

Creating value and a positive impact in African agriculture

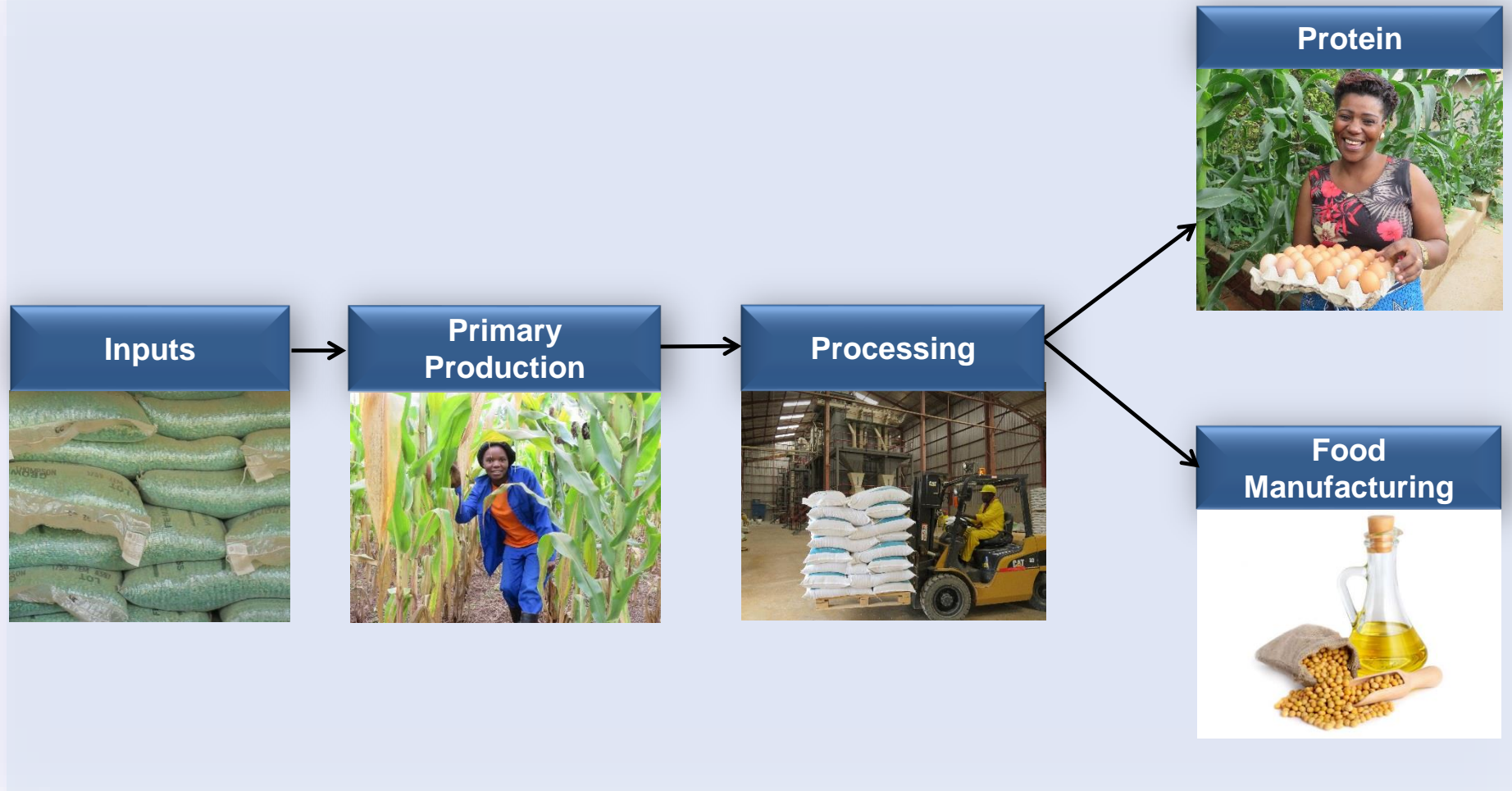
Contents

1. Introduction
2. What are the problems in the smallholder sector in Africa?
3. How do we solve those problems?
4. Case study – Silverlands Tanzania

SilverStreet Capital – a leading investor into the agricultural sector

- Silverlands I: the largest African agricultural fund
- Mid-teens net IRR (unleveraged) target
- Significant social impact arising from the strategy

We invest across the agricultural value chain



High quality investment partners

- European and US institutional investors
- US government: 'soft' loan facility
- World Bank: political risk insurance
- UK, Denmark and Finland governments: investors in fund



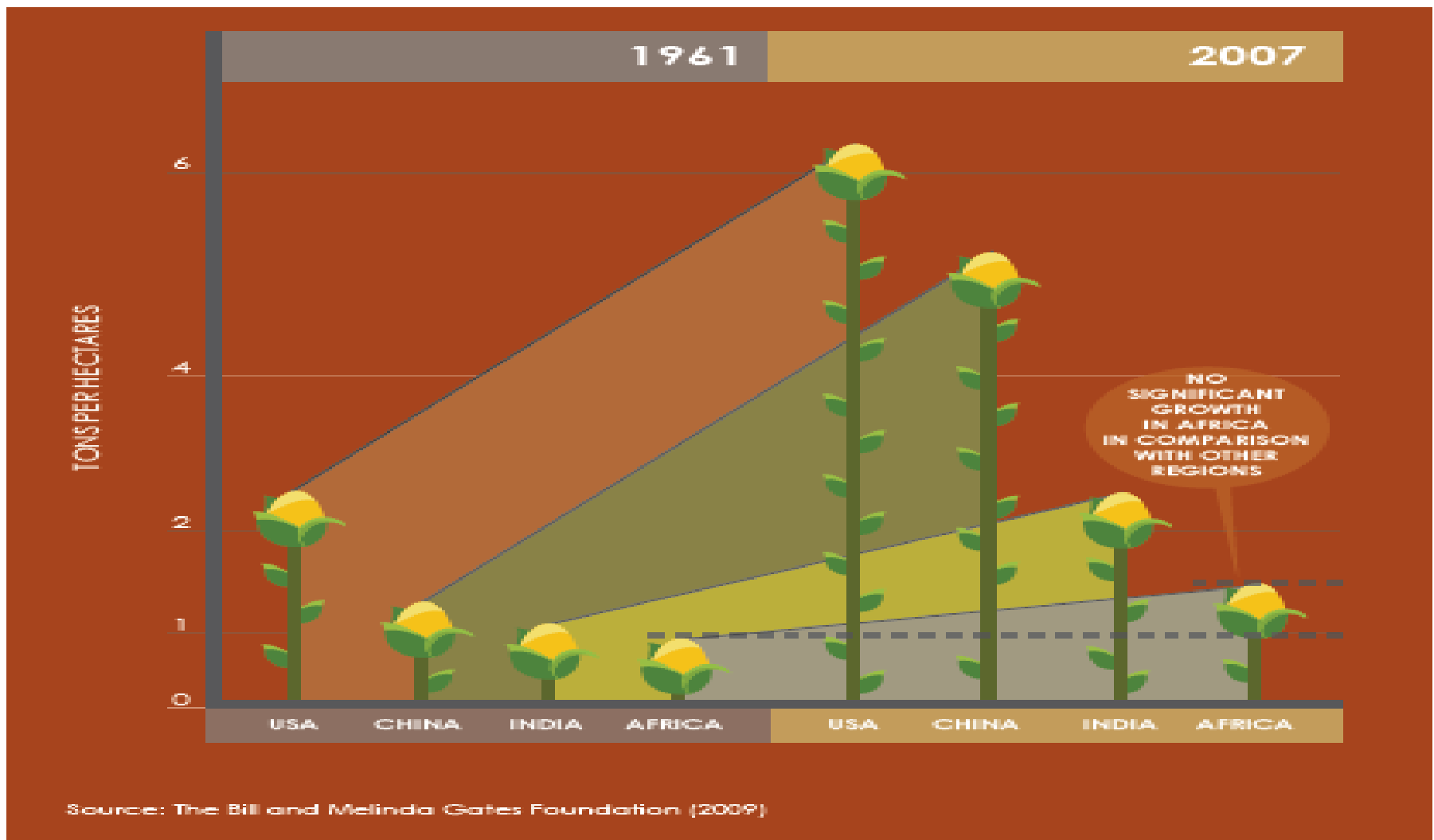
Contents

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~60% of the population live on small-holder farms.



Yields well below global standards



Small-holder farmers typically grow low value crops



Cassava

Access to market

Inadequate infrastructure and processing capacity

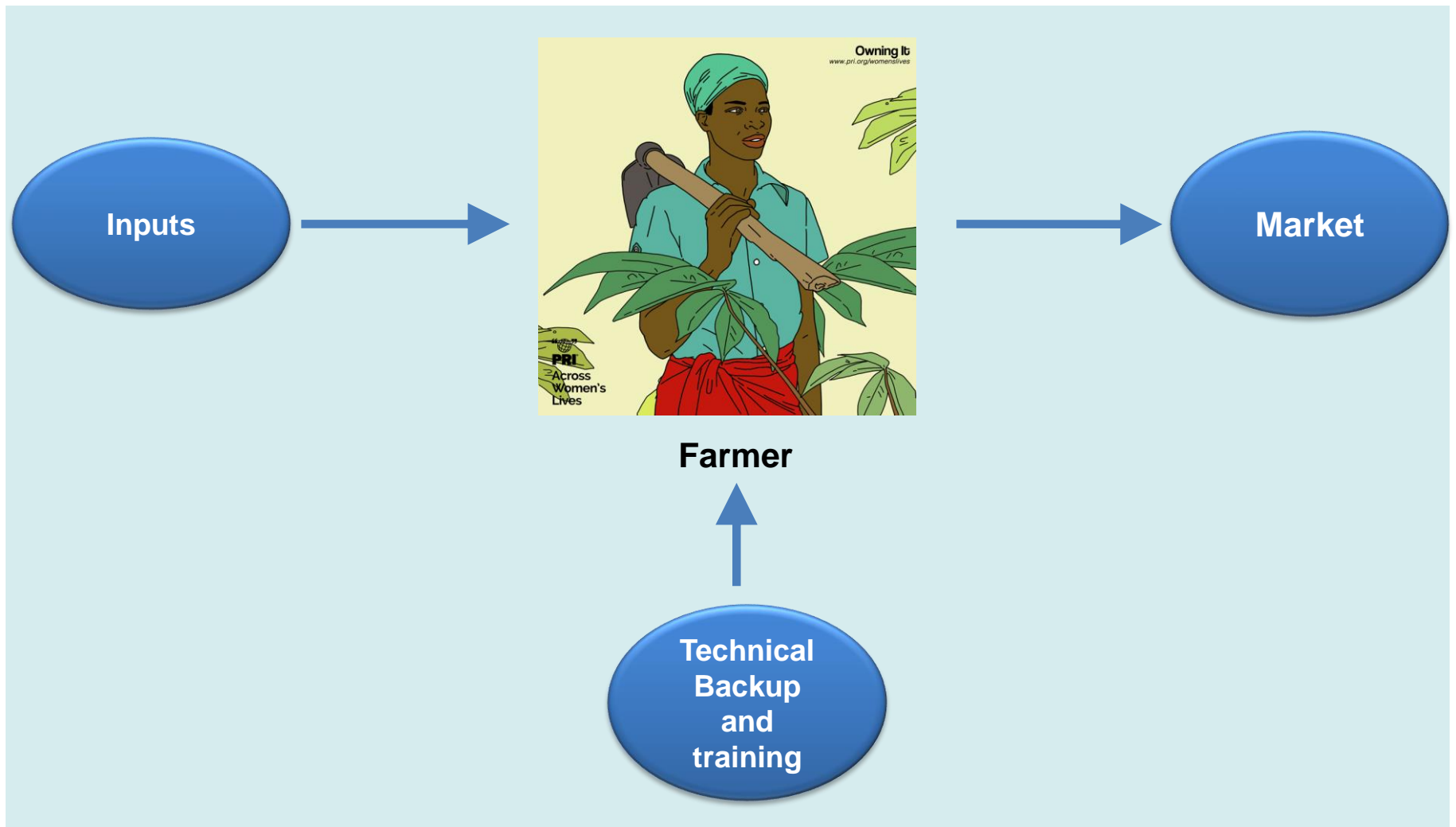
- Markets needed for higher value crops...
- ...normally a processing plant
- 30% of small-scale crop is lost because of inadequate storage



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3. How do we help solve those problems?
4. Case study – Silverlands Tanzania

Three factors needed to develop the small-holder sector



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Case Study : Silverlands Tanzania

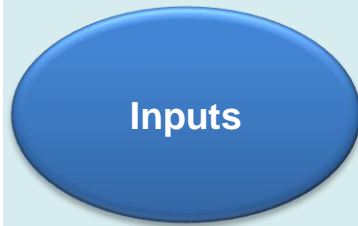


Tanzania: high growth with an undeveloped poultry sector

- Per capita poultry consumption ~12% of South Africa
- Poor quality feed
- Poor poultry genetics



Factors needed to develop the small-holder sector



Farmer

We built soya processing, storage and feed-mill



Silverlands hub produces chicks and feed



Poultry feed



Day-old-chicks

Distribution developed from scratch serving 33,000 farmers

Day Old Chicks – Deliveries 4 x Weekly



13 Distribution Centres



190 Agents

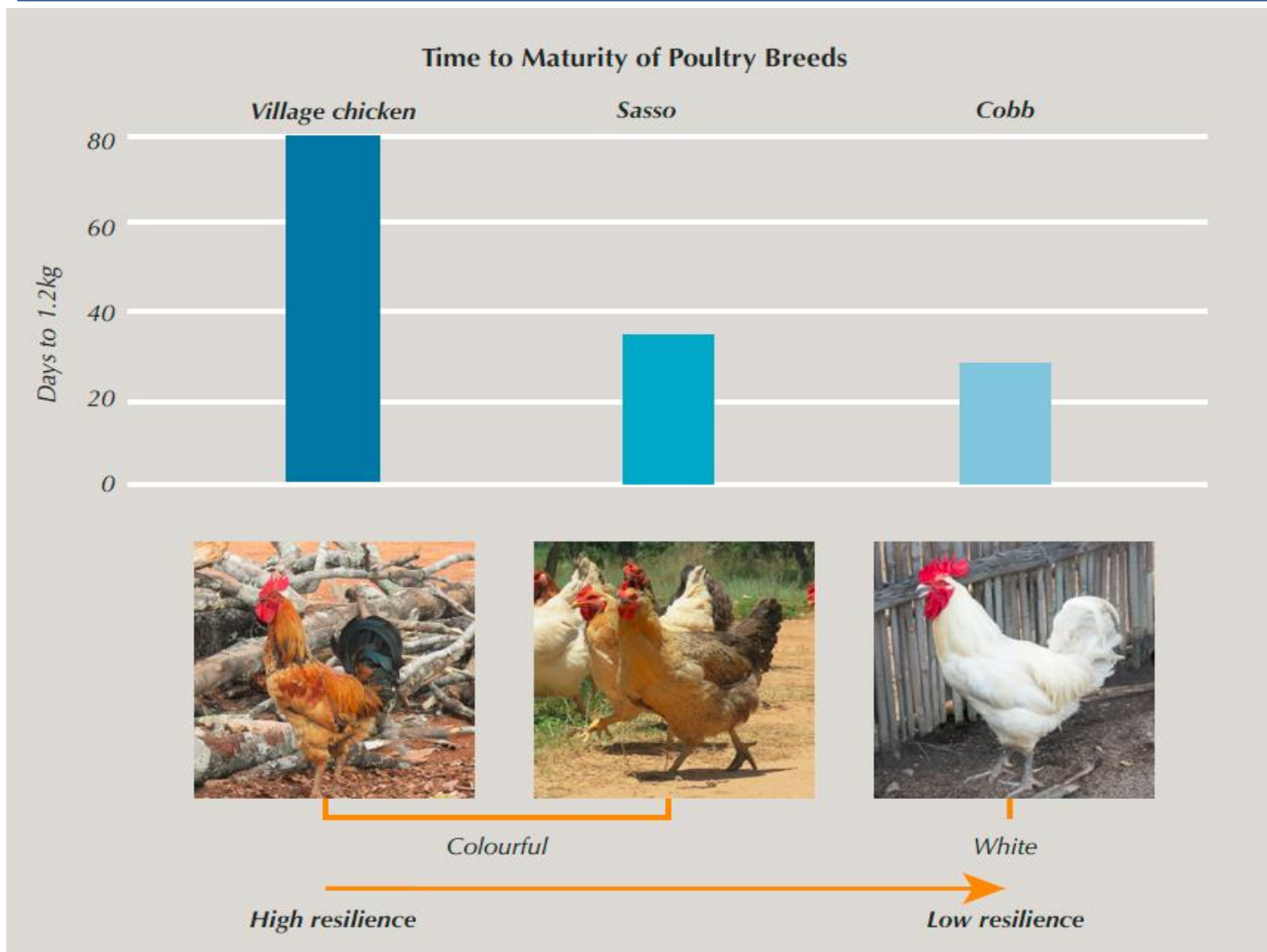


Feed – Deliveries Daily



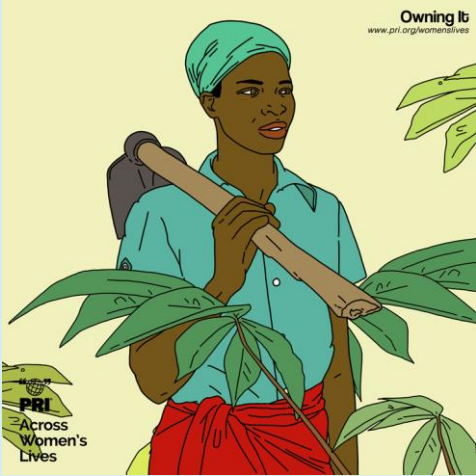
~33,000 Farmers

Improving productivity and yield



Silverlands introduced a more productive breed: Sasso

Factors needed to develop the small-holder sector



Farmer



Technical Backup and training

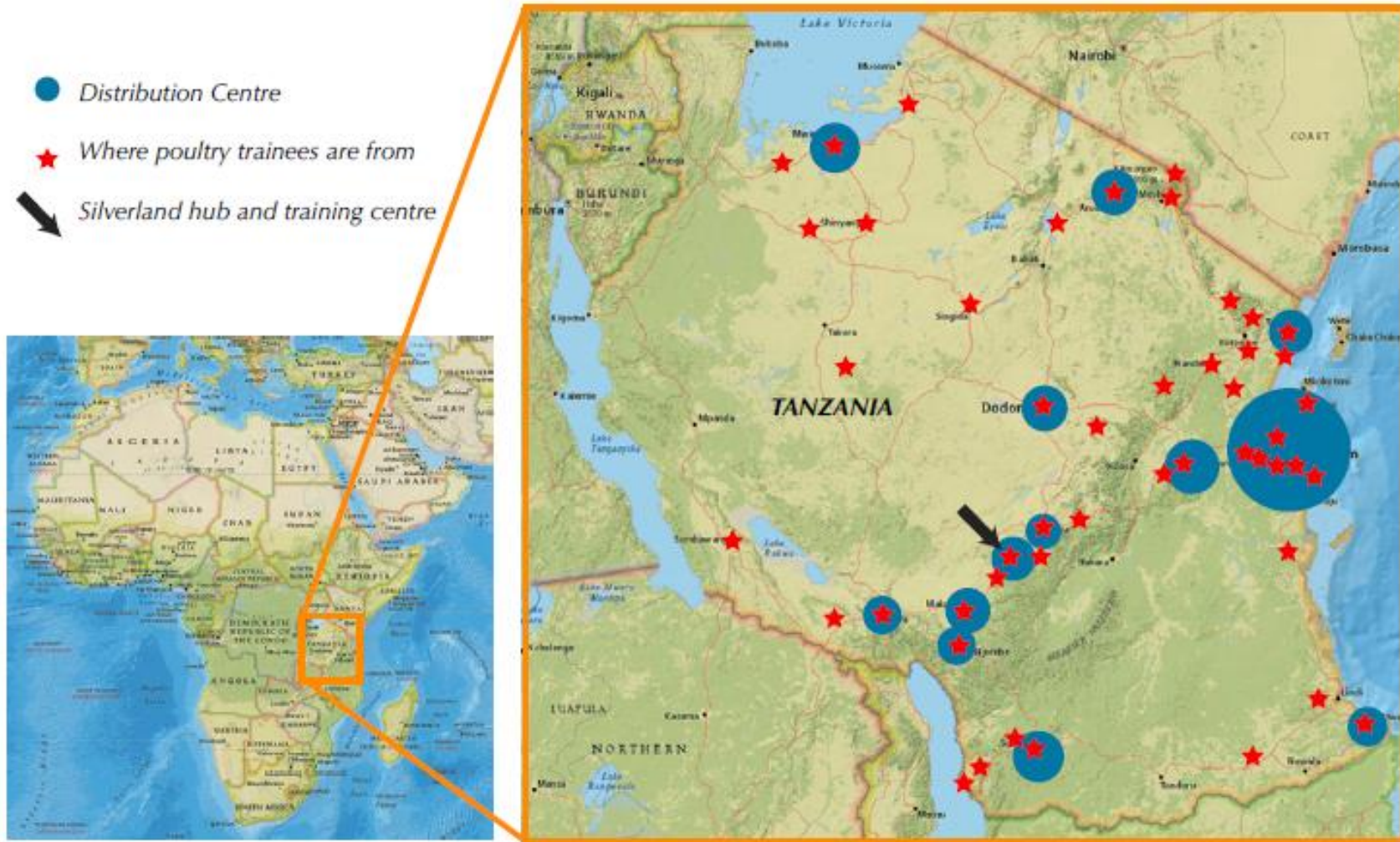
Poultry training facility – a huge success



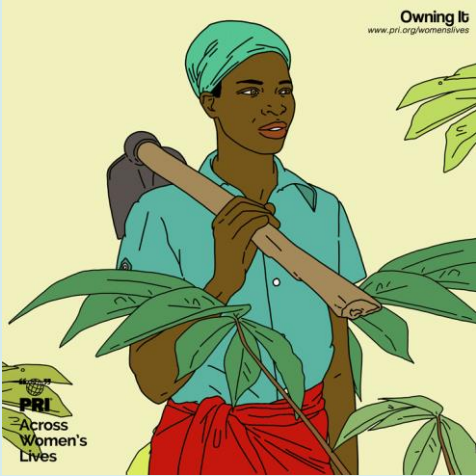
- Partnered with the World Poultry Foundation and started the African Poultry Multiplication Initiative (AMPI) in 2017
- aims to reach over **1million small-scale farmers** in the next ~5 years.

Silverlands distribution across Tanzania

...13 distribution centres, 190 agents



Factors needed to develop the small-holder sector

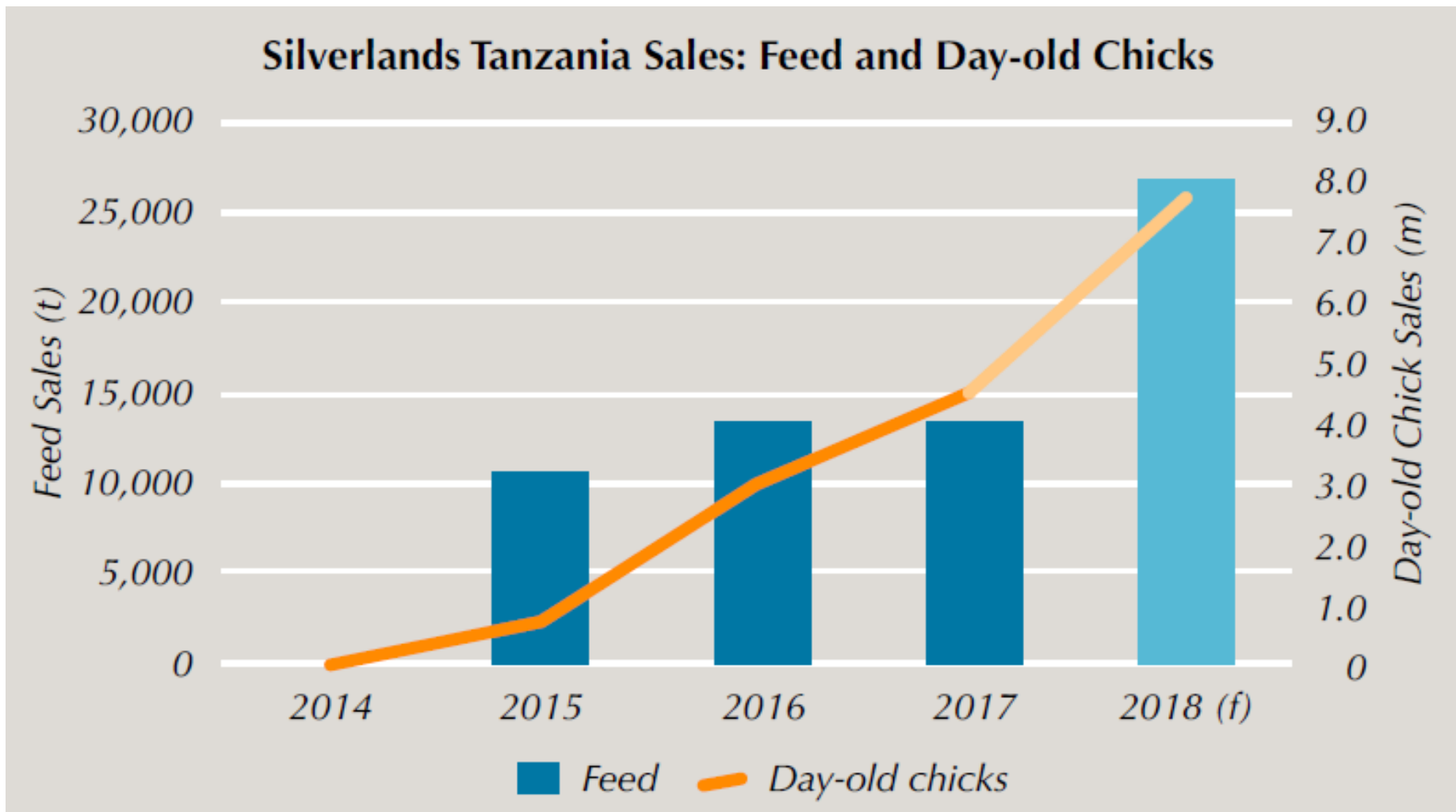


Farmer



Rapid growth in production

...26,500t feed, 7.6m day-old chicks - from zero in 2014



Quantifying the impact

...22,500 farmers, earn ~\$20m more for communities

Type of Poultry Farmer	Project Participants from Community (#)	Average Household Income (\$)	Average Household Income for Participants (\$)	Total Value Added to Community (\$ per annum)
Brooder unit	233	\$600	\$2,709	\$491,397
Semi-commercial broiler farmers	803	\$600	\$3,078	\$1,989,834
Semi-commercial layer farmers	270	\$600	\$3,720	\$842,400
Small-scale / rural	21,278	\$600	\$1,373	\$16,447,894
Total	22,584	\$600	\$1,475 (Avg)	\$19,771,525

Excludes 10,700 farmers who only purchase feed

33,000 poultry farmers benefiting economically – over 80% are women



We contribute positively to 4 Sustainable Development Goals in particular



Poultry Farmer Success Story: Rena Mmasi...highly profitable egg production

- \$220/month salary from the post office
- 2006: 600 chickens (from Dar, 500Km)
 - Switched to Silverlands feed and chicks
- Largest poultry farm in Iringa
 - 4,000 chickens, ~1,900 eggs per day
 - Profits \$3,500 per month
- 4 well educated children – doctor, aeronautical engineering



Summary

- The agricultural sector employs an average of 60 percent of the working population in sub Saharan Africa.
- We focus on solving the problems faced by smallholder farmers as a core part of our investment strategy.
- We have succeeded in achieving substantial social and economic impact through working with small-holder farmers and communities.

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- **Investing in Emerging Markets:** The investment strategy of the Silverlands Funds is such that a substantial proportion of their assets may be invested in emerging markets. Investments in emerging markets carry a higher risk than investments in developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging market countries in which investments may be made, including expropriation, nationalisation or other confiscation could result in loss to the Silverlands Funds.
- **Investment in Agriculture-Related Opportunities:** The Silverlands Funds invest in illiquid investments in the agricultural and related sectors in Sub-Saharan Africa. The global market for agricultural products is highly competitive and is sensitive to changes in industry capacity, producer inventories, commodity speculation and cyclical changes in the world's economies, any of which may significantly affect the selling prices of our products and therefore their profitability.
- **Concentration of Investments:** As the Silverlands Funds may only make a limited number of investments, and many of the investments may involve a high degree of risk, poor performance by a few investments could affect the total returns to the Silverlands Funds.
- **Currency:** The Silverlands Funds' assets may be invested in property or companies incorporated in any country, and the income received by the Silverlands Funds may be denominated in several different currencies, whereas capital contributions and distributions from the Silverlands Funds will be made in US Dollars. Therefore, the amount of the distributions made by the Silverlands Funds, as well as the US Dollar-denominated value of their investments, may be affected favourably or unfavourably by fluctuations in currency rates.
- **Illiquid Investments:** The Silverlands Funds intend to invest in private businesses, farmland, agricultural infrastructure and, potentially, illiquid agricultural listed companies. Such assets are illiquid as a general matter and may decline in value, and are especially illiquid in some of the countries where the Silverlands Funds may invest, and the Silverlands Funds may be unable to liquidate them at a profit.
- **Limited Liquidity:** Interests in the Silverlands Funds will be illiquid and there is no guarantee that an investor would be able to sell its interest should it wish to exit from the Silverlands Funds before the end of the term. Investment in the Silverlands Funds requires a long-term commitment.
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