

Sierra Leone Farmland Opportunity

Overview:

The farm has been established in a low lying area in Bo, Sierra Leone suitable for growing rice with an overall area of approx. 3,000 acres on a 50 year lease (45 years remaining) The lease has been negotiated directly with the land owners, removing government risk. Given the tropical climate in Sierra Leone (wet season for 8 months of the year) it's ideal conditions for growing rice, and with integrated irrigation, the land can be utilised for a 2nd harvest in the year.

Previously the land was too acidic to be considered fertile and therefore unsuitable as farmland, however the company devised a cost-efficiently way to neutralise the PH levels suitable for growing rice. After each harvest, the land becomes more fertile and yields improve considerably.

- The farm is an existing farm with 4 years farming history. They have approx. 45 years remaining on the land lease,
- They have an area of approx. 3,000 acres,
- Approx. 1,000 acres are already cultivated and harvesting rice,
- Approx. 2,000 acres are being/to be cultivated,
- The cultivated land has irrigation throughout, allowing 2 harvests a year,
- The farm have their own heavy machinery, secure storage warehouses, milling machines, power generators and a distribution network including their own store to sell the rice. Full end to end management and supply chain (available to view in the resources below),
- Each harvest yields a financial return of approx. 15% of the land value,
- A % of each harvest is gifted to the local community to eat for free (The last harvest yielded 17 tonnes of rice to the local community without charge),
- \$50 from each acre/harvest is gifted for medical donations/health benefits,
- Approx. 200 locals are employed,
- The project has support from the Agricultural Minister, High Commissioner of Sierra Leone (who speaks on behalf of the President), local Chiefs, land owners and community,
- They have GMX rice consultants working on the farm full time to improve yields and are already showing results over expectations,
- African Land has been engaging with the World Food Program of the UN for the supply of rice to distribute throughout the school system of Sierra Leone.

Climate

The climate is tropical, although it could be classified as a tropical monsoon climate it could also be describe as a climate that is transitional between a continually wet tropical rainforest climate and a tropical savanna climate. There are two seasons determining the agricultural cycle: the rainy season from May to November, and a dry season from December to May. (Source: Wikipedia)

Local jobs, markets, education, infrastructure and health

African Land has committed to helping with local education, health issues, creating up to 200 local jobs and ensuring the harvest goes directly to the local market. African Land wants to ensure that local people benefit from the crop harvests generated. African Land set aside 25 kilograms of rice per acre which will be given to the local community. The last harvest yielded 17 tonnes of rice to the local community without charge.

Currently the farm employs approx. 200 local workers, generating local income, putting in place the supporting infrastructure to assist with the development of local areas, as well as a constant rice supply to the local community and medical benefits, giving the community a real boost.

African Land has been recognised by the Sierra Leone government, including the high commissioner who speaks on behalf of the president and the agricultural minister.

Sierra Leone rice production / Current supply

Markets throughout the country are stacked high with onions from the Netherlands, rice from Pakistan and Thailand, chicken necks and backs from the United States, and palm oil from Malaysia. These relatively inexpensive food imports sustain urban populations (at least when global food prices are low) but undercut the incomes of local farmers, creating a downward knock-on effect with the already short supply of basic food stock.

Today, Sierra Leone remains a net importer of food, with an estimated 80,000 metric tons of the staple rice entering the country in 2010.

According to the Minister of Agriculture, farmers in the country have not been engaging in subsistence farming, but rather, “they’ve been sub-existing” even what they were producing was not enough to feed themselves, let alone to feed the nation. The current government’s view is that modern, mechanized, industrial agriculture is the more appropriate path towards food security and economic development.

Given that Sierra Leone remains a food-deficit country, the use of farmland to produce non-food products is cause for great concern especially in an era of price volatility on global food markets, which can make imported food unaffordable for the poor, as was the case in 2008.

Sierra Leone only produces enough rice to feed less than 64% of its population of 6,300,000 people. With each person consuming 100kg of rice a year, that is a shortfall of 230,000 tonnes.

African Land expects to produce 50,000 tonnes annually from our land and intends to sell most of this production locally and competing with the import market. African Land have created a model that works, creating employment, a food staple affordable for the local market, turning unused farmland into rich, fertile rice producing land with the introduction of modern mechanized systems, allowing the farm to flourish.

Cultivation

Currently approximately 1,000 acres of cultivated/irrigated land returns approx. \$500,000 per harvest, with 2 harvests a year results in a return of approx. \$1m a year.

The remaining 2,000 acres of land is to have the PH neutralised, then harvested. With desperately needed investment, they will be able to extend irrigation to the remaining land allowing a second harvest each year, doubling their output.

Anticipated return for each acre is 15% per harvest. With 2 harvests a year, they are projecting upwards of 30% a year. The farm management are confident that with the assistance of GMX consultants they will be looking in the region of 20% per harvest and are having some promising test patches and the land becoming more fertile after each harvest. The farm shows real promise for the future.

Investment

The acquisition of the farm as proposed at this early stage would be at a purchase price of \$3,500 per acre to buy out the existing retail investors and a cash injection of \$1.5m to expedite the cultivation of the remaining 2,000 acres and to introduce irrigation.

Initial investment value AUD \$12m

Projected 1st year returns: AUD \$1m (after 2 harvests a year from 1,000 acres)

Projected 2nd year returns: AUD \$1.5m

Projected 3rd year returns: AUD \$2m

Projected 4th year returns: AUD \$3m+

Projected returns each year after: AUD \$3m+

Projected total returns after 45 years: Approx. \$130,000,000

Conclusion

The African Land farm is looking for an ‘Angel Investor’ to step in as a wholesale investor in an agro-ecological farming system that creates a sustainable, renewable investment that shows the investor enormous projected returns of 15% per harvest which is expected to rise to 20% per harvest with up to 2 harvests a year after irrigation.

Investment of this nature will unshackle the farm from regulatory restrictions, which UK regulators are trying to impose. It will release current retail investors at face value of their investment, saving hundreds of ‘Mum and Dad’ investors their investment should the regulators determine that the farm should have been a registered investment scheme, not a farmland investment and force the farm to close.

Investment will allow the farm to continue running and to support up to 200 jobs for the local community (losing 200 jobs for the community would be disastrous to them and their families who would lose their source of income), the farm can continue the good work in the region to help address the rice supply imbalance the country faces with a severe shortfall of their basic food staple. The farm will continue to

supply free food to the community and continue with free medical benefits they are able to provide as part of their agreement with the community.

African Land has been engaging with the World Food Program of the UN, and continuation of the farm will allow the supply of rice to the UN for the distribution of rice to schools around Sierra Leone.

Investment of this nature with a wholesale investor will allow freedom for the farm to engage with 1 single investor instead of hundreds, allowing cost efficient measures to be implemented to speed up harvest times, reduce overheads and improve on their projections of 15-20% per harvest and 2 harvests a year. With 45 years remaining on the lease, this brings an enormous return on your investment.

Finally we believe this project fits the criteria modelled on Liz Greenwell's lifelong work, philosophy and overall global vision for watering the fields of humanity worldwide; and her introduction to the world of investment to the merits of and benefits to humanity and the environment of social, ethical and responsible investing.

African Land Resources

You can view photos of the farm, rice harvests, machinery, rice testing, lease signing and more from 2009 up to 2013: <http://www.africanland.org/gallery/image.html>

You can view a collection of videos created of the farm on their YouTube channel: [https://www.youtube.com/channel/UCzjR_i0mtL7qLf4uq6\]btpw](https://www.youtube.com/channel/UCzjR_i0mtL7qLf4uq6]btpw)