

Press Release
RMG Concept Ltd invests \$1.75m in the Babator Farming Company Ltd

On April 28, 2017, RMG Concept Ltd (“RMG”), a leading West African agribusiness group, completed the purchase of 70% of the shares of the Babator Farming Company Ltd (“BFC”) for a total investment of \$1.75m.

BFC is a 356 ha (net) irrigated farming company established by AgDevCo Ghana Ltd (“AgDevCo”) as the first phase of the Babator Irrigated Farming Hub (“BIFH”) project. BIFH is expected to become the largest irrigated agricultural hub in Northern Ghana, with about 5,00ha of irrigable land available for development of which 1,500 ha is reserved for small-scale farmers.

Following RMG’s investment, AgDevCo will keep a 30% stake in BFC. AgDevCo will also remain responsible for the development of the next phases of BIFH, and remain the lessee of the land leased for the project from traditional authorities.

RMG is a natural partner for AgDevCo and for the Babator project. In Ghana, RMG is a leading inputs provider and commodities trader, especially through its subsidiaries Wienco Ghana Limited and RMG Ghana Ltd. In West and Central Africa, RMG operates in 17 countries, with physical assets in six of those, and with distribution contracts with leading agro-input producers and seed companies in many of these countries.

In addition to demonstrating the commercial attractiveness of the project, the launch of BFC has already delivered development benefits to the area. 85 permanent jobs have been created as of March 2017, in a rural environment where no formal employment exists. Farming operations started in early 2017 and by the end of the year, the equivalent of 2,000 MT of cereals (maize, sorghum, grain and seed) and 4,000MT of onion will have been produced for the local market.

Daniel Hulls, CEO of AgDevco said: “RMG’s investment is an important milestone for AgDevco, in line with our objectives to attract leading commercial farming companies into Babator and leverage their expertise, supply chains, and market access. The aim is to boost commercial agriculture in the area and provide linkages between local emergent small-scale farmers and larger commercial companies.”

Daniel Ruegg, CEO of RMG Concept Ltd said: “Babator is a new key investment for the support of our strategy and we are proud of this important partnership with AgDevCo. We continue our vertical integration from the field to the consumer, by developing nucleus farms, small-scale farmer schemes and transformation units. Our commitment is to increase the local production of high quality seeds and food crops.”

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