



Société Agro-Industrielle
Coopérative Agricole des Planteurs Unis de N'dakro

FINANCING OF THE CONSTRUCTION OF A PRODUCTION UNIT OF DERIVED PRODUCTS OF CASSAVA ON AN AREA OF MORE THAN 13 000 HA ON BEHALF OF AN AGRICULTURAL COOPERATIVE IN YAMOUSSOUKRO DISTRICT, POLITICAL CAPITAL OF COTE D'IVOIRE, "BELIER" REGION.

Investment Budget : 104 287 024 USD

Teaser | September 2019



SCAPUN



Overview of the Cassava sector in the world.



Cassava, 4th world vegetable production.

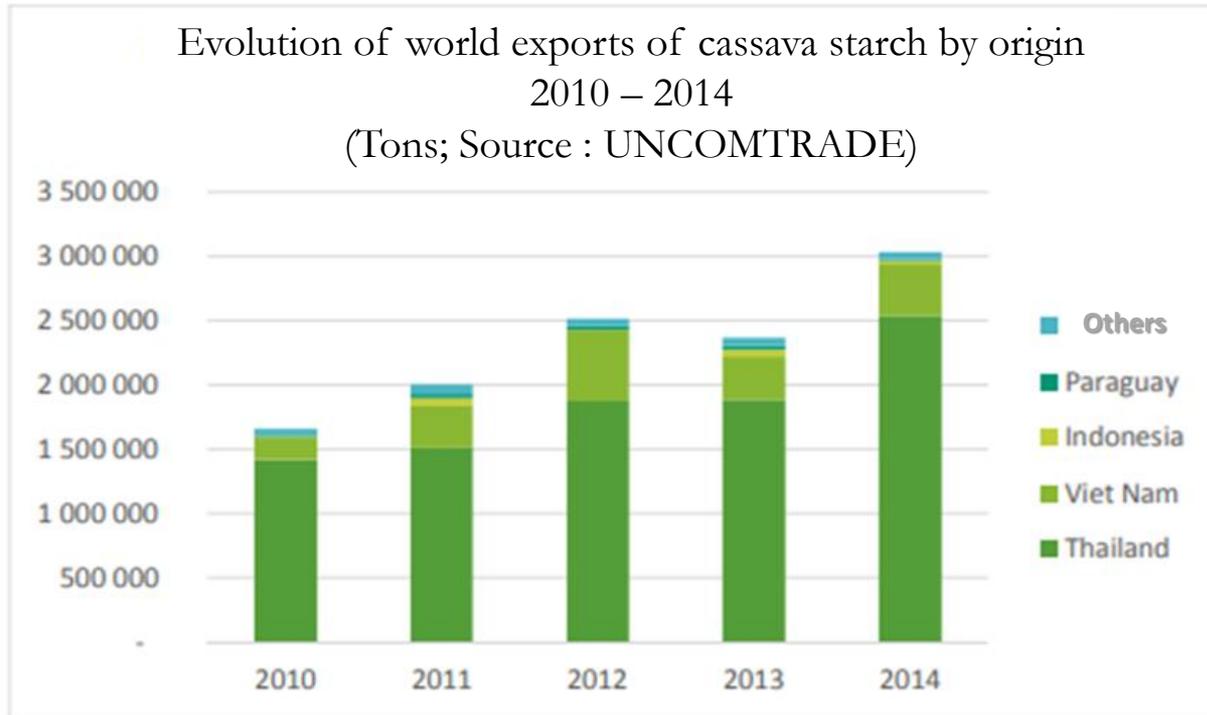
World cassava production is about 250 millions of tons per year.

Continents	Countries	Production million of ton per year.
Africa 47% of world production.	Nigeria	45
	Democratic Republic of the Congo	15
	Angola / Ghana	12
	Mozambique	9
Asia 33% of world production.	Thailand	25
	Indonesia	22
	India	18
	China / Vietnam	9
Caribbean / Latin America 20% of world production.	-	35

Côte d'Ivoire is the 23rd largest world producer of cassava with 2.4 million ton in 2013.



Overview of the Cassava sector in the world.



Source : UNCOMTRADE



Overview of the Cassava sector in the world.

Data on the largest producers of cassava starch.

Rank	Countries	Yearly Production (2014, in ton)	Particularity of the starch.
1	Thailand	2 500 000	Superfine starch, modified starch with high added value.
2	Vietnam	500 000	-
3	Indonesia	100 000	-

Data on the largest importers of cassava starch (potential market).

Rank	Countries	Yearly Imports (2014, in ton)	Types of starch required.
1	China	2 000 000	-
2	Indonesia	500 000	-
3	Malaysia	250 000	-
4	Japan	125 000	modified starch with high added value.
5	Philippines	125 000	-
6	Singapor	62 500	-
7	USA	62 500	-

Analysis of figures

Despite the development of a cassava industry in other countries such as Ghana, market demand is so strong that planting at Yamoussoukro in Lolobo is a great asset for the country and Africa. According to an FAO study, tropical countries import maize starch worth more than \$ 80 million each year, while almost all imports could be replaced by local cassava starch.

"However, the key to success for new companies entering this market will be sufficient capital and steady supply of starch to meet user specifications, all at a competitive price," says NeBambi Lutaladio, Crop Services. and FAO grasslands.

Sources : *Diagnostic de la filière manioc en Côte d'Ivoire*, <http://indices.usinenouvelle.com/matieres-premieres-industrielles/l-amidon-de-manioc-un-marche-a-forte-valeur-ajoutee.933>,



Executive Summary

Géography of the social Capital of SCAPUN

Shareholders	Amount(USD)	%
N'DA KOUAME T.	8 790.00	50
KOFFI AMOIN F. eps N'DA	1 054.80	6
SANGAH KRABOUET I.	351.60	2
N'GUESSAN YAO F.	351.60	2
PARTNERS	7 032.00	40
Total	17 580.00	100

PRESENTATION OF THE MANAGEMENT TEAM

CHIEF EXECUTIVE

Mr. N'DA KOUAME TOUSSAINT

PCA of the cooperative COOP-CA SCAPUN. Consultant in Engineering of production. Factory Manager then Directeur Technical Director of several Agro Industrial companies. Business Manager. Planter of coffe and cocoa, hevea and kola. More than 30 years of professional and agricultural experience.

DDG-CFO

Mr. NIAMOUKE WILFRED

Commercial Engineer. Sales Manager, Director of Marketing and Customer value of Prestige Télécom Ivory Coast (Groupe IAM) , Atlantique Télécom(ETISALAT GROUP).12 years experiences in the top management

SALES AND LOGISTIC MANAGER

Mr. AGNEROH JEAN-LUC HUGUES

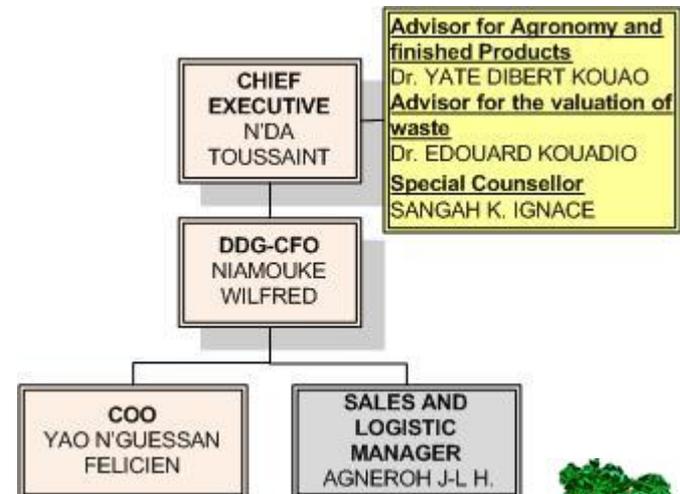
High grade trader. 15 years of experience in the development of commercial policies, portfolio management and marketing team coaching. Former sales manager in NOVEL-CI (subsidiary of the swiss group NOVEL GROUP).

COO

Mr. YAO N'GUESSAN FELICIEN

Commercial Engineer. Former COO of Coquivoire. Deputy Director of Quality at the Ministry of Commerce. 25 years experience.

ORGANIZATION CHART OF THE MANAGEMENT



Executive Summary

PRESENTATION OF THE MANAGEMENT TEAM (following)

ADVISORS TO THE CEO

Advisor for Agronomy and finished Products

Dr. YATE DIBERT KOUAO

Chair of Process Engineering/Chimical Engineering, Researcher, Consultant, Trainer;

Research and development of processes for processing and drying fruit, vegetables, cassava...into finished and semi-finished products. Design and implementation of processes and technologies for processing agricultural products. 26 years experiences in top management.

Special Counsellor

SANGAH KRABOUET IGNACE

IT specialist in software engineering / System Administrator and Computer Netwok. Consultant. Corporates Director. 25 years experiences.

Advisor for the valuation of waste

Dr. EDOUARD KOUADIO

PhD Sciences Appl. Sc. Chem. Specialisation : Process engineering of the environment – Wastewater treatment, Sanitation

Expert in Wastewater treatment, Purification & Hydraulic. 16 years experiences.



Executive Summary

Presentation of the company

SCAPUN (Agricultural Cooperative Company of United Planters of N'Dakro), based in the South-West of Côte d'Ivoire, more precisely in San-Pedro (second port city) since 1988, works in the cultivation and marketing of coffee, cocoa and cashew nuts. It includes more than 850 planters who also have cassava orchards used mainly for direct food consumption. As part of the development of its activities, it has just obtained from the government of Côte d'Ivoire an approval to export cashew and has also high-level contacts for the cultivation, processing and marketing of cassava, object of this project. It realized for this speculation more than USD 5,274 million of turnover during the campaign 2016-2017 of cocoa.

The project

The realization of this project involves three important phases:

- A mechanized cassava crop on an industrial scale of about 13,000 ha producing 350,000 to 500,000 tons of cassava tuber annually that is 60% of the needs of the transformation unit.
- An industrial unit processing cassava with an annual capacity of 180,000 000 liter of Ethanol, A solid and liquid waste processing unit (360,000 T) from cassava (plantation and plant). The unit will be used for the production of biogas, electricity, organic fertilizer and animal food.

The production of renewable green energy is in the heart of the project by recovering residues from plantations and factories. The environmental and social impact has been taken into account namely the protection of nature, men and improvement of living conditions.

Source : Business Plan

Context

Côte d'Ivoire in 1960, decided that its wealth will be based on agriculture. This agriculture which is the wealth of our country, is still practiced, in its majority, in a traditional way, plunging the peasants in a precarious life.

Many peasants in Côte d'Ivoire own and live in the middle of plots of low-yielding arable land, the crops being grown by the arms alone. These farmers live in difficult conditions because of the low level of their production. The uncultivated arable land remains fallow as far as the eye can see and the peasants sleep on unexploited wealth.

This situation of non-mechanization of low yielding agriculture does not guarantee food security.

SCAPUN, by launching the project of production of cassava and its derivatives, intends to participate in the creation of new wealth among the farmers by valorizing the food products by an industrialization of them.

Accompanying Côte d'Ivoire, which works to diversify its sources of agricultural income on the one hand and to increase the rate of processed products in Côte d'Ivoire.

Investment chart

Sections	Amount (in USD)
Costs :	
- Plantation	
- factories (transformation of derivatives and his wastes) and workshop	88 426 317
- Warehouse and housing	
- Equipments and others	
Working capital + Others	15 860 707
TOTAL INVESTMENT	104 287 024



Summary of the Business Plan

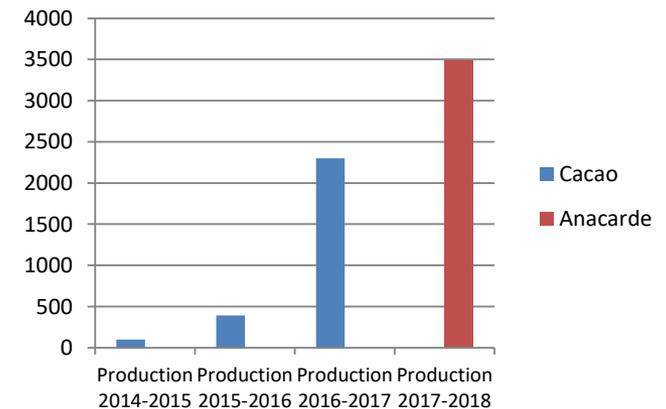
Historical Data:

✓ *A level of activity in full expansion, a significant profitability, despite the limited means*

Financial History				
in Million of US \$	2014 - 2015	2015 - 2016	2016 - 2017	2017-2018
Growth rate of the Turnover		266%	167%	38%
Turnover	0.41	1.49	3.98	5.47

✓ *Performance of remarkable productions, a sign of the mastery of agricultural technics*

Production History (In tons)				
Years	2014 - 2015	2015 - 2016	2016 - 2017	2017-2018
Cocoa ■	100,5	393,793	2300,50	
Cashew ■	-	-	-	3496,5



Source : Business Plan



Summary of the Business Plan

Forecast data

Estimates	Estimates										total	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
<i>usd in million</i>												
Profit and lost accounts Year 1												
Incomes	0,000	30,867	87,456	92,600	97,745	102,889	102,889	102,889	102,889	102,889	102,889	823,113
Purchases and other charges	2,955	6,696	7,020	7,077	7,136	7,204	7,225	7,254	7,294	7,352	7,352	67,215
Gross Margin	(2,955)	24,171	80,435	85,523	90,608	95,685	95,664	95,635	95,595	95,537	95,537	755,898
Transport	0,378	0,378	0,378	0,378	0,378	0,378	0,378	0,378	0,378	0,378	0,378	3,779
External Service	2,245	8,847	21,865	23,043	24,226	25,414	25,425	25,449	25,490	25,556	25,556	207,561
Burden of taxation	0,778	0,823	0,893	0,912	0,932	0,951	0,966	0,982	0,997	1,013	1,013	9,248
Other Charges	1,892	0,092	0,092	0,092	0,092	0,092	0,092	0,092	0,092	0,092	0,092	2,716
Adeed value	(8,249)	14,032	57,208	61,098	64,982	68,850	68,803	68,735	68,638	68,498	68,498	532,595
Personnel costs	2,664	2,718	2,772	2,828	2,884	2,942	3,001	3,061	3,122	3,184	3,184	29,175
Gross operating surplus	(10,913)	11,314	54,436	58,270	62,097	65,909	65,802	65,675	65,517	65,314	65,314	503,420
Amortization charges	10,495	11,435	11,128	11,128	11,385	11,385	11,445	11,227	11,227	0,195	0,195	101,049
interest on borrowings	7,454	7,454	7,454	7,454	6,566	5,625	4,570	3,446	2,250	0,978	0,978	53,251
Operating profit	(28,862)	(7,575)	35,854	39,689	44,146	48,899	49,787	51,002	52,040	64,141	64,141	349,120
Business profit tax	0,008	0,008	8,963	9,922	11,037	12,225	12,447	12,750	13,010	16,035	16,035	96,406
Net income	(28,870)	(7,584)	26,890	29,766	33,110	36,674	37,340	38,251	39,030	48,106	48,106	252,714

- ✓ The profit and loss account, established on the basis of the granting of the funds demanded in the form of a loan paid at the annual rate of 10% HT, does, however, appear to have a net **profitability that is more than appreciable.**

Source : Business Plan



Summary of the Business Plan

Forecast data

Project Free Cash flows (FCF) Year 1

Gross Operating cashflow	(10,913)	11,314	54,436	58,270	62,097	65,909	65,802	65,675	65,517	65,314
Amortization	(10,495)	(11,435)	(11,128)	(11,128)	(11,385)	(11,385)	(11,445)	(11,227)	(11,227)	(0,195)
Income before interest and tax	(21,408)	(0,121)	43,308	47,142	50,712	54,523	54,357	54,448	54,290	65,119
Minus: 25% of tax	5,352	0,030	(10,827)	(11,786)	(12,678)	(13,631)	(13,589)	(13,612)	(13,572)	(16,280)
Net operating income after tax	(16,056)	(0,091)	32,481	35,357	38,034	40,893	40,768	40,836	40,717	48,839
Plus: Amortization	10,495	11,435	11,128	11,128	11,385	11,385	11,445	11,227	11,227	0,195
Minus: capital expenditure (capex)	0,000	(11,435)	(11,128)	(11,128)	(11,385)	(11,385)	(11,445)	(11,227)	(11,227)	(3,216)
Minus: working capital variation	20,701	1,255	(0,469)	5,068	0,913	0,967	0,998	1,035	1,043	6,562
Free cash flow(FCF)	15,139	1,164	32,011	40,425	38,948	41,859	41,766	41,871	41,760	52,380

DCF Valuation

Current Value (VA) of FCF	125 646 961	56,3%	of total current value of FCF	0	0	0	0	0
Terminal value (at period 7)	509 514 741	-		hypothèse de non disposition des actifs en fin de période du business plan				
Discounted Terminal value	97 350 162	43,7%	of total current value of FCF					
Total of discounted FCF	222 997 123	-	0%					
- Investment (Co)	(124 231 598)	-	0%					
Net current Value	98 765 525	-	0%					

Source : Business Plan



Summary of the Business Plan

Forecast data

Calculation of Recovery Period (DRCI)

Discount rate	18%	0,18										
DRCI	10 ans	1	2	3	4	5	6	7	8	9	10	
	Investissement	An 1	An 2	An 3	An 4	An 5	An 6	An 7	An 8	An 9	An 10	
Discounted cash flow at 18%	(124,2)	8,3	0,8	19,5	20,9	17,0	15,5	13,1	11,1	9,4	10,0	
Cumul cash flow		8,3	9,1	28,6	49,4	66,5	82,0	95,1	106,2	115,6	125,6	
Payback		(115,9)	(115,1)	(95,6)	(74,8)	(57,8)	(42,3)	(29,1)	(18,0)	(8,6)	1,4	

IRR (Internal Rate of Return)

	Investissement	Revenu An 1	Revenu An 2	Revenu An 3	Revenu An 4	Revenu An 5	Revenu An 6	Revenu An 7	Revenu An 8	Revenu An 9	Revenu An 10
IRR 18%	(124,2)	9,8	1,1	32,0	40,4	38,9	41,9	41,8	41,9	41,8	52,4

Source : Business Plan



The strengths of the project.

- ❖ **Incentive context of private investments in the agricultural sector:** aware of the inadequacy of industrialization in agriculture, the Government has set up structures to support the improvement of agriculture; to facilitate the emergence of transformation unit.
- ❖ The constant evolution of the demand for food-producing product, leads the government to encourage the installation of successful Agro-industrial units.
- ❖ Despite the limited resources, SCAPUN's managers have succeeded, thanks to the rigor of supervision and control of agricultural techniques, to have an evolutionary production in the traditional field of cocoa and cashew;
- ❖ For two years, SCAPUN has set up experimental plots for a good control of the cultivation of certain varieties of cassava cultivated in Côte d'Ivoire.
- ❖ **Lands are available and landowners are involved and partners in the project through an emphyteotic lease system.**
- ❖ **Particular emphasis is placed on the contribution to improving the HDI (Human Development Index)**



Contacts

***AGRICULTURE IS THE BRUNT OF
DEVELOPMENT.
WE MUST GIVE IT BACK ITS
PLACE AND ITS RANK***



SCAPUN

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