



India: Sustaining Poultry Farmer Income and Food Security Project

Project Name	Sustaining Poultry Farmer Income and Food Security Project		
Project Number	54237-001		
Borrower/Company	Suguna Foods Private Limited		
Country	India		
Location			
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 15.00 million	Proposed
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development - Livestock		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Noorullah		
Project Sponsor(s)			
Description	Suguna's business has been significantly impacted by Covid-19. There were false rumors in India associating chickens with the spread of Covid-19 leading to a sharp contraction in demand. The situation was further aggravated by supply disruptions as a result of the lockdown. This has resulted in losses and tight liquidity conditions for Suguna. The project will provide essential liquidity support to Suguna helping it sustain operations and livelihoods of 40,000 contract poultry farmers and over 7,700 employees.		
Objectives and Scope	The project will help Suguna sustain its business operations through the Covid-19 crisis, by providing financing for working capital and operational expenditure. In addition, due to supply chain disruptions, Suguna plans to maintain higher levels of inventory (feed and medicines) to ensure adequate buffers for sustained operations.		
Linkage to Country/Regional Strategy	The project is aligned with Strategy 2030, which calls for ADB to scale up its financing for agribusiness and to promote gender equality in at least 75% of the number of ADB's committed operations by 2030. The project is also aligned with Operational Plan for Private Sector Operations 2019-24 which calls for working with strong Tier-2 companies from large DMCs such as the PRC, India, Indonesia, and Thailand as it is strategically important for ADB to engage with companies that will at some point expand beyond their borders and invest in other DMCs. The project is also consistent with the country partnership strategy, 2018 to 2022 for India, which supports (i) increasing agricultural productivity and rural incomes, (ii) reducing the rural urban income gap, (iii) doubling farm incomes within 5 years, and (iv) promoting gender equity.		
Safeguard Categories			
Environment			C
Involuntary Resettlement			C
Indigenous Peoples			C
Summary of Environmental and Social Aspects			
Environmental Aspects	The project is classified as category C for environment in compliance with ADB Safeguard Policy Statement (2009). The potential environmental and social impacts, as well as Suguna's capacity for environmental and social management, have been reviewed. ADB has undertaken a corporate and site level compliance audit of Suguna in November 2019 through an external party. This emergency loan will support working capital needs to maintain pre-crisis activities. This transaction is anticipated to have minimal environmental and social impacts in addition to its current operations. Suguna will develop a formal environmental and social management system (ESMS) and strengthen its environmental and social management capacity. No subprojects classified as category A or B for environment will be financed under this project.		
Involuntary Resettlement	The project is classified as category C for involuntary resettlement in compliance with ADB Safeguard Policy Statement (SPS, 2009). Land acquisition will not be required as the project will not involve development of new facilities or expansion of existing ones. No subprojects classified as category A or B for involuntary resettlement will be financed under this project.		
Indigenous Peoples	The project is classified as category C for Indigenous Peoples in compliance with ADB Safeguard Policy Statement (SPS, 2009). The project is not expected to directly or indirectly affect indigenous communities as it will focus on supporting Suguna's working capital needs and not build new facilities or expand existing ones. No subprojects classified as category A or B for Indigenous Peoples will be financed under this project.		
Stakeholder Communication, Participation, and Consultation			
Timetable for assistance design, processing and implementation			
Concept Clearance			

Due Diligence	
Credit Committee Meeting	-
Approval	30 Jun 2020
Last PDS Update	27 May 2020

Project Page	https://www.adb.org/projects/54237-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54237-001
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