

**Draft for client approval  
Version 1.1  
August 2013**

**Notes:**

- Target media: Food Manufacturing Africa
- Key message(s): Private Equity helping Africa's agribusiness thrive and overcome their challenges

**INVESTMENTS INTO AFRICA'S AGRICULTURE HELPING BUSINESSES THRIVE**

*Xx August 2013:* Food and agricultural businesses in Africa face a number of challenges, from infrastructure constraints, operational inexperience, access to funding, increased demand to produce more food, difficulties in accessing supply chains and routes to new wider markets, and training and education of workers.

According to Herman Marais, managing partner at Agri-Vie, the Sub-Saharan private equity fund investing in food and agribusiness, with the challenges in the global food situation and Africa's agribusinesses facing an array of difficulties, the need to invest in the region's agriculture sector has become more imperative than ever.

For several African, and sub-Saharan African countries, the share of agribusiness services and manufacturing are expected to account for at least a third of the continents GDP growth rate. As a result, Private Equity (PE) investments into African agricultural and agribusinesses are driving growth on the continent.

Foreign direct investment (FDI) into sub-Saharan Africa has grown strongly since 2000. Africa's GDP also grew by an impressive 57% on a purchasing power parity basis (PPP) between 2005 and 2012.

However, Marais says that with more than 60% of unutilised arable land globally, investing in emerging agribusinesses and farmers in Africa without them having specialised support, governance and ready access to markets can be counter-productive.

"One of the advantages of PE is being able to access companies outside of the narrow confines of listed markets, thus allowing agribusinesses in Africa to have access to funding, backing, structured governance, giving them better growth opportunities and access to new supply chains. It further allows companies to develop, create jobs, contribute to food security, improve their income, improve infrastructure, reduce poverty, and transfer skills."

Agri-Vie is among the highest rated impact investments internationally in the food & agribusiness sector. The fund's mission is to generate an above average investment return, as well as demonstrable socio-economic development and environmental impacts through its private equity investments in food and agribusinesses.

Recently, Agri-Vie invested US\$6 million into Tanzania Food Corporation (TFC), stimulating the business to be a competitive supplier of quality beef meat products produced in Tanzania and for export to wider markets.

Agri-Vie also recently secured a US\$4 million joint venture with Vida Oils International in Mozambique for processing coconut into specialist oils and fats for the food, pharmaceuticals, cosmetics and chemical sectors. The fund was launched in 2008 and has further built a portfolio of investment interests in Ethiopia, Uganda, Kenya, and South Africa.

The additional food companies partnered by Agri-Vie are active in fruit juice manufacturing; poultry operations; dairy products; fresh convenience foods; and aquaculture (abalone) production.

The Agri-Vie fund manager intends to introduce further investment opportunities to the market in due course. The African Development Bank, amongst others, is a key investor in Agri-Vie, who provides an appropriate vehicle to channel funds for meeting Africa's growing investment needs in agriculture.

In December, Agri-Vie won the *Agribusiness Investment Initiative of the Year* award at the African Investor Agribusiness Investment Awards 2012

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#### **About Agri-Vie**

Agri-Vie is a private equity investment fund focused on agribusiness in Sub-Saharan Africa with a mission to generate an above average investment return, as well as demonstrable socio-economic development impacts through its equity investments. The fund was initiated by Agri-Vie Investment Advisors with the cooperation of South African and international investors. The fund's vision is to be a catalyst for sustainable growth through investing in one of the foundation sectors of Africa's economies. Agri-Vie seeks to realise this vision through deploying development capital and management know-how according to sound investment and business principles. Agri-Vie Investment Advisors is a financial services provider authorized by the Financial Services Board, Registration number 33826. In December 2012, Agri-Vie won the *Agribusiness Investment Initiative of the Year* award at the African Investor Agribusiness Investment Awards 2012. Visit [www.agrivie.com](http://www.agrivie.com) for more information.