Early Warning System

ADB-54237-001

Sustaining Poultry Farmer Income and Food Security Project

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Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2020-06-09
Borrower	Suguna Foods Private Limited
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Loan Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to Asian Development Bank, 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. 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.

The project is ADB’s first COVID-19 emergency assistance to an agribusiness in India.

Investment Description

- Asian Development Bank (ADB)

ADB will provide debt financing to Suguna by subscribing to up to $15,000,000, in Indian rupee equivalent, of 2-year amortizing senior secured nonconvertible debentures, in three tranches.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Suguna Foods Private Limited	Client	-

Contact Information

Responsible ADB Department	Private Sector Operations Department
Responsible ADB Division	Office of the Director General, PSOD
Responsible ADB Officer	Mosnier, Zsuzsanna

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- FAST Report [Original Source]
- Initial Poverty and Social Analysis [Original Source]
- Project Disclosure PDF [Original Source]