

Scaling resilient farming with smallholders in Uganda: Development investment proposal

DATE: 27 May 2025

NAME OF CLIENT	NILE FRESH PRODUCE INTERNATIONAL LTD. (NFP)
CLIENT WEBSITE	HTTPS://WWW.NILEFRESHPRODUCE.COM
REGION	AFRICA
COUNTRY	UGANDA
SECTOR	AGRICULTURE
SIGNING DATE	30 DAYS FROM PUBLICATION ON WEBSITE
TOTAL FINANCING	EUR 449,000 GRANT
FUND	ORIGINATION FACILITY “OF”

- Who is our (prospective) client?

Nile Fresh Produce International Ltd. (NFP) is a Ugandan agribusiness committed to supporting smallholder farmers through climate-smart production of grains and oilseeds. Founded in 2010, NFP engages in production, aggregation, and trading of maize, soybeans, sesame, rice, and sunflower. The company operates a hybrid model: it farms on 29,000 acres of company-owned land while also sourcing from over 600,000 farmers in 41 districts across Northern and Eastern Uganda.

With a strong emphasis on inclusive growth, NFP offers smallholders an integrated support package: climate-resilient seed loans, mechanization services, agronomic training, crop insurance, and guaranteed off-take contracts. These farmers repay loans through a share of their harvest, creating a model that ensures access to inputs while maintaining financial sustainability.



Map showing the 41 districts that NFP operates in (in yellow) and its office locations (in red).

NFP's operations span two regional offices and a growing network of warehouses with 100,000 metric tons of storage capacity. With demand for Uganda's grains growing regionally and internationally, NFP is scaling its farmer network and production capacity. The company aims to reach one million farmers by 2025 and 5 million by 2030.

A trusted partner of government and institutions including the African Development Bank (AfDB), the National Agriculture Research Organization (NARO), and Equity Bank, NFP is now seeking to enhance its business systems and expand its investment readiness with support from the DFCD.

- **Why are we funding this project?**

Climate change is exacerbating food insecurity and poverty across Uganda. Increasingly erratic rainfall, prolonged droughts, and declining soil fertility threaten yields and livelihoods—especially for smallholder farmers who produce the majority of Uganda's staple crops. In Northern and Eastern Uganda, these pressures are felt most acutely, as vulnerability intersects with chronic underinvestment.

By enabling access to drought-resistant seeds, mechanized services, and climate-smart agronomy training, NFP addresses some of the most urgent barriers to climate adaptation in Uganda's agricultural sector. Its model improves productivity without land expansion, reduces post-harvest losses, and builds economic resilience for hundreds of thousands of rural households.

NFP was identified as a high-potential partner through DFCD's local pipeline scoping and engagement with FMO. As a brownfield, commercially viable business with inclusive impact and an established track record, it is well-positioned to absorb climate finance. DFCD's Origination Facility will de-risk critical preparatory activities, including ESG improvements and system upgrades, that are preconditions for a proposed EUR 9.26 million (USD 10 million) investment from FMO's DFCD and Building Prospects funds.

The grant will also enable institutional strengthening—improving NFP's financial transparency, environmental safeguards, and gender inclusion measures. Without DFCD support, these improvements would remain underfunded, delaying or reducing the scope of future investment.

- **What is the intended funding objective (type of activity)?**

The Origination Facility support aims to de-risk and prepare NFP for its next stage of scale-up and investment-readiness. The grant will strengthen internal systems and farmer outreach capacity to ensure sustainable, climate-resilient production at scale.

The DFCD grant will specifically fund four milestone activity areas:

1. **Technology & Financial Management Systems:** Upgrade accounting software, digitise the farmer database, and implement a loan management system to improve financial control and reporting.

2. **Farmer Onboarding & Capacity Building:** Support onboarding of 400,000 additional farmers through Village Agents; deliver climate-smart training and harvest logistics support.
3. **Environmental and Social Risk Management:** Conduct ESG and GESI assessments, supply chain risk analysis, and develop biodiversity/climate adaptation strategies.
4. **Energy Audits:** Conduct facility-level energy audits to reduce energy use and emissions across processing and logistics operations.

- **What are the expected impacts of the company?**

The broader impacts that the Origination Facility aims to unlock via the EUR 9.26 million follow-on investment include:

- **1 million smallholder farmers** supported through the inputs scheme by 2025, up from 600,000 today.
- **350+ new jobs** created through expanded operations, especially in extension services and logistics.
- **50% improvement in yields** among participating farmers through use of climate-resilient seeds and improved agronomy practices.
- **20–40% income increase** for farmers due to higher productivity and access to guaranteed markets.
- **8,000+ tons CO₂ emissions reduced annually**, through reduced diesel use and more efficient mechanization.

These outcomes directly support SDGs 2, 8, 13, and 10. The approach is highly scalable, with NFP targeting 5 million farmers by 2030. With its inclusive financing model and strong local footprint, NFP exemplifies climate adaptation at scale for one of Africa's most vulnerable populations.

ToC: Nile Fresh Produce (Investment Stage)

Input	Investment activities	Outputs		Intermediate outcomes	Outcomes	Impact
USD 3.0m	Working capital for grain trading	1600 Village Agents deliver agronomy training.	10,000+ tractors hired annually (vs. 3,000 baseline).	Increased incomes : 600,000+ smallholders increase incomes by ≥25% through higher yields and market access.	Economic Resilience: 1. One million smallholders increase incomes by ≥25% through higher yields and market access. 2. NFP achieves \$100M annual revenue, with 20% from exports (USD stability).	Transform smallholder agriculture in Uganda into a climate-resilient, market-driven system that reduces poverty and safeguards ecosystems. (Aligned with SDGs 1, 2, 5, 8, 13)
USD 2.5m	Working capital for the inputs-package scheme - Provide drought-resistant seeds/fertilizers to farmers via in-kind loans	600,000 farmers trained in climate-smart practices.	Nucleus farms expanded to 66,000 acres (29,000 baseline).			
USD 2.5m	Acquire additional tractors.	\$2.5M in farmer credit facilitated via FMO, Equity Bank and other FI partnerships.	Atleast 40% participation from women and youth, fostering equitable access to resources	Increased resilience of farming systems to climate variability	Climate Adaptation: 50% of farmers adopt drought-resistant seeds/agroecology, reducing crop failure rates by 30%.	
USD 1.5m	Acquire seed processing machinery	Bring the seed processing operations inhouse at NFP	Secure off-take agreements with WFP and regional traders.			
USD 0.5m	Purchase mobile dryers	Bring the mobile dryers' operations inhouse at NFP	Corporate Governance Action Plan (CGAP) implemented	Reduced impact on natural forests: zero deforestation and improved biodiversity	Environmental Sustainability: Zero deforestation linked to NFP's nucleus farms; 100% compliance with IFC PS6.	
Overall investment: USD 10m senior, secured debt facility.	ESMS audits (annual) for IFC PS compliance. Set-up a Corporate Governance Action Plan.	ESMS compliance reports generated and actioned.				

2 Depicted: Theory of Change showing expected impact through full investment.

- **Environmental and social risks and rationale:**

The proposed origination support is expected to enhance NFP's environmental and social risk management in line with IFC Performance Standards. Risks include monocropping impacts, informal labour conditions among Village Agents, and potential gender gaps in access to services. These will be addressed through:

- Formalization of Village Agent terms and inclusion in grievance redress and gender-based violence protections.
- Biodiversity and GESI assessments to embed risk mitigation into business practices.
- ESG capacity-building for NFP's internal team and systems.
- Expansion of access to climate-resilient inputs to reduce land degradation and avoid unsustainable expansion.

The initiative qualifies for **Rio Marker 2** (primary objective: adaptation), due to its substantial contribution to increasing smallholder resilience to climate shocks.

For more information and if you want to share any confidential information you may have regarding the intended project or company, please contact:

SNV - Dutch Fund for Climate and Development: dfcd@snv.org