

## INVESTMENT CASE STUDY

# RISK CAPITAL RECOUPED AND REINVESTED

Phata successfully paid back its development loan, two years early. An achievement in its own right – especially for a newly formed co-operative – this was more impressive given that southern Malawi has been hit hard by drought, floods and power shortages in recent years.

We first invested in the Phata co-operative in 2013. Local farmers voluntarily pooled their land to grow sugarcane and food crops under irrigation. Alongside the management company (Agricane Malawi), we helped improve governance standards and management practices, including workers' rights. Our work has helped build a strong co-operative, which is paying regular dividends to its members and is fully Fairtrade certified.

Based on the success of the first phase of the project, AgDevCo has made a follow-on investment of \$1.6 million to replicate and extend Phata's successful model, expanding sugarcane production from 300 to 612 hectares and irrigated food crop production to 77 hectares.

**PHATA'S FINANCIAL AND SOCIAL ACHIEVEMENTS GO HAND IN HAND. 77 HECTARES OF CO-OPERATIVE LAND ARE DEDICATED TO GROWING FOOD CROPS FOR THE IMPOVERISHED SHIRE VALLEY, PROVIDING VITAL NUTRITION, IMPROVING HEALTH AND STABILISING THE WORKFORCE AND COMMUNITY.**

