



Press Release

FOR IMMEDIATE RELEASE

## Nicaraguan coffee smallholders to benefit from IDH Farmfit Fund and Oikocredit co-investment in Aldea Global

*Major syndicated loan will finance first phase of new coffee mill.*

**1<sup>st</sup> December 2021, Amersfoort, the Netherlands** – IDH Farmfit Fund and Oikocredit are providing a syndicated US\$ 3.2 million loan to Asociación Aldea Global Jinotega, a Nicaraguan small farmers' association that produces and exports speciality fair trade and organic coffee from its members to Asia, Europe and the US.

Aldea Global will use the joint eight-year loan to construct and equip its new dry coffee mill with cutting edge technology, resulting in better coffee quality and productivity and an increase in incomes for 6,200 of Aldea's farmers. The first phase of the project will focus on installation of the new dry mill, which will enable the association to increase its processing capacity while storing coffee in temperature controlled silos. In the second phase, a new wet mill technology will be installed to reduce water consumption, increase processing capacity and integrate management of the coffee processing chain from cherries to green coffee beans for export. This represents a paradigm shift for smallholder producers in Nicaragua, who traditionally undertake wet milling on their farms.

Founded in 1992, Aldea Global supports its coffee farmer members with access to markets, affordable finance, technical assistance in areas such as agroforestry for coffee through their mobile app *Aldea Tech*. Using technology and modern approaches to coffee production and processing, Aldea Global continues to support small producers to be more competitive in the market and to increase their earnings. The association also has a strong gender focus.

Warren Armstrong, Chief Executive Officer of Aldea Global, said: "This joint investment from Oikocredit and IDH is truly welcome. The new state-of-the-art specialty coffee dry mill will increase milling yields and cupping quality and result in higher premiums for our fair trade members. The second stage wet mill will reduce environmental contamination from more than 4,000 small farmers' wet mills located near streams by bringing their coffee cherries to process at Aldea Global. And process automation will highlight Nicaraguan coffee's premium quality flavours: floral, citrus and dark chocolate."

Miguel Tamayo Maertens, IDH Farmfit Fund's Investment Director, said: "We are very pleased with the partnership with Oikocredit. With this co-investment project, we aim to strengthen Aldea Global's positioning in the specialty coffee sector and support the association in providing additional value to its smallholder coffee farmer members. This will lead to improved coffee quality, increase farmer incomes and positively impact their lives."

Jose Augusto Cordón, Oikocredit's Senior Investment Officer, said: "We are very glad to strengthen our support for Aldea Global, an Oikocredit partner since 2007, with this new long-term investment. The benefits for the smallholders are clear, with improvements in efficiency and quality translated into better incomes and higher environmental standards. In



addition, our first collaboration in Latin America with IDH Farmfit Fund has been an excellent experience, and we hope to continue strengthening our cooperation with them."

### **About Aldea Global**

Asociación Aldea Global Jinotega started as a project with 22 small producers in 1992. The initiative was motivated by the need to promote organic and environment-friendly production, change the culture regarding the use of agrochemicals, improve health in families and promote social development. Aldea Global provides services to, and brings agribusiness closer to, its smallholder producer members. It is the largest national coffee exporter in Nicaragua and provides agricultural and commercial credit to more than 13,000 members and associates.

### **About IDH Farmfit Fund**

The IDH Farmfit Fund takes the highest risk positions in farmer related transactions, thereby reducing the farmer risk currently borne by borrowers and lenders. By doing so it catalyses commercial capital to coinvest in the agriculture sector. This will increase the availability of affordable, long-term financing to smallholder farmers, leading to significant improvements in their livelihoods and incomes.

### **About Oikocredit**

Social impact investor and worldwide cooperative Oikocredit has over 45 years of experience funding organisations active in financial inclusion, agriculture and renewable energy.

Oikocredit's loans, equity investments and capacity building aim to enable people on low incomes in Africa, Asia and Latin America to improve their living standards sustainably.

Oikocredit finances 527 partners, with total outstanding capital of € 875.8 million (at 30 September 2021). For more information: [www.oikocredit.coop](http://www.oikocredit.coop).

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### **Note for editors**

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