Global Agribusiness

CREATING OPPORTUNITY IN EMERGING MARKETS
The IFC Difference

IFC, a member of the World Bank Group, focuses on the private sector to promote growth, reduce poverty, and improve people’s lives in developing countries. IFC is the world’s largest multilateral financier for companies that do business in emerging markets. We finance and advise clients to support profitable and sustainable business development in these markets.

Established more than 50 years ago and owned by 182 shareholder countries, IFC has unparalleled experience in helping private companies succeed in emerging markets worldwide—we are global.

We are also local—with offices in more than 86 countries and active programs in many others.

We can work with clients anywhere in the developing world. Behind every IFC venture is a strong network that links people, institutions, ideas, and capital. We are your connection to success in the emerging marketplace.

In fiscal year 2010, IFC committed $18 billion, of which $12.7 billion was for its own account and $5.3 billion was mobilized through syndicated loans, structured and securitized products, and IFC new initiatives for 528 projects in 103 developing countries. Our Advisory Services portfolio comprised 736 active projects valued at more than $850 million, with annual expenditures totaling $268 million.

### IFC: Key Facts

- **Credit Rating:** AAA (Moody’s, Standard & Poor’s)
- **Portfolio:** $48.8 billion, representing 1,656 investments in more than 100 countries (as of June 30, 2010)
- **Total Staff:** Approximately 3,400 (more than 50 percent are based in country offices worldwide)
- **Number of Investments Committed in FY10:** 528 in 103 countries
- **Broad Industry Expertise:** IFC can help companies address potential risks and incorporate global best practices and technologies into their operations
- **Broad Product Range:** Corporate and project finance, subnational finance, loans, equity, quasi-equity, structured finance, syndications, and advisory services
- **Partnership Model:** Emphasis on building long-term partnerships with clients
Global Agribusiness

IFC has made agribusiness a priority because of its potential for broad development impact and especially strong role in poverty reduction. We combine investments and advisory services to help the private sector address higher demand and escalating food prices in an environmentally sustainable and socially inclusive way. We also support global initiatives for sustainable production of agricultural commodities.

The food crisis is putting pressure on the global supply chain and threatening progress in poverty reduction. To help clients prefinance inventories, seeds, fertilizers, chemicals, and fuel for farmers, IFC offers working capital facilities. In the medium term, we will scale up financing for agribusiness and address critical constraints along the agribusiness value chain. We aim to bring land into sustainable production, improve productivity by transferring technologies and practices, and make the best use of water and other resources. We will also pursue investments, with both private and public sectors, in physical infrastructure (ports, warehouses, cold storage, telecommunications) that can facilitate trade and lower cost. To reach small farmers and rural enterprises, particularly in low-income countries, IFC works with trading companies and financial intermediaries, helping channel financing and advisory services effectively.

Agribusiness companies increasingly recognize that the sector needs to make sustainable use of land, water, and other key natural resources, while increasing supply to meet market demand. The sector also faces social challenges, including the need to raise labor standards. IFC seeks commercially viable solutions and helps companies set benchmarks for responsible production in line with industry best practices. In areas such as sequestering carbon, managing watersheds, preserving biodiversity, and producing renewable energy resources, IFC’s efforts can also help generate new income through environmental services. IFC is also working with clients to strengthen their supply chains by helping small farmers increase productivity and apply appropriate environmental, social, and quality standards.
From Farm to Factory to Fork

IFC provides investment and advisory services to the agribusiness sector along the full value chain directly to companies and indirectly through intermediaries.

### DIRECT FINANCING

<table>
<thead>
<tr>
<th>Category</th>
<th>Project/Description</th>
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<tbody>
<tr>
<td>Inputs</td>
<td>Jain Irrigation (India): $45 million loan and $14 million equity to India’s largest provider of micro irrigation systems to increase efficient water delivery and reach more than 2,000 farmers.</td>
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<tr>
<td>Farm Production</td>
<td>Wadi (Egypt): $40 million in loans to expand poultry operations, feed-milling and pelleting capacity, plant olive groves, and grape farms, as well as to establish a celpad plant and expand the company’s glass containers capacity.</td>
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<tr>
<td>Sourcing</td>
<td>Salala Rubber (Liberia): $10 million loan to finance rehabilitation of post-conflict rubber plantations and further export of semi-processed natural rubber to tire manufacturers worldwide.</td>
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<td>Processing</td>
<td>Wings (Indonesia): $92 million in loans to expand and finance working capital of Wings Group’s operating companies producing instant noodles.</td>
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<td>Trade/Distribution</td>
<td>FinaTrade (West Africa): $20 million loan to support regional expansion of a leading distribution company that specializes in soft commodities (rice, sugar, and vegetable oils) and fast-moving consumer goods.</td>
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<td>Wholesale/Retail</td>
<td>ADA-Ticaret (Azerbaijan): $18 million loan and equity to support direct purchases from suppliers and wholesalers, efficient handling, storage, and distribution by the state-of-the-art grocery retail chain.</td>
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<td>Infrastructure/Logistics</td>
<td>Snowman Frozen Foods Limited (India): $5 million equity to expand temperature-controlled transportation and storage infrastructure.</td>
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### INDIRECT FINANCING

<table>
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<tr>
<th>Category</th>
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<tbody>
<tr>
<td>Pre-Harvest Finance</td>
<td>Ecom (Latin America, West Africa, Asia): $80 million corporate loan facility to a commodity trader for onlending to farmers for capital expenditures and crop financing and to improve supply-chain standards, social and environmental practices, and key performance indicators of coffee suppliers.</td>
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### IFC’S ADDED VALUE IN AGRIBUSINESS

- Competitive long-term financing
- Regional knowledge
- Global sector expertise
- Country risk mitigation
- Environmental and social risk management
- Sustainability toolkit
- Advisory services
IFC’s Agribusiness Investments

IFC significantly scaled up its investments in agribusiness in the last few years. During FY10, IFC invested nearly $2 billion across the agribusiness supply chain—from farm to retail—to help boost production, increase liquidity, improve logistics and distribution, and expand access to credit for small farmers. At the end of FY10 IFC’s agribusiness portfolio stood at $3.9 billion.

IFC’S Approach to Financing Agribusiness

INVESTMENT SERVICES

- Equity and long-term loans
- Partial credit guarantees and risk-sharing facilities
- Syndications

DIRECT FINANCING: CORPORATE AND PROJECT FINANCING

- Direct financing of agribusiness firms
- Build long-term partnerships with emerging industry leaders
- Promote best practices in corporate governance and environment and social sustainability
- Implement programs to support individual farmers and distribution companies
- Provide advisory services that add value in IFC’s financing package

INDIRECT FINANCING: TRADERS AND FINANCIAL INSTITUTIONS

- Expand reach to small farms and businesses, which are essential to the sector but too small for IFC to finance directly
- Build on local market knowledge of intermediaries (regulations, business customs, and client/supplier reputations)
- Channel investment and advisory services to end users via intermediaries
- Develop and promote sustainability best practices through intermediaries

ADVISORY SERVICES

- Strengthen farmers, small businesses, supply chain linkages, and infrastructure
- Facilitate market development of local supply through helping farms meet quality and quantity requirements
- Raise standards of corporate governance and business transparency
- Support the development and uptake of eco-standards

IFC’s Agribusiness Investments

Note: All portfolio data include syndications