

PRESS RELEASE

Yield Uganda Investment Fund invests in Pura Organic Agro Tech Ltd, an agro-processing company focused on the cassava value chain

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Yield Uganda Investment Fund (Yield Fund), which is managed by Pearl Capital Partners, is thrilled to announce an investment of USD 2.5 million in Pura Organic Agro Tech Ltd (Pura) structured in both straight equity and patient debt investment. This marks the Fund's eighth investment into the Ugandan agriculture sector but more uniquely, the first substantial value addition investment into the cassava value chain.

Pura, which was incorporated in 2011, is located in Nakasongola District, Central Uganda. Over the past few years, Pura has been developing its nucleus farm, expanding the acreage cover of its cassava portfolio, producing cassava cuttings for smallholder farmers, and is now evolving into cassava processing and value addition.

Yield Fund's investment into Pura is positioned to support the acquisition and installation of a vertically integrated cassava processing plant that is envisaged to produce an assorted line of three products comprising of High-Quality Cassava Flour (HQCF), Tapioca starch, and Sago (an edible starch delicacy that is made from cassava). In tandem with Yield Fund's investment, Pura has successfully obtained a Business Development Support (BDS) matching grant facility of USD 225,250 managed by the International Fund for Agricultural Development (IFAD) to enhance both the technical and governance facets of the business as well as develop a cassava out-grower scheme, which will guarantee the company's cassava supply to the new processing plant.

Pura is expected to yield a high social impact derived from the supply chain, where the company will source most of its raw material i.e., fresh cassava roots from a combination of the smallholder farmers and the commercial cassava farmers. The company shall also supply smallholder farmers with cuttings of improved cassava varieties that are disease and drought-resistant and higher-yielding. The supply model is positioned to provide the subsistence cassava farmers with a sustainable market for their cassava produce and consequently an opportunity to commercialize cassava as a cash crop as well as increase their household incomes in the process. The investment in Pura is also expected to foster industrialization in the country as the company will process locally grown cassava (a subsistent commodity) for industrial use, therefore having a wider economic implication beyond the direct 2,000 farmer incomes over the seven years investment hold period.

Mr. Wanjohi Ndagu – Partner at Pearl Capital Partners expressed his confidence that this investment in Pura would not only be a success to the Fund but also a great contributor to Uganda's socio-economic transformation. *"We are honoured to work with Pura to boost cassava value addition and achieve Uganda's import substitution industrialization strategy. Undoubtedly, the selection of cassava as a priority commodity in fostering sustainable agro-industrialization in the Third National Development Plan (NDP III) can be linked to the significant benefits of this nutrient-dense food staple on food security and economic transformation among households. Our eighth Yield Fund investment not only presents an opportunity to provide sustainable solutions to key challenges faced by cassava farmers but also to attain Uganda's lofty development goal of decreasing her dependence on agro-processed imports."*

Mr. Ramesh Babu said that the investment by Yield Fund was really a timely relief for Pura. *“I want to thank PCP/ Yield Fund for supporting Pura to establish this cassava processing unit, which is a valuable addition to farmers. Pura will buy cassava from out-growers and support them to get value for their produce. Also, the farmers will get cassava cuttings from Pura’s farm or supply the cuttings from out-growers who intend to produce cassava roots since they have a buy-back confirmation from Pura. With the production of cassava starch, Uganda can use locally manufactured starch in the packaging industries and save a lot on foreign exchange. Further, Pura intends to export Sago to India and other countries where it is a delicacy food for many, consequently generating foreign income in return. In Salem, India, I saw 600 cassava processing units and posed to ask why we/Uganda can’t transform our farmers in the same way. This investment in Pura brings in multiple benefits to all stakeholders and the country at large. My dream is to see at least another 50 similar processing units in a couple of years. Lastly, I thank all the Yield Fund Investors for this wonderful thought of setting up a fund to support farmers and the agriculture sector.”*

European Union (EU) Ambassador to Uganda, H.E Attilio Pacifici said the investment is part of a broad partnership between Uganda and the EU to promote sustainable investments, especially in the agriculture sector. *“This long standing partnership has been bringing concrete results over the years and this investment is one of them. One of the key objectives of this intervention is to support the agro-industrialisation of the country while ensuring the full engagement of smallholder farmers and promoting food quality and security,”* he said.

Lakshmi Moola, the IFAD Country Director for Uganda added *“Pura’s addition to Yield Fund’s portfolio enhances the diversity of the Fund, as the company focuses on a staple, food secure and nutritious crop – cassava. The domino effect of this investment for rural smallholders will be tremendous and through the BDS facility, IFAD will support Pura in achieving a smallholder inclusive business model.”*



Figure 1 Cassava Farm



Figure 2 Mother garden



Figure 3 Cassava harvesting in progress



Figure 4 Greenhouse

About Yield Uganda Investment Fund

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 (BDS) matching grant facility provided by the EU and managed by IFAD to support the investee company's operations and technical needs. [Learn more](#)

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

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Yield Uganda Investment Fund Partners



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