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For further information, contact
Coordinator: marco.ortega@iica.int

CARGILL INCREASES PRODUCTION TO MEET DOMESTIC DEMAND

Cargill said it will increase soybean processing capacity to meet Brazil's growing consumption. Even with the expansion plan, company activities in products like oil will focus on the internal market. Today, as part of this plan, the company will open an industrial plant with a capacity to crush 3,000 tons of soybean per day and produce 2,300 tons of flour and 560 tons of oil in Primavera do Leste (Mato Grosso state). A total of 210 million reais was invested in the facility. In addition to marketing issues, the company seeks to explore the north, where it has no presence, and to improve supply logistics in its plants located in Rio Verde (Goiás state) and Três Lagoas (Mato Grosso do Sul). *Source: Gazeta Mercantil.*

MARFRIG TO BUY PARAGUAYAN LIVESTOCK

Marfrig is planning to buy live animals in Paraguay and to slaughter them in its plant of Porto Murtinho, a municipality in western Mato Grosso do Sul, on the border with Paraguay. The Rural Trade Union of Porto Murtinho foresees the possibility that imports may create oversupply and animal health problems. From the marketing point of view, live animal imports makes sense, say analysts. The price per *arroba* (i.e. 15 kg) in dollars in Brazil is among the highest in the world; however, there is an expensive bureaucratic process and transport logistics that need to be taken into consideration. AgraFNP estimates indicate that prices in Paraguay are around 40% lower than in Brazil. None of Marfrig's executives agreed to talk about this in the report. In Brasília, the Minister of Agriculture, Reinhold Stephanes, stated that this suggests that the sector crisis is over. He explained that, from a technical and legal perspective, Paraguayan livestock may be imported, provided that health standards are met. *Source: O Estado de S. Paulo.*

CHINESE GLYPHOSATE AFFECTS MONSANTO EARNINGS

Monsanto Co., the world's biggest seed producer, said earnings this fiscal year will be at the low end of its previous forecast because of stronger-than-expected competition in its Roundup herbicide business. Profit will be about US\$4.40 a share, the lowest point of its forecasted range of US\$4.40 to US\$4.50 for the year through August, says Monsanto. The company was expected to earn US\$4.59 a share, the average estimate of 12 analysts surveyed by Bloomberg. Last year, Monsanto's profit was US\$3.64 a share. Chief Executive Officer Hugh Grant is sacrificing Roundup sales volumes to maintain prices amid increased competition from cheaper generic glyphosate herbicide from China. Gross profit from Roundup will be about US\$2 billion. *Source: Gazeta Mercantil.*

CARGILL, BUNGE AND ADM GET MOST US GOVERNMENT SUPPORT IN 17 YEARS

Cargill Inc., Archer Daniels Midland Co. (ADM) and Bunge Ltd. are benefiting from the most government support for farm exports since 1992 as the US steps up loan guarantees for foreign buyers unable to get credit. About US\$4.35 billion was allocated to countries from Jamaica to Turkey through April 6 in the year that started October 1 under the Export Credit Guarantee Program to underwrite loans that foreign banks grant for the purchase of corn, wheat and other US farm products, government records show. This is 40 percent more than in all of fiscal 2008 and almost triple 2007's total. Profit declined 68 percent at Cargill and 98 percent at ADM in the most recent quarter, as the recession curbed demand for all products from fertilizer to livestock feed. *Source: Gazeta Mercantil.*

GRANOL AUTHORIZED TO MARKET ITS ENTIRE BIODIESEL PRODUCTION

The Granol-Grandiesel industrial complex has been authorized to market the entire production of the plant in Cachoeira do sul (Rio Grande do Sul state). The authorization was published in the Diário Oficial da União (Federal Official Gazette) on May 25, 2009 by the National Petroleum Agency (ANP). The complex had a capacity of 140 million liters per year, which has been raised to 280 million liters per year. According to the Municipal Secretary of Development, Ronaldo Tonet, these new figures strengthen the plant's position as number one fuel production facility in Brazil. The company is expected to hire up to 555 people within the next few months when it reaches full capacity, says the Secretary. The amount invested in the expansion was 44.5 million reais, 35.6 million of which were financed by the Brazilian Development Bank (BNDES) and 8.9 million by Granol's own resources. *Source: Rádio Fandango - Cachoeira do Sul/RS.*