



## **PRESS RELEASE**

**28 November, 2014**

### **Pearl Capital Partners Invests US\$ 2m in Malawian Macadamia Nut Company**

Pearl Capital Partners has made its eighth investment through the African Agricultural Capital Fund. The fund, which is now three years into its investment phase, has investment commitments of \$25 million and aims to invest in East African businesses operating in the agriculture sector.

Pearl has invested US\$ 2,040,000 in Tropha Malawi Ltd (“Tropha”), a Malawian macadamia farm, as part of a USD 6.0 million financing round.

Tropha will use the funds to develop a 518ha irrigated macadamia estate and a 938 tonne per annum processing plant in the underdeveloped northern region of the country. Tropha also expects to link well over 1,000 smallholders to international markets as part of its development plan.

In addition to macadamias, Tropha will purchase chillies and paprika from local farmers, while providing support in the form of seeds and training on improved farming practices.

Duncan McDavid, the CEO of Tropha said: ‘Tropha’s farming and processing operation is helping to promote Malawi’s international reputation as a high-quality macadamia nut producer. We are not only creating jobs and providing a market for smallholders but also nurturing local SME businesses.’

Speaking from Pearl’s office in Kampala, Uganda, Tom Adlam, the Managing Partner, commented that “Tropha’s business plan aligns closely with our mission to invest in commercially sustainable agribusinesses that achieve social impact by improving smallholders’ access for smallholder farmers to profitable value chains”.

AgDevCo has also announced a US\$ 2.0 million debt investment into the business alongside Pearl’s investment and US\$ 2.0 million of new equity from Jacoma Estates (UK) Ltd ([www.jacomaestates.com](http://www.jacomaestates.com)), Tropha’s parent company.

Chris Isaac, the Malawi country director at AgDevCo said: “This investment is a tremendous opportunity to boost macadamia production in the northern region of Malawi. It will stimulate the development of a sector which will generate export earnings that further contribute to agricultural growth and poverty reduction in Malawi.”

### **About Pearl Capital Partners ([www.pearlcapital.net](http://www.pearlcapital.net))**

Pearl Capital Partners is an independent investment management business domiciled and licensed in Mauritius. Since it was founded in 2005, the Pearl group has made investments in more than 20 agriculture-related businesses in East Africa with a total value exceeding US\$12 million.

### **About African Agricultural Capital Fund (AACF)**

The African Agricultural Capital Fund is a \$25 million private equity fund managed by Pearl Capital Partners. Its investors include the Bill and Melinda Gates Foundation, the Gatsby Charitable Foundation, the Rockefeller Foundation and JP Morgan Chase Social Investing. Like its predecessor Funds, AACF invests risk capital in agriculture-related SMEs in East Africa. The fund aims to benefit 250,000 smallholder farmer households by supporting companies that can provide better access to agricultural value chains. AAC also expects that its capital will help investee companies leverage additional sources of finance.

### **About AgDevCo**

AgDevCo's mission is to reduce poverty and improve food security through a not-for-profit investment approach. AgDevCo has invested over USD 44.0m in 42 agribusinesses in sub-Saharan Africa to date, connecting over 17,500 farmers to markets and generating almost 1000 jobs. It began operations in Malawi in 2013 and has since invested USD 504,000 in Phata Sugarcane Cooperative, a co-op of 379 subsistence farmers in the Lower Shire Valley and made a USD 225,000 working capital investment in Tropha's chilli and paprika operation to enable the purchase of 100 tonnes of chillies from smallholder farmers. AgDevCo expects to make 6-7 further investments in Malawi in the next 2-3 years.

#### For further information,

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Tropha farmers



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