

Public Information Summary

Host Country(ies)	India
Name of Guaranteed Party	INI Farms Private Limited
Project Description	Expansion of a fruit distribution business in India.
Proposed DFC Loan/Guaranty	\$10,000,000
All-Source Funding Total	\$14,090,000
Policy Review	
U.S. Economic Impact	The Project is not expected to have an impact on the U.S. economy.
Developmental Objectives	The Project is anticipated to have a highly developmental impact on the Indian economy through support for a company with inclusive supply chains, which will lead to job creation and human capital development. India is home to about 120 million smallholder farmers comprising over 80% of all farms, which in turn contribute substantially to the country's food supply and GDP. Yet, smallholder farmers are constrained by low productivity, labor intensive agricultural methods, poor post-harvest storage and market linkages, which all contribute to decreased incomes and elevated levels of poverty. The Borrower sources its agricultural commodities primarily from smallholder farmer-collectives and works with these farmers to improve agricultural practices. For example, the selective use of fertilizer and pesticides can lead to a 30 to 40% increase in farmers' incomes. Furthermore, the Project's modern infrastructure (packhouses, cold stores, ripening centers) are anticipated to reduce wastage, and increase shelf life by as much as 50% allowing access to long-distance markets and improving food security.
Environment and Social Assessment	SCREENING: The Project has been reviewed against DFC's categorical prohibitions and has been determined to be categorically eligible. The Project has been screened as Category B because impacts are site specific and readily mitigated. Key potential environmental risks and impacts include water use and management, agro-chemical use and management, waste management including organic waste, worker and community health and safety and food hygiene. Social issues associated with the Project include the need for robust labor management particularly of contracted labor and across the supply chain as well as including the need for internal and external grievance mechanisms.

APPLICABLE STANDARDS: Under DFC’s Environmental and Social Policies, INI Farms is required to comply with applicable national laws and regulations related to environmental and social performance. DFC’s environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following 2012 International Finance Corporation’s (“IFC”) Performance Standards (“PS”):

- P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;
- P.S. 2: Labor and Working Conditions;
- P.S. 3: Resource Efficiency and Pollution Prevention; and
- P.S. 4: Community Health, Safety and Security.

Based on DFC’s desktop review, the Project will not require any land acquisition and future construction is located in an established industrial area and that significant adverse impacts with respect to land acquisition and resettlement, biodiversity conservation, and indigenous peoples are not anticipated. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.

The Project will be required to meet applicable provisions of the IFC General Environmental Health and Safety (“EHS”) Guidelines (30 April 2007); the IFC EHS Guidelines for Perennial Crop Production (30 March 2016); and the IFC EHS Guidelines for Food and Beverage Processing (30 April 2007).

Environmental and Social Risks and Mitigation: The Borrower has an Environmental and Social Management System comprised of its Food Safety Management System Manual and associated policies and procedures. The Borrower is GlobalGAP certified, including all of its farmers, and has a Hazard Analysis and Critical Control Points Plan. The Borrower trains and audits its farmers to ensure compliance with GlobalGAP requirements including good agro-chemical storage and use.

The Borrower has in place an Ethical Policy, Human Rights Policy, Stakeholder Engagement Plan and a Human Resources Manual that comprises its social and labor management system. The Borrower will be required to develop plans for managing its contractors and supply chain to strengthen its labor management of indirect workers. It will also be required to update its grievance mechanisms and those of its contractors to explicitly allow for anonymous grievances.