



AGRI-FINANCE STUDY PROGRAM AND FARM TOUR

REPORT



FRANKFURT, GERMANY

APRIL 3-9, 2022

INTRODUCTION



Welcome2Africa International, in collaboration with the Frankfurt School of Finance and Management, curated the Agri-Finance Study Program and Farm Tour that was held on April 3-9, 2022 in Frankfurt, Germany on the Frankfurt School campus.

This 5-day, 6-night study course and excursion to provide an opportunity for agri-financiers and other key stakeholders to facilitate relationships with Nigeria-based agribusiness financiers and key foreign development institutions. This study program also includes interaction discussions and lectures, visits to state-of-the-art farms and opportunities to engage directly with alternative investors, impact investors, and others.

The goal of the program was to drive more knowledge with respect to financing and investing in Nigeria's Agricultural Sector. As well as fostering collaborations between W2A's German partners and W2A's Nigeria-based Agri-stakeholders.

The delegates and stakeholders included the program individuals of AFEX, Fidelity, DLM Capital Group, NIRSAL, GIZ, German Development Bank, Commerce Bank and Truvis Agro Services Limited.

Prior to the first day of the program, everyone had the opportunity to meet each other and get briefed on what to expect in the next coming days.

DELEGATES



DAY 01

W2A delegates from Nigeria were warmly received by W2A partners in Germany namely Mr. Andreas Emser, Director of Executive Education of Frankfurt School of Finance and Management to mark the commencement of the 5-day Agri-Finance Study Program and Farm Tour in Frankfurt-Germany, organized by Welcome2Africa International (W2A) in collaboration with the Frankfurt School.

The program started with a lecture by Mr. Christian Heck on Agriculture and Agri-Financing in Germany. He began by explaining the financial sector and different initiatives in Germany such as the solar panel initiative. A takeaway from the lecture was the realization that the banking sector in Germany is shrinking with zero percent—sometimes even negative—interest rates and the long-term effects on the banking sector. Another takeaway was the aging population of farmers in the global agricultural sector as well as the mechanization of farms as a strategy used to encourage the inflow of younger people into farming.



It was highlighted during the lecture that the introduction of technology can increase optimization, automation, and productivity in the sector. In order for this to happen, it was made clear that there is a need for more infrastructural investment/financing to support and enable smallholder farmers, especially with the gap between government and farmers on the ground.

The highlight of the day was marked by a farm tour to three farms just outside the city center of Frankfurt, which included Mehl KG a seed production farm of spring and winter barley and wheat as well as beans. They also visited a pig farm and flower/vegetable farm.

Despite the wind and the cold, the participants expressed their delight and excitement about the first day of the program.



DAY 02

The date started with a lecture on Agri-Value Chain by Dr. Nataliia Cherkas where they examined components of the different aspects of the agricultural value chain and the investment opportunities they provide. The discussion focused on financiers can support those areas and what that looks like in Germany and what it could look like Nigeria's agricultural sector.

This followed with another lecture on Rural Infrastructure Finance/Blended Finance given by Dr. Alexander Lehmann. Blended Finance is the strategic use of development finance for the mobilization of additional finance towards sustainable development in developing countries. They examined how the use of development funding from public and philanthropic funders coupled with private capital to best support agribusinesses.

The day ended with a virtual meeting from DEG Cologne and GIZ Germany. DEG is a subsidiary of KfW—state-owned development bank of Germany—that support private enterprises in developing countries by either directly financing them directly with loans and equity investments or invest in local banks and financiers who will supply mainly SMEs on ground with financing.

GIZ is a development agency who provide customized services for sustainable development. In Nigeria, their focal areas are in rural development and economic and employment sustainability. They provide the technical assistance to increase employment and income generation, as well as access to finance for micro, small and medium-sized enterprises. A common misconception is that GIZ provides financial assistance which is not true however, they facilitate access to finance. From GIZ, we had Mr. Saliya Kanathigoda, Financial Systems Development & Insurance and Mr. Dennis Fischer, Project Manager Bonn.

Both agencies shared the services they offer and how the participants can take full advantage of them. We were able to liaison with the representative in Nigeria to help with some of their current projects and/or deals.



DAY 03

The day started with a very exciting and honest lecture on Agribusiness Finance presented by Mr. Rainer Fitz. Mr. Fitz is the Team Leader on Technical Assistance Programme to the Trade & Competitiveness Expert Support Facility to Morocco and Tunisia financed by the European Investment Bank and he had a similar experience in Nigeria briefly. His wealth of knowledge and experience made for a very interesting and one of the most exciting lectures throughout the week.

The lecture started off by explaining the importance of agriculture and how it impacts multiple areas such as food security, poverty alleviation environment and economic growth. Some of these areas also expose investment opportunities. We identify risks and how to assess them. He presented different models about how financiers can manage risks and linked finance to extension services.

This day ended with an exciting visit to the LWG Dottenfelderhof farm. It is a dairy and livestock farm located in northern Frankfurt. We were to see how this community comes together to take care of each. From the agricultural school to the grocery store stocked with products produced from the farm, it is clear the community is forefront. We saw how they breed their cattle and other animals and how their homegrown produce is used for multiple purposes.

DAY 04



Continuing on the agribusiness finance lecture, Mr. Rainer Fitz focused this lecture on Agriproject Finance. In this lecture, participants collaborated on development models and methods to determine how to finance projects. They broke down the criteria needs and mapped out ways to evaluate them in the Nigerian agricultural sector. It addressed how to mitigate the risks and disbursement plans to ensure loan repayment. Mr. Fitz also introduced us to the Agricultural Loan Evaluation System (ALES), which is a web-based, parametric & modular software that evaluates customers and calculates recommended limits to disburse agricultural loans.



Due to all the excitement from the kickoff lecture given by Mr. Christian Hecker, we continued and expanded the lecture on Agriculture and Agri-financing in Germany in Digital Agri-Finance and Bonds. In this lecture, they learn how alternative forms of financing can provide the support agribusinesses and what they would look like.



We rounded up the day with a visit from Commerzbank AG. Commerzbank is on the leading commercial banks in Germany with 20 operational foreign branches including one in Lagos, Nigeria. We were visited by Kristina Holahauser, Regional Head Africa, and Johannes Drinkut, Relationship Manager, Financial Institutions Africa. Some of our participants have many position interactions with Johannes through the Lagos subsidiary.

They introduced the range of products and services they offer to the Nigerian market and how to fully take advantage of them. They partner with local banks to provide their products and services to support agribusinesses through these banks such as Export Credit Agencies (ECAs). ECAs are institutions which undertake official export credit activities for or on behalf of government. Their main objective is to foster a country's competitiveness by supporting exports which can include insurance, direct loans, guarantees, interest rate support and funding programs.

Participants had the opportunity to discuss their current challenges with certain programs/projects and deals they are working to understand on their products and services and help solve them.

DAY 05

This day started off again with Mr. Rainer Fitz bringing back the Agricultural Loan Evaluation System (ALES) but applying it to Smallholder Finance. During the lecture, they were able to determine the generic scoring parameters, how to go about collecting data to develop a weighted scale of the parameters and how one would go about developing a 5-staged loan appraisal tool with the assistance of the Frankfurt School. Participants were able to walk away with tangible models to assist them with loans for agribusinesses and smallholder farmers.

It was followed by lecture on Credit Guarantees by Mr. Roland Kupka about how they mitigate risk for financiers and was able to help design and map out models for services that NIRSAL found especially helpful.

The program rounded up with a certification handover ceremony, where Mr. Andreas Emser, Director of Executive Education of Frankfurt School of Finance and Management presented Certificates of Participation and gifts to everyone. It proved a lovely moment to share experiences of the programs and further cement relationships developed that week.

Kindly visit our website and various social pages to see pictures of this experience.

CONCLUSION



The program rounded up with a group dinner recollecting their shared experiences throughout the programs, sharing what they enjoyed the most and expressing what they wanted more. It was a lovely ending to conclude the week.

From exciting and engaging lecturers to eye-opening farm visits, the Agri-Finance Study Program and Farm Tour proved valuable to all participants. Relationships were fostered amongst participants as well as with German financiers that have birthed collaboration that will indeed positively impact the Nigerian agricultural sector as a whole.

The CEO of Welcome2Africa International, Bamidele Seun Owoola expressed her delight over the program stating that the program is core to our commitment to promote and facilitate trade and investment, with a special focus on Nigeria's Agricultural Sector.

If you are interested or would like further details, feel free to contact Chinenye Ogueri, Programs Lead, at cogueri@welcome2africaint.com or +234 806 739 9984.

GALLERY



WELCOME 2
AFRICA
INTERNATIONAL



OUR VISION

TO BECOME THE WORLD'S LEADING
CATALYST OF INVESTMENTS, TRADE AND
FINANCE INTO AND ACROSS AFRICA

OUR MISSION

THROUGH OUR KNOWLEDGE DISSEMINATION
ENDEAVORS, BESPOKE CLIENT SERVICES AND
INNOVATIVE PROGRAMS WE STRIVE TO BECOME
A CENTRE OF EXCELLENCE FOR THE
FACILITATION OF INVESTMENTS, FINANCE AND
TRADE ON THE AFRICAN CONTINENT.



+2349034105969



info@welcome2africaint.com



www.welcome2africaint.com



United Kingdom

40 Bloomsbury Way, Lower Ground
floor, London, WC1A 2SE



Nigeria

7 Dakala Street, Wuse II,
Abuja