



IFC - Your Partner in Agribusiness

Lisbon, January 20, 2011

AGRITEC ID - EMRC International Business Forum 2011
“Boosting Agricultural Innovation in Africa”



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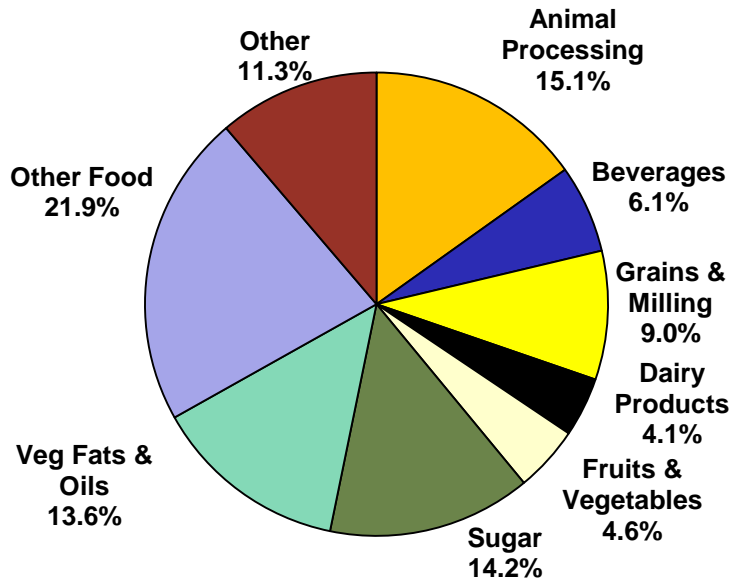
Agribusiness - an IFC Strategic Priority

World Bank Group Goal: US\$ 6 billion in Agri-sector commitments.

**US\$2.7 Billion Committed Portfolio as Of June 30, 2010
(includes Syndications)**

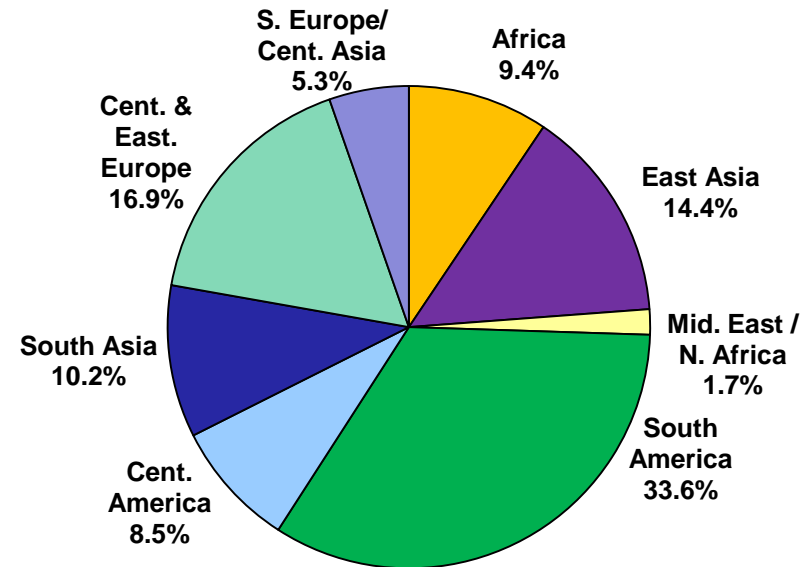
By Sector

CAG Portfolio June 2010
w/Syndications (US\$2.7 bn)



By Region

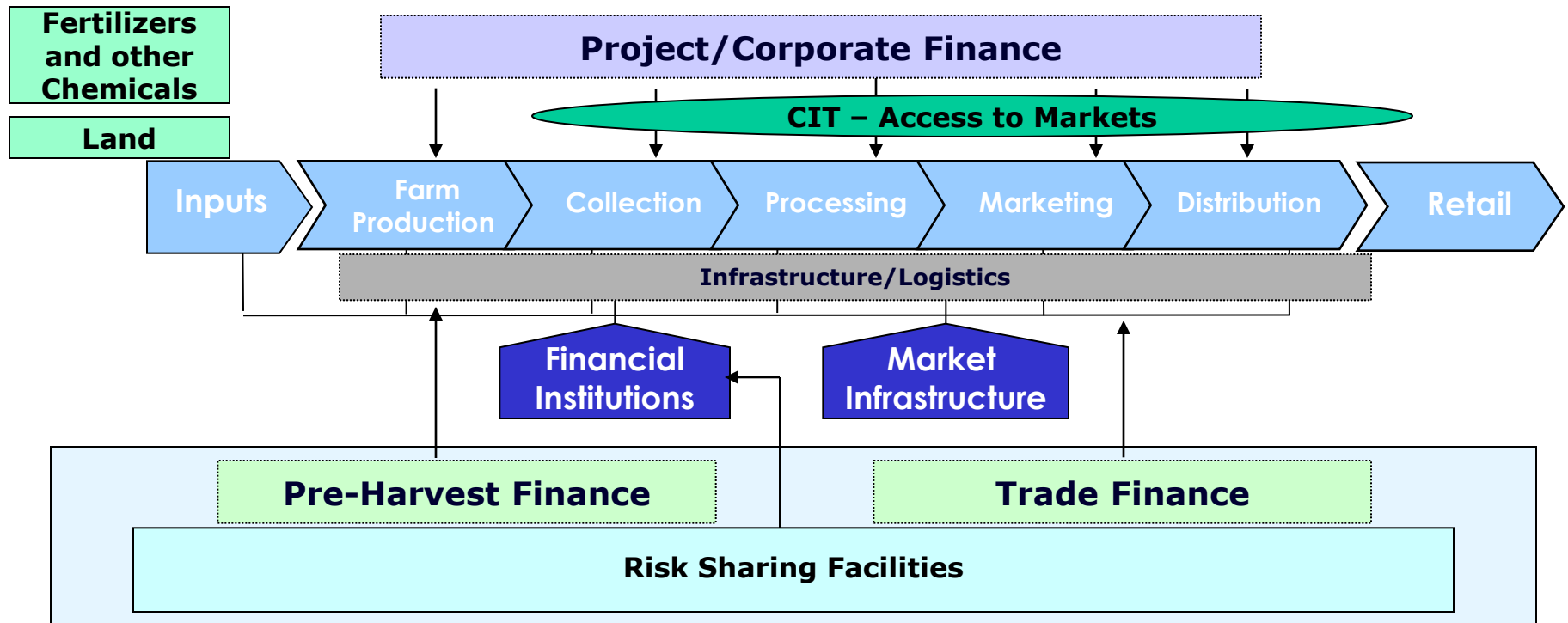
CAG Portfolio June 2010
with Syndications (US\$2.7 bn)



IFC Investment in the Agribusiness Value Chain

IFC's Goal:

Deliver development impact along the global agri-supply chain, through investments and advisory services with the private sector, to create opportunities and improve peoples' lives



Project Examples in the Agribusiness Value Chain

Direct Finance		
Inputs	CJSC Rise (Ukraine)	US\$10 million loan to support a leader in farmer services and inputs (fertilizer, seeds, equipment, etc) in Ukraine.
Farm Production	GOPDC (Ghana)	\$10 million loan + US\$3 million equity to plant oil palm trees, upgrade plantation infrastructure, and support over 7,000 outgrowers
Sourcing	Conaprole (Uruguay)	US\$ 60 million in loans for US\$108 million and US\$62.5 million expansions of dairy product facilities to efficiently utilize global competitive advantages of Uruguay's largest dairy cooperative, and one of its largest employers.
Processing	Wadi (Egypt)	US\$25 million loan to support a poultry producer to expand its feed milling and pelleting capacity, diversify through olive and grape farms, and expand its glass containers capacity
Marketing	Wings Noodles (Indonesia)	US\$19 million loan to support a rising competitor in the production, marketing, distribution of instant noodles, which support an informal kiosk sector and provide low-cost foods to the public.
Distribution	Finatrade (West Africa)	US\$20 million investment to support the leader in West Africa soft commodity (rice, sugar and vegetable oils) and fast-moving consumer goods (FMCG) distribution.
Retail	ADA-Ticaret (Azerbaijan)	US\$18 million investment in state-of-the-art grocery retail chain enabling direct purchases from suppliers and wholesalers, efficient handling, storage and distribution.
Infrastructure/ Logistics	Jain Irrigation (India)	US\$30 million loan to provider of micro irrigation systems to increase efficient water delivery and reach over 2,000 farmers.

Indirect Finance		
Pre Harvest Finance	Ecom (Latin America)	Corporate loan facility to a leading supply chain manager of coffee, to be on lent by local subsidiaries to farmers for capital expenditures and crop financing

Agribusiness - Sector Descriptions

Animal Processing	Dairy Products	Beverages	Sugar	Grains & Milling
<ul style="list-style-type: none"> • Beef, pork, poultry processing • Poultry • Aquaculture (shrimp, fish) 	<ul style="list-style-type: none"> • Milk, cheese, milk powder • Ice cream 	<ul style="list-style-type: none"> • Bottled water • Soft drinks • Fruit juices • Alcoholic beverages (beer, wine) 	<ul style="list-style-type: none"> • Sugar & confectionary • Sugar cane & beets 	<ul style="list-style-type: none"> • Grain/starch processing • Grains & beans
Vegetable Oils	Fruits & Vegetables	Other Food	Other	
<ul style="list-style-type: none"> • Vegetable fats and oils • Palm Oil • Soybean crushing 	<ul style="list-style-type: none"> • Fruit or Vegetable processing, preservation 	<u>Plantations</u> <ul style="list-style-type: none"> • Coffee • Cocoa • Tea • Snack foods • Noodles 	<ul style="list-style-type: none"> • Financial/wholesaling companies • Storage/warehousing/logistics • Flowers, forests, cotton/sisal, etc. • Agri-transport, rail, ports 	

IFC's Multi-Channel Response

Direct Investments

- Investment in productive assets
- Linkages: Supply Chain value
- Capacity building for farmers
- Land Funds

Indirect Investments

- Wholesaling via Financial Intermediaries (Debt/Equity)
- Portfolio risk sharing
- T.A. for the FI and borrowers

Partnering with World Bank

- Improving Investment Climate (FIAS)
- Legal / regulatory environment
- TA projects in land titling reforms
- FIAS/PEP-Africa warehouse receipts

Working Capital Facilities

- Traders
- Producers
- Processors

IFC is Well Positioned to Provide Interventions in the Short Term



Short Term Response

- Strengthen Supply Chain Coordination and Increase Liquidity via **Working Capital Facilities**
 - Prevent disruption of prefinancing
 - Ensure continued provision of essential inputs (seeds, fertilizers, chemicals, fuels).
 - Processors and traders in good standing eligible
 - **Wings (Indonesia), Ecom (Africa/Asia), Noble (Argentina)**
- Increase rural credit through **Wholesaling Facilities with Financial Institutions**
 - Reach a new class of smaller clients (farmers, MSMEs)
 - Channel technical assistance to financial institutions (agribusiness credit analysis) and clients (environment and social, linkages, etc)
 - **Agrofinanzas (Mexico), TSB (Tajikistan), BCR (Romania)**

IFC is Well Positioned to Provide Interventions that Address Long-Term Imbalances



Fundamentals Of Supply

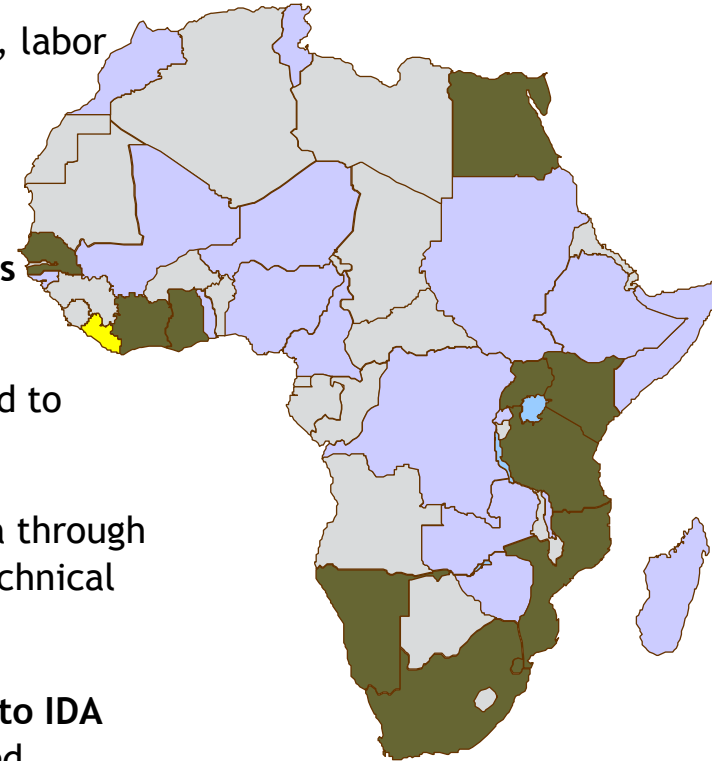


Financial Markets

- 1. Productive land strategy**
 - Bring land into sustainable production (CIS, Africa, Brazil)
 - Introduce better agronomic practices
 - Improve productivity (seeds, fertilizer, chemicals access)
 - **Regional focus on countries with upside potential: Argentina, Brazil, Russia, Ukraine**
 - Investment Funds (Atera, Bulgaria), Input distribution (Rise, Ukraine), Farming (Rise, Ukraine; BGK, Russia; Salala, Liberia; GOPDC, Ghana)
- 2. Vertically integrated Agri Supply Chain Infrastructure**
 - Strengthen and support the development of
 - Bulk ports and Terminals (Timbues, Aguirre)
 - Land, Rail and Sea Transport (UABL, TransAmerica)
 - Logistics and Warehousing (Merec, Trio, Pronaca)
 - Modern retail (Rubliovskiy, EvroTech, Agrokor)
- 3. Water Efficiency and Irrigation Infrastructure (especially through PPPs and Municipalities)**
- 4. Wholesaling Facilities with Financial Institutions, Processors and Traders to increase rural credit to farmers and MSMEs.**
- 5. Explore the systematic development of Financial Instruments related to Agriculture that deepen the markets and allow for efficient intermediation of financing and risk management in the sector**
(e.g. warehouse receipts, weather-index insurance)

IFC Will Prioritize Agribusiness Development in Sub-Saharan Africa

1. Renewed investor interest for African natural resources: land, labor
 - Agriculture represents 23% of Africa's GDP
 - Cocoa beans represents 46% of Ghana's exports.
 - Coffee represents 88% of Burundi's exports.
2. High agricommodities prices provide production opportunities that were only marginally competitive in the past
3. IFC is increasing its field presence with staff solely dedicated to Agribusiness promotion
4. IFC will significantly scale up its investment program in Africa through the package of direct investment, wholesale financing and technical assistance
5. Wholesale financing facilities often provide an entry point into IDA countries where direct investment possibilities may be limited.
6. Technical assistance program focused on "Doing Agribusiness in Africa." In collaboration with the World Bank and the Gates Foundation, Doing Business report will provide new Agribusiness-related indicators in six pilot countries in Africa



■ In Portfolio
■ In Pipeline
■ Past Client

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ANNEX

IFC Agribusiness: Response to Food Crisis

