Early Warning System

FMO-65927

BAF Vietnam Agriculture Joint Stock Company

Early Warning System

BAF Vietnam Agriculture Joint Stock Company

FMO-65927

Quick Facts

Countries	Vietnam
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2026-05-19
Borrower	BAF Vietnam Agriculture JSC
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 30.00 million

Project Description

As stated by the FMO, the project consists of a syndicated facility which includes a USD 30mln senior secured facility to BAF: USD 20mln from FMO-A and USD 10mln from Building Prospects. Additionally, a syndication of up to USD 20mln, as B-loan participant, will be arranged on a best-effort basis with a commercial party. The financing will be used towards the development of two new swine farms from 2026. As pork is a staple protein source in Vietnamese households, improving the supply of pork is a priority for the Vietnamese government. This financing will:

(i) address the pork deficit in Vietnam,
(ii) support the country's professionalization of livestock industry,
(iii) improve animal welfare standards,
(iv) increase food safety and
(v) promote price stability that benefits the low-income population.

According to the FMO, this transaction addresses Vietnam's structural pork supply gap, a critical food security issue, by supporting the transition from smallholder farms to modern, regulated production.
Secondly, it advances animal welfare standards through IFC-aligned commitments to phase out individual sow stalls and adopt group housing by 2030.
Finally, it improves food safety and environmental performance: while concentrated farming poses waste challenges, BAF's integrated model offers better biosecurity, efficient feed use (lower emissions), and Global SLP-certified practices for hygiene, traceability, and waste management.

The transaction is expected to be 100% Green due to GLOBAL SLP-certification for FMO-financed facilities.

Early Warning System Project Analysis

As a large, rapidly expanding integrated pork producer covering feed production, breeding, rearing, slaughtering, processing to retail, BAF's operations involve significant E&S risks, including Occupational Health and Safety hazards, biosecurity issues, wastewater and waste management, odor and traffic impacts, and greenhouse gas emissions. Some of these risks can extend beyond site boundaries and require strengthened mitigation measures, governance and monitoring.

The following IFC Performance Standards are applicable: PS 1 (organization, risk assessment, stakeholder engagement and grievance redress, contractor and supply chain management), PS 2 (working conditions and health & safety), PS 3 (Resource Efficiency, Pollution Prevention), PS 4 (Community Health Safety and Security), PS 6 (Biodiversity conservation and sustainable management of living natural resources including supply chain and climate impact), and PS 7 (Indigenous Peoples). Relevant Environmental, Health, and Safety Guidelines include Mammalian Livestock Production, Meat Processing, and Food and Beverage Production. All financed facilities will obtain Global SLP certification. FMO's Position on Animal Welfare is applicable to this transaction.

Land was acquired through willing buyer-willing seller transactions without displacement; therefore, PS 5 does not apply. No cultural heritage was identified in the area where the projects will be located, so PS 8 does not apply, and a Chance Finds Procedure will be implemented.

Investment Description

- Netherlands Development Finance Company (FMO)

Private Actors Description

As stated by the FMO, BAF Agricultural Joint Stock Company (BAF) is a publicly listed, reputable swine husbandry, feed producer, and meat processing company in Vietnam. Established in 2017, BAF operates under the Feed-Farm-Food model, with an integrated value chain approach, which gives control over feed production, breeding, hi-tech farming, meat processing, and distribution.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	BAF Vietnam Agriculture Joint Stock Company (BAF)	Client	Agriculture and Forestry

Contact Information

Client - BAF Vietnam Agriculture JSC:

Address: 9th Floor, Vista Tower, 628C Vo Nguyen Giap Street, An Khanh Ward, Ho Chi Minh City, Viet Nam
Email: info@baf.vn
Phone:+84 766 07 47 87
Website: https://baf.vn/en/homepage/

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

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