

Carob Investment - Executive Summary

Executive Summary

Carob Business Venture - Haggar Group Prepared: 2026-02-05

The Opportunity

A structural supply gap in the global carob market—driven by 65% decline in Mediterranean cultivation—creates a compelling window for new production in climate-suitable regions with lower cost structures.

Market Size: \$500M+ globally, growing 4-6% annually **Supply Gap:** Mediterranean production declining; demand rising **Timing:** Now—before new competitors establish

Our Solution

Haggar Group will establish commercial carob orchards in Sudan and/or Egypt, leveraging:

- **Climate suitability** - Ideal conditions for drought-tolerant carob
 - **Cost advantage** - Lower land and labor costs vs. Europe
 - **Regional positioning** - Proximity to European and Middle East markets
 - **ESG credentials** - Climate-positive agriculture with social impact
-

Market Opportunity

Segment	Market Size	Growth	Our Play
Raw carob pods	\$258M	4%	Entry point
Carob powder	\$67M	6%	Value-add
Locust bean gum	\$200-490M	2-4%	Seed sales
Carob extract	\$241M	5.4%	Long-term

Target Position: Quality-focused producer supplying European processors and regional markets with ESG-differentiated carob.

Business Model

Revenue Streams

Product	Year 10 Target	Margin
Carob seeds (for LBG)	\$150K	High
Kibbled pulp	\$540K	Medium
Pods/regional	\$80K	Medium
Animal feed	\$60K	Low
Total	\$830K	

Value Chain Position

Phase 1 (Years 1-7): Orchard establishment **Phase 2 (Years 6-10):** Primary processing (kibbling)
Phase 3 (Years 10+): Value-add processing options

Traction & Validation

Factor	Status
Market demand	Confirmed - growing, supply-constrained
Climate suitability	Confirmed - carob thrives in target regions
Competitive cost	Validated - lower than Mediterranean
Buyer interest	To be developed (Year 3-5 milestone)
Technical feasibility	Proven crop with established practices

The Ask

Investment Required

Phase	Amount	Purpose
Establishment (Yr 1-5)	\$1.15M	Orchards, infrastructure, working capital
Processing (Yr 8)	\$250K	Kibbling equipment
Total	\$1.4M	

Use of Funds

Category	Amount	%
Land & infrastructure	\$575K	41%
Trees & planting	\$250K	18%
Equipment	\$100K	7%
Working capital (5 years)	\$75K	5%
Contingency	\$150K	11%
Processing upgrade	\$250K	18%

Projected Returns

Metric	Conservative	Base	Optimistic
Annual Revenue (Mature)	\$700K	\$900K	\$1.95M
Annual EBITDA (Mature)	\$470K	\$670K	\$1.50M
IRR (20-year)	8%	12%	18%
Payback Period	14 yrs	12 yrs	9 yrs
Break-Even Year	13	12	10

Key Milestones

Year	Milestone
1	Site selected, nursery established
2	50 ha planted, organic certification initiated
3	Expansion to 100 ha, buyer relationships building
5	250 ha established, first certifications achieved
7	First commercial harvest, initial sales
10	Full production phase, processing operational
12	Break-even achieved
15	Mature operations, \$800K+ annual revenue

Team & Capability

Haggar Group: Established presence in Sudan and Egypt with agricultural operations experience, land access, and regional relationships.

LewkAi (Advisory): Research, strategy, and business development support.

To Add: - Agronomic expertise (partner or hire) - Quality management - Sales/export capability

Risk Summary

Risk	Mitigation
Long lead time (6-10 years)	Patient capital structure; phased investment
Regional instability	Multi-site strategy; Egypt priority
Quality standards	Early certification investment
Price volatility	Offtake agreements; product diversification

Why Now

1. **Supply gap widening** - Mediterranean decline accelerating
 2. **Demand growing** - Health, sustainability, plant-based trends
 3. **Prices recovering** - 4x increase in recent years
 4. **Window closing** - Competition from Turkey, Morocco increasing
-

Impact Story

A climate solution that pays

This venture delivers: - **500-1,000 tons CO2/year** sequestered - **30+ direct jobs** in rural communities - **Sustainable supply** for growing health food markets - **Land restoration** on marginal soils

Next Steps

1. **Investment decision** - Approve Phase 1 funding
 2. **Site assessment** - Detailed survey of proposed locations
 3. **Nursery establishment** - Source varieties, begin propagation
 4. **Pilot planting** - 50 ha initial orchards
 5. **Buyer outreach** - Begin relationship building
-

Contact

Haggar Group George Haggar [Contact details]

Prepared by LewkAi Louis du Plessis louis@lewkai.com