



Affordable finance to organic agricultural SME's in emerging countries to increase organic production and achieve sustainable impact for environment and people

FACTSHEET

Organic Development Finance

Following its 'proof of concept' phase, ODF is now ready to scale with a target capital size of EURO 30 million.



The **objective** is to enhance local supply chains for organic crops in order to realize environmental and social benefits of organic production.



ODF works closely with a number of Buyer Partners to **support their suppliers with flexible working capital financing and expertise** and during its 'proof of concept' phase made 8 investments with 7 suppliers across 6 crops and countries.



ODF has a **blended capital structure** including first loss, mezzanine and senior debt capital and is looking for interested investors to grow the fund to a target capital of EURO 30 million



ODF is a **partnership between Tradin Organic, USAID and GIZ and has partnered with FOUNT**, an experienced Impact Fund and Investment Advisor

Key Rationale to Invest

- ODF has **successfully undergone a proof of concept phase**, showcasing its exceptional engagement, its uniqueness as a one-of-a-kind fund, and its remarkable scalability potential.
- Standardized approach- based on **long term partnerships between Buyer Partners, investees and ODF** and revolving transactions
- **Impact is key**- we contribute to SDG 1, 5, 8, 12, 13 and 15 in parallel to clear Fund KPIs related to its impact objectives.



Key Challenges SME's are facing





For organic agricultural SME's, there is a lack of:

- Timely, affordable, accessible finance;
- Long-term relationships between producers and importers;
- Technical expertise and practical skills in organic agriculture.

ODF Impact Story

ODF is founded on the proposition **that organic agriculture brings benefits to the environment** through improvements in soil quality and resilience; reduced risks of polluting surface and ground water; increased biodiversity and carbon sequestration compared to conventional farming; and can provide a safer work and a better livelihood for smallholder farmers through price premiums.

ODF Impact Objectives:

-  **Strengthened organic agricultural value chains.**
-  **Sustained or improved livelihoods of farmers and workers.**
-  **Promote high social and environmental standards**
-  **Create employment opportunities , especially for women and youth**

Buyer Partner Strategy

ODF engages in long-term partnerships with Buyer Partners to:

- Have a balanced and diversified portfolio
- Identify repeat client suppliers with different crops in different countries
- Secure more goods for Buyer Partners, increasing the long term value of the partnership

Legal and Capital Structure

ODF is currently structured as a Dutch Stichting:

- Likely to be amended to a market-based structure subject to investor requirements and legal advice.
- ODF has a blended capital structure including first loss, mezzanine and senior debt capital.
- ODF has commitments for grant/first loss provided by USAID and Tradin concessional debt. Current Capital : Eur3.4M.

FIRST LOSS CAPITAL	→	€ 3 MILLION
CONCESSIONAL LOAN	→	€ 4 MILLION
SENIOR DEBT	→	€ 23 MILLION
TARGET FUND SIZE	→	€ 30 MILLION



At a Glance

Unique investment proposition

First financing facility driven by market, specialized on organic agriculture

Working capital loans so that farmers are paid a fairer price, quicker.

Realize environmental and social benefits of organic production

Blended capital structure including first loss, mezzanine and senior debt capital

Strong risk mitigation features:

Risk diversification through investments in multiple countries

Investment distribution across various crops and commodities

Strong deal pipeline established with Buyer Partners suppliers

Focus on profitable SME's and strong Buyer Partners

Complemented by technical assistance facility

Join our journey

Do you share ODF's vision and are interested to hear more?

Please get in touch with us

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