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IFC likely to invest in organic food firm Agrex

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The total project cost is estimated to be $35 million. Other investors will make an equity infusion of $5 million while the remaining $5 million will be funded through a mix of cash, internal accruals and debt from other financial institutions.

Founded in 2012, Agrex is engaged in sourcing, processing and exporting certified organic produce from countries in Asia and Africa.

Its founder Sameer Mehra holds around 45 per cent stake. The remaining 55 per cent is held by venture capital firm Nexus Venture Partners and alternative asset management firm Capricorn Investment Group through their investment vehicles.

Agrex's operational assets include a leased virgin coconut oil processing facility in Philippines and a fully owned sesame seed cleaning and sorting facility in Uganda. It has a contract manufacturing arrangement with a third-party soyabean and sesame processing plant and warehouses in Ethiopia. It also has arrangements with third-party textile manufacturers for its organic clothing business.

The company has organic farming arrangements with farmers and farmer groups in Uganda, Ethiopia and Philippines with a total farming area of around 35,000 hectares in these countries. The firm does not own or lease any of these farms. It only procures organically grown produce from the farmers.