Early Warning System

IFC-38720

Guangxi Yangxiang Co Ltd

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Quick Facts

Countries	China
Specific Location	Guangxi and Liaoning
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2016-12-08
Borrower	GUANGXI YANGXIANG CO LTD
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 293.00 million

Project Description

IFC is considering a long-term local currency loan of up to US$50 million equivalent to Guangxi Yangxiang Co. Ltd. ("Yangxiang" or the "company"). Established in 1998 in Guigang city, Guangxi Autonomous Region, Yangxiang's main business segments include: (i) the breeding and farming of pigs, and (ii) the manufacturing of pig feed. Yangxiang is among the largest integrated pig companies in China, and the first Chinese feed company that obtained both ISO9001 and ISO14001 certifications in the sector. Headquartered in Guangxi, Yangxiang has operations in Hebei, Henan, Hunan and Liaoning provinces; all are considered frontier regions in China.The Project consists of building two breeding farms in Guigang, Guangxi, and recruiting and retaining contract farmers for hog farming (the "project"). As a result, the breeding capacity will increase by 80,000 sows and the farming capacity will increase by 2 million commercial hogs.The project has already commenced and it is expected to be completed over the next 18-24 months. The company plans to finance the project mainly through its internal cash generation and the remaining up to US$50 million equivalent is to be financed by IFC's long-term local currency loan.

The project expect to: Boost economy in the frontier regions: Yangxiang is the largest private pig company in Guangxi, a frontier region, and has presence in other frontier regions, including Henan, Hebei, Liaoning, and Hunan. The proposed Project will help improve farmers' income and boost the economy in the frontier regions.

Food Safety and Supply Chain Efficiency: The Chinese pig sector is still characterized by poor hygiene standards, inadequate bio-security, and over-use of antibiotics. By investing in Yangxiang, IFC is supporting a company with both the capacity and willingness to improve food safety. Besides positive impact on food safety, an upgrading supply chain management supported by the Project will also result in the improvement of pig farming operation and quality of output (better feed conversion ratio and lower mortality), which enhances the overall supply chain efficiency.

Farmers Reached: Currently, about 1,000 contract farmers are growing the commercial hogs for Yangxiang. The Project is expected to reach 4,000 additional contract farmers. Yangxiang is to enable the contract farmers to reduce piglet mortality and improve operational efficiency.

Investment Description

- International Finance Corporation (IFC)

Contact Information

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-43384 GXYX ASF
- IFC-46874 GXYX GFSP