**AFEX launches $100m Food Security Fund**

**Financing will strengthen Africa's food security and optimise climate smart innovations across seven countries**

**Lagos, Nigeria: Thursday 2 December 2021.**[AFEX](https://mailtrack.io/trace/link/e01317070c3391ede911ed5f26a27c9bbba54d92?url=https%3A%2F%2Fafexnigeria.com%2F&userId=7451398&signature=dc6a281c3b545e8e), Nigeria’s leading commodities market player, has today announced a new $100m 10-year bond called The Food Security Fund (FSF). The financing will strengthen Africa's food security and produce three million MT of food annually on the continent.

AFEX’s fund will support the financing of 250,000 hectares of land for commercial and smallholder farming, initially consisting of 30,000 hectares in the Nigerian states of Kano, Kaduna, Oyo, Ogun, Cross River & the FCT, before covering markets across East and West Africa.

The focus of the The Food Security Fund will be to explore and optimize climate smart innovations and high yield agronomy protocols to ensure more food is produced and that land is used efficiently. As a blended finance structure, with an external fund manager, AFEX’s $100m bond will boost food security in Nigeria, with additional impact across Ghana, Côte d'Ivoire, Kenya, Rwanda, Uganda and Tanzania.

A significant portion of the funding will be allocated to constructing warehouses. In Nigeria alone there is only capacity to store 4% of annual grain production. Restricted production has led to a 300,000 MT gap between demand and supply of seeds, and a 10 million MT gap in demand and supply of grains, increasing food import costs, and declining capacity utilization of processing plants.

“The launch of The Food Security Fund is another really important milestone as we chart our journey building the physical and technology-enabled infrastructure for the continent’s commodity sector,” said **Ayodeji Balogun**, CEO at AFEX. “Finance will always be a key component of that infrastructure and so we’re very excited to roll out this bond to deliver what will eventually be a decade’s worth of impact. One of our core missions is to help the continent feed itself and we deliberately aligned our company goals with the UN SDGs from the outset, in particular the first and second goals to end hunger and eliminate poverty.”

Having worked with capital markets players to structure debt securities for over 200,000 smallholder farmers to date, AFEX is well positioned to roll out the Food Security Fund. Bolstered by an existing network of over 100 warehouses and digital trading platforms that link investors with producers and processors, the company’s commitment to the agricultural sector and deep industry knowledge will add crucial expertise behind this much needed funding.