ANIMAL WELFARE CONSIDERATIONS IN FUNDING LIVESTOCK DEVELOPMENT PROJECTS

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20 NOVEMBER 2016
IFC: A MEMBER OF THE WORLD BANK GROUP

**IBRD**
International Bank for Reconstruction and Development

**IDA**
International Development Association

**IFC**
International Finance Corporation

**MIGA**
Multilateral Investment Guarantee Agency

**ICSID**
International Centre for Settlement of Investment Disputes

IFC offers solutions in private sector development:
- Loan to middle-income and credit-worthy low-income country governments
- Interest-free loans and grants to governments of poorest countries
- Guarantees of foreign direct investment’s non-commercial risks
- Conciliation and arbitration of investment disputes
IFC’s Global Reach

• 104 regional offices present in 98 countries worldwide
• 3,757 staff (59% are based outside Washington DC)
## Overview (FY 15)

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>▪ 184 member countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P &amp; Moody’s rating</td>
<td>▪ AAA/Aaa</td>
</tr>
<tr>
<td>Total Assets</td>
<td>▪ US$87.5 billion</td>
</tr>
<tr>
<td>Portfolio</td>
<td>▪ US$52 billion</td>
</tr>
<tr>
<td>Committed in FY16</td>
<td>▪ US$18.8 billion own account</td>
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<tr>
<td># of Projects in Portfolio</td>
<td>▪ US$7.7 billion mobilized</td>
</tr>
<tr>
<td># of countries in Portfolio</td>
<td>▪ 83 countries</td>
</tr>
</tbody>
</table>

Largest development institution focused exclusively on the private sector in developing countries

## Portfolio (Total $52 billion at June 2016)

### BY REGION
- Latin America and the Caribbean: 23.0%
- Europe and Central Asia: 16.0%
- Sub-Saharan Africa: 11.0%
- East Asia and the Pacific: 13.0%
- South Asia: 15.0%
- Middle East and North Africa: 4.0%
- Global: 4.0%

### BY SECTOR
- Financial Markets: 31%
- Infrastructure: 8%
- Manufacturing: 8%
- Consumer & Social Services: 8%
- Agribusiness & Forestry: 5%
- Funds: 4%
- Oil, Gas, & Mining: 4%
- Trade Finance: 3%
- Telecommunications & Information Technology: 20%
Agribusiness: An IFC Strategic Priority Sector
Agribusiness Strategic Action Plan (ASAP)

Three Agribusiness Strategic Pillars:

Enhance Food Security: focus on productivity, efficiency, waste reduction and income enhancement

Promote Inclusive Economic Development: focus on small farmers, women, and risk management

Make Environmental & Social Sustainability a business driver (e.g. irrigation, precision farming)
Six Sectoral Themes Drive Our Agribusiness Agenda

**Water**
- Global Irrigation Program
- Inputs (e.g. seeds)

**Small Farmers**
- Inclusive supply chains
- Global Food Security Program (GAFSP)

**Land**
- Princ. of Resp. Agri Investment
- Africa Hybrid Investments
- Productive Land: Ukraine/Brazil

**Urbanization**
- Safe food processing & efficient supply chains
- Food affordability

**Animal Protein**
- Mitigate impacts of full value chain (e.g., feed efficiency)
- Seafood

**Nutrition & Innovation**
- Food ingredients
- Fortified foods and drinks
...Resulting in a Well-Diversified Portfolio
(US$5.6 Billion at FYE 2016)

REGIONAL BREAKDOWN

IFC Total Agribusiness - FYE 16
(US$ 5.6 Billion)

- Global 5%
- SS Africa 14%
- Latin America 18%
- East Asia 17%
- South Asia 8%
- Mid-East/N.Africa 12%
- Eastern/Central Europe 26%

SUB-SECTORAL BREAKDOWN

IFC Total Agribusiness - FYE 16
(US$ 5.6 Billion)

- Agri Finance 11%
- Fertilizers-Agrichemicals 16%
- Forestry-Wood Products 16%
- Dairy 2%
- Animal Protein 14%
- Beverages 8%
- Grains-Oilseeds 3%
- Fruits-Vegetables 3%
- Sugar 5%
- Tropical Crops 1%
- Other Food 6%
- Inputs 5%
- Ag Equipment 1%
Standard Setting: IFC Performance Standards

PS1: Assessment and Management of E&S Risks and Impacts
PS2: Labor and Working Conditions
PS3: Resource Efficiency and Pollution Prevention
PS4: Community Health, Safety and Security
PS5: Land Acquisition and Involuntary Resettlement
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
PS7: Indigenous Peoples
PS8: Cultural Heritage
• Trade in live animals and animal products represents 40% of global value of agricultural output
• In developing countries animal production is one third of gross value of agricultural production
• Supports livelihood of over 1.3 billion people
• Demand spike with rising GDP and growing middle class
• IFC portfolio over US$900mn - pigs, poultry, beef, dairy and aquaculture
APPROACH TO CLIENTS

- **PROFITABILITY**
  - Animal Health, Nutrition, Housing, Biosecurity
- **MARKET ACCESS**
  - Customer specifications, Legislative requirements
- **EDUCATION**
  - Selling the concept, Manuals, Checklists
- **COMPLIANCE**
  - Audit documentation
ANIMAL WELFARE, HUSBANDRY, BIOSECURITY & CONTINGENCY PLAN MANUAL

PIG PRODUCTION

Commercial & Parent Stock Pigs
(Fully Housed)
### HACCP - VENTILATION AIR QUALITY IN BROILERS

<table>
<thead>
<tr>
<th>POTENTIAL HAZARDS / RISKS</th>
<th>CONTROL MEASURES / MONITORING &amp; RECORDS</th>
<th>CRITICAL CONTROL POINTS / CAP</th>
<th>CRITICAL LIMITS / SCORING</th>
</tr>
</thead>
<tbody>
<tr>
<td>6) SUB-OPTIMAL VENTILATION &amp; AIR QUALITY in houses - causing respiratory distress, weakened immune systems &amp; propensity to diseases, poor Feed Conversion Efficiency and growth rates. In combination with heating systems, good ventilation also removes excessive moisture and helps maintain litter quality.</td>
<td>Correct programing of VENTILATION and AUTOMATED ENVIRONMENTAL CONTROL SYSTEMS in houses, by Farm Manager, being guided by equipment user manuals. Documented STANDARD OPERATING PROCEDURES. Regular MAINTENANCE of all Fans and Ventilation system components must be in accordance with Manufacturer Service Manuals, and conducted by Maintenance Manager. Weekly MONITORING of Air Exchanges and NH₃ and CO₂ levels with hand-held devices in a selection of poultry houses, by House Supervisors. Re-setting Ventilation Systems where necessary. Regular MONITORING of operating efficiency of Ventilation and Automated Environmental Control systems, by Farm Manager. Weekly RECORDS kept of NH₃ and CO₂ monitoring in a selection of poultry houses.</td>
<td>6.) VENTILATION, AIR QUALITY and DUST LEVELS. CORRECTIVE ACTION PLAN 1. Reporting by any staff member of sub-optimal Air Quality conditions to Farm Manager, who must then attempt to reset VENTILATION and ENVIRONMENTAL CONTROL SYSTEMS, with the assistance of company electricians and/or engineers and/or equipment manufacturers, if necessary. This must be treated as HIGH PRIORITY. 2. Commence investigation into reason(s) for system failure, including high DUST levels if relevant. 3. Repair/replace mechanical components as required. 4. Commencement of Staff Training programs as required.</td>
<td>EU directive, 2007 20 ppm max NH₃ 3,000 ppm max CO₂ Gases measured at level of the birds’ heads. OIE, 2014 25 ppm max NH₃ GRANDIN, 2013 10 ppm is target NH₃ 25 ppm is max NH₃ General Norms Minimal dust accumulation in houses (must be able to see back wall easily).</td>
</tr>
</tbody>
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**AUDIT SCORE**

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For more information
IFC Agribusiness: www.ifc.org/agribusiness
INVESTMENT

Loans
- Project and corporate financing
- On-lending through intermediary institutions

Equity
- Direct equity investments
- Private equity funds

Trade and Commodity Finance
- Guarantee of trade-related payment obligations of approved financial institutions

Syndications
- Capital mobilization to serve developmental needs
- Over 60 co-financiers: banks, funds, DFIs

Derivative and Structured Finance
- Derivative products to hedge interest rate, currency, or commodity-price exposures of IFC clients

Blended Finance
- Augmenting IFC resources with donor funds
## ADVICE

### To Companies
- Improving productivity and standards
- Strengthening the performance of SMEs in their networks
- Advancing gender equality
- Addressing energy, environmental, social, governance challenges
- Helping build new markets and improve competitiveness

### To Financial Institutions and Funds
- Strengthening risk management, diversifying product offerings
- Promoting universal access to finance
- Developing the private equity industry

### To Governments
- Designing and implementing public-private partnerships in infrastructure and basic public services
- Improving the business environment via reforms that promote investment, spur growth, and create jobs
- Addressing water scarcity by convening multi-stakeholder platforms (2030 Water Resources Group)
WHAT CLIENTS VALUE ABOUT IFC

- Results of IFC Client Survey

- Long-Term Partner Role
- Financing Not Readily Available Elsewhere
- Stamp of Approval
- Ability to Mobilize Additional Funds
- Advice based on Global Expertise and Knowledge
- Worldwide Presence
- Affiliation with the World Bank Group