

Invest with Impact

Traders can change the world

When chocolate can be an agent of change

With approximately 190 million inhabitants, Nigeria accounts for almost half of West Africa's population. Approximately 13.5% of the people living in Nigeria are unemployed and half of the population lives under the poverty line of USD 2 per day. Agribusiness provides a lot of employment especially in rural areas, with cocoa as its most important commodity for which demand continues to grow. The land for new cocoa however is limited. The challenge in cocoa farming today is to boost yields and make cocoa farming an attractive and sustainable livelihood for farmers now and in the future.

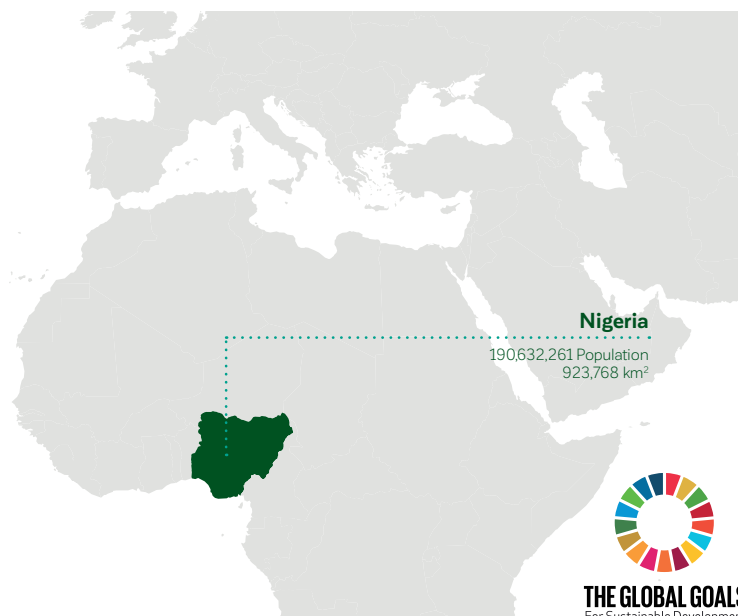
Making a difference as a supply chain manager

This is where the role of an agri trader and supply chain manager such as ECOM comes into play. ECOM can make a real difference as it builds on almost 170 years of experience in 40 countries worldwide. They are a frontrunner when it comes to sustainability. Implementing high standards and assisting the farmers with their challenges. They know from experience and research that yields can be significantly increased by improving agricultural practices, using the right inputs (e.g. fertilizer) and working on the rehabilitation of farms. ECOM combines this with practical training and by giving farmers access to the right inputs. Through this hands-on support, farmers can transform their farms into productive and profitable livelihoods for the

long-term. ECOM believes the old adage "seeing is believing" is the best way to engage farmers. In parallel, ECOM also works on strengthening the farmers' organizations and especially training their management on the importance of transparency and bringing added value to its members. This focus includes providing access to credits and better seeds and planting material. Child labor is seen as a critical and recurrent issue in the industry so ECOM also includes youth protection in its training modules. In order to achieve such an ambitious program, ECOM strongly believes in partnership and open dialogue with all members in its supply chain.

The FMO loans

Even though ECOM is a reputable organization with a long and steady track record, it is still difficult to find suitable long-term financing for its businesses in emerging and frontier markets. This is why FMO has been financing ECOM since 2012 with a number of loans that have been used to establish long-term sustainable supply chains with small holders in coffee and cocoa producing countries and to reduce the environmental impact of its processing operations (e.g. installation of a solar panel field in its cocoa bean processing facility in Nigeria, cutting the use of fossil fuel to power the plant by almost half). The relationship with ECOM is excellent and its continued endeavor to be a sustainable agribusiness leader sector-wide makes ECOM a suitable party for an investment from our Impact Fund.



A broader perspective

To provide traceability and assurance of good practices, leading brands are increasingly demanding certified products, using independent third-party standards such as the Rainforest Alliance Certified and UTZ Certified to validate their product. In reality, certification is only the first step on the improvement ladder and serves as a common language. Supply chain managers and traders play an important role: they “connect” the farmer to the end consumer, take care of transport, storage etc.. They are in a unique position to raise the bar. This is however not an easy task.

The vast majority of the world’s cocoa comes from small holder farmers in Ivory Coast, Ghana, Nigeria and Cameroon. Small holder farming is characterized by low use of inputs, low investment and low yields, resulting in low incomes even when fair prices are paid. In order to positively change this situation, deep understanding of the business and its always unique local circumstances is needed. The simplest solution may seem to convert to large scale farming, but is not necessarily the best route to take.

Sustainable Development Goal 2 “Zero Hunger” addresses this in its targets stating that by 2030 the world needs to double agricultural productivity and incomes of small-scale food producers including through access to other productive resources, inputs, knowledge, financial services and markets.



The development of

ECOM	2012	2017
Employees	3,885	5,722
Countries active	35	40
FMO investment		
FMO	USD 20 mln	
Fund participation	USD 2.5 mln	

“When sustainable farming is the standard, farmers are able to do well as well”.



The Fund Manager

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The Investment Advisor

FMO Investment Management BV (‘FMO IM’) is a MiFID licensed Dutch investment firm and 100% subsidiary of the Dutch development bank FMO NV. FMO IM advises on the loan portfolio at the request of the Fund Manager. All loans offered to the fund have successfully completed the investment process of FMO and have thus been added to FMO’s own loan portfolio.

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Don’t take any unnecessary risk. Read the Key Investor Information Document.

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