

## SEAF launches unique 'Grass to Glass' Investment Fund for Sri Lanka's Dairy Sector

**MARKET-ORIENTED DAIRY INVESTMENT FUND IS MADE POSSIBLE THROUGH THE FUNDING FROM THE U.S. DEPARTMENT OF AGRICULTURE (USDA) 'FOOD FOR PROGRESS' INITIATIVE**



**Mr. Mathewson – Senior Managing Director/SEAF launching the Market-Oriented Dairy Investment Fund**

This one-of-a-kind investment fund offering debt and equity lending for the dairy value chain in Sri Lanka has already garnered significant interest from the sector, receiving more than fifty applications with a number of applicants shortlisted for further review and assessment by SEAF, a global investment management group and a sub-partner on the Market-Oriented Dairy (MOD) Project.

Commenting on the rationale for setting up such a fund, Mr. Matthew Krause – MOD Project Director said that “While the Project’s primary focus is on building capacity holistically across the dairy value chain, it was evident that lack of capital (debt or equity) is a constraint. We have several avenues for facilitating financing for the smaller farms, input retailers, fodder cultivators and silage makers through the traditional banking system, but this Fund was set up purposefully for projects exceeding LKR 87.5 million or USD 500,000.”

Launching the fund, Mr. David Mathewson – Senior Managing Director of SEAF said, “typically we manage growth capital and provide business assistance to enterprises in emerging and transition markets underserved by traditional sources of capital. Our goal is to invest in entrepreneurs who seek to build successful businesses, hoping to realize both attractive returns for our investors and a measurable development impact in local communities.” SEAF’s services go beyond capital, with the organization providing support through the growth phases, strategic and operational support, scale-up support, networking support, long-term vision formulation and process management.

The fund will provide debt or equity financing to targeted dairy investments for the development of priority sub-sectors within the dairy value chain such as inputs providers, breeders, large farms, dairy cooperatives, collectors, chilling centers, processors and retailers in Sri Lanka. The fund will utilize \$2 million in starter capital from the project funds and will aim to attract at least an additional \$2 million in outside investment. SEAF will manage the fund, which is planned to continue to grow and disburse loans after the life of the MOD Project, leaving behind a sustainable fund for Sri Lanka’s growing dairy sector.

Market-Oriented Dairy (MOD) Project, based in Sri Lanka, is funded by the United States Department of Agriculture (USDA) ‘Food for Progress’ initiative and implemented by IESC. The project aims to double the milk production of participating dairy farmers and enable them to obtain a higher price premium for fresh milk through interventions primarily designed to enhance their technical knowledge and create an entrepreneurial, business-oriented mindset. The project also supports enterprises along the dairy value chain to meet the demands of the country’s dairy sector to catalyze a sustainable growth. The project’s sub-partners are Sarvodaya, University of Florida, Global Dairy Platform and SEAF.