Early Warning System

IDBI-12506-01

Desdelsur

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Quick Facts

Countries	Argentina
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-03-15
Borrower	Desdelsur S.A.
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.00 million
Loan Amount (USD)	$ 30.00 million

Project Description

The proposed financing consists of an A/B loan in favor of Desdelsur S.A. for up to US$ 30.0 million with a 7-year term (5 years, in the case of Loan B), with two years' grace and a collateral guarantee acceptable to IDB Invest. The A/B loan will be distributed in equal amounts between IDB Invest and Lender B for the purpose of financing: (I) US$ 11.2 million of Desdelsur's growth capital investment (livestock and industrial) for 2018 and 2019 and to finance a consultancy for the design and implementation of the mandatory corporate governance action plan included in the Loan Agreement; (ii) US$ 8.8 million in permanent working capital to cover the structural needs increase of Desdelsur's business cycle; and (iii) US$ 10.0 million for the refinancing of commercial bank loans whose funds were allocated to capital investments for DDS's agro-livestock activities during 2018 (the "Project").

Desdelsur S.A. is the main pulse production, processing and export company in Argentina, with 6.6% of the national market share, and one of the largest producers of steers for export to Northeast Argentina. The company was founded in 1986 by Jose Macera, current stockholder and CEO, for the sale of grains, oils and other agricultural products. In 1990, Desdelsur ventured into the production of pulses, starting a period of capital investments for the purchase of estates, machinery, and the construction of the first processing plant in Salta. In 2005, as part of its vertical integration activities, the company created the livestock division, which focuses on pasture rearing and feedlot fattening to leverage the corn resulting from the agronomic management of the land dedicated to pulses.

Investment Description

- IDB Invest (IDBI)

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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Desdeelsur S.A.	Undisclosed	-

Contact Information

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For inquiries, comments and requests about the project: https://idbinvest.org/en/projects/desdelsur#

Bank Documents

- Environmental and Social Action Plan