Early Warning System

IFC-45105

GWFP Mercon 2021

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Quick Facts

Countries	Brazil, Guatemala, Honduras, Nicaragua, Vietnam
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2021-04-25
Borrower	MERCON B.V.
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 60.00 million
Loan Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 500.00 million

Project Description

As stated by the IFC, the proposed investment consists of a participation of US$60 million by IFC in a two-year revolving credit facility (the “Facility”) in favor of Mercon Coffee Group (“Mercon”), with an option for an additional year. The facility aims at supporting Mercon’s activities across the coffee sector value chain from production and storage in IDA countries of origin in Central America (Nicaragua, Honduras) and other producing countries (Brazil, Guatemala, Vietnam) to transportation and commercialization in multiple destinations. This project prioritizes improving farmers’ access to markets and finance, provision of technical expertise, and climate-smart considerations.

Investment Description

- International Finance Corporation (IFC)

The investment includes up to US$18 million from the Private Sector Window of Global Agriculture and Food Security Program (GAFSP) with focus on Nicaragua in favor of Mercon.

Private Actors Description

As stated by the IFC, Mercon is a vertically integrated coffee company. Its footprint encompasses all segments of coffee value chains, from (i) upstream Robusta production on four farms of a total of 1,644 hectares (ha), including 600 ha of forest conservation area in the Atlantic region of Nicaragua; (ii) midstream operations, including 22 wet and dry mills of which six are under Mercon's own management, plus warehousing, in countries of origin; (iii) downstream coffee sourcing and trading operations in ten countries through which Mercon sources raw green coffee beans from more than 9,000 third-party suppliers and distributes coffee to consumers in 40 countries.

Mercon Coffee Group is headquartered in the Netherlands.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Mercon Coffee Corporation	Client	Industry and Trade

Contact Information

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Other Related Projects

- IFC-41276 DIGRANISA