

PROJECT TEASER | DEBT

Development of Climate Resilient Sustainable

Shrimp Value Chain in Bangladesh

OVERVIEW

ACI Agrolink limited has set up a climate smart shrimp value chain business which includes operation of contract farming, collection and transport of shrimp through an efficient cold supply chain, low energy intensive processing with quick frozen technology and export of premium quality shrimp to the global market.

MARKET AND STRATEGY

The annual global trade in the World Shrimp market is around 32 billion USD. Export potential from Bangladesh is 3 billion USD. Bangladesh currently supply 5% of total world demand. The main target market is EU, USA and Japan. ACI is using their existing business network in the target countries to reach International buyers.

VALUE PROPOSITION/PROJECT ATTRACTIVENESS

ACI Agrolink will provide training, raw material and other knowledge and input to the climate vulnerable farmers of the coastal community to transform their conventional culture to climate smart aquaculture and also by employing sustainable efficient cold supply chain and quick frozen technology they will provide firm to fork freshness quality products. Black tiger shrimp from Bangladesh is revered as one of the premium species in terms of taste and enjoys 37% more premium prices than other commonly species like vannamei

BUSINESS MODEL

The Business model includes contract farming and managing a sustainable and efficient cold supply chain to bring the shrimp from farm to low energy intensive processing unit with minimum handling and shortest possible time to keep the freshness and quality intact. From processing plant the product is shipped out to international buyers. The company is 100% export oriented.

CURRENT STATUS

The processing plant is already in operation condition. In 2019-2020 total export volume was 8.5 million USD.

EXPERTISE

Total 130 years experience in agree business by the top 4 executive.

IMPACT

The project will improve resilience of the coastal shrimp farmers. The project will reduce GHG emission by 4353 ton of CO2 per year.

GENDER FOCUS

The project will train at least 50% women shrimp farmers and 90% women will be employed in the factory.

TECHNOLOGY	Climate smart shrimp aquaculture and processing
PROJECT / LOCATION	Bangladesh
MATURITY OF PROJECT	Operational
ANNUAL GHG REDUCTION	4,353 tons of CO2/year
NUMBER OF EMPLOYEES	150

PFAN ADVISOR

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TOTAL INVESTMENT ASK	DEBT ASK
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7.8 3.34

Million
USD \$

Million
USD \$

DEBT ASK CURRENCY: USD
LOAN TENURE: 5 years
AVERAGE DSCR: 3
INTEREST COVERAGE: 32x
DEBT TO EQUITY: 50:50
EBITDA MARGIN: 20.9% (5th year)
PAT MARGIN: 36% (5th year)

USE OF FUNDS

- Farmer aligned Supply Chain
- Cold Chain Network
- Quality Control System
- Automation & IT Infrastructure
- Worker Skill Development
- Repay part of the Bridge finance