

CASSAVA BREAD DEVELOPMENT FUND

PURPOSE/ RATIONALE	<ul style="list-style-type: none"> • Cassava Bread Fund was created by the Federal Government as part of the transformation policy in the agribusiness sector. • To ensure that Nigeria becomes the largest cassava processor having occupied the position of largest producer of the commodity in the world, and guarantee the reduction of food import bills; a number of measures including the cassava bread policy were endorsed by the Government. • The policy was launched in 2008 and requires the inclusion of 20% High Quality Cassava Flour (HQCF) in bread, and 30-40% HQCF in other confectionaries such as pastries, pain-raising, croissants and cakes. • The Government intervention in the Cassava Value Chain by funding Cassava Processors and Bakers would translate to foreign exchange savings and job creation along the cassava value chain and also prevent post-harvest losses.
TARGET MARKET/ CRITERIA	<p>The initiative is aimed at providing equipment and working capital support to Master Bakers and High Quality Cassava Flour (HQCF) processors across Nigeria.</p>
PROJECTED IMPACT	<p>The Cassava Bread Development Fund is aimed at the gradual substitution of wheat flour with cassava flour up to 20%. This initiative would translate to foreign exchange savings and job creation along the cassava value chain and also prevent post-harvest losses.</p>
PROGRAM LIMIT	<ul style="list-style-type: none"> ▪ N3.44 Billion
SINGLE OBLIGOR LIMIT	<ul style="list-style-type: none"> ▪ N/A
PRICING	<p>Fees:</p> <ul style="list-style-type: none"> ▪ Interest rate: 5% per annum payable at the end of every month. ▪ 0.5% Processing fee (full payment at approval) ▪ Legal Fee ▪ Quarterly Monitoring Fee of 0.125% on outstanding

	Principal
TENOR	<ul style="list-style-type: none"> Usually three (3) year commencing at the end of the moratorium period.
MORATORIUM	<ul style="list-style-type: none"> Usually Six months moratorium period from the date of first loan disbursement.
COLLATERAL/ SUPPORT	<ul style="list-style-type: none"> Debenture on items of equipment and stock. Irrevocable Personal Guarantee of the Chief Promoter.
FUNDING STRUCTURE	<ul style="list-style-type: none"> Term Loan: 50% of the equipment cost. Grant: 50% of the equipment cost.
DISBURSEMENT	<ul style="list-style-type: none"> Disbursement to machinery suppliers in accordance with agreed milestones.
REPAYMENT SOURCE	<ul style="list-style-type: none"> From the company's operation.
REPAYMENT MODE	<ul style="list-style-type: none"> Monthly prepayments in equal and consecutive instalments.
OTHER UPDATES.	<ul style="list-style-type: none"> The Bank is working with all relevant Stakeholders to ensure success of the Scheme. A Bill statutorily mandating the inclusion of cassava flour in bakery products is underway. In view of the fact that most of the agricultural processing equipment are fabricated locally, the Bank is working with the Association of Agricultural Equipment and Machinery Fabricators of Nigeria (AMEFAN) to build the capacity of members and standardize the quality of locally fabricated machines.