DEVELOPING WORLD MARKETS

THE SOUTHERN AFRICA TRADE AND INVESTMENT HUB

The United States Agency for International Development's (USAID) Southern Africa Trade and Investment Hub (the Hub) partners with private and public sector institutions across Southern Africa to strengthen regional economies, grow industry value chains, and attract investment that drives commercial expansion within the region and to global markets. The Hub's dedicated Finance and Investment Team assesses prospective investment opportunities and partners with financial institutions to develop innovative solutions that fund inclusive growth. The Team has facilitated over $75 million worth of investments since 2017. Recently, the Hub collaborated with Sub-Saharan African private equity group EXEO Capital's Agri-Vie Fund II to promote the growth of agribusiness in Zambia.

DEVELOPING AGRIBUSINESS VALUE CHAINS IN ZAMBIA

Zambians are avid fish eaters: individual intake averages 10 kilograms per year, and demand is rising alongside a growing population, intensifying urbanization and expanding incomes. To meet demand, Zambia imports over 50 percent of fish consumed, an amount estimated at about $367 million. The World Bank estimates that fish imports to Zambia have climbed 15-fold in the past decade, and Zambia’s government has identified aquaculture as a high priority sector. Supplying animal protein is problematic, however, due to unreliable cold chain logistics and inadequate storage facilities.

Zambia's Capital Fisheries has overcome these difficulties by operating a vertically integrated business distributing local and imported frozen fish and meat. It operates the logistics business, Capital Trucking, and sells block ice called 'Capital Ice'. Capital Fisheries is Zambia's largest frozen food wholesale network, distributing over 240 local and imported frozen food products to supermarkets, restaurants and informal markets via a network of over 50 wholesale depots.

Capital Fisheries has been able to grow in part by purchasing large volumes at competitive prices from long-standing partners. It also sells quality products at low prices, often offering price promotions in the middle of the month, when customers are cash-tight. The company's ability to deliver sustainable and reliable protein to Zambians helps foster food security in the country, and supports agribusiness, which employs over 50 percent of the population.

Fish & Seafood Losses Due To Problems With Distribution & Storage

<table>
<thead>
<tr>
<th>Region</th>
<th>Loss Percentage</th>
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<tbody>
<tr>
<td>Sub Saharan Africa</td>
<td>37.5%</td>
</tr>
<tr>
<td>North Africa, West &amp; Central Asia</td>
<td>26.7%</td>
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<td>North America</td>
<td>10.0%</td>
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Trends in African agribusiness are attracting investors like Agri-Vie, which has invested over US$100 million in Sub-Saharan Africa’s food and agribusiness sectors since 2008. Keen to explore a potential investment in Capital Fisheries, Agri-Vie asked the Hub’s Finance and Investment team to perform a comprehensive assessment of the wholesaler’s businesses. The Finance and Investment Team performed detailed analyses of Capital Fisheries’ core operations and regulatory environment, and offered key recommendations on how Capital Fisheries might improve its business operations. The Team held extensive workshops with stakeholders from Agri-Vie and Capital Fisheries. These are the value-added services that the Hub offers American firms seeking opportunities in Southern Africa.

THE IMPACT

The Hub’s detailed assessment convinced Agri-Vie to invest almost US$6.4 million in Capital Fisheries from its second fund, the Agri-Vie Fund II, in early 2018. Agri-Vie’s investment is expected to help create up to 100 new jobs in logistics, sales, manufacturing and management, resulting in significant business process improvements. Capital Fisheries plans to double the number of wholesale depots and increase related cold-chain logistics over the next two years. This transaction indirectly supports the retail and logistics sectors in Zambia, as well as the high number of mostly female micro-entrepreneurs who buy frozen fish products at wholesale depots to on-sell in informal markets.