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**A Weekly Review of Business Opportunities**

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## **BERTIN PLANS TO DOUBLE ITS SIZE WITHIN FIVE YEARS**

Amidst the credit crisis that brought down agricultural commodity prices and led seven meatpackers to conservatorship, Bertin SA, one of Latin America's largest beef and dairy producers and exporters, is designing an ambitious plant for the next five years. The company wants to more than double its turnover, which was 7.5 billion reais last year. To implement the plan, the firm intends to invest 3.1 billion reais in this period. This will be the largest capital contribution received by the company in 30 years of operation. With a daily slaughter capacity of 14,000 head of cattle, the group expects to increase capacity to 19,000 head by the end of the year. Bertin now operates with nearly 85% of the installed capacity (around 12,000 head per day). The company has confirmed its 27.1% revenue increase in 2008 against 2007 and a 44% revenue rise in the fourth quarter. Source: Gazeta Mercantil.

## **SANTELISA TO ANALYZE SEVEN PROPOSALS**

By the end of this month, Sertaozinho (Sao Paulo state)-based Santelisa Vale, will analyze at least seven proposals to form a joint venture with a partner considered strategic for financial recovery. With debts of around 3 billion reais, the company believes this future joint venture will be a breath of fresh air. Groups interested in this partnership include Bunge, Louis Dreyfus Commodities and Cosan. US multinationals ADM and Cargill and Companhia Nacional de Acucar e Alcool (CNAA) have also been identified as potential partners. Most of these investors wanted to contribute to the joint venture in exchange for shares. But the transaction cannot be fully completed this way as BNDESPar's 500 million real contribution to the group is conditional on a capital injection by these potential partners. Source: Valor Economico.

## **PALM OIL FROM PARA STATE IS TURNED INTO BIODIESEL IN EUROPE**

Representatives from Para state Government met with European company ACM Bio-Tech on March 20 in order to formalize the intention to build palm processing plants in Para, in the municipalities of Moju, Igarape-Mirim and Mocajuba. Palm production and processing will be conducted under an agreement between the European company and small producers from Para, sponsored by the Ministry of Agrarian Development (MDA) and supported by the state Government. ACM, now in construction stage, has made an agreement with 450 families from the municipalities of Moju, Igarape-Miri and Mocajuba to plant 3 million seedlings in a 15,000 hectare area and add another 6 million within two years. By the end of the year, the company expects to have a processing plant with a capacity to produce 500 tons of oil per day in each municipality. Total investment, involving Swiss and Italian banks, is estimated at nearly US\$45 million. Source: O Globo.

## **10 MILLION REAL INVESTMENT FOR NELORE TO BECOME BEEF**

Nelore (the breed accounting for most Brazilian cattle) breeders have worked with the Natural Nelore Quality Program, which grants a label of origin to these products, since 2001. One of the aims of the project is to promote the use of the "nelore natural" brand in beef. Since the initiative started, more than 10 million reais have been injected in the development and marketing of the brand. Vilemondes Garcia de Andrade Filho, President of the Brazilian Nelore Breeders' Association (ACNB), says the program seeks to position breeders as beef, rather than cattle, producers. The program thus provides the industry with a product whose origin is known and whose quality is controlled. The association's brand is given through a label that, he claims, adds credibility and quality to meatpackers. Source: Gazeta Mercantil.

## **SADIA CONSIDERS SELLING SLAUGHTERHOUSE IN MATO GROSSO STATE**

In addition to considering selling the plant in Kaliningrado (Russia), Sadia is thinking of dismantling its cattle slaughterhouse in Varzea Grande (Mato Grosso state). By selling these assets, the company, which announced losses in foreign exchange derivatives in September last year, intends to raise capital and solve its cash flow problems. In Russia, Sadia is facing a declining market resulting from the international financial crisis, as well as difficult relations with its local partner, Miratorg. Sadia even offered the asset in Russia and the Varzea Grande facility to JBS-Friboi. The latter, however, is completing the construction of a facility in Moscow in partnership with Italian Inalca. While looking into asset sale, the company is preparing to launch a facility in Vitoria de Santo Antao (Pernambuco) on Monday, which will produce processed beef products. The works are estimated at nearly 300 million reais, and more than 200 million reais will come from loans. Source: Valor Economico.