Early Warning System

IFC-37803

Norson II

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Quick Facts

Countries	Mexico
Specific Location	Sonora, in and around Hermosillo
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-02-08
Borrower	Norson Holding, S. de R.L. de C.V.
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 69.80 million

Project Description

Norson Holdings S. de R.L. de C.V. ("Norson" or the "Company"), is one of the leading integrated pork producers and processors in Mexico, and has a feed mill, farms, and slaughtering and meat processing facilities based around Hermosillo, Sonora. Norson is 50% owned by Smithfield Foods Inc., the world's largest pork producer and processor and 50% by Grupo Mazon, a Mexican business group. The project includes: (i) expansion of Norson's production capacity; (ii) development of new farms required to provide the capacity expansion, adaptation of some existing farming facilities and development of out-grower relationships with third parties; (iii) increasing slaughtering capacity at the processing plant; (iv) increasing the feed mill capacity; and (v) completing an ongoing project to add liners to the farms' effluent lagoons.This would be IFC's second investment with Norson. IFC's previous investment in 2013 helped to support modernization and expansion of the processing facilities in Hermosillo.

Investment Description

- International Finance Corporation (IFC)

Norson is a joint-venture between Grupo Mazon and Smithfield Foods Inc. Grupo Mazon is a Mexican business group based in Hermosillo, Sonora. Smithfield Foods, Inc., a wholly-owned subsidiary of WH group, is the world's largest pork producer and processor headquartered in Virginia. WH Group is a publicly traded company in the Hong Kong Stock Exchange, with operations in the production of meat products and related businesses such as logistics, packaging, materials, etc.

The total project cost is estimated at US$69.8 million, which consists primarily of investments in farms, slaughtering and processing equipment, waste lagoons, and working capital. The proposed IFC investment consists of an A Loan of up to US$15 million equivalent on IFC's own account. Out of this cost estimate, Norson is seeking to outsource the construction of some of the farms through leasing contracts, which could potentially reduce the investment amount.

Contact Information

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

- Environmental and Social Review Summary (ESRS)
- Summary of Investment Information

Other Related Projects

- IFC-32826 Norson S.A. de C.V.