

Agribusiness Development

Line of Business



Agriculture is a key sector in many developing countries that generates employment and income. Most of the population's food consumption depends on the produce of smallholder farmers. Despite the importance of the agricultural sector many emerging economies still struggle with food security for their own people. Our main challenge is to contribute to those economies in order to reach a higher level of self reliance!

Sub Saharan Africa has not been able to develop its agricultural oriented economy into a strong sector that can compete with imports from Western countries and the Middle East. Agribusiness is the most important economic sector in the emerging markets of Africa, Asia and Latin America. It is an important source of employment and income in rural areas.

Characteristics of agribusiness sector

- Perishable products, mostly seasonally produced in particular regions, varying product quality, primary production mainly rain fed.
- In emerging economies, 95% of farmers are smallholders who are not or are loosely integrated in regional or international value chains, with limited control in setting prices and standards.
- Demand for processed food products is increasing. Food safety, regulatory measures, certifications and environmental protection are becoming more important in global agribusiness chains.

Investments Agribusiness

Incluvest B.V. is an investment firm that manages a portfolio of agribusiness investments in Africa, Asia and Latin America. Incluvest aims to contribute to a sustainable agri-sector by promoting entrepreneurship in primary production, agro-processing and agribusiness support services.

Incluvest works on agribusiness development in various value chains like, cashew, coffee, mango, meat, soya and cacao. This is done in close collaboration with capable local service providers.

Incluvest provides three key services:

- Access to finance;
- Business and technical support (BDS);
- Value chain organization & optimization.

Portfolio financial services

Incluvest B.V. offers financial services, like:

1. Microfinance: capitalization (loan, equity, fund) of young microfinance institutes to achieve sustainability of the service provider and offer tailored financial services to smallholders;
2. SME Small: long-term capital based on loan, equity or fund (10 – 75k€), customized and in cooperation with a local financial institute;
3. SME: short-term (< 1.5 yr) working capital to buy produce from

smallholders or pre-finance and strengthen the value chain by squeezing out the middlemen;

4. SME: equity or debt financing for processing enterprises (75 – 500 k€) impacting the value chain either at producer or at customer level (e.g. ensured purchase from smallholders or increased availability of affordable quality products for low income people);
5. SME: seed capital to contribute to ventures with high potential impact, but also high financial risk.

Unique proposition

Incluvest B.V. always seeks a balance between the right financial service and simultaneously providing additional non-financial assistance to limit or control risks and strengthen technical and management capacity at the level of the investee. These services need to be covered from grants obtained from partnering NGOs and dedicated funds for this purpose.



Selection of Incluvest Agribusiness investment opportunities 2012

Country	Intervention	Purpose	Amount (k€)	Business Partner
Benin	Loan	Tailored loans to 1000-1500 farmers in value chains of cashew and soya.	50	Agri-finance
Ethiopia	Fund	Livelihood Value chain businesses.	150 -200	Agriinvest
Zambia	Loan	Capitalization of the MFI to provide tailored loans to about 200 farmers.	100	Zambia Works
Nicaragua	Grant	Loans and BDS for 155 farmers aimed at diversifying their production with a marketing focus and increasing their income levels.	80	PAC

Results and impact Agribusiness Enterprise Development 2009 - 2011

Year	Amount of loans (k€)	Number of loans	Entrepreneurs with BDS	Created jobs
2009 ED	1950	700	n.a	1700
2010 ED	1350	850	800	2850
2011 ED	1250	1600	2000	1950
2011 AD*	750	500	800	150

* The Agribusiness Development (AD) program started in 2011 - closely linked to Enterprise Development (ED).

Shared Ambition

Incluvest would like to invest in promising enterprises. However, we cannot do this alone. Do you share our ambition? Then we would like to discuss the possibilities of a strategic partnership with you!



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