



Dutch Good Growth Fund

Part of DGGF

Export credit insurance of an export transaction from a Dutch exporter.

Title

DGGF1110640 Bakery equipment in Nigeria

Exporter

Bakery Initiatives International B.V.,Zwijndrecht (hereinafter BII)

Country of investment

Nigeria

Sector

Food processing machines

Contract amount

Maximum indemnification: EUR 1,705,477.-

Period

Manufacturing period: 0 months

Credit period: 36 months

Parties involved

Debtor: BN Foods Limited, Lagos, Nigeria

Impact on development

Job creation

According to the exporter, the transaction will immediately lead to 15 additional jobs. The proportion of women among the newly recruited employees is expected to be 66%. Indirect employment is also expected to increase by 50 jobs, of which approximately 50% are women. These jobs are generated in the distribution of the bread.

Increasing the strength of production

According to the exporter's statement, the customer's turnover and thus production power will double as a result of the use of the better bread improvers/premixes.

Sharing of knowledge, skills and techniques

Exporter will train the bakery employees and then support the buyer in the further process until the DGGF loan is repaid.



Other positive effects

The investment in a bakery line will contribute to better food security in Nigeria and to better quality standards for bread as a result of the high quality of the machines to be supplied.

Risk category

The exporter's CSR policy has been assessed and found to be acceptable.

Description

Exporter BII intends to supply a premix production line for the production of bread to BN Foods in Lagos/Nigeria. A bread improver/premix forms the basis for baking the bread. The quality of the bread can be improved by means of premixing. In the first instance, one could think of extending the shelf life of the bread from 4 to possibly 21 days. The premixes are improved by the import of Dutch additives. The recipe is drawn up in such a way that a constant quality of the bread is guaranteed.

This concerns an already used premix installation from the Netherlands, which will be adapted for approximately 50% of the contract value to the specific needs of BN Foods. The investment in this premix production line is part of a larger investment plan that was launched after the acquisition of BN Foods by an investor. The investors have drawn up a growth strategy, the core of this plan is to improve the quality of the bread and improve the shelf life of the bread. With the improved shelf life of the bread, the distribution network can be expanded considerably. The distribution of fresh (and short-life) bread is now seriously hampered by the traffic jams in and around Lagos. A BII employee flies to Nigeria every 6 weeks to support BN Foods in the roll-out of its new strategy.

The premix installation is for own use and for sale of premixes to other bread bakers. BN Foods has an existing bakery, the premix production line will be placed in the existing hall.

