FARMING IS AN INHERENTLY RISKY ENTERPRISE AND ACCESS TO FINANCE IS A MAJOR CHALLENGE FOR FARMERS, ESPECIALLY SMALLHOLDER FARMERS IN POOR COUNTRIES. WAREHOUSE FINANCING IS A LENDING TECHNIQUE THAT ALLOWS FARMERS IN THESE COUNTRIES TO GET CREDIT FROM BANKS SECURED BY THEIR HARVESTED CROPS STORED IN WAREHOUSES.

GAFSP’s Global Warehouse Finance Program (GWFP) lends or provides risk mitigation solutions to banks in low income countries which in turn provide lending to small farmers and small businesses. These loans are backed by the harvested goods farmers deposit in warehouses. This project is part of GAFSP’s GWFP II, approved in February 2015.

The project aims to finance the working capital of Sofitex, a strategic agriculture company that controls 80 percent of cotton production in Burkina Faso to purchase raw cotton from farmers and export to international buyers. The project comprises a one year committed fully secured pre-export facility for Sofitex.

EXPECTED RESULTS:

This project aims to deliver transformative and sustainable benefits to 334,000 cotton farmers in Burkina Faso.