



Press Release 23/03/2018

NSIA Invests in Smallholder Framers through Babban Gona Franchise Model.

Lagos, March 23, 2018 – The Board of Directors of the NSIA, led by the Chairman, Mr. Jide Zeitlin and the Managing Director, Mr. Uche Orji today signed an agreement for the investment of US\$5.0 million in Babban Gona (“BG” or the “Company”), a high impact, scalable agricultural franchise that focuses on smallholder farmers. The signing was executed with the representatives of Babban Gona, led by HRH Mallam Sanusi Lamido Sanusi, the Emir of Kano and Chairman, BG and, Mr. Kola Masha, Managing Director of Babban Gona.

BG is an inclusive agriculture model targeted at smallholder farmers across six northern states, namely Katsina, Kano, Kaduna, Plateau, Bauchi and Jigawa, with a view to linking the farmers to larger economic actors, ultimately improving agricultural productivity, expanding markets and trade, and increasing the economic resilience of susceptible rural communities. Under the model, BG provides a suite of maize and rice inputs and mechanisation services that enables smallholder farmers to lower input costs, secure financing, and increase yields.

Working through the Trust Groups system, BG provides a sustainable, private sector channel for cost effective delivery of enhanced agricultural technologies, credit and services that optimize yields and labor productivity, while simultaneously improving market access for small holder farmers. The BG agricultural franchise business model is expected to continue to scale up and sustainably increase the number of farmers that it serves. The company has stated that its goal is to service a million farmers by 2025.

Speaking on the investment, Mr. Uche Orji, MD & CEO NSIA said, “the investment is consistent with NSIA’s focus on agriculture and demonstrates high social impact potential including job creation, improved livelihood and increased food security and nutrition.

Commenting at the signing, HRH Mallam Sanusi Lamido Sanusi, the Emir of Kano and Chairman, Babban Gona said “Babban Gona is a franchise model, which provides small holder farmers access to required investment capital. The out-grower model continues to help farmers increase production by providing access to low-cost and high-quality inputs along with necessary inputs and marketing support for the harvests. The idea is to share best practices with farmers along the span of the agricultural value which will result in a dramatic rise in output in terms of quality and yield”



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NOTE TO THE EDITOR

About Babban Gona

Babban Gona ("Great Farm" in Hausa) is an agricultural franchise, developed by Doreo Partners, an Impact Investing Firm with a proven track record of exclusively investing in profitable, high growth, early stage businesses that improve the livelihoods of Nigerian smallholder farmers.

Babban Gona inspires and enables hardworking smallholder farmers reach their full potential by providing a private sector channel for cost effective delivery of enhanced agricultural technologies and end-to-end services that optimize yields and labor productivity, while simultaneously improving market access.

For more information please visit www.babbangona.com

About NSIA

The Nigeria Sovereign Investment Authority, a corporate body established by the Nigeria Sovereign Investment Authority (Establishment, etc.) Act 2011, is mandated to manage funds in excess of budgeted hydrocarbon revenues. Its mission is to play a leading role in driving sustained economic development for the benefit of all Nigerians through building a savings base for the Nigerian people, enhancing the development of Nigeria's infrastructure and providing stabilisation support in times of economic stress. NSIA operates three mandate funds: the Stabilisation Fund, the Future Generations Fund and the Nigeria Infrastructure Fund.

For more information please visit www.nsia.com.ng

About Doreo Partners

Doreo Partners is an impact investment firm with a proven track record of exclusively investing in profitable, high growth, early stage businesses that improve the livelihoods of Nigerian smallholder farmers. Doreo's investment strategy is driven by the team's passion to provide a private sector driven solution to Nigeria's leading social challenge: spiraling youth unemployment. The firm developed the Babban Gona model as a mechanism to address the unemployment challenges through the agricultural sector, an engine of economic growth.

The Babban Gona franchise model overcomes a key underlying structural problem that keeps small holder Nigerian farmers poor i.e. low economies of scale. Utilizing a sustainable private sector franchise model, Babban Gona provides cost effective, end-to-end services to a network of franchise farmer groups, called "Trust Groups." The franchise model provides the required economies of scale to efficiently deliver services to small holder farmers, such as training and development, credit, best practice agricultural input technologies and output aggregation, storage and marketing services. The organization provides low interest rates to smallholder farmers with a further reduced rate to women. Within a year, Babban Gona has scaled ten folds serving over 150 Trust Groups.

For more information please visit <http://www.doreopartners.com/>