Early Warning System

FMO-50231

AGRONOMIKA FINANCE CORPORATION

Quick Facts

Countries	Philippines
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Voting Date	2016-12-21
Borrower	Agronomika Finance Corporation
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 2.00 million
Loan Amount (USD)	$ 2.00 million
Project Cost (USD)	$ 2.00 million

Project Description

According to the FMO, Agronomika will receive a blended farmer finance facility, that consists of a long term loan from FMO (Massif-fund) which is supported by a first loss guarantee of IDH. Both FMO and IDH support Kennemer's operations with technical assistance whereby IDH's focus is on the farmer engagement model and FMO's support is aimed at improving governance and risk management of Agronomika. The blended farmer finance facility will be utilized to provide microloans to farmers for long term investments in their cocoa farms. The facility is structured under the Smallholder Finance Facility, the cooperation between FMO and IDH (http://smallholder.finance/).

Via facility smallholder farmers in rural Philippines will gain access to finance for investments in their cocoa farms, which offers an opportunity to improve their livelihoods significantly.

Investment Description

- Netherlands Development Finance Company (FMO)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Agronomika Finance Corporation (Financial Intermediary) **is owned by** Kennemer Foods International, Inc. (Parent Company)

Private Actor Relationship

MASSIF

Private Actors Description

As stated by the FMO, Agronomika is a newly established agri-finance company that focuses on providing loans to smallholder cocoa farmers in the Philippines. Agronomika is part of Kennemer Foods, a Philippine company that sources and exports cocoa beans and that has a unique business model that supports smallholder farmers to set up their own cocoa farms. Kennemer Foods has created an end-to-end contract farming model that provides farmers with high quality planting material and technology, training on farming practices, and access to financing and markets. In just five years of operations, Kennemer has achieved significant scale, establishing a sourcing network of 10,000 Philippine farmers who stand to gain a sizeable increase in income when they invest in cocoa. By adopting modern technology, farmers can experience cocoa yields of four times the national average.

Contact Information

No project contacts provided at the time of disclosure.

Financial Intermediary - Agronomika Finance Corporation:

Address: Unit 109, LDL Commercial Buiding, C.P. Garcia Highway (Diversion Road), Sasa, Davao City, Philippines
Phone: +63 82 232 8095
Email: info@agronomikafinance.com
Website: https://www.agronomikafinance.com/

Parent Company - Kennemer Foods International, Inc.:

Address: 5th floor, La Paz Centre, Salcedo Street corner Rufino Street, Legazpi Village, Makati City
Website: http://www.kennemerfoods.com/

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism

Other Related Projects

- FMO-51771 AGRONOMIKA FINANCE CORPORATION