



CFC collaborates with U.S. Department of State on the Vision for Adapted Crops and Soils (VACS) to unlock private sector investment in regenerative farming

10 July 2024 Amsterdam

The Common Fund for Commodities (CFC) Managing Director Ambassador Sheikh Belal and U.S. Special Envoy for Global Food Security Cary Fowler announced a new collaboration that will scale private sector investment into climate adapted crops varieties and healthy soils through the **Vision for Adapted Crops and Soils (VACS)**. The collaboration will strengthen resilience and food security by promoting private sector financing for small and medium-sized agribusinesses with the goal of increasing the incomes and agricultural resilience of smallholder farmers.

Together the two organizations will work to advance VACS, an initiative launched last year by the United States government, the Food and Agriculture Organization (FAO) of the United Nations, and the African Union (AU) that seeks to build a resilient food system grounded in diverse, nutritious, and climate adapted crops grown in healthy, fertile soils.

The CFC will identify viable investment opportunities and develop a VACS pipeline of projects suitable for finance and technical support. The CFC's Agricultural Commodity Transformation Fund (ACT), a vehicle for private sector funding, will include qualified investment opportunities under its mandate, along with CFC. This pipeline will focus on the promotion of sustainable and equitable food systems in Africa and Central America, two of the most food insecure regions in the world. This builds on ~USD 50 million in previous CFC investment into VACS-identified opportunity crops including sorghum, African rice, and millet.

ACT's blended finance model and private equity structure is designed to de-risk investments, drive measurable impact, and provide risk adjusted returns. It provides investors with the reassurance they need to finance agribusinesses that are enhancing the livelihoods of smallholder farmers and promoting regenerative farming.

The CFC will align qualifying agribusiness projects from its regular call for investment proposals that will classify a subset of proposals for VACS objectives in Africa and Central America, starting with the 25th Call for Proposals, which is currently underway. The CFC and the U.S. Department of State will coordinate and broaden VACS-aligned technical assistance across global supply chains for smallholder farmers.

The CFC's 24th Call for Proposals demonstrated the continued demand for financing among agribusinesses that align with VACS' goals. In the 24th Call for Proposals, the CFC received proposals totaling ~USD 40 million in VACS regions and crops.

The CFC is extremely excited about the potential of this collaboration to create economic opportunity through regenerative agriculture, positively impacting the lives of smallholder farmers and protecting the soil they rely on. This cooperation underscores a shared commitment to sustainable agricultural practices and the empowerment of farming communities. Together, the CFC and the U.S. Department of State are poised to make significant strides in ensuring a more resilient and secure global food supply chain.



CFC collaborates with U.S. Department of State on the Vision for Adapted Crops and Soils (VACS) to unlock private sector investment in regenerative farming

About Common Fund for Commodities

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution established within the framework of the United Nations, based in Amsterdam, The Netherlands. The Agreement Establishing the CFC was negotiated in the United Nations Conference on Trade and Development (UNCTAD) and became effective in 1989. CFC is a partnership of 101 Member States.

CFC implements projects in partnership with governments, international organizations, and other development partners from private and public sectors. Since its inception, the CFC have approved 466 projects in 104 countries including 35 LDCs (Least Developed Countries) involving about 70 commodities with a cumulative blended finance of USD 1.02 billion. In 2023 CFC approved USD 14 million of new investments, supporting private sector investment of nearly USD 280 million impacting the lives of about 446,000 smallholders, of which 33% were women, covering over 60,000 hectares of farmland.

About the Agricultural Commodities Transformation Fund (ACT)

ACT is an impact investment fund financing value chains that create climate and income resilience at scale. ACT will provide a combination of finance and technical assistance to agri-businesses producing positive economic, social, and environmental outcomes across Africa, Latin America, and Asia. The ACT Fund will build on CFC's three decades of experience, global track record and established deal flow.

About the U.S. Department of State, Office of Global Food Security

The Department of State leads and coordinates U.S. diplomatic engagement on food systems, food security, and nutrition in bilateral, multilateral, and regional fora, working closely with the U.S. Agency for International Development (USAID), U.S. Department of Agriculture (USDA), and other departments and agencies.

About The Vision for Adapted Crops and Soils (VACS)

The Vision for Adapted Crops and Soils (VACS) seeks to build a resilient food system grounded in diverse, nutritious, and climate adapted crops grown in healthy, fertile soils. VACS addresses the alarming mismatch between a growing global population couple with decreased agricultural yields due to climate change and land degradation.

CFC Media Contact:

Michelle Nathaniel
Common Fund for Commodities
michelle.nathaniel@common-fund.org
(+31) 20 5754949

United States Project Contact:

Julie Muraco
Praeditis Group, LLC
julie.muraco@praeditis.com
+917-903-2708

DISCLAIMER:

Information provided is for informational purposes only and does not constitute an offer or solicitation to sell shares or securities in a Fund or any related or associated company. Any such offer or solicitation will be made only by means of the Fund's confidential offering memorandum and in accordance with the terms of all applicable securities and other laws. This release does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or any invitation to offer to buy or subscribe for, any securities.