



**CHANGING
LIVES**

PRIVATE SECTOR SOLUTIONS FOR HELPING SMALL FARMERS



CHANGING LIVES:

*Private Sector Solutions for
Helping Small Farmers*

Foreword

The Private Sector Window Three Years In

It is just three short years since GAFSP's Private Sector Window—supported by the governments of Australia, Canada, Japan, the Netherlands, the United Kingdom and the United States—became operational, and already our investments are making a difference in the lives of thousands of small farmers across the globe.



From coffee plantations in Central America to the mango orchards of Malawi, our combined investment and advisory services have supported private sector agribusinesses in low-income countries, and linked smallholder farmers to markets by improving their access to finance, technology, expertise and inputs.

The numbers speak for themselves. As of June 2015, GAFSP's Private Sector Window (PrSW) is supporting 26 investment projects in agribusiness with a total project size of \$930 million, deploying \$174.8 million of GAFSP PrSW funding. In addition, we have approved 29 advisory projects valued at \$6.1 million. In total, our combined projects are expected to reach nearly 2.6 million farmers.

In Malawi, the GAFSP Private Sector Window and IFC made an early and critical investment in an ambitious company with a social mandate, Malawi Mangoes, to help support expansion of its tropical fruit production and processing operations. In November 2014, the project literally bore fruit with thousands of newly trained farmers reaping the benefits of a harvest grown on trees grafted by Malawi Mangoes.

In Central America, we made a critical investment to address the effects of climate change, combining forces with a unique set of partners to help coffee farmers in Nicaragua combat the devastating effects of “La Roya,” a coffee rust fungus, which thrives in warm moist environments.

This intervention not only has the potential to lift small coffee farmers in Nicaragua out of poverty but can be replicated in other low-income countries afflicted with the disease.

In Nepal, in partnership with IFC, we invested \$3.8 million in feed manufacturer Probiotech Industries to enhance poultry farm productivity and boost incomes in rural Nepal. This investment emerged from a long and fruitful advisory relationship with Probiotech where advisory experts have already helped strengthen the poultry supply chain in Nepal through training for female farmers.

This publication offers a snapshot of some of the GAFSP Private Sector Window projects that have inspired us to date, from Malawi to Nicaragua, from Tanzania to Nepal, and Mali to Uganda. Organized under four themes, the projects will focus on our work to improve lives and nutrition through 1) raising crop productivity and improving resilience to climate change, 2) adopting innovative and modern technology, 3) inclusive business models and linking farmers to market, and 4) helping farmers and SMEs gain access to finance.

We highlight the stories of those whose lives we have helped improve. Like N’Kwenda, a nursery technician employed by Malawi Mangoes who used to spend long periods away from his family seeking work in the district capital, Salima, returning just once a week to see his children if he was lucky. “Now I live in my house all week with my family,” N’Kwenda said.

It is stories like N’Kwenda’s that keep us inspired and motivated at the Private Sector Window of GAFSP. Facing into the future, we look forward to continuing our work with our partners across the world to increase incomes and reduce hunger one innovative investment at a time.

Private Sector Window Secretariat

June 2015

SMALL FARMERS FACE BIG CHALLENGES ALONG THE WAY FROM FARM-TO-MARKET

GAFSP helps overcome them

Small farmers lack proper inputs for their farms, including high-yield seeds, technologies and fertilizer.

Financiers view small farmers as risky borrowers because most of them have undocumented credit histories, unstable incomes and little collateral.

ACCESS TO FINANCE

ACCESS TO INPUTS

We invest in non-traditional lenders who work with smaller borrowers and private supply-chain finance that can provide farmers with more credit & more stable income.

We support activities to provide access to improved seeds and fertilizers as well as adopting high-yield technologies.



**EVERY \$1 OF PRSW
FUNDING LEVERAGES
\$8 OF PRIVATE
SECTOR FUNDING.**

● Women farmers are particularly disadvantaged, lacking land ownership opportunities and access to inputs.

● Small farmers lack access to fair markets and to reliable storage facilities, often forced to sell their crops at harvest time when prices are low.

ACCESS TO MARKETS & STORAGE



GENDER INEQUALITY

We support investments & advisory services that empower women farmers.

We support development of farm-to-market linkages and improving post-farm logistics.

**TO DATE
OVER 140,000
FEMALE
FARMERS
HAVE BEEN
REACHED
THROUGH OUR
INVESTMENTS
WITH ABOUT
3,200 WOMEN
EMPLOYED
BY GAFSP
CLIENTS.**

**WITH GAFSP
LENDING
OVER 5,500
FARMERS IN
TANZANIA
WILL GAIN
ACCESS TO
ADEQUATE
STORAGE
FOR THEIR
HARVESTED
GOODS.**





The Challenge



Given the right enabling conditions and private sector support, these farmers can transform the rural landscape and unleash a new and sustainable agricultural revolution.

photo © World Bank

THE CHALLENGE

SEVENTY-FIVE PERCENT OF THE WORLD'S POOR LIVE IN RURAL AREAS, TOILING ON TINY PLOTS OF LAND THAT YIELD BARELY ENOUGH TO SUPPORT THEIR FAMILY'S BASIC NEEDS AND NECESSITIES.



Small farmers, particularly women, lack access to proper agricultural inputs, including high-yield seeds, technologies and fertilizers.

For many of these rural citizens, agriculture has the greatest potential to lift them out of poverty—proving two to four times more effective in raising incomes among the very poor than growth in other sectors. But for many smallholder farmers struggling to feed their families, formidable obstacles stand in the way.

Even if they have land to farm, many small farmers, particularly women, lack access to proper agricultural inputs, including high-yield seeds, technologies and fertilizers.

Shut out from traditional forms of banking, these farmers have little access to formalized financing. At harvest time, with no credit, they are unable to store their crops in reliable and safe warehouses. Often working in remote areas, they find it difficult to get their harvested goods to market.

It is a vicious cycle that keeps them mired in perpetual poverty: forced to sell crops at a time when prices are low, and forced to buy food and inputs at a time when prices are high.

These are the people the Private Sector Window of GAFSP aims to help. By harnessing the private sector as an engine of growth and development, we know that we can make a difference in the lives of millions of small holder farmers throughout the world.

Given the right enabling conditions and private sector support, these farmers can transform the rural landscape and unleash a new and sustainable agricultural revolution.



photo © Bradford Roberts/IFC



The Private Sector Solution



To date, IFC and GAFSP have each invested US\$159 million and US\$72.7 million respectively and collectively in companies and projects that affect and improve the lives of over 667,000 SME and small hold farmers.

photo © World Bank

THE PRIVATE SECTOR SOLUTION

TAKING A CHANCE ON PROJECTS THAT OTHER COMMERCIAL INVESTORS HAVE PASSED IS WHAT GAFSP'S PRIVATE SECTOR WINDOW DOES BEST: INVESTING ACROSS THE ENTIRE FOOD SUPPLY CHAIN FROM FARM INPUTS TO LOGISTICS AND STORAGE, TO PROCESSING AND FINANCING.



The GAFSP Private Sector Window is making a difference, one innovative investment at a time.

We use blended finance solutions and IFC's expertise and knowledge to support projects in the agricultural sector which may not attract commercial funding due to perceived high risks in this sector.

GAFSP funding is co-invested alongside IFC funding but we take it one step further: addressing market failures by providing affordable funding with less demanding terms. This allows us to invest in early stage or riskier projects that hold high potential for development impact and financial sustainability.


That means that we can partner with companies who include farmers as part of their overall value chain, providing access to markets, financing and storage, and increasing production and incomes for those living and working in the world's lowest income countries.

To date, IFC and GAFSP have each invested US\$159 million and US\$72.7 million respectively and collectively in companies and projects that affect and improve the lives of over 667,000 SME and small hold farmers.

These investments are tied to advisory experts who provide on-the-ground training and advice for businesses and farmers in promoting access to agricultural finance, improving farmer productivity, strengthening standards, establishing market links, reducing risks and mitigating climate change effects.

The GAFSP Private Sector Window is making a difference, one innovative investment at a time.





Raising Agricultural Productivity and Improving Climate Resilience



40-70%

OF COFFEE PLANTATIONS IN HONDURAS,
NICARAGUA, COSTA RICA, EL SALVADOR
AND GUATEMALA ARE AFFECTED
BY COFFEE RUST.

3x

GAFSP'S COFFEE RUST RENOVATION
PROJECT WILL REACH OVER 560 FARMS
INCREASING COFFEE YIELDS UP TO THREE TIMES
ON 5,000 HECTARES.

BREWING UP A PRIVATE SECTOR SOLUTION TO THE COFFEE RUST CHALLENGE

THEY CALL IT “LA ROYA”, OR THE RUST. AN INSIDIOUS ORANGE FUNGUS THAT HAS WRECKED HAVOC ACROSS CENTRAL AMERICA’S COFFEE FARMS—WITHERING LEAVES, CHOKING COFFEE BERRIES, AND TURNING LUSH VERDANT SLOPES INTO BARREN LANDSCAPES.



Across Central America over 1.5 million people depend on coffee for their livelihoods. For these people, many of whom are small holder farmers, the effects of coffee rust are already devastating, pushing rural families into extreme poverty and food insecurity.

For over 150 years, La Roya has been the curse of coffee farmers across the globe. But in recent years, owing largely to climate change, the disease has regained a foothold in Central America, affecting up to 40 percent of coffee plantations in Honduras and Nicaragua and up to 70 percent in Costa Rica, El Salvador, and Guatemala.

Although research has shown that coffee rust can be combated through replanting programs coupled to good agronomics, this solution has proven a challenge for small farmers in Central America—many of who have limited access to long-term financing and resources. This is where the Private Sector Window of GAFSP can help.

In Nicaragua, where coffee is one of the largest sources of rural employment and accounts for over 15 percent of exports, GAFSP and IFC are developing an innovative model for providing affordable, long-term financing and technical assistance to coffee farmers so they can renovate their farms.

Through a proposed \$30 million loan, IFC and GAFSP—in conjunction with IDB, Ecom, Exportadora Atlantic and Starbucks—would provide financing to farmers for the renovation of over 5,000 hectares of coffee plantations in Nicaragua affected by La Roya. The project will help to mitigate climate change by deploying a scalable model of climate-smart renovation that could be replicated by

15% In Nicaragua, coffee is one of the largest sources of rural employment and accounts for over 15 percent of exports.



other countries and coffee traders.

This unique project, which is IFC's first agri climate adaptation project in Latin America, would also be combined with advisory services on agronomic and climate best management practices. GAFSP will provide a 25 percent first loss guarantee for IFC's investment, which will lower risks and the level of interest rates charged to farmers.

IFC and GAFSP are hopeful that this collaborative effort will help secure coffee supply and jobs in Nicaragua for years to come, eradicating some of the extreme poverty that the fungus has already wrought on the lives of small farmers. It is a perfect example of how GAFSP's Private Sector Window can brew up an innovative solution to a vexing climate change challenge.





**WE WILL PROVIDE FINANCING TO FARMERS IN
NICARAGUA TO RENOVATE OVER 5,000 HECTARES
OF COFFEE PLANTATIONS AFFECTED BY LA ROYA.**





Adopting High Yield and Innovative Technology



85%

2007:

**85% OF MANGOS GROWN ON MALAWI'S
TREES WENT TO WASTE DUE TO LACK
OF PROCESSING CAPACITY**

1st

2009:

**MALAWI MANGOES— BECAMES THE
FIRST EVER FRUIT FARMING ENTERPRISE
AND PROCESSING COMPANY IN MALAWI**

BOOSTING PROSPERITY ONE MANGO AT A TIME

IT WAS 2007 AND CRAIG HARDIE, A MARKETING MANAGER FOR A UK BASED COMPANY, WAS TAKING TIME OFF WORK TO TRAVEL THROUGH SUB-SAHARAN AFRICA ON A PERSONAL QUEST TO UNDERSTAND DEVELOPMENT ISSUES.



CRAIG HARDIE

Co-Founder of
Malawi Mangoes



JONATHAN JACOBS

Co-Founder of
Malawi Mangoes

Sitting in a small community meeting in the north of Malawi, Hardie listened as a representative from the Ministry of Agriculture lamented an astonishing fact: that 85 percent of all the fruit borne on Malawi's four million mango trees simply goes to waste—the fruit rotting where it falls owing to a lack of processing capacity in-country.

Seeing an opportunity to create a business that would not only deliver significant yields, but also give back to the local community, Hardie gave his pal in London, Jonathan Jacobs, a call.

"Immediately when I heard Craig's idea, I said, 'I want to do that,'" remembers Jacobs who at the time was working for Morgan Stanley. "We're solving a waste issue, we're solving a development issue, and we're solving a business issue. It absolutely grabbed me like nothing has ever before—or since."

By 2009 the agricultural start-up Malawi Mangoes was born—the first ever fruit farming enterprise and processing company in Malawi. Now six years later, with the help of the Private Sector Window of GAFSP, Malawi Mangoes

"We're solving a waste issue, we're solving a development issue, and we're solving a business issue. It absolutely grabbed me like nothing has ever before—or since."

Jonathan Jacobs
Co-Founder of Malawi Mangoes

○ **We helped Malawi Mangoes develop its own plantation to enhance banana and mango commercial sale production in Malawi.**

is revolutionizing agriculture in this agricultural East African haven.

This year, GAFSP and IFC each invested \$5 million to help Malawi Mangoes to develop its own world class plantation to demonstrate the viability of banana and mango commercial-scale production in Malawi. A further \$5 million from FMO, the Dutch development bank, was mobilized to further support this initiative.

Working with over 4,000 small holder farmers to provide training sessions, tree grafting, pruning and spraying services, Malawi Mangoes expects to reach an additional 2,000 farmers by 2018.

It is a win-win situation for all—by agreeing to have their trees grafted to produce more commercially viable fruit, the farmers are guaranteed that Malawi Mangoes will buy that fruit once it is harvested.

“One of the things that we’re about—and that IFC and GAFSP have realized—is that the development consequences are radical but the change itself is not rocket science,” said Jonathan Jacobs.

“It’s about a commitment and an implementation more than anything else.”

“ *With the wages they have earned from Malawi Mangoes, some of the local guys have established small shops—these sell simple goods like salt, sugar and washing soap. Previously my wife has to walk 9 km for such simple things. Now, they are right next door!* ”

Mr. Latson
—Farm Worker and Deputy Chief of Mzimazi Village





\$5M

INVESTED TO HELP MALAWI MANGOES DEVELOP
ITS OWN WORLD CLASS PLANTATION TO
DEMONSTRATE THE VIABILITY OF BANANA AND
MANGO COMMERCIAL-SCALE PRODUCTION



GAFSP and IFC enhanced livelihoods for Uganda's dairy farmers by lending US\$4 million each to help Pearl Dairy Limited, Uganda's largest milk powder exporter, build a modern milk power processing plant.

BEFORE:

27% OF MILK IN UGANDA IS LOST TO SPILLAGE OR SPOILAGE DURING TRANSPORT

AFTER:

FARMERS WHO USED TO FLUSH THE EXCESS MILK NOW TAKE THEIR MILK TO PEARL FOR PROCESSING.

SHAKING UP THE MILK SECTOR IN UGANDA

HOW DO YOU REPLICATE THE SUCCESS OF DAIRY PROCESSING TECHNOLOGY IN INDIA TO BUILD A STATE-OF-THE-ART MILK PROCESSING PLANT THOUSANDS OF MILES AWAY IN UGANDA? ANSWER: THROUGH THE INNOVATIVE PARTNERSHIP AND SUPPORT OF GAFSP'S PRIVATE SECTOR WINDOW AND IFC.

○ With our help, Ugandan dairy producer Pearl Dairy is enhancing the livelihoods of dairy farmers through the provision of market access and technical support.

“ ...[Pearl Dairy’s processing facility] will transform the dairy sector in western Uganda and our farmers will never be poor again. ”

Dairy Farmer, Uganda

This year, GAFSP and IFC raised the game—and enhanced livelihoods—for Uganda’s dairy farmers by lending US\$4 million each to help Pearl Dairy Limited, Uganda’s largest milk powder exporter, build a modern milk power processing plant.

[The project will create 150 direct job opportunities and enhance the livelihood of more than 8,500 farmers through providing market access and technical support.](#)

Currently, 27 percent of milk in Uganda is lost to spillage or spoilage during transport. This loss is worst during the rainy season when many farmers are forced to discard their milk due to a lack of cooling or transportation facilities.



photo © East Africa Dairy Development

The Private Sector Window's support will allow Pearl Dairy to leverage Indian processing technology with Uganda's raw milk resources to build a first-class modern milk processing plant.

The loan will also help Pearl Dairy build crucial milk collection centers in remote villages to facilitate milk collection from thousands of small holder farmers. In addition Pearl Dairy will offer farmers fair, transparent and timely payment for their milk, as well as effective quality control.

Already the results are visible. "Pearl Dairy has come to our rescue during peak rainy season," said one satisfied dairy farmer. "Earlier our farmers used to flush the excess milk. Thankfully Pearl is now there to take our milk."

In addition to the processing facility, Pearl Dairy will also support the competitiveness of the whole dairy value chain by offering training in hygiene, milk processing and handling, quality, cattle care, and through the distribution of milk cans.

85%

of milk produced in Uganda is sold through the informal sector which is unregulated and lacks nutrition and quality assurance.





photo © East Africa Dairy Development



photo © Andrew Hamilton/IFC



Inclusive Business Models



\$3.8M

**WE INVESTED \$3.8 MILLION IN NEPALESE FEED
MANUFACTURER PROBIOTECH INDUSTRIES.**

photo © Bijay Gajmer/IFC

POULTRY FARM PRODUCTIVITY GETS A BOOST IN NEPAL

WITH CONSUMER DEMAND FOR PROTEIN RISING RAPIDLY ACROSS THE GLOBE, THE POULTRY SECTOR—PARTICULARLY IN ASIA—PRESENTS AN EXCITING AREA OF GROWTH.



Advising Nepal's Poultry Farmers: In Nepal, IFC is working with three poultry companies and about 3,000 small poultry farmers, who supply the companies, to improve operations. Advice is focused on ways to improve feed, day-old chick quality, and grower performance to reduce mortality and increase incomes for farmers. Particular emphasis is on training tailored to women—the backbone of the industry. IFC trained more than 700 women farmers, GAFSP helped to extend it to an additional 1,000.

In Nepal, this sector boasts an annual turnover of \$240 million, employing approximately 70,000 people and contributing 3.3 percent to the country's GDP. An IFC review of the sector found that inefficiencies cost producers about \$32 million in lost production. Most of this inefficiency exists with the small and medium-sized producers of broiler chickens.

This year, GAFSP's Private Sector Window—in partnership with IFC—invested \$3.8 million in Nepalese feed manufacturer Probiotech Industries to enhance poultry farm productivity and boost incomes in rural Nepal.

The investment grew out of a robust GAFSP and Probiotech advisory relationship that has existed for several years. Working alongside local poultry farmers, the Private Sector Window has already helped strengthen the poultry supply chain in Nepal through biosecurity and farm management training for female farmers.

This new GAFSP investment—IFC's first in the agribusiness sector in Nepal—will allow Probiotech to take poultry farming to the next level. The company will use the funding to finance manufacturing capacity for value-added products like soy flour, nuggets and refined oil.

Through a network of more than 100 dealers and over five sub dealers across 70 districts within Nepal, Probiotech has an outreach of over 8,000 farmers to which it provides inputs, feed and technical assistance from veterinarians.

POULTRY IS THE LARGEST SOURCE OF PROTEIN IN NEPAL AND IS ESPECIALLY IMPORTANT FOR THE POOR



photo © World Bank

GAFSP STEMMING THE TIDE OF MIGRATION

EVERY YEAR, AN ESTIMATED 1,200 YOUNG PEOPLE LEAVE NEPAL IN SEARCH OF WORK ELSEWHERE. NOW, THANKS TO GAFSP SUPPORT, PROBIOTECH HAS AN OPPORTUNITY TO STEM THIS HUMAN TIDE.

- We helped Probiotech Industries enhance poultry farm productivity and boost incomes amongst small holder famers in Nepal.

“ IFC’s global knowledge and expertise in the agribusiness sector will help the company to adopt best practices for production efficiency, environmental and social standards, and to upgrade technology. The project will help streamline the food supply chain leading to higher productivity and increased incomes for farmers. ”

**Anand Bagria, Managing
Director of Probiotech
Industries**

The proposed investment of \$3.8 million in Probiotech will create additional direct jobs in the company factory in addition to a large number of indirect jobs through forward and backward linkages with farmers and SMEs.

Ninety-five percent of Probiotech’s purchases are from SMEs which also source from small farmers. The project will strengthen linkages with these enterprises, creating new opportunities for the farmers who supply them to raise their income.





140,000

FEMALE FARMERS HAVE BEEN
REACHED THROUGH PRIVATE SECTOR
WINDOW INVESTMENTS

3,200

WOMEN HAVE FOUND EMPLOYMENT
THROUGH GAFSP CLIENTS

photo © World Bank

CLOSING THE GENDER GAP

WOMEN—WHO PRODUCE MORE THAN HALF OF THE WORLD’S FOOD—ARE THE BEATING HEART OF AGRICULTURAL PRODUCTIVITY.



If women had the same access to agricultural resources as men, their yields would increase by 20 to 30 percent, raising total agricultural output in developing countries by four percent.

Yet most women farmers toil in relative obscurity, shut out from land ownership, lacking market price information and agricultural inputs. They tend to have smaller plots of land and have to travel long distances to market. As a result many female farmers are less productive and miss out on valuable earnings, money that could feed their families and educate their children.

The Private Sector Window of GAFSP is committed to helping women farmers raise their productivity profile through gender relation actions attached to many of our projects. To date, over 140,000 female farmers have been reached through our investments with about 3,200 women employed by GAFSP clients.

Gender focus is now a driving force in all Private Sector Window projects. Before we agree to a new investment, our staff will undertake a thorough gender assessment as part of the appraisal process. With specialized training from IFC's gender team, our Private Sector Window staff can help GAFSP's corporate clients understand the importance of including women in their value chain.

By allowing women the same access to agricultural resources as men, the FAO estimates that women's agricultural yields would increase by 20 to 30 percent over current levels. With GAFSP private sector support, we are committed to increasing the participation and impact of women in the global agricultural value chain.



photo © TechnoServe



Improving Access to Finance



photo © Curt Carnemark/World Bank

STORING THE FUTURE OF FINANCIAL SECURITY

MANY FARMERS ACROSS THE DEVELOPING WORLD ARE FORCED TO SELL THEIR PRODUCTION IMMEDIATELY FOLLOWING THE HARVEST. IT IS THE WORST TIME TO SELL.

With the market flooded by similar commodities, prices are low and opportunities for earning a good return bleak. Farmers are often left with barely enough money to feed their families and buy inputs and fertilizers for the next harvest—perpetuating a cycle that leaves them mired in poverty and subsistence farming.

But now—thanks to GAFSP’s investment in the Global Warehouse Finance Program (GWFP)—many small holder farmers are finally gaining access to much needed credit. The GWFP supports local banks who provide credit to farmers by encouraging them to utilize instruments such as warehouse receipts, collateral management agreements, and stock monitoring agreements.

GWFP lends or provides risk mitigation solutions to banks in low income countries who in turn provide lending to small farmers and SMEs for “warehouse financing”—a lending technique that allows farmers receive credit for the harvested goods they deposit in warehouses.

The program reduces food storage losses, increases market access for farmers and boosts their income by allowing them more flexibility to sell their commodities when prices are higher. Now, thanks to GWFP, harvest time for many small farmers is an opportunity to benefit, not lose.



photo © Amir Hanna/IFC



\$10M

**GAFSP'S INVESTMENT
CONTRIBUTION TO A GWFP FUNDED
LINE TO CRDB BANK.**

\$25M

**THE TOTAL GWFP FUNDED LINE TO
CRDB BANK, TANZANIA'S LARGEST
AGRIBUSINESS LENDING INSTITUTION.**

photo © World Bank

REACHING SMALL FARMERS IN TANZANIA

AGRICULTURE IS A CRUCIAL SECTOR FOR TANZANIA'S ECONOMY, EMPLOYING APPROXIMATELY 80 PERCENT OF THE COUNTRY'S WORKING POPULATION AND CONTRIBUTING ABOUT 30 PERCENT TO GDP.



“ I would like to thank IFC for empowering CRDB. While Tanzania's economy is growing, a low rate of access to finance is a serious issue. In order to help grow the private sector, I believe IFC's financing to CRDB will make a difference. ”

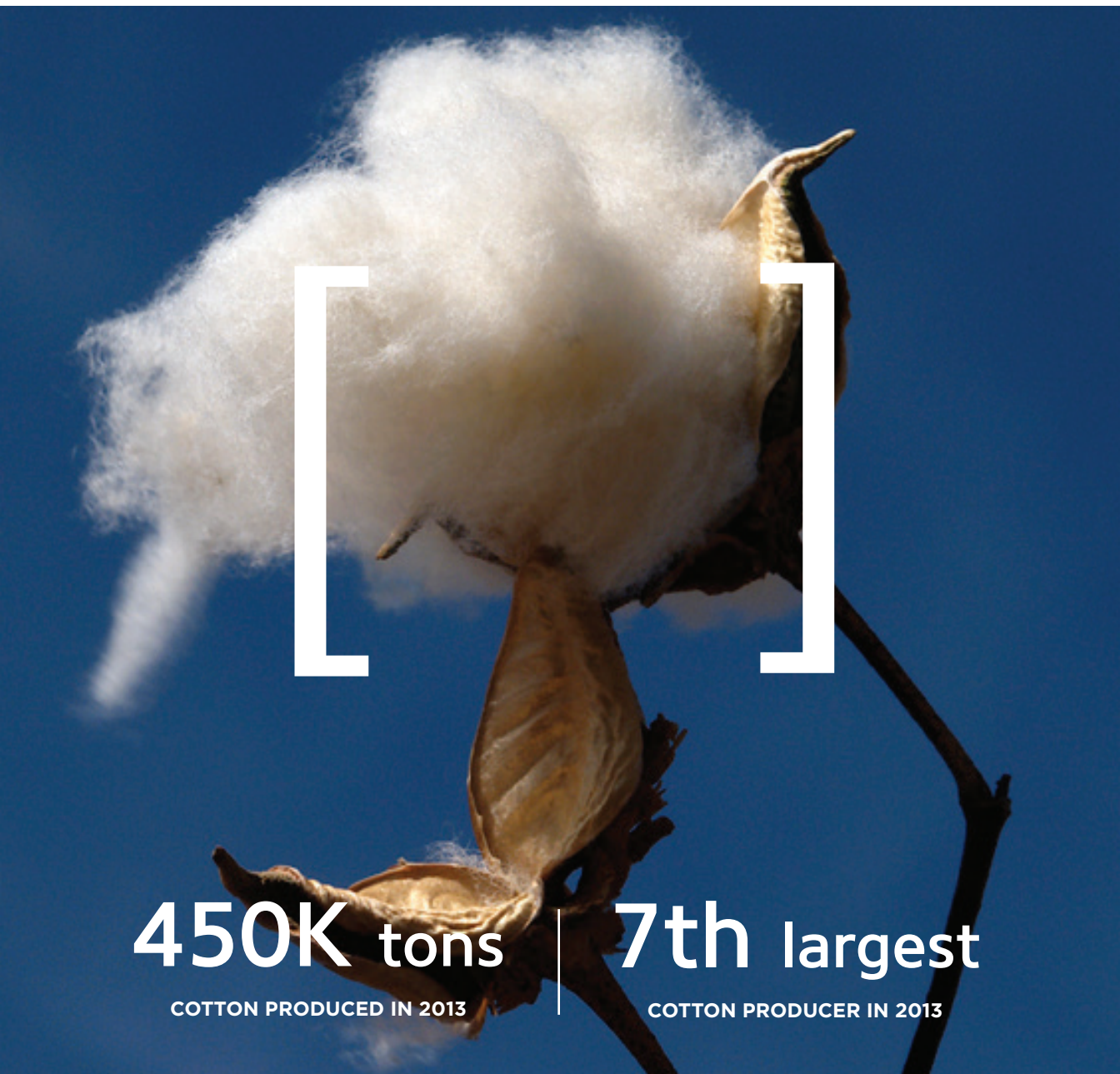
The Hon. Saada Mkuya Salum
Finance Minister of Tanzania
11 April 2014
IFC, Washington, DC

This year, GAFSP invested \$10 million in a \$25 million GWFP funded line to CRDB Bank, Tanzania's largest agribusiness lending institution. CRDB is the perfect partner to reach Tanzania's small farmer community, maintaining the largest warehouse financing portfolio in Tanzania's coffee, cashew nuts and cotton sector.

Working with over 800 clients including SMEs and farmer cooperatives, and standing upon fourteen years of warehouse financing operations, CRDB will reach approximately 6,000 farmers with IFC's support.



photo © World Bank



450K tons | 7th largest

COTTON PRODUCED IN 2013

COTTON PRODUCER IN 2013

photo © World Bank

SUPPORTING THE COTTON INDUSTRY IN MALI

DESPITE MALI'S RECENT ECONOMIC AND POLITICAL WOES, THE LANDLOCKED COUNTRY IS ONE OF THE LEADERS IN COTTON PRODUCTIVITY ACROSS THE WORLD.

○ With GAFSP lending, over 296,000 cotton farmers in Mali will gain access to post harvest financing.

○ We helped cotton farmers in Mali to purchase seeds, repay loans and support their cotton productivity through our Global Warehouse Finance Program.

Cotton, which employs more than 3 million farmers, remains the main cash crop in Mali, producing 450,000 tons in 2013 and placing Mali as the largest producer of cotton in Sub-Saharan Africa, and the 7th largest in the world.

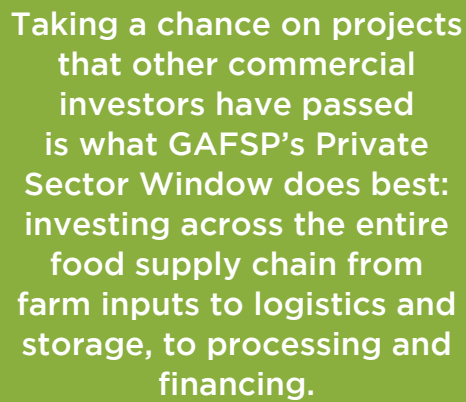
This year IFC and GAFSP extended a one year facility to Compagnie Malienne pour le Développement du Textile (CMDT), a state owned company and the sole cotton exporter in Mali. Under GWFP, the facility will be used to finance the repayment of pre-harvest loans, to purchase seed cotton from farmers, and meet other working capital needs related to the cotton campaign in Mali. GWFP's investment will be fifty percent counter guaranteed by GAFSP. In addition to the investment, CMDT will benefit from IFC's advisory services in productivity improvement and weather insurance solutions through the comprehensive Better Cotton Initiative.



photo © World Bank



photo © Bradford Roberts/IFC



Taking a chance on projects that other commercial investors have passed is what GAFSP's Private Sector Window does best: investing across the entire food supply chain from farm inputs to logistics and storage, to processing and financing.

Global Agriculture and Food Security Program (GAFSP) is a global effort that pools donor resources to fund programs focused on increasing agricultural productivity as a way to reduce poverty and increase food and nutrition security. GAFSP targets countries with the highest rates of poverty and hunger. The public sector window helps governments with national agriculture and food security plans. The private sector window, managed by IFC, and supported by the governments of Canada, Japan, the Netherlands, the United Kingdom and the United States, provides long- and short-term loans, credit guarantees, and equity to private sector companies to improve productivity growth, deepen farmers' links to markets, and increase capacity and technical skills.

For more information, visit <http://www.ifc.org/GAFSP>.

