

Early Warning System

IFC-30372

GTSF-McCormick

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Quick Facts

Countries	Brazil, Indonesia, Madagascar, Vietnam
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	McCormick & Company Incorporated
Sectors	Agriculture and Forestry
Investment Amount (USD)	$ 30.00 million

Project Description

This project is proposed under the Global Trade Supplier Finance program (“GTSF” or the “Program”) approved by the IFC Board on September 21, 2010 (Original Project #28723). Under this project, IFC will provide financing to McCormick & Company (“McCormick” the “Company”) Suppliers based in different emerging market countries. The proposed project (‘the Project”) within the GTSF facility is expected to be US$30 million for the supply of black pepper, cinnamon, oregano, and vanilla from Vietnam, Indonesia, Brazil, and Madagascar. The pricing offered to Suppliers will depend on their E&S score as determined by a supplier sustainability matrix pending development by McCormick with support through an IFC Advisory Services project. This is expected to provide a financial incentive for Suppliers to adopt and enhance sustainability practices.

The Project is implemented concurrently with an Advisory Services project (#603284, Pepper Sust Viet) over a 5-year period, which aims to enable farmers, suppliers (local vendors) and McCormick to develop more productive, efficient, and sustainable enterprises around the sourcing of black pepper from Vietnam. This project will assist McCormick in establishing systems, testing and documenting improved production practices, applying bio-based protection and tracing these changed patterns to support certification of pepper farmers as way for McCormick to reach its goal of building a 100% sustainable pepper supply chain in Vietnam.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

McCormick & Company, Incorporated is a major US multinational company that manufactures, markets, and distributes spices, seasoning mixes, condiments, and other flavorful products to the food industry, including retailers, food manufacturers, and foodservice businesses. McCormick does not own or operate farms and does not source a large portion of its agricultural raw materials directly from farmers but rather through joint venture partners or other commercial entities (or vendors). Vendors are increasingly moving away from buying from aggregators but are working directly with farmers. Although McCormick works with approximately 3,000 vendors globally, the scope of this project will focus on 6-7 vendors located in Vietnam, 2 in Indonesia, and 1 in Brazil involved in supplying McCormick's five "iconic ingredients" (black pepper, cinnamon, oregano, red pepper, and vanilla). McCormick has a supply chain of 3,000 agricultural products, sourced from smallholder farmers in over 80 countries and facilities in more than 50 locations across 27 countries. McCormick is listed on the NY Stock Exchange (as MKC) and company headquarters are located in Sparks, Maryland. In 2019, McCormick was ranked #13 by Corporate Knights on its Global 100 Sustainability Index and #1 in the consumer staples industry overall for a third year in a row, which was announced during the World Economic Forum's annual meeting in Davos, Switzerland.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	McCormick & Company	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Project Information

Other Related Projects

- IFC-28723 Global Trade Supplier Finance