AgDevCo Ventures makes $49 Mn first close for African agriculture

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The new investment platform plans to deploy capital into early-stage agribusinesses, with ambitions to benefit more than 128,000 smallholder farmers over the next decade

AgDevCo Ventures, a subsidiary of AgDevCo, has announced a first close of $49 million to address a critical financing gap facing early-stage agricultural small and medium-sized enterprises across Africa.

The new investment initiative will provide investments ranging from $1 million to $3 million to early-stage farming and agriprocessing companies that often struggle to access long-term capital. The objective is to help build the next generation of African agribusinesses capable of delivering positive impact at scale.

AgDevCo Ventures complements AgDevCoâ??s main investment strategy, which focuses on later-stage companies with larger capital requirements. By expanding into earlier-stage businesses, the new platform aims to address a segment of the agricultural investment market where the gap in financing provision remains particularly significant.

The $49 million first close has been supported by the International Fund for Agricultural Development (IFAD) and a consortium of senior lenders led by the Isenberg Family Charitable Foundation.

IFAD is providing $10 million in subordinated debt funding. The senior lender consortium, which includes the Small Foundation, A to Z Impact, the Rabo Foundation and Netri FundaciÃ³n Privada, is contributing $11.25 million.

The external capital has leveraged a further $28 million equity injection from AgDevCo, using funds provided by the UKâ??s Foreign, Commonwealth & Development Office (FCDO).

AgDevCo Ventures is now fully operational under the leadership of Christine Mwangi, who has spent six years with AgDevCoâ??s East African team in Nairobi. Its board and investment committee include experienced investors from East Africa, including Maurice Nduranu, Ezra Musoke, Kim Kamarebe and Abel Boreto.

The platform expects to announce its first investments later in 2026. Over the next decade, AgDevCo Ventures is expected to benefit more than 128,000 smallholder farmers and create approximately 2,900 full-time jobs.

Donal Brown, Associate Vice-President at IFAD, said: â??IFAD is pleased to provide an investment of USD 10 million to AgDevCo Ventures Limited. As one of the main investors, IFAD expects AgDevCo Venturesâ?? strategic investments into inclusive agricultural companies to support rural transformation in East Africa and complement IFADâ??s current work.â?•

He added that IFADâ??s role in attracting private investors into the AgDevCo Ventures structure demonstrated its commitment to working with the private sector to advance rural development.

Stefan Freeman, Head of Investments at Ceniarth, speaking on behalf of the consortium of senior lenders, said: â??AgDevCo Ventures fills a critical financing gap for high-potential but underserved agri-SMEs.â?•

He said the platformâ??s approach combines an early-stage investment focus with long-term, flexible mezzanine financing and tailored technical assistanceâ??an area where patient, concessional capital and blended finance can play an important role.

Kirsty McNeill MP, UK Minister of State for International Development and Africa, said the UK was backing ambitious agribusinesses across Africa to access the investment needed to grow, create jobs and strengthen food security and supply chains.

â??We've done just that with AgDevCo Ventures, helping to bring on board other investors to back Africa's growing companies and expertise,â?• she said. Daniel Hulls, AgDevCo CEO and Chair of AgDevCo Ventures, said the new platform was a core part of AgDevCoâ??s overall strategy. â??We are grateful to the funders that are joining us,â?• Hulls said. â??AgDevCo Ventures is a core part of our overall strategy. It returns us to the part of the market where we started almost two decades ago, where the gap in investment provision is most striking.â?• He added that bringing private investors into the funding round would enable development finance to go further.