Early Warning System

IFC-44471

EthioChicken ETB

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Quick Facts

Countries	Ethiopia
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-03-29
Borrower	AGFLOW VENTURES
Sectors	Agriculture and Forestry, Industry and Trade
Investment Amount (USD)	$ 10.00 million

Project Description

Established in 2010, EthioChicken (the “Group” or “AGP Poultry PLC” or “EC”) is the largest day-old-chick (“DOC”) and feed producer in Ethiopia focusing on selling these poultry input products to rural farmers. In 2019, EC sold 20M DOCs and 42K tons of poultry feed to 4 million farmers nationwide through 6,200 rural sales agents (typically youth entrepreneurs). The agents grow the DOCs for 6-8 weeks and sell the young chicken primarily to rural households who grow the chicken further to produce meat and eggs. Currently the Group has eight (8) poultry breeder farms (Mekelle, Andasa, Gubre, Attat, Holeta, Sodo, Werabe and Emdibir), four (4) hatcheries (Adama, Mekelle, Gubre and Andasa) and two (2) feed mill plants (Gelan and Burayu) in four regions of Ethiopia (Tigray, Amhara, Southern Nations, Nationalities and Peoples' (SNNP), and Oromia regions). Half of the farms were regional poultry multiplication centres under Bureau of Agriculture in their respective regions. They represent 38% of total parent stock placement capacity. In 2018, IFC Advisory started engagement with EC on (i) farm/hatchery productivity improvement; (ii) capacity building of rural sales agents; and (iii) strategy for regional expansion resulting in significant improvements. IFC is considering a USD 10 million loan to support further growth in its business. This includes investment in two (2) breeder farms, adding 120,000 bird capacity, and a hatchery to support regional sales growth. The project also includes the financing of additional breeder parent stock to support the capacity increase. (the “Project”). EC has identified two suitable sites: Blue Nile farm in Amhara and Sodo II farm in SNNP regions.

Investment Description

- International Finance Corporation (IFC)

Contact Information

No contact information provided at the time of disclosure

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