



Olam Agri

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Olam Agri, IFC Loan Set to Strengthen Global Food Security for Over 40 Million People in Emerging Markets

Singapore — 1 July 2022 — A new loan to Olam Agri, one of the world's leading agribusinesses, will support the delivery of millions of tons of staple foods to developing countries, potentially feeding over 40 million people at a time of heightened food insecurity around the world.

The International Finance Corporation (IFC), the largest global development institution focused on the private sector in emerging markets, has agreed to provide a loan of up to US\$200 million to Olam Agri, the food, feed, and fiber agribusiness subsidiary of Singapore-based Olam Group.

The loan will be used to finance the purchase of wheat, maize, and soy from Canada, Germany, Latvia, Lithuania, and the United States for delivery to the company's processing operations and customers in developing countries that rely heavily on imports of these staple foods. These include Bangladesh, Cameroon, Chad, Egypt, Ghana, India, Indonesia, Nigeria, Pakistan, Senegal, Thailand, and Turkey.

The project is part of IFC's global efforts to address food insecurity, especially for poor and vulnerable populations that have been hit hard by food inflation. Food prices have risen significantly over the last two years, driven by the impacts of COVID-19, adverse climate events, and the war in Ukraine.

The number of food-insecure people in the world has been rising every year since the beginning of the pandemic, with more than half of countries globally experiencing a worsening situation. An estimated 928 million people were severely food insecure in 2020, according to the Food and Agriculture Organization of the United Nations, an increase of 148 million from 2019.

The situation has been exacerbated by the war in Ukraine, which has impacted exports from the Eastern European country and Russia, which collectively produce a large share of key food commodities including wheat and maize as well as energy, fertilizer, and key components of fertilizer production, resulting in rising production and transportation costs.

Poor climate conditions and droughts in key producing countries including Argentina, Brazil, and the United States have worsened the outlook, driving calls for action from the public and private sectors.

The loan to Olam Agri will further support flows of key food commodities to developing countries, which have been reliant on sourcing from the Black Sea region. The goal is to help ease food price inflation particularly in fragile, conflict-affected, and poorer countries that are net-food importers, which are among the worst affected, and where food purchases comprise an outsized share of disposable incomes.

“This facility further supports us to continue to supply staple crops and ensure food security to some of the most populous countries in Asia and Africa most at risk of global food inflation,” said N. Muthukumar, Chief Executive Officer, Operations at Olam Agri “We’re delighted to continue our long-standing partnership with IFC, aligning with Olam Agri’s focus on better access to food and nutrition for the most vulnerable and on strengthening global food security.”

“The impacts of the COVID-19 pandemic, the war in Ukraine, and climate change are having disastrous effects on food security for developing countries, erasing years of hard-won development gains,” said Rana Karadsheh, Regional Industry Director, Manufacturing, Agribusiness and Services, Asia Pacific at IFC. “Our partnerships with key agricultural commodity-trading companies such as Olam Agri are crucial to maintaining the flow of critical food staples between countries with surpluses and deficits, ensuring better food security for the world’s poorest and most vulnerable populations.”

IFC has a successful track record of supporting Singapore-based companies in their efforts to expand in emerging markets and developing economies (EMDEs) globally, using innovative structures, local currency financing solutions, access to capital markets and knowledge gained from more than six decades creating markets and opportunities around the world. We have provided over US\$5 billion in commitments to Singaporean clients over the last decade alone to support their expansion into EMDEs.

About Olam Agri

Olam Agri is a market leading, differentiated food, feed and fibre agri-business with a global origination footprint, processing capabilities and deep understanding of market needs built over 33 years. With a strong presence in high-growth emerging markets and products across grains & oilseeds, animal feed & protein, rice, edible oils, specialty grains & seeds, cotton, wood products, rubber and commodity financial services, Olam Agri is at the heart of global food and agri-trade flows with more than 40 million MT in volume traded annually. Focused on transforming food, feed and fibre for a more sustainable future, it aims at creating value for customers, enable farming communities to prosper sustainably and strive for a food-secure future. Olam Agri is a fully owned subsidiary of Olam Group.

For more information and to subscribe to our news alerts, please visit <https://www.olamagri.com/>.

About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record \$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic. For more information, visit www.ifc.org.