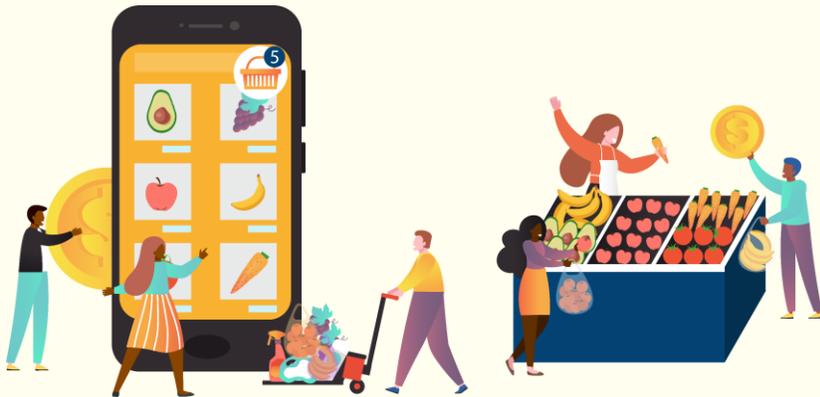


25 August 2021

Session n°2: Promoting Bioeconomy and Green Businesses in the Caribbean: opportunities for SMEs



Caribbean Agrifood Business Series ...



AgriFI Blending Facility Overview

August 2021

The Agriculture Financing Initiative, by EDFI AgriFI

Impact investment facility in sustainable agriculture & forestry...

EDFI

European
Development
Finance
Institutions



- AgriFI is one of the EU development blending instruments aiming to invest in sustainable agriculture projects with **high impact on smallholders**
- Towards co-investors: its flexible EU funding aims to **build partnerships** and **unlock, accelerate & catalyse investments in agriculture in developing countries**, demonstrating they can be both **sustainable and profitable**

... With 2 main positioning to catalyse additional investors

1. Market developer



- AgriFI role: Scale up high risk, low maturity but high potential agri-businesses with flexible commercial conditions, enabling them to **grow at appropriate stage** for (co-investors to join in the following 3-5 years)

2. De-risking Co-investor



- AgriFI role: Complete and/or incentivize **co-investments** with subordinated instruments de-risking investors' positioning in sustainable agriculture

Supporting sustainable smallholder farming

Our vision



A world where smallholders are included in the value chain and make a **fair living** out of agriculture, while **preserving natural resources**

Our mission



Build sustainable and inclusive agribusinesses & contribute to **improve smallholders' livelihood**

Key impact targets (non exhaustive)



of smallholder farmers impacted (#/year)



Smallholder farmers revenue increase (€/year)



Agricultural production (Tons/year)



Area under sustainable cultivation (Ha/year)

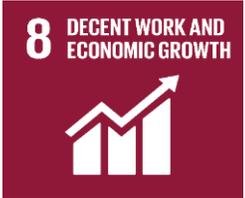


Net direct jobs created (#/year)



Leverage (# total investments catalysed / EDFI AgriFI contribution)

Contribution to SDG targets

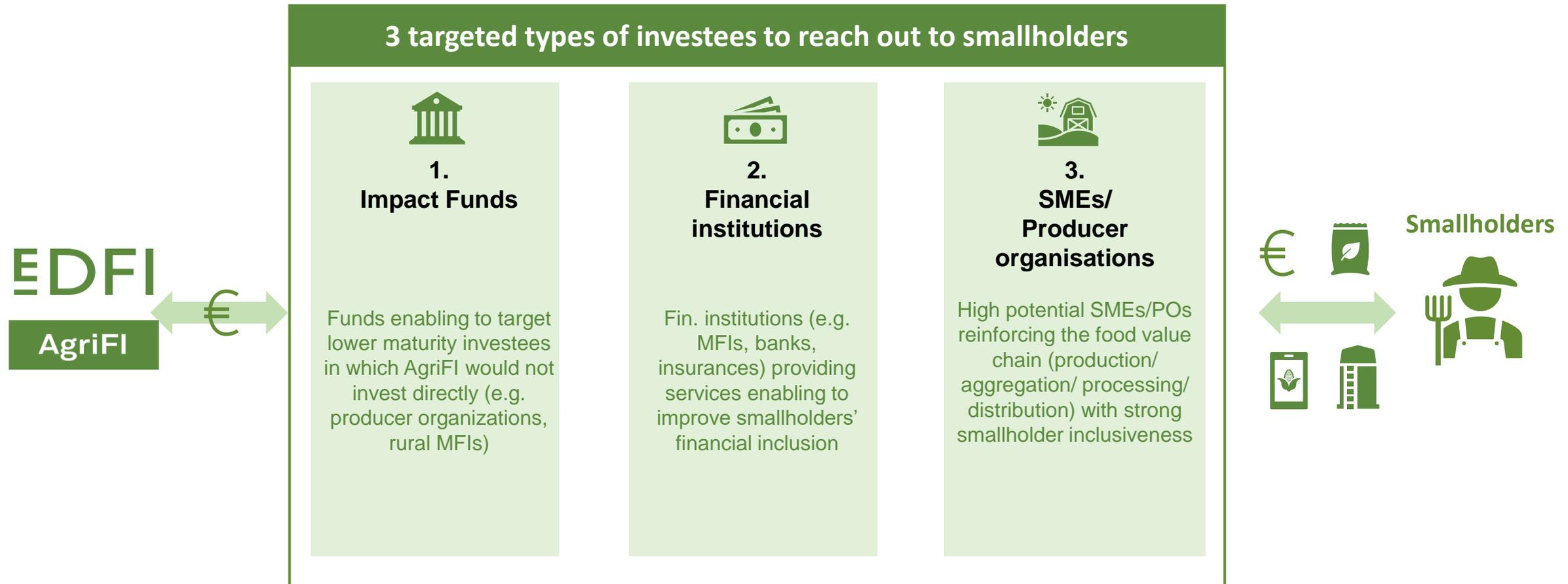


2X challenge



Gender equality monitoring in each investment

AgriFI invests through 3 types of investees: impact funds, microfinance institutions and small/medium sized agri-Businesses



Our portfolio to date: so far AgriFI has invested EUR ~16.4M into 5 investees who target to impact the lives of 1.5M+ smallholders

1. Impact Funds: EUR 8 M



A global impact fund supporting microfinance institutions, SMEs and cooperatives

EUR 5 M

America, Caribbean region and Africa

500,000 farmers expected to be impacted by the investee



Cooperative dedicated to smallholder farming

EUR 3 M equivalent in USD

38 countries in Africa, Asia and Latin-America

1,000,000/year farmers to be impacted by the investee

2. MFIs: ~2.7 M EUR



Maha Agriculture Microfinance
MFI providing microloans to rural farmers & MSMEs

USD 3 M equivalent in local currency

Myanmar

90,000 farmers to be impacted by the investee

3. SMEs / Agri Businesses: 5.6 M EUR



Innovative and award-winning SME providing inputs and services to smallholder farmers

EUR 5 M

Nigeria

48,000 farmers expected to be impacted by the investee



Senegalese dairy producer

EUR 0.6 M equivalent in local currency

Senegal

~ 2,500 farmers expected to be impacted by the investee

AgriFI offering: 0.5 to 5 million € long term financing with flexible instruments

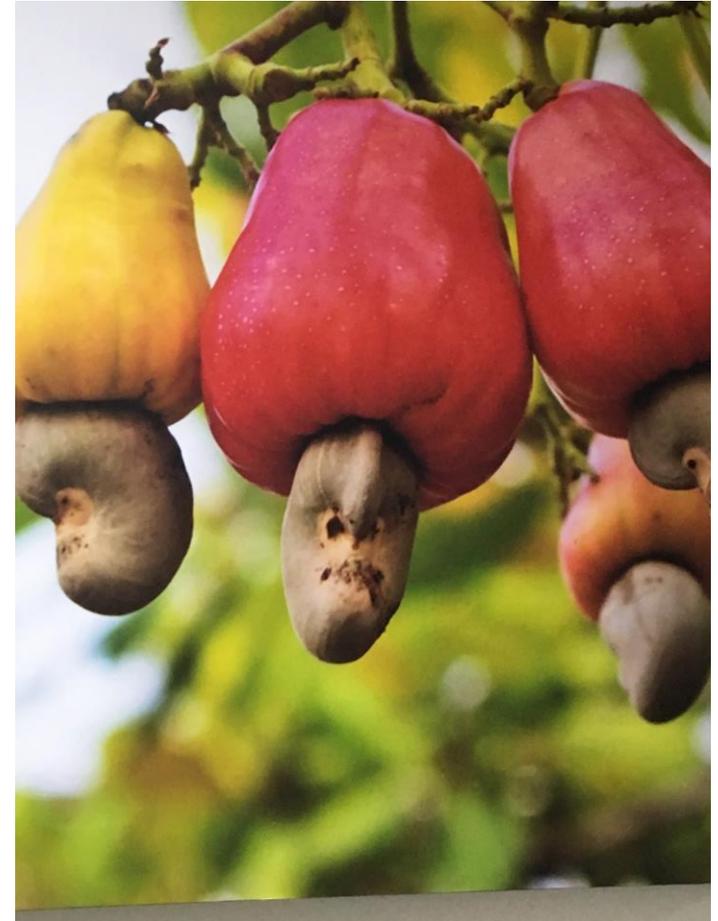


- **Tickets size:** 0.5 to 5 m€ investments*
- **Medium-long term tenor:** 5 - 10+ years (min. 3)
- **Flexible instruments:** junior/senior debt, quasi-equity, equity
- **Sectors:** **agricultural and forestry** value chain
- **Additionality & Catalyst role:** additional to other market players and thus catalysing additional investments
- **Flexible commercial terms** (e.g. local currency, grace period,...)

*AgriFI does not provide grant funding

Our investment criteria: track record (no seed round), with measurable impact on smallholders

- Focus on **exemplary projects**, standing out in terms of **economic** (taxes and job creation), **social &/or environmental impact**
- **Track record (2 years of activity min), business plan** and capacity to deliver (no seeds round)
- **Measurable impact on smallholders**
- **Be privately owned** (more than 50%)
- Be active in the **agricultural/ forestry** value chain, integrating smallholders
- **“Skin in the game”** from the Sponsor
- **Financial sustainability** in the mid-term
- **Appropriate monitoring, evaluation and results measurement** demonstrating the project’s contribution to development goals





Laiterie du Berger – case study



EDFI

AgriFI



This Programme is funded
by the European Union

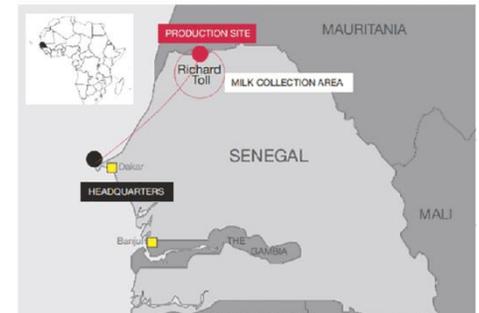
Case study – AgriFI investment in La Laiterie du Berger / Kossam

Project summary

- AgriFI approved the equivalent in XOF of a EUR 600,000 loan to **support Kossam, a subsidiary of La Laiterie du Berger (LDB)** in charge of milk collection in Senegal;
- Created in 2006, **LDB produces and sells dairy products** (yogurt, milk, etc.) based on powdered milk and cows' milk collected in Northern Senegal;

90% of the milk consumed in Senegal is imported as powder although 30% of the population is living from livestock farming (mostly Fulani/*Peuls* people)

- LDB has been supported by **BIO, Grameen CA, I&P and Danone** and is now the **2nd dairy market player in Senegal** (thanks to the success of its brand Dolima)



Case study – AgriFI investment in La Laiterie du Berger / Kossam

Initial situation (before the project)

- In 2019, LDB decided to “spin-out” its milk collection by creating Kossam in which LDB and a newly created cooperative (regrouping 1,000 herders collected) are shareholders;
- Goal: create an environment fostering milk production and empowering farmers: LDB needs to collect more fresh milk due to increasing sales!
- But several structural barriers to increase milk production:

Dairy cows genetics



1-2 litres per day



40-60 litres per day

Seasonality & transhumance



Wet season of only 3 months



Herders move 100 to 400 km for pastures

Poor infrastructure & cold chain



For sanitary and logistical reason, milk is collected twice a day in a radius of 30km around the plant

Lack of access to veterinary services



Lack of organised production (i.e. coop, producer org.)



Competition from imports

Case study – AgriFI investment in La Laiterie du Berger / Kossam

Mission: Supporting Kossam in implementing a **milk value chain** in Northern Senegal. The objectives are:

1. Develop a milk supply chain by:

- I. Increasing the number of farmers collected
- II. Investing in “mini-farms” and fostering genetical improvement

2. Support and capacity building to farmers:

- I. Training to farmers and allow them to benefit from **veterinary services**
- II. Providing **animal feed** to farmers by buying crops by-products to local agri companies (i.e. rice bran, cane straw)

3. Empower the farmer’s cooperative:

- I. Training program for administrators, implementation of **governance** principle
- II. Allow the cooperative to participate in **Kossam shareholding structure**: A contribution of 0,01 Eur per litre of milk will be withhold to finance this



Case study – AgriFI investment in La Laiterie du Berger / Kossam

EDFI **AgriFI**

Loan to finance
milk collection
activities



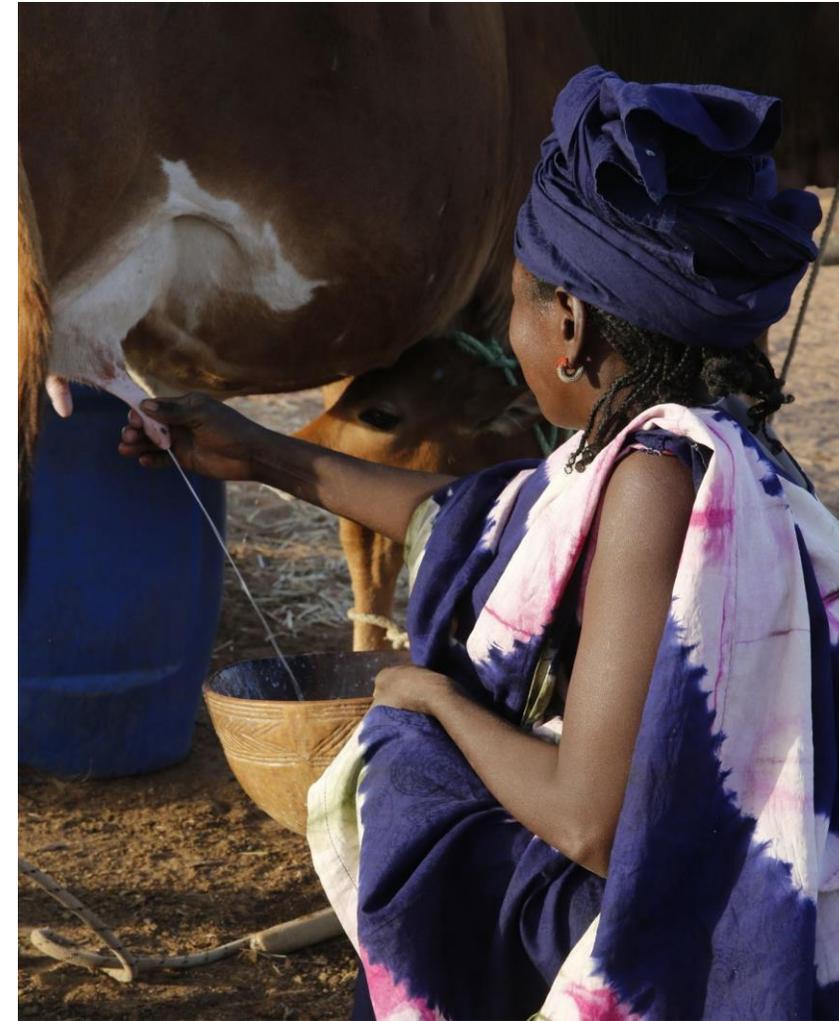
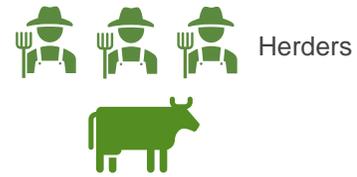
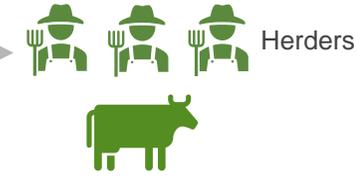
Equity and
shareholder
loan for CAPEX
and working
capital



Buys and collects
milk from farmers

Trains farmers and
provides capacity
building to their
cooperative

Provides animal feed
and veterinary
services



Case study:
Kossam / La Laiterie du Berger

EDFI **AgriFI**

A man in a blue robe with yellow patterns is waving his right hand. He is standing in a field with a herd of cattle, including several white and brown cows with large horns. The background shows a flat landscape with some trees under a clear sky.

Get in touch

agrifi@edfimc.eu

EDFI AgriFI

Rue du Trône 4
BE-1000 Brussels

www.agrifi.eu



This series of events is organised by IICA and COLEACP. COLEACP operates within the framework of development cooperation between the Organisation of African, Caribbean and Pacific States (OACPS) and the European Union (European Development Fund – EDF), with the support of the French Development Agency (AFD).



Thank you

