

COTTAGE FUND

PURPOSE/RATIONALE	<p>BOI in public-private sector partnership with the Federal Ministry of Agriculture and Rural Development to administer ₦1.1 billion fund for the promotion of Cassava, Cotton Oil Palm and Cocoa processing.</p> <p><u>Economic Rationale:</u></p> <ul style="list-style-type: none"> ▪ Accelerate the pace of development of rural agriculture by reducing incidence of low productivity caused by post harvest losses in crops with emphasis on cash crops such as cassava, oil palm, cocoa and cotton. ▪ value-addition to agro processing value-chain, ▪ Encouragement of private investment through support for modern agricultural practices, ▪ Employment generation. 															
TARGET MARKET/ CRITERIA	<p>The Fund will be accessed by registered member of Apex Farmers Association (AFA) or co-operative group or society.</p> <p>The Ministry appraises the applications and instructs BOI to disburse to successful companies.</p>															
PROJECTED IMPACT	<ul style="list-style-type: none"> ▪ The fund is to be mobilized towards the establishment of cottage processing plants in various states with product comparative advantage namely; <table border="1" data-bbox="646 1270 1554 1612"> <thead> <tr> <th>S/n</th> <th>Products</th> <th>States</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Cassava</td> <td>20</td> </tr> <tr> <td>2</td> <td>Cottage Oil Palm</td> <td>10</td> </tr> <tr> <td>3</td> <td>Cotton</td> <td>4</td> </tr> <tr> <td>4</td> <td>Cocoa</td> <td>14</td> </tr> </tbody> </table>	S/n	Products	States	1	Cassava	20	2	Cottage Oil Palm	10	3	Cotton	4	4	Cocoa	14
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1	Cassava	20														
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PROGRAM LIMIT	<ul style="list-style-type: none"> ▪ ₦1.1 billion 															
SINGLE OBLIGOR LIMIT	N/A															
	<p>Fees:</p> <ul style="list-style-type: none"> ▪ Interest rate: 8% per annum payable at the end of every 															

PRICING	<p>month.</p> <ul style="list-style-type: none"> ▪ 1% Appraisal fee (full payment at approval) ▪ 1% Commitment Fee (full payment on acceptance of loan) ▪ Legal Fee
TENOR	<ul style="list-style-type: none"> ▪ To be determined by the Ministry.
<ul style="list-style-type: none"> ▪ MORATORIUM 	<ul style="list-style-type: none"> ▪ To be determined by the Ministry.
<ul style="list-style-type: none"> ▪ FUNDING ▪ STRUCTURE 	<ul style="list-style-type: none"> ▪ Debt: 40% ▪ Equity:20% and ▪ Grant: 40%.
DISBURSEMENT	<ul style="list-style-type: none"> ▪ Phased disbursement in accordance with agreed milestones.
REPAYMENT SOURCE	<ul style="list-style-type: none"> ▪ From the company's operations.