

Old Mutual ups equity stake in UFF African Agri Investments

Old Mutual Investment Group has announced a deal to increase its overall effective equity stake in <http://ww2.oldmutual.co.za/old-mutual-investment-group/boutiques/uff>, to 49%. The partnership will see the strengthening of a longtime relationship between the two companies, with investment opportunities of up to \$500m into African farmland envisaged over the next three years.

Natural progression

According to Diane Radley, CEO of Old Mutual Investment Group, this formal partnership was a natural progression for the two organisations. “We have a deep belief in the opportunities in agricultural investing across the African continent. Agriculture, as an asset class, has already gained huge momentum globally, but is still in its infancy in Africa. This presents a significant investment opportunity for both local and international investors,” she explains.



Diane Radley, CEO: Old Mutual Investment Group

Significant demand for agricultural produce

“Increasing populations across the continent will lead to a significant demand for agricultural produce, with a 70% total increase in agriculture production needed to feed the more than 9bn people expected to inhabit the earth in 2050, of which 25% will be in Africa.”

“The UFF and Old Mutual partnership is a signatory to the principles of responsible investments in farmland. All farms are assessed and monitored on compliance to international finance corporations standards on environmental, social and governance standards encompassing standards set by the International Labour Organisation (ILO), United Nations (UN), World Health Organisation (WHO), Food and Agricultural Organisation (FAO) and local legislation,” she explains.

Social economic projects

In addition, on the farms in the portfolio, the funds implement a comprehensive education, healthcare and/or housing programmes for farm workers. “UFF has an innovative and unique way to affect positive change. 6% of rental revenues is invested in social economic projects providing education, housing and healthcare,” she says.

Duncan Vink, co-founder of UFF adds, "Agriculture is a vital economic driver in Africa given a number of socio-economic factors, including population growth, poverty and unemployment. These factors present acute challenges and make unlocking our agricultural potential not just an attractive option, but a necessity."

Radley concludes that ultimately it is about investing in Africa for Africa. "The UFF team offers unparalleled experience in the arena of African agri-investing, an invaluable addition to our alternative assets growth strategy, which seeks to expand our investment business into the rest of Africa."

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