Early Warning System

IFC-38058

Agrofusion WC Loan

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Quick Facts

Countries	Ukraine
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-05-26
Borrower	FE INTEGRATED AGROSYSTEMS
Sectors	Construction
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million

Project Description

This would be IFC's second project with Agrofusion Group, an existing IFC client since 2012 with good environmental and social performance. Established in 2007, Agrofusion is the largest vertically integrated tomato paste producer in Ukraine, marketing its products mainly to large FMCG (Fast Moving Consumer Goods) companies in Ukraine, the European Union and other countries all over the world. The Company's operational assets include: (i) two tomato paste plants with total processing capacity of approximately 480,000 metric tons of tomatoes per season (8,000 tons of tomatoes a day); (ii) two seedling green-houses; and (iii) 20, 4960 hectares of irrigated leased land in Mykolayiv and Kherson regions, as well as modern farming equipment. The Company reached full production capacity in 2014 to 52,778 tons of tomato paste and in 2015, expanded its capacity with additional capex to 61,500 tons of paste.

Agrofusion processing facilities are located in southern Ukraine; Farm Enterprise "Organic systems" in Mykolayiv (Northern factory) and Farm Enterprise "Integrated Agrosystems" in Kherson (Southern Factory) regions, which have traditionally been tomato growing lands. The factories were established in 2007 and 2009 respectively with state of art technologyIFC's financing would consist of a 3-year working capital loan of up to US$10 million secured with Agrofusion's property, plant and equipment.IFC loan would help Agrofusion (i) refinance some of existing short-term credit lines from local banks in the amount of US$4.3 million, and (ii) finance its working capital needs in the amount US$5.7 million, which have been increasing in line with the product output growth.

IFC currently has a loan (project # 32322, disclosed on August 10, 2012) with Agrofusion Group and the company has since made good progress in complying with IFC environmental and social (E&S) requirements and the associated performance of the existing project has been highly satisfactory and implementation of the environmental & social action plan is in compliance.

Investment Description

- International Finance Corporation (IFC)

Agrofusion Group is wholly-owned by the Sypko family.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

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/

Other Related Projects

- IFC-32322 Agrofusion