

## AgDevCo Ventures Press Notice

September 2024

AgDevCo is very pleased to announce £25m of funding from the Foreign, Commonwealth, and Development Office (FCDO) to establish AgDevCo Ventures, a new investment strategy in the group.

AgDevCo Ventures will make smaller investments (£0.75m - £2.5m) than our main investment strategy<sup>1</sup> with a focus on early-stage agri-SMEs and with the aim of building the next generation of African agribusinesses. Initially, we will invest in East African countries where AgDevCo is already present (including Kenya, Uganda, Tanzania, Rwanda). Over time, we will expand to other countries and regions.

AgDevCo Ventures will support the development of commercial agriculture on the continent, achieving impact through job creation and by linking smallholder farmers to market opportunities.

FCDO's backing will enable AgDevCo Ventures to invest in small agri-SME investments in the "missing middle", where private investors are often deterred by high risks and transaction costs. The portfolio is expected to include a high proportion of African and female-owned or managed businesses

AgDevCo's return to this part of the market, where we operated from 2009 to 2017, is made possible by our move to profitability, having rebalanced our portfolio in recent years with larger investments in more established businesses.

AgDevCo Ventures will be a ring-fenced investment subsidiary within the AgDevCo group, with a dedicated team based in our Nairobi office and drawing on specialist expertise from across the organisation. We are in the process of raising a further £20m of impact investment capital from development finance institutions and family offices, with the expectation we will start operations in early 2025.

The UK Minister for Africa, Lord Collins of Highbury said:

*"Improving food markets will have a game changing impact on individuals and families across Africa. Giving hard working farmers stable incomes, creating jobs for the youth and helping end malnutrition.*

*Without access to funding, no matter the drive and ingenuity, too many businesses can't get off the ground.*

*That's why I'm pleased to announce that the UK intends to back a new \$50 million facility called AgDevCo Ventures. The UK will put in over half the funds, with AgDevCo collecting funds from other investors. AgDevCo's funding and expertise will enable early-stage African agribusinesses to grow and increase Africa's resilience to climate change."*

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<sup>1</sup> Investing in later stage (early growth and growth-stage) companies, with investments in the range £2.5m-£10m

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AgDevCo CEO, Daniel Hulls said:

*“We are very grateful for the continued support from the UK government. This funding will allow us to leverage third-party capital and go back to investing in small, early-stage businesses. We are excited about building the Ventures portfolio and expect it to be to be high impact, delivering jobs and increased rural incomes and helping to build the next generation of African agri-SMEs.”*

### Notes:

AgDevCo is a specialist investor in African agriculture, growing sustainable and impactful agribusiness, with USD 280m under management. Our vision is a thriving commercial agriculture sector, which benefits both people and planet by investing in and supporting agribusinesses to grow, create jobs, produce and process food and link farmers to markets. We aim to support our partners to work towards climate sustainability, and where possible, regenerative agriculture solutions. As at the end of June 2024, AgDevCo’s has committed \$210m committed into 38 investments across 11 countries in sub-Saharan Africa [www.agdevco.com](http://www.agdevco.com). We are in the process of raising additional capital for our core balance sheet which we expect to complete this year.

More information on AgDevCo Ventures is available from [sforrest@agdevco.com](mailto:sforrest@agdevco.com).