



Farmfit  
Fund

# The IDH Farmfit Fund

The **IDH Farmfit Fund** is an one billion EUR de-risking blended finance fund, representing a joint investment between the Dutch government and four international brands.

The Farmfit Fund will take the **highest risk positions** in farmer related transactions, thereby reducing the farmer risk currently borne by borrowers and lenders. By doing so the Farmfit Fund will **catalyze commercial capital** to co-invest in this sector and allow agri-commodity traders, agri SMEs, and/or financial institutions to **expand the services** they provide to smallholder farmers.

Commercial investors who invest alongside the Fund benefit from an extra level of security through a 2nd loss **protection from the US government**, which will **cover 50% of senior lenders' losses** in a transaction.

The Fund will **establish smallholder finance as an asset class** and be a vehicle to unlock the ever-growing pool of impact-seeking investment to close the USD 170 billion smallholder finance gap.

It will demonstrate that smallholder financing can be done in a **sustainable way** if you build a large and sound farmer-centric investment portfolio which includes both value chain actors and financial institutions.

Investors will have a **measurable impact** on improving the livelihoods of 5 million smallholder farmers, increasing global food security and mitigating climate change.

If you're interested in discussing this further, please contact Roel Messie, CEO IDH Investment Management:

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## THE IDH FARMFIT FUND AT A GLANCE

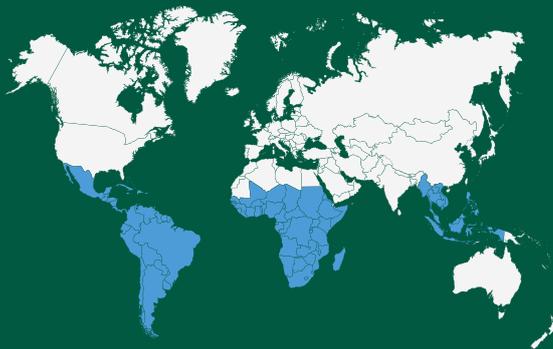
**Principal investors:** Dutch government, Jacobs DE, Rabobank, Unilever and Mondelēz International

**Senior investors:** Multinational banks, institutionally investors, local financial institutions, family offices

**Senior guarantor:** USAID

**Sectors:** food, staple and cash crops including, cocoa, coffee, cotton, palm oil, tea, aquaculture, soy, cassava, rice and other commodities.

**Geography:** Developing countries (DAC List of ODA Recipients)



**Instruments:** guarantees, subordinated loans, equity or mezzanine financing.

**Use of funds:** asset finance, input loans, working capital, capex, renovation and rehabilitation.

**Tenor:** up to 10 years.

**Investment criteria:** Attributable benefit to smallholder farmers.

The Farmfit Fund is the 3<sup>rd</sup> component of IDH Farmfit, which includes Farmfit Business support and Farmfit Intelligence.