

Transaction name	Advancing Sustainable Agricultural practices by Sugarcane mill
Publication date	February 2025
Sector	Sugarcane
Country and region	Minas Gerais, Brazil
Deal overview	<p>The proposed deal entails a BRL 80 mln facility from the partnerbank, in which AGRI3 will take a non-funded 40% risk participation. The facility will have a 6-year tenor to accommodate the investments. The company currently manages over 16k ha of land and is also engaged in the processing of sugarcane as a mill.</p> <p>The company has taken significant steps towards incorporating sustainable agricultural practices, and is engaged in pursuing high standard certification. This transaction will directly support the company to restore degraded pastureland and low productivity sugarcane land on its primary production side of the business, which is deemed complementary to other work Impact financiers have done with the group.</p>
Description of the activities	The transaction will finance a range of sustainable agriculture practices such as soil restoration on unproductive and degraded lands. In addition, the company has expressed an interest in enhancing its certification and providing employees and small farmers with training and economic development opportunities, in addition to the improvements in requirements for suppliers as well as monitoring and selection process of partnerships and leased lands.
Expected impact	Expected impact identified thus far is an additional 4,000 ha of degraded pastureland rehabilitated, while it is also expected yield improvements. Direct and indirect financial benefits for farmers are also anticipated.
E&S risks and mitigants	The initial E&S assessment did not identify any significant E&S risks however further information is required to assess risks related but not limited to previous land ownership and land use, as well as deforestation and conversion, as well as on the magnitude of the degradation levels, and voluntary resettlement and indigenous peoples, biodiversity loss due to the development of monocultures, anticipated to be mitigated by the integration of native vegetation within the farms and crops and management of forest reserves; and with potential GHG measurement at farm level.
Contact details of fund manager	Parties can express their views on the proposed transaction to the Fund Manager by contacting <a href="mailto:info@agri3.com">info@agri3.com</a> within 30 days of the publication date of the notice.