Mission
To finance small and medium size agribusiness projects to promote sustainable economic and social development in Latin America.
Shareholders

- Bank of America
- Cargill, Inc.
- Deere & Company
- DEG – Deutsche Investitions- und Entwicklungsgesellschaft
- Dole Food Company, Inc.
- Gerber Products Company / Nestle
- The Goodyear Tire & Rubber Company
- IFC-International Finance Corporation
- JPMorgan
- Monsanto Company
- Rabobank Curacao, N.V.
- Unilever
LAAD: The Direct Approach
LAAD’s First Decade: The 70’s

Issue
• Start-up company – Net Worth (US$2.6M)
• No portfolio

Action Plan
• Established partnership with USAID
  – Preferential funding
• Increased Funding/Portfolio
  – 1971 - US$6 million (Central America)
  – 1975 - US$5 million (Central America)
  – 1976 - US$6 million (Caribbean and Panama)
LAAD’s Second Decade: The 80’s

**Political / Economic Problems:**
- Nicaragua - Sandinistas
- El Salvador - Civil War
- Guatemala - Social Unrest

- 40% of portfolio
- Lack of U.S. dollars
- High interest rates

**Action Plan**
- Rescued blocked funds (US$0.50 freed/US$1.00 new)
- Diversification into South America
- Retention agreements w/exporters
LAAD’S 3rd and 4th Decades: 1990’s-2000’s

Opportunity in Latin American Growth:

- Democracy, Free trade policies
- Private investment

Action Plan

• Strengthen funding
  - USAID/935/Bond issue (US$25M)
  - Commercial banks / Syndications (US$397M)
  - Multilateral / Bilateral Institutions (US$78M)

• Increase Presence
  - Honduras and Panama (1991)
  - Bolivia (1992), Peru (1994)
  - Ecuador (1997), Chile (1998)
  - Uruguay (2003), Brazil (2004)
### LAAD in Figures

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<td>Loan Amount US$MM</td>
<td>0.4</td>
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<td>140</td>
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<td>Number of Projects</td>
<td>3</td>
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<td>Outstanding Portfolio</td>
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<td>Jobs Created</td>
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<td>R.O.E %</td>
<td>3%</td>
<td>9.40%</td>
<td>9.50%</td>
<td>11.10%</td>
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Severe Credit Crunch

Impact on LAAD

• Disappearance of Commercial Funding

• Cost increased by more than 50%
  – L +250bp to L+375bp
  – Multilateral / Bilateral DFIs active
    • IFC, DEG, FMO, FinnFund Norfund Proparco

• Impact on Clients
  – Minimum impact on commodities producers
  – Strong impact in end markets for non traditional products ie. Flowers, roses, ornamentals

The G.F.C
LAAD Post Crisis Strategy

1. Improve Knowledge Industry & Client
   • Understand impact / situation
   • Strengthen communications w/other creditors

2. Preserve Existing Portfolio
   • Strengthen Weakened Operations
     • Additional Financing, Improved Terms
   • Maintain Productivity – working capital

3. Increase Product Diversification
What happen in Latin America after the G.F. C.

- Minimum impact versus other regions
- Solid financial banking system
- In general economies in good shape
- Revaluation of local currencies
- Role of commodities
  - Oil, minerals, agricultural
- Less dependence from U.S. market
- Key countries
  - Brazil, Chile, Colombia, Peru
    - Mexico, Argentina
What are the challenges

- Importance of food security in the world
  - Increasing population / Purchase capacity

- Bio-fuels are demanding more ag. Products

- Efficient use of water
  - Water tables declining and affecting other stakeholders access
  - Drip irrigation & fertigation leading to lower use and leakages
What are the challenges

• Inclusive supply chains
  – Traders & processors working with suppliers to increase quality and yields (inclusion of smallholders)

• Impact on the environment
  – Deforestation
  – Land is limited (prices)

• New technologies
  – GMO, seeds, biotechnology
Thank You