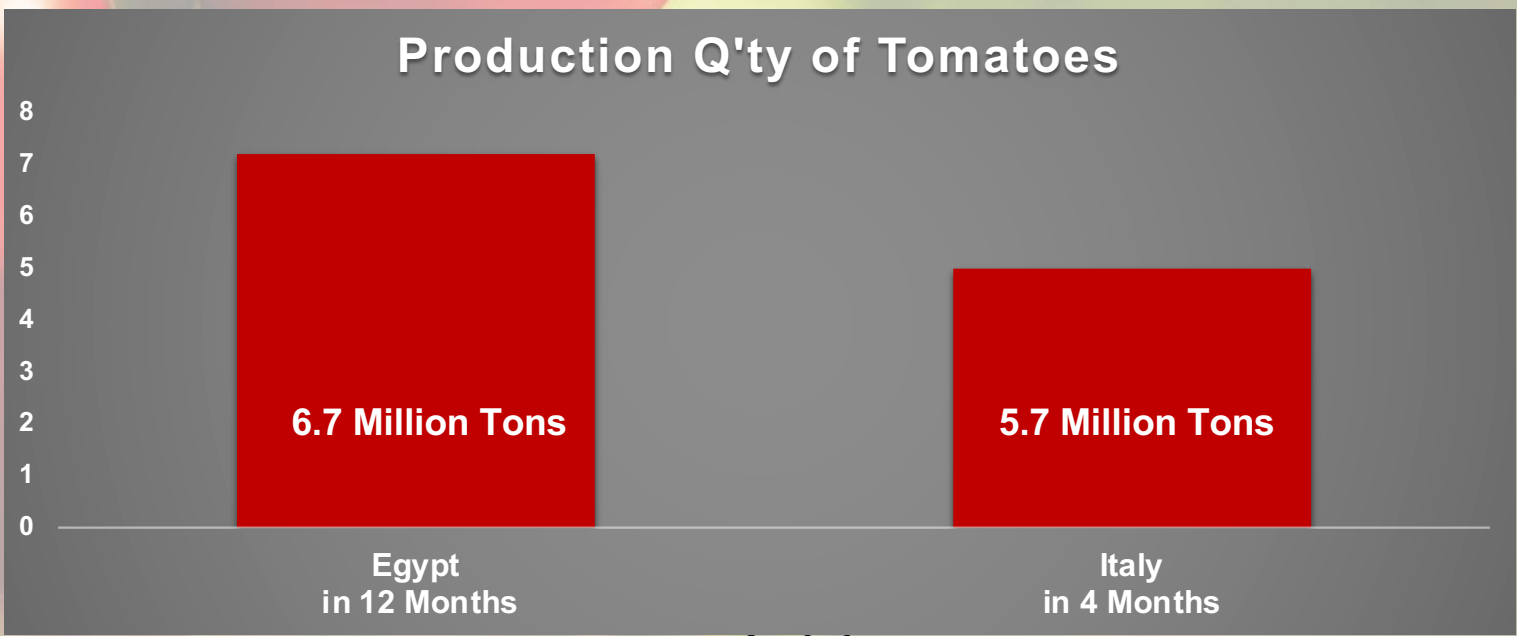
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Tomato Cultivation Egypt Vs Italy annually



- This comparison shows Egypt production in **12 months** vs. Italy's production in **4 months**



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P&J Agriculture Company Our Future Outlook



Paste and Juice is geared to attain the following objective:

Developing a new agricultural company to provide the factory with its needs from Fresh tomatoes year round by applying the state-of-the art methodology in choosing the seeds variety, the proper fertilizers and pesticides, mechanization of nurseries, planting and harvesting of tomato crop and mostly the tractability system for our products and assuring that our product is free from pesticide residues.

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The needed cultivation areas to meet P&J's planned production capacity

Year	Needed # of Acres yearly	Monthly needed acres	Expected yield in Tons (35ton/Acres)	Additional Capacity	Daily factory capacity (Tons)	Expected paste production in Tons in 330 day (7.5 conversion rate)
2022	6,500	520	227,700	700	700	30,360
2023	8,500	1,300	297,000	300	1,000	40,000
2024	20,000	2,100	660,000	1,100	2,000	88,000

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Monthly Distribution of Tomato Harvesting in Egypt 330 Days/year



Zone	Location	# of days coverage	Months
Upper Egypt	Fayoum – Bani swif	55	October-November
	Menia – Asyout – Qina	55	December-January
	Aswan	45	February-March
North Egypt	Alexandria – Behira	60	May-June
	Marsa Matrouh - Sinai	60	July-August
	Monofia	55	September
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Steps to done to achieve our

objectives

- Invested in new agricultural machinery (planters and harvesters) manufactured in Italy.
 - conducted a study to cultivate Tomatoes in different geographical locations in Egypt.
 - Selecting the suitable seeds varieties which suits our climate and soil condition.
 - Building a state of the art nurseries guaranteeing the best tomato crop.
 - Addressing agricultural experts in planting industrial tomato with expertise in mechanization.
 - Assuring the optimal irrigation system, to be installed for growing the highest yield and quality processing of industrial tomato crop on our site(s).
 - Preparing the list of chemical/biological fertilizers and pesticides that are required for each type of land, tomato seed to process the highest yield of tomato crop. And implementing the proper traceability system and guaranteeing that our crop is free from pesticides residuals.
- Our Agricultural Company is the pioneer responsible to develop the planting and harvesting of tomato by introducing new mechanized system of planter & harvester.
 - Doing so requires a prompt cycle starting from:
 - Agriculture contracting
 - Seeding
 - Nursering
 - Planting
 - Harvesting
 - Transportation
 - Experts in Mechanical



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Seeding

Just as quality paste starts with a good tomato, a quality tomato starts at the seed. At P&J Agri. we are geared to attain the process of seed selection to benefit our company and our farming partners. Seed selection ensures a valuable yield. This requires the selection from various experts to supply best seeds suitable for industrial tomatoes and to grantee the best harvesting in Brix and coloring in addition to the harmony in growth cycle. This is all done through the consultation of our experts .

Nursering

We are geared to build our nurseries to provide the necessary environment for the seeds to become durable healthy plantlets which will later be transplanted in our partner's farm. The state of the art nursery is adapting to the latest technologies to produce the plantlets suitable for different soils and climate conditions. Also, according to our vision of expansion; we are committed to establish our own Nurseries; equipped with the state of the Art Technology of Machinery and Equipment.

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Transportation

To guarantee the highest standard and best practice in transporting our fresh tomatoes from the farms to our manufacturing plants, P&J had adopted the idea of bulk transfer through our Fiber Glass containers which is characterized by its light weight and firmness and it can accommodate the capacity of 48 tons per truck. which will reduce the transportation cost with the percentage of 32%.

Agriculture Machinery

- P&J has pioneered in mechanizing Planting and Harvesting Tomato cultivation process of in Egypt by importing the needed machines and to contract with farms located all over Egypt from North of the border till the South of Egypt. Our company has invested in fully mechanizing the planting/harvesting processes with the purchase of state of the art planters and harvesters from Italy to ensure that both we and our farming partners can reap the benefits of our relentless hard work
- Till now tomato Planting and Harvesting in Egypt is done manually. Accordingly, our Company had the vision to Pioneer in this field.

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Our Latest project in (Upper Egypt)



In order to guarantee the best tomato cultivation practice and output, P&J adopted the latest technologies in tomato cultivation and seed selection, as follow:

A. Started planting seeds in nurseries from 15th of July 2021.



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BRCS



FSSC 22000



White List For (KSA)

B. Moved our seedlings in trays using racks and closed refrigerated trucks to guarantee the best output of the seedlings 1st of September 2021.



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C. Planted our seedlings using our planters 2nd of September 2021



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D. Ongoing monitoring and implementing the best and suitable fertilizer and irrigation programs (Drip irrigation) ongoing until 29th of December 2021.



17 Days Growth



22 Days Growth



29 Days Growth



38 Days Growth



53 Days Growth



60 Days Growth



81 Days Growth



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White List For (KSA)

E. The expected harvesting using our mechanical harvesters as of the 29th of December 2021 up to the 23rd of January 2022.



F. Then transporting our crop from contracted lands using our fiber glass containers as of the 29th of December 2021 up to the 23rd of January 2022.



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Crop rotation expected opportunities:

- Considering that the tomato crop is being cultivated in the land once a year (average days are 120 day) for best results and to eliminate the causes of diseases and infections guaranteeing the best yield possible, the concept of crop rotation is eminent to guarantee the following objectives:
- Making use of the land for the rest of the year (360-120) around 240 days.
- Introducing crops which should benefit the land for the upcoming tomato crop planting.
- Planting different kinds of vegetables and crops to supply the needs of different frozen vegetables and dehydrated factories
- Having a captive farmer all year round.

Experts objectives

To reach the highest standards for tomato crop in quantity and quality, P&J has contracted international agricultural experts in planting industrial tomato with Expertise in mechanization and each step of the process.

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Thank you

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