

# From pineapple juice to agtech: Investors hungry for a piece of Africa's food industry

Africa's agribusiness and food sector registered strong private equity deal activity during May 2018, according to industry information service Africa Private Equity News.



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EXEO Capital announced a \$6.4m investment, through its Agri-Vie Fund II, into Capital Fisheries – a Zambian food company specialising in the cold-chain distribution of fish and other animal proteins. Capital Fisheries has an innovative business model of wholesaling frozen products from reconfigured shipping containers placed permanently at markets, small shopping centres and other areas where people congregate.

Further north, the Yield Uganda Investment Fund, managed by Pearl Capital Partners, made its maiden investment in the East African country by committing about \$421,000 to soy-processor Sesaco.

International investors are also getting in on the action. For instance, the Moringa investment fund backed Jus Délice, a Togolese company developing a pineapple juice factory supplied by a large network of organic farmers.

Canada's Fairfax Africa has also shown its confidence in the sector by providing South African agri-processor Philafrica with a R330m (\$25.7m) secured financing facility. In addition, European firms Triodos Investment Management and AlphaMundi Group could soon increase their investments in the industry after launching a new impact investing fund of about \$23m, targeting agriculture and renewable energy firms.

## Agtech making a difference

Technology is playing an increasingly prominent role in food production and distribution – and venture capital investors are taking note.

South Africa's GreenFingers Mobile, an agtech platform that manages and finances large groups of smallholder farmers, has secured a second round of equity seed funding from the Hivos Food & Lifestyle Fund. The investment will be used to optimise its online platform and existing farm-to-last-mile supply chain.

Furthermore, Easyshop Easycook, a Nigeria-based fresh food processor and online grocer, targeting working professionals and SMEs, has announced its seed financing round led by the EchoVC Pan-African Fund. And in the fast-moving consumer goods distribution space, Nigeria's TradeDepot recently secured a \$3m series-A round, with Partech as the principal investor, to digitally integrate all participants in the trade value chain.

## **Uptick in banking and financial services**

The banking and financial services industry also saw an uptick in activity in May. Amethis and AfricInvest joined forces to invest in Morocco's CFG Bank, a pioneering investment banking business. The capital injection will further support CFG's expansion into retail banking.

In addition, AfricInvest finalised its agreement to invest approximately \$55m in Britam Holdings, a leading financial services group in East Africa. The investment will be made in partnership with Germany's DEG; Dutch development finance institution FMO; and Proparco, a French organisation focused on private sector development. And in one of Nigeria's biggest tech series-A rounds, digital financial services platform Lidya raised \$6.9m from a group of investors which includes Omidyar Network and Alitheia Capital.

Other notable transactions during the month were Old Mutual Private Equity's acquisition of a 50% interest in Medhold Group, an end-to-end supplier of medical devices in Southern Africa; a \$47.5m series-C round, led by The Rise Fund, into pan-African digital payments provider Cellulant; and Consonance Kuramo Special Opportunities Fund I's investment in East African property firm Century Developments, which plans to invest in real estate assets in the education and affordable housing sectors.

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