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ADB, City Group partner to build oilseed crushing plant in Bangladesh

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The Asian Development Bank (ADB) and Rupshi Seed Crushing Limited, a member of the City Group, have signed a $10 million loan to construct a greenfield energy-efficient, multi-oilseed crushing plant within the City Economic Zone in the Narayanganj District, Bangladesh.

The new plant will replace an older, less efficient facility. It is expected to save 1.3 million cubic meters of water and 1,000 tons of fuel, decrease energy costs by 9 kilowatt-hours per ton, and reduce greenhouse gasses by 1,723 tonnes annually, while production capacity will remain at 3,000 metric tonnes of soybean seed crushing per day. Workers from the original plant will be absorbed into the new one. HSBC is also providing an export credit agency-guaranteed parallel loan.

â??The production of edible oils plays a vital role in Bangladeshâ??s food security. The refined oils are a consistent component in the daily diet of people, while the resulting oilseed cakes are a critical ingredient in the production of animal feed,â?• said Suzanne Gaboury, ADB Director General for Private Sector Operations. â??Projects like these that promote the agribusiness value chain play a crucial role in meeting the Sustainable Development Goals, specifically in achieving zero hunger and developing responsible consumption and production.â?•

The new plant will have the flexibility to process different types of oilseeds, such as soybean, canola, and sunflower, which will improve resilience against crop failure or price fluctuations. The products of the crushing process, namely oilseed cakes, are used as animal feed due to their high protein content. The new technology will also improve the quality of the oilseed and cakes.