



PRESS RELEASE

Yield Uganda Investment Fund invests in Clarke Farm Ltd, a commercial washed Robusta speciality coffee producer

Date: Monday, 23rd September 2019

Yield Uganda Investment Fund is pleased to announce a USD 1.5 million investment in Clarke Farm Ltd, an agri-business company working closely with its community, specializing in the production and processing of fine speciality washed Robusta coffee, targeting the premium market.

Clarke Farm Ltd, which was established in 2015, is based in Katambale, Kyenjojo District of Uganda. The company's core business is the production of fine speciality Robusta coffee, a grade of defect-free coffee which is being produced through a combination of quality planting material, good agronomic practice and commercial wet processing.

Yield Fund's investment to Clarke Farm has been structured to provide long term patient capital which will facilitate the expansion of the nucleus estate, development of a modern nursery to propagate and supply quality planting materials and trigger further investment in a full wet processing line, with a sourcing strategy both from the nucleus estate and the out-grower network. The investment will also provide permanent growth working capital which will provide the business with adequate liquidity to deliver on its growth strategy.

The development of the out-grower scheme will be implemented through a Business Development Support (BDS) – a matching grant facility managed by IFAD; targeting c. 4,000 out-grower coffee farmers from within the region. *“IFAD and partners welcome the Yield Fund's latest investment in Clarke Farms”* said Lakshmi Moola, IFAD Country Director for Uganda. *“The BDS facility will be key in supporting the company to develop a sustainable farming model ensuring the out-grower farmers receive a fair price for their coffee. This, coupled with other interventions, will ultimately facilitate Clarke Farms to implement an integrated, sustainable supply chain ensuring traceability and responding to the consumers increasing demand for responsibly and ethically sourced coffee”*

David I Wangolo, Investment Manager at PCP said, *“We are delighted to announce our fifth Yield Fund investment in Uganda which offers yet another significant opportunity of advancing the Fund's strategy to support businesses with high growth potential to provide both financial and social impact returns. The investment will leverage on the opportunity to partner with the private sector to develop an out-grower scheme which will be based in a remote rural area of Uganda. The project, which is under development, will support a robust and sustainable supply chain focused on enlisting out-grower farmers, improving their yields and with it their incomes by elevating them up the value chain. We are confident our investment will support the business in accelerating its growth strategy, leading to production of a uniquely flavoured fine speciality Robusta coffee targeted at this premium niche market”*.

Dr Ian Clarke said that the investment by Yield Fund was a vote of confidence in the future for the development of high quality washed Robusta coffee. Although Uganda is the largest producer of Robusta coffee in Africa, the quality and price are generally low due to poor agronomic practices and poor post-harvest handling. High quality washed Robusta attracts a premium price, so he encouraged more farmers to improve their practices and get into this market. He said he was also delighted that the investment would

allow Clarke Farm to become a hub and demonstration farm for an out-grower scheme and thus impact the lives of small farmers in the district.

About Yield Uganda Investment Fund (http://pearlcapital.net/documents/yield_teaser.pdf)

Yield Fund is an agri-business impact fund, set up in January 2017 by the European Union (EU), through the International Fund for Agricultural Development (IFAD) and the National Social Security Fund (NSSF), with follow-on investments from the Open Society Foundation (OSF) and FCA Investments in June 2019.

The Fund offers innovative financial products such as equity, semi-equity and debt funding to small and medium-sized enterprises (SMEs) having the potential to generate both strong financial returns and significant social impact. The Fund also has a Business Development Support – a matching grant facility provided by the EU and managed by IFAD to support the investee company's operations and technical needs.

Investment Fund Partners



For further information on Pearl Capital Partners and Yield Fund Uganda, visit: www.pearlcapital.net

For further information on this investment please contact Mr. David Wangolo on: Email: david.wangolo@pearlcapital.net. Tel: +256393264983/4



Figure 1 Propagation nursery



Figure 2 Farmer's training