Early Warning System

IFC-40045

Jiahe

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Quick Facts

Countries	China
Specific Location	Suzhou, Jiangsu province
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-10-26
Borrower	Suzhou Jiahe Foods Industry Co., Ltd.
Sectors	Agriculture and Forestry, Construction
Investment Type(s)	Equity
Investment Amount (USD)	$ 25.00 million
Project Cost (USD)	$ 82.00 million

Project Description

Suzhou Jiahe Foods Industry Co Ltd. (“Jiahe” or the “Company”) is China’s leading manufacturer of non-dairy creamer (NDC) – a key ingredient in packaged beverages, fresh bakery products and processed food. The Company is planning to invest US$82 million equivalent to: (i) upgrade its NDC production lines for capacity expansion; (ii) construct a new R&D center; (iii) set up a beverage mixture production line; (iv) build a freeze-dry coffee facility and (iii) add a modern warehouse (together, the “Project”). Upon completion of the Project, Jiahe’s NDC capacity will increase from 200,000 ton per annum (TPA) to 250,000 TPA. The labor force will increase from 410 to 660.

Jiahe’s existing plant is in a well-established manufacturing industrial park for food products in Suzhou, China. All the proposed manufacturing expansions are within its current plant site. The nearest community outside the industry park is approximately 2 km away. The NDC manufacturing process mainly consists of mixing raw materials (milk powders, syrup, and edible oil, etc.) with water and drying processes. The instant coffee powder manufacturing process mainly consists of baking and grinding. The tea operation will only involve packaging of already refined tea leaves bought in bulk. Jiahe also purchased 78 mu (5.2 ha) land in an industrial/commercial area for a new administration building, a research and development (R&D) center, a warehouse, and a small bag packings for NDC, instant coffee, and tea.

Investment Description

- International Finance Corporation (IFC)

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

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