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ANP WANTS TO INVEST IN BIODIESEL RESEARCH

In 2009, the Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP) intends to use part of its resources to conduct researches in biodiesel projects. ANP's intention is to speed up the process of reduction of Brazil's current dependence on soy for the production of biofuel. Researches will be mainly focused on the usage of pinhao-manso (jatropha) as raw material. Nowadays, only certain projects linked to the oil chain have been funded by the resources oil companies allocate to the agency. In 2008, resources collected by ANP accounted for approximately R\$ 950 million, 1% of oil companies' incomes. Reducing dependence on soy—raw material of more than 70% of national biodiesel production—is one of the two challenges of the sector for this year, says ANP. The second challenge is to reduce costs. The amount of resources necessary to produce one liter of biodiesel is higher than those needed to produce one liter of conventional diesel. Reported by newspaper Valor Econômico.

IN 2009 MINAS GERAIS WILL HAVE 4 NEW PLANTS

In 2009, four new fuel alcohol plants will begin to operate in Minas Gerais— Vale do Paracatu (Bevap), Usina Vale do Paracatu Agroenergia (VPA), Companhia Energética do São Simão (Santa Vitória) and Usina Cerradão (Frutal)—based on the information provided by the Bioenergy Producers Union (Udop, as per its acronym in Portuguese). By 2009, the plants established in the State since 2008, in areas with a slope lower than 12%, must have mechanized at least 80% of cane collection, and reach 100% by 2014, year when the region will have 58 operating plants, with a crushing capacity of 100 million tons of cane. The investment will amount to US\$ 3 billion. Reported by newspaper DCI.

EQUIPAV NEGOTIATES THE PURCHASE OF PLANT EVEREST, OF JOSÉ PESSOA

The sugar and alcohol area of Equipav Group is concluding negotiations to purchase plant Everest, located in Penápolis (SP). The plant, with a crushing capacity of 1.5 million tons, is strategically located for Equipav Açúcar e Alcool, since it is located between the group's two plants in São Paulo, Biopav in Brejo Alegre, and Equipav in Promissão. The negotiation value has not been settled yet. Up to date, Equipav's negotiation aims at purchasing a share of 50% in Everest owned by Pernambucan businessman, José Pessoa. When asked about the estimated value of the plant located in Penápolis, Pessoa answered that it is close to R\$ 150 million. In fact, this was the negotiation value during the last few months, before the crisis that devalued the companies' market value. Equipav group also announced the construction of two more plants, one in the municipality of Chapadão do Sul (MS) and another one in Chapadão do Céu (GO), with a total crushing capacity of 9 million tons. Reported by newspaper Gazeta Mercantil.

PERDIGÃO AND JBS SHARES INCREASE BY MORE THAN 5%

Perdigão S.A. and JBS/Friboi shares suffered one of the highest increases of the day in BM&F Bovespa after Banco Santander S.A. foresaw higher margins for the companies as a result of the probable decline in production costs and backlash of grain prices. Perdigão's shares increased by 5.7% in one day closing at R\$ 33.40. JBS's shares increased by 5.3%, closing at R\$ 5.11. Ibovespa increased by 2.87%. Pursuant to Banco Santander's projections, in its next financial balance Perdigão must show that in the fourth quarter it recorded the highest quarterly profit of 2008. This was the consequence of a weakest domestic currency that has compensated possibly lower export volumes. According to the financial institution, the company must also show a "significant" expansion of margins of incomes before taxes, depreciation and amortization during the first quarter of 2009. Its main rival, Sadia S.A., will also probably show profits with a weaker real, according to Santander. Yesterday, the company's shares were increased by 2.15%. Reported by newspaper Gazeta Mercantil.

SADIA RELIES ON THE CHINESE MARKET OPENING

The sixth largest exporter of the country, Sadia is one of the few large Brazilian exporters that maintain a relative optimism for 2009. The company does not believe in the reduction of chicken exported volume and relies on an important success: the opening of the Chinese market. "In 2009, China can be a great influence in Brazilian chicken exports", says Gilberto Xandó, Vice President Director of Sadia's foreign market. Recently announced by the Ministry of Agriculture, the Chinese market opening was long awaited by the sector, but regulations are still to be established. An increase in sales is expected in markets such as Middle East, Russia and China. Reported by newspaper Valor Econômico.