Early Warning System

IFC-45013

Agrofertil 2021

Quick Facts

Countries	Paraguay
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2021-06-10
Borrower	AGROFERTIL S.A.
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 100.00 million

Project Description

PROJECT DESCRIPTION (short version)

Agrofertil S.A. (“Agrofertil” or the “Company”) is a crop input distributor and agronomic services provider, headquartered in Ciudad del Este, Paraguay. Founded in 1993, Agrofertil has been an IFC client since 2011. The Company assists farmers, cooperatives and small distributors by providing technical support, agricultural inputs and preharvest financing. The proposed investment will be an “A” loan facility of up to US$100 million to be made available through five one-year commitments of up to US$20 million each. The proposed project is to support the operations of Agrofertil and enhance its capacity to provide farmers with pre-harvest financing and technical advice (the “Project”).

PROJECT DESCRIPTION (expanded)

Agrofertil S.A. (or the “Company”), founded in 1993, is one of Paraguay’s leading crop input distributor and agronomic services companies. The company currently assists over 2,000 farmers, cooperatives and small distributors providing technical support, agricultural inputs and pre-harvest financing. The company’s headquarters are in Ciudad del Este. Agrofertil has had steady growth over the past decade, currently operating 24 facilities in Paraguay, with a total capacity of over 500,000 tons. As of March 2021, Agrofertil employed 499 direct employees (416 men and 83 women). This number includes 89 temporary employees who are needed during the harvest seasons (i.e., February-March and June-July) to operate the silos. Conditions of employment are defined in the contracts and in the code of ethics which are aligned with local regulations.

Agrofertil has been an IFC client since 2011, when IFC committed a US$15 million working capital facility (#30278) to support the pre-harvest financing needs of its network of farmers. In 2016, IFC’s signed a transaction in the amount of US$ 15 million short-term working capital facility (#37602). In 2020, in response to the COVID-19 pandemic, IFC signed a transaction to provide a short-term tranche amount of US$ 10 million (#44215).

This proposed Project consists of providing Agrofertil with up to US$20 million short-term working capital facility to be re-committed annually up to four times (i.e. total commitment of up to US$20 million per year for a total commitment of US$100 million in the 5 years period). With this new project, Agrofertil is seeking increased financing to support its continued growth in Paraguay.

Investment Description

- International Finance Corporation (IFC)

The proposed IFC investment consists of an up to US$20 million A Loan, renewable each year, for a total of five years.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Agrofertil SA	Investor	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