Ministry of Foreign Affairs

Dutch Good Growth Fund

Part of DGGF
Investing Dutch Entrepreneurs executed by Invest International Public Programmes B.V.

Title
Sustainable cotton - Renewal Supply Chain Finance Facility / DGGF125IN1

Company
Yassasree B.V.

Country
India

Sector
Agri-Food / Regenerative Agriculture (31120 - Agricultural development)

Amount of the investment
EUR 1,200,000

Period
25 September 2026 – 30 September 2027

Involved parties
Dutch and Indian banks

Short description
With an additional DGGF finance our client Yassasree B.V. will be able to scale up its international activities. Supply chain finance is needed to prefinance offtake agreements from clients in the textile industry for the season 2026-2027 – similar to the financing that was provided by DGGF last year for the season 2025-2026.

Yassasree is specialised, together with its Indian sister company Yasasree Viroha, in the regenerative agriculture and supply chain management of sustainable cotton in India. The cotton is grown using regenerative practices on farms across the states of Andra Pradesh, Telangana, and Odisha in South-East India. The activities consist of procurement, production, marketing, and sale of cotton products.
The final product – lint, yarn, and fabric – is sold under the brand name Raddis® (Radically Disruptive).

The investment request relates to financing working capital for the upcoming 2026-2027 cotton harvest season .

This project will contribute to the Sustainable Development Goals: SDG 8 (Decent work & Economic growth), SDG 12 (Responsible consumption & production) and SDG 13 (Climate action).

Development impact & Economic impact

Employment & Transfer of Knowledge / SDG 8 – The number of direct jobs in India is expected to increase from 39 to 50 fte. The number of indirect jobs expected to be supported at the end of the financing period is 180. During the previous financing period the number of outgrowers supported increased from 4,872 to 10,000, exceeding the projected target of 7,500 by 2,500. This project greatly contributes to improving farmer livelihoods, especially those of indigenous (female) farmers. Farmers receive high-quality seeds and fertilizers and they are trained in regenerative practices. These practices are essential for maintaining healthy soils and enhancing famers' resilience to climate change. Additionally, through the company's innovative system, the period between harvesting and farmer payment is significantly reduced to just 7 to 10 days.

Production capacity - The investment will further enhance the production capacity in the supply chain, mainly with the local farming communities. The company drives a bold, innovative model that reimagines how cotton supply chains operate. Their objective is to build resilient cotton value-chain communities grounded in mutual accountability, transparency and traceability; where brands are not merely buyers, but change-makers who take active responsibility for empowering farmers.

SDG 12 – Because cultivation of regenerative cotton is more sustainable than conventional cultivation in terms of soil and water use, this project contributes to target 12.2 "the sustainable management and efficient use of natural resources".

SDG 13 – The regenerative agricultural practices applied by farmers increases the amount of carbon stored in soils. The company's approach and direct relationships with farmers enable the improvement of existing carbon pools.

Economic impact – The project contributes to the Dutch economy in several ways:

- Intercompany revenues from the activities in the country of expansion (India) and the creation of jobs in the Netherlands.
- Multi-year contracts with several Dutch/European brand partners, anchoring a sustainable cotton supply chain.
- The use of Dutch knowledge institutions and technology suppliers to enhance the company's ecosystem.

ICSR

The investment is scaled in category B in terms of CSR-risk. An Environmental and Social Action Plan (ESAP) will be drafted, which is based upon the OECD and IFC performance standards, which aims to reduce the risk of non-compliance with these standards.