

PRESS RELEASE

TIMAC AGRO and CFAO join forces to help foster Kenya's agricultural development

- **To the benefit of Kenyan farmers, this joint venture will take advantage of the synergies between TIMAC AGRO, a plant nutrition expert, and CFAO, which has been present on the African continent for 170 years.**
- **This ambitious partnership aims to build an innovative, comprehensive offer to meet agriculture's fundamental challenges: soil and plant nutrition, water, and energy.**
- **TIMAC AGRO Kenya strives to support the modernisation of agriculture, a strategic sector in the country. Its goal is to ensure local food security and develop crops for export.**

Saint-Malo, February 17th 2022 – **TIMAC AGRO and CFAO will join forces in the TIMAC AGRO Kenya joint venture. To this end, TIMAC AGRO will acquire 51% of CFAO Agri Kenya, a fertiliser producer and distributor. By combining TIMAC AGRO's expertise in plant nutrition with CFAO's knowledge of Africa, TIMAC AGRO Kenya forms the starting point of an ambitious and sustainable partnership designed to help East African farmers meet their quality and yield needs.**

TIMAC AGRO Kenya: Combining CFAO's field knowledge with TIMAC AGRO's expertise in plant nutrition

CFAO Agri Kenya is a subsidiary of CFAO, a leading African distributor. Present in Africa for more than 170 years, CFAO employs nearly 21 000 people, enjoys privileged access to 46 of the continent's 54 markets and has extensive experience developing partnerships with industrial players. A global innovation specialist in soil and plant nutrition and animal production, TIMAC AGRO creates high-tech solutions. The company has 40 subsidiaries worldwide.

Many farmers across Kenya are familiar with the Baraka Fertiliser brand and its product adapted to the Kenyan soil and each local crop (maise, potato, tea, coffee, sugar cane, rice...). The brand's image is deeply rooted in the local context and takes advantage of an innovative distribution strategy. The joint venture aims to pursue the development of Baraka Fertiliser by adding more specific and customised TIMAC AGRO solutions to match other needs and sectors such as vegetable or flower crops. Its ambition is to expand the product range to include granules, liquids, water-soluble products, etc.

Supporting the effective adoption of these new technologies requires the development of a network of field representatives. Their role will be to assess the specific needs of farmers and offer them advice adapted to their crop challenges. This development will enable TIMAC AGRO Kenya

to innovate in a rapidly evolving market where 90% of fertilisation is still dependent on imported and unprocessed raw materials.

Finally, TIMAC AGRO Kenya can capitalise on a highly functional industrial unit, developed by CFAO Agri, with a production capacity of 150,000 tonnes per year. The unit is in Eldoret, in the heart of Kenya's breadbasket, a market with great potential.



Beyond Kenya, the joint venture ambitions to serve as a platform for development in neighbouring East African markets such as Uganda, Rwanda, Burundi, and Tanzania.

TIMAC AGRO Kenya: improving the yield and quality of Kenyan farmers' produce while building local capacity

The agricultural sector, which employs 80% of the rural population, is one of the pillars of the Kenyan economy. Thanks to its expertise in soil and plant nutrition, TIMAC AGRO Kenya will bring concrete solutions to local farmers. Indeed, Kenyan soils are relatively rich but acidic (pH varying between 3 and 5), except in the more volcanic regions. The potential for improvement through better farming practices and the use of high-tech solutions is significant. It will enable local producers to increase yields and quality of crops to feed the population and improve their export competitiveness.

On the other hand, changing climatic conditions are an issue in Kenya, as almost all the country's agricultural production is rainfed. The increasing incidence of drought and irregular rainfall could considerably impact this sector, which accounts for 25% of GDP and feeds a growing¹ population.

This comprehensive offering from TIMAC AGRO Kenya is entirely in line with the United Nations Sustainable Development Goals. It should enable cash crop producers, who play an essential role in Kenya's export balance, to enhance their competitiveness. It will also help smallholder farmers improve their farming practices and increase their yields and incomes.

"We are extremely proud of the partnership established today between TIMAC AGRO and CFAO. Our goal is to transform Kenya's dynamic and diversified agriculture that benefits from significant

¹ Figures sourced from: IFAD <https://www.ifad.org/fr/web/operations/w/pays/kenya>

local skills. In the long run, we aim to provide East African farmers with an all-round, locally produced offer covering nutrition, water, and energy. Our shared ambition is strong: we want to contribute to the consolidation of agriculture in the region and provide farmers with concrete solutions. A great adventure is about to begin," commented Karina Kuzmak, CEO of Global TIMAC AGRO

"The CFAO Group is pleased to launch this Joint Venture. Building on TIMAC AGRO's global experience and expertise in soil and plant nutrition, TIMAC AGRO Kenya will consolidate CFAO Agri's initial development in Kenya. It will continue to provide highly innovative solutions for the development of agriculture in Kenya and several East African countries," added Richard Bielle, Chairman and CEO of CFAO.

About TIMAC AGRO:

For more than 60 years, TIMAC AGRO, a historic subsidiary of the Groupe Roullier, has specialised in soil, plant, and animal nutrition. All its actions revolve around a unique model that combines close ties to the agricultural world, continuous innovation, the creation of technological solutions, and industrial performance. TIMAC AGRO aims to establish a privileged partnership with farmers to support their growth and efficiency in the context of rapidly evolving farming practices. Present in 40 countries, the company has 84 production units and employs 67,00 people, including 3600 technical field experts who visit an average of 20,000 farms around the world every day to provide farmers with customised support. TIMAC AGRO's turnover amounted to 1.4 billion euros in 2020.

About CFAO:

With a turnover of more than 5.8 billion euros, access to 46 of the continent's 54 countries, and nearly 21,000 employees, CFAO is a significant player in mobility, health, consumer goods, infrastructure, and energy.

Partnering with leading global brands, the Group operates across the entire value chain – import, production, distribution – to the highest international standards, drawing on nearly 170 years of local knowledge and expertise.

CFAO's strategy combines an industrial approach encouraging local production with an emphasis on distribution throughout its network, the largest in Africa. This enables the Group to offer affordable products and services adapted to people's needs.

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