Early Warning System

IFC-43528

ProducePay-Equit

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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	A
Voting Date	2021-04-05
Borrower	PRODUCE PAY INC.
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 8.00 million
Project Cost (USD)	$ 35.00 million

Project Description

The project consists of an equity investment for a minority stake in ProducePay (“PP”, or the “Company”), a commerce enablement platform focused on the produce market. The Company’s services are primarily targeted to LAC-based farmers who export fresh fruit and vegetables to the US. IFC is proposing US$8 million in equity preferred financing to ProducePay to support its operations and expansion.

1) Increased Access to Financing for Farmers: IFC expects that the Project will increase access to non-collateralized financing for produce farmers, primarily from Mexico but also from other LAC countries for export to North America. 2) Contribution to Market Creation - Integration: IFC expects that the Project will contribute to an increased integration of LAC agribusinesses to the U.S. market, as it contributes to the growth of an innovative business model fostering flexible working capital solutions for produce farmers to finance pre-harvest investments - not only in Mexico, Peru, Chile, but also in more underserved countries in Central America (e.g. Guatemala, Costa Rica).

Investment Description

- International Finance Corporation (IFC)

IFC is proposing to invest US$8 million in an up to US$35 million Series C equity funding round.

Private Actor Relationship

GENERAL

Prospective investors in the current funding round (in addition to IFC) include the Inter-American Development Bank (IDB).

IFC

1) Risk Mitigation, Trusted Partnership: IFC brings about a unique capacity to PP, as it possesses a combination of expertise in Fintech and agri-business areas. With its experience in agri-financing in emerging markets, IFC's due diligence and participation in developing PP's expansion strategy will provide comfort to prospective investors with respect to the validity of PP's business model and strategy. 2) Standard-setting: IFC will help PP implement an Environmental and Social Management System (ESMS) to equip the company with the technical capacity to identify, manage and mitigate E&S risks and impacts derived from its activities.

Private Actors Description

PRODUCE PAY

Produce Pay Inc. is a privately owned company headquartered in Los Angeles, CA. Current major shareholders include Pablo Borquez (CEO & Founder), CoVenture (New York-based venture capital firm) and Anterra Capital (a global agri-tech venture capital firm).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
International Finance Corporation (IFC)	Buyer	Finance	invests in	Produce Pay Inc.	Client	Agriculture and Forestry

Contact Information

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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