AFDB signs $100 million loan agreement with export trading group to promote agriculture in Africa

AfDB says the facility will be used to finance the procurement of identified agricultural commodities from over 600,000 farmers

The African Development Bank has signed a loan agreement for a soft commodity finance facility (SCFF) with the Export Trading Group (ETC).

The Bank said the facility is structured in two successive loans of US $100 million, each with a tenor of up to 2 years to promote agriculture in Africa.

According to a statement released on Thursday, April 12, 2018, the Development Bank said the Soft Commodity Finance Facility (SCFF) is one of the core Trade Finance instruments in the Bank that will provide pre- and post-shipment finance along various stages of ETC’s commodity value chain operations in the 17 countries expected to benefit from the initiative. The intervention will help local farmers and soft commodity suppliers grow their revenues and produce quality crops for export.

Josephine Ngure, African Development Bank Director General for the Southern Africa Region, while speaking at the signing ceremony, said, "This facility will significantly contribute not only in improving food productivity in Africa but most importantly in value addition and the wide distribution of food across the continent using ETC’s broad distribution networks."

"The facility would also contribute to smallholder farmers’ access to inputs (seeds and fertilizers), mechanization and access to international markets thereby ensuring significant revenues to farmers; integration of poorer sections of the population into a sustainable process of economic growth and development; regional integration by developing sustainable platforms to supply local and regional markets; and lastly it also has strong gender and youth impact as agriculture employs significant numbers of mostly youths and women," Ngure said. Read more..