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Informe Semanal de Oportunidades

SUPPORTED BY BNDES, VOTORANTIM GAINS CONTROL OF ARACRUZ

Yesterday, Votorantim group's ambition for Aracruz Celulose—which seemed to have been destroyed by the global crisis— re-emerged as a mega-business with several surprises. Votorantim announced the acquisition of the 28 percent stake owned by the Lorentzen, Almeida Braga and Moreira Salles families for nearly 2.7 billion reais ; Votorantim will also purchase the shares owned by the Safra family. The Brazilian Development Bank (BNDES) will control Aracruz together with the Ermirio de Moraes family. BNDES—which is already partner of Aracruz and Votorantim Pulp and Paper (VCP)— has been involved in the negotiations and played a decisive role in closing the transaction. The bank will lend money to Votorantim in debentures and will ensure the purchase of shares that will be put in the market by Ermirio de Moraes family. Altogether, the BNDES may put in up to 2.4 billion reais and will own a 26 percent stake in the new company, while Votorantim would own 29 percent. Reported by newspaper O Estado de Sao Paulo.

ETH BIOENERGIA STARTS TO OPERATE AS TRADING COMPANY

In late 2008, in addition to being a sugar, alcohol and energy-producing company, ETH Bioenergia, owned by Grupo Odebrecht, began to operate as a trading company. The marketing department was established in September and its main objective is to export 300,000 tons of sugar from other plants during the next harvest, in addition to the 150,000 tons of its own product. There are no estimates for ethanol exports yet since the plants are getting three times more income from domestic market sales. In the 2009/10 harvest, ETH Bioenergia is expected to crush 8 million tons as three additional plants will begin to operate as from June this year. ETH expects to produce 500 million liters of ethanol and 150,000 tons of sugar. ETH plans to invest 6 billion reais to build ten plants by 2015: 3.5 billion reais will be used to reach a crushing capacity of 25 to 30 million tons of sugarcane by 2012. The company estimates that by July, with the establishment of three new plants and the purchase and expansion of the Alcidia (in Pontal do Paranapanema, Sao Paulo state) and Eldorado (in Mato Grosso do Sul state) plants, it will have invested 2.5 billion reais. Reported by newspaper Gazeta Mercantil.

MONSANTO INVESTS IN SUGARCANE TECHNOLOGIES

Last December, Monsanto acquired Aly Participações Ltda., a company which controls sugarcane genetic improvement and biotechnology companies CanaVialis S.A. and Alellyx S.A., both of which are based in Brazil and used to be part of Votorantim. The value of the transaction was US\$290 million (616 million reais). The group's objective for its two companies is their technology improvement. In 2009, CanaVialis expects to launch its first commercial variety, developed by conventional improvement: an early cycle sugarcane. Among the most outstanding research carried out by Alellyx is related to increasing sugar cane productivity and drought resistance, increasing citrus disease resistance and improving eucalyptus wood quality. Reported by website Agrolink.

PORTUGUESE COMPANY WANTS TO REDUCE BIOGAS IN BRAZILIAN FARMS

Portuguese company Ecoprogresso has signed an agreement with Brazilian consulting firm Brascarbon in order to create biogas projects in pig farms in Brazil. Biogas extraction results from the treatment of pig manure in farms in Mato Grosso do Sul, Mato Grosso, Sao Paulo, Santa Catarina, and Minas Gerais states. The first stage, which has already started, involves an investment of 3 million euro from Ecoprogresso's partner, Carbon Fund, and includes the implementation of biogas capture projects in nearly 80 farms. The second stage requires an investment of up to 8 million Euros. Overall, the projects are expected to reduce nearly 850,000 tons of greenhouse gases per year. Reported by website Campo Grande News.

PRONAF FINANCES MILK POWDER FACTORY

Helped by the Pronaf Agroindustria line, five cooperatives associated with Aurora, based in Santa Catarina state, will receive 96 million reais, with annual interests of 3 percent, to build a milk powder and whey factory in the city of Pinhalzinho (Santa Catarina). Aurora will use its poultry and pork distribution channels to position its dairy products. The group has already invested 80 million reais from its own resources to build a processing plant with a capacity of 1 million liters a day and to continue with the second stage of the project—building the milk drying tower. The plant is expected to produce 650,000 liters of milk powder and 750,000 liters of whey per day. Reported by website MilkPoint.