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ALL AND COSAN JOIN IN A PROJECT FOR 1.2 BILLION REAIS

Brazil's largest rail-based logistics company, ALL-America Latina Logistica, will partner up with Brazil's biggest sugar and ethanol group, Cosan, to put up a platform to transport sugar and by-products from the interior of Sao Paulo state to Santos port. The project, estimated at 1.2 billion reais, will be funded by Rumo Logistica SA, a Cosan subsidiary, which intends to develop its logistics activities. The operation, due to meet all implementation conditions within 10 days, provides for the transport of 9 million tons of sugar per year in 2013. The start-up of operations is planned for early 2010. The infrastructure is expected to reach full capacity within five years, after investment in modernization throughout the course (nearly 650 km) and doubling of most of the path, purchase of railroad engines and wagons and construction and expansion of terminals. Reported by newspaper Valor Economico.

SOYBEAN AND BIODIESEL TO INCREASE CARAMURU'S REVENUE

Increased grain exports and biodiesel revenue should sustain Caramuru Alimentos's turnover this year. The company expects to raise non-GM soybean and meal exports by 5-10%. It also expects to reach a turnover of 2.2 billion reais in 2009, i.e. 2% higher than in 2008 (2.157 billion reais). Biodiesel marketing showed its first positive results in the second half of 2008. This was due to lower soybean oil prices, which fell by 40% in a year, and to increased prices in National Petroleum Agency (ANP) auctions. To increase profitability, Caramuru expects to boost biodiesel production by 70% against 2008 after investing 3.4 million reais in expansion of the Sao Simao (Goias state) facility, considering 2008 and 2009 together. Production in 2009 is estimated at 187 million tons, against 110 million in 2008. Reported by newspaper Gazeta Mercantil.

IMCOPA'S STAR IN THE DOMESTIC MARKET IS NON-GM OIL

Reinforcing its main goal to produce non-GM products, Parana state-based Imcopa, Brazil's largest GM-free soybean processor, is preparing to stand out among Brazilian edible oil producers as from May. The company's new refinery and own packaging line is due to start operations in Cambe, a city near Londrina northern Parana, within two months. The new facility will produce another 900,000 boxes per month, intended for Brazil's south and southeast. With its production of 1.3 million boxes per month, the company believes it will be one of Brazil's three largest producers and intends to hold a 12% market share. The company's current edible oil market share is less than 4%. Reported by newspaper Gazeta Mercantil.

BNB EXPECTS TO PROVIDE RURAL MICROCREDIT LOANS FOR 620 MILLION REAIS

The Rural Microcredit Program of the Northeast Bank of Brazil (BNB), also known as Agroamigo, expects to provide rural microcredit loans for 620 million reais in 2009. Since its launch in 2005, Agroamigo has provided 530,000 lending operations, which together have injected 650 million reais in the region's economy. The program's goals for 2009 include the expansion of Agroamigo's scope to all municipalities with farmers under Pronaf B class, i.e. rural producers with gross annual income of up 4,000 reais. "There will be 1985 municipalities working only with Agroamigo's methodology", said the Manager Small Farming, Rural Microfinance and Land Mortgage, Luis Sergio Farias Machado. Reported by newspaper Diario do Povo.

MEATPACKERS SECURITIES FALL

Meatpackers' difficulties in getting credit lines and falling exports have raised the risks of bonds issued by these companies. Since Arantes failed to meet its payment of interest for around US\$8 million, the price of securities issued by meatpackers abroad has declined. The company's securities have plunged to 10% of face value on the secondary market. Independencia's security prices, after the conservatorship request, fell from 70% to 7-8% of face value. Even meatpacker securities with more liquidity, like JBS and Marfrig's, have also fallen as a result of the deterioration in the sector. JBS's senior notes worth US\$300 million, due in 2016, were being traded at 45% of face value. Marfrig securities' value of US\$375 million, due in 2016, fell to 44% of face value. Minerva's issue of US\$150 million, due in 2017, was also being traded at 23% of face value. Reported by newspaper Gazeta Mercantil.