

Frequently asked questions about The Agricultural Development Fund

What kinds of projects does the ADF finance?

The ADF provides loans for working capital purposes, retooling, introducing new technology, and implementing best practices in the agricultural and fisheries sectors. The ADF does not provide funding to purchase land.

Does the ADF provide debt consolidation loans?

Up to a maximum of 25% of the proceeds of an investment can be used to liquidate a business' existing debt. This is only done to smooth out debt service payments or if required to give EGFL the first charge over assets.

How much funding can a farmer/agro-business receive from the ADF?

From BDS\$50,000 to BDS\$1 million in funding is available from the ADF.

How can a farmer/agro-business qualify for funding from the ADF?

In order to qualify for assistance from the ADF you must:

- be registered with the Ministry of Agriculture and issued with a Farm Registration Identification Card;
- be registered with the Barbados Revenue Authority (where applicable) and show evidence of compliance; and
- show evidence of compliance with the National Insurance Scheme.

What is the procedure for applying for funding from the ADF?

Farmers/agro-business must complete the ADF application form if they require BDS\$150,000 or less in funding from the ADF. Application forms are available at the offices of EGFL at **"West Gate" Monteith Gardens, Barbarees Hill, St. Michael, Barbados.**

A business plan must be submitted if a farmer/agro-business is seeking more than BDS\$150,000 in funding from the ADF. The business plan should:

- provide an overview of the operations (i.e.) history, type of business activity, unique features, and development plans;
- describe the production and/or post-harvest processes and systems;
- include an informative marketing section which, describes product(s) and customers, analyses competitors and the industry, and discusses pricing, promotion and distributions issues;
- address relevant legal and regulatory issues such as pending litigation and Government permits;
- provide organizational and management information such as, organizational structure, shareholders identities and shareholdings, profiles of key individuals, etc. and
- include a financial section which specifies the amount and planned use of the funds requested and realistic financial projections (balance sheets, income and cash flow statements) for 3 to 5 years.

Is collateral required to get ADF loans?

Yes.

Who makes the loan/investment decisions?

All financing decisions are made by the Management Committee of the ADF.

How long does it take to get a loan decision?

EGFL strives to make investment decisions within 4 to 8 weeks after the receipt of an application. However, the actual time taken depends on the quality and completeness of information submitted by applicants. Agricultural projects are sent to the Ministry of Agriculture for a technical evaluation. This also has an impact on the time taken to make a decision on agricultural projects.

What is the repayment period for ADF loans?

Repayment periods are normally 7 years or less for capital projects. However, loans may be granted for up to 10 years.

Are moratoria on the repayment of ADF loans offered?

Moratoria periods, during which no payments or only interest payments are due and payable, are offered at the discretion of Management Committee of the ADF.

What role will EGFL play in my business?

EGFL will function as a strategic partner providing advisory services, access to our network of business contacts and clients and will provide technical assistance in some cases. EGFL also insists that good corporate governance practices are followed and accounting information is accurate and kept up to date. EGFL does not get involved in the day to day management of your business.