Agribusiness Alerts

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A Weekly Review of Business Opportunities

ETHANOL COMPANY PARTNERED WITH GM SEEKS BRAZILIAN PARTNER

With a pilot plant in Pennsylvania (United States) already conducting tests, Coskata will start producing second-generation ethanol from different types of solid waste, such as grass, corn and sugarcane straw, tires, plastic and wood in the second half of the year. The company said that its production process is unheard of and that it is seeking partners in Brazil for a joint venture or technology licensing. The company aims to sell ethanol en the US market for less than US$1 a gallon. In Brazil, Coskata sees the advantage of using bagasse. It has already started talks with Petrobras. General Motors is Coskata's partner in the US and will be the first assembling company to use Coskata ethanol in its cars. According to Bolsen, 400 liters of ethanol can be obtained with a ton of organic waste, which is almost as efficient as sugarcane-based production and more efficient than corn, the main feedstock in the US today. *Source: O Estado de S. Paulo*.

MARFRIG GETS FINANCING FOR EXPORT

Marfrig said on Friday that it obtained a loan worth 250 million Brazilian reais in Export Credit Notes, which will mature in two years, from Banco do Brasil Banco do Brasil. The Planning and Investor Relations Director Ricardo Florence said in a statement said to Brazil-s securities commission, known as CVM, that the transaction will increase the group's cash position and is part of the financing source diversification strategy. The group's President, Marcos Molina dos Santos, said in the statement that the action will help Marfrig in this challenging year in the national and international context. *Source: Valor Econômico*.

DEDINI BETS ON SUSTAINABLE MILL

Dedini Indústrias de Base is certain its new sustainable project model will help it maintain the lead in Brazil's sugar/ethanol sector and grow in foreign markets in the next few years. The project is known as USD ("*Usina Sustentável Dedini*", Dedini Sustainable Plant) and is being presented to new and old clients. The new projects being designed are intended to stress that Dedini is a "six bio" company (bio-sugar, bio-ethanol, bio-energy, bio-diesel, bio-fertilizers and bio-water). This is an integrated project that seeks to reduce greenhouse gas emissions. To be water self=sufficient, Dedini uses catalysts to prevent vapor loss and to promote sugarcane water use, hence "bio-water". Overall, Dedini, which recorded sales of 2.2 billion reais in 2008, sees a resumption of projects in this segment. *Source: Valor Econômico*.

TYSON OBTAINS 100 MILLION REAIS FROM BRDE FOR POULTRY

Tyson do Brasil has secured a 100 million real loan from Brazil's Southern Regional Development Bank (BRDE) to support its poultry suppliers in Paraná and Santa Catarina states. The Brazilian unit of Tyson Food's, the world's largest meat processor, will serve as a guarantor of the transactions, which are expected to benefit nearly 330 poultry suppliers in the two states. The Parana poultry farmers, who will produce for Campo Mourão-based Frangobras, will be allocated 35 million reais, and Santa Catarina farmers, who will raise poultry for São José-based Macedo Agroindustrial and Itaiópolis-based Avita, will receive 65 million reais. The three plants were acquired by Tyson in September 2008, when the company entered the Brazilian industry. The credit line is due in June 2010 and, after releasing the funds, may be paid off in eight years, with a rate of 6.75% per year. *Source Valor Econômico*.

M. CASSAB TO OWN THREE NEW PLANTS BY 2015

M. Cassab has launched a plan to double the production capacity of its animal nutrition business within the next five or six years. The strategy will complement the work undertaken in late 2007, when the company completed the acquisition of the Cargill Animal Nutrition business in Cascavel (Parana). Cargill has gotten out of this segment in Brazil. Before implementing the investment program, M. Cassab agreed the incorporation of Nutriagro, located in Valinhos (São Paulo), which was formerly owned by Basf. This will be a lease agreement. With this transaction, the company's total capacity in the animal nutrition area has gone up to 5,500 tons per month. After an acquisition and a lease, the expansion plans will focus on the company's own facilities. The first of the three new plants to get off the ground will be Campo Grande (Mato Grosso de Sul state). The company already has a plant that produces premix (premixture of minerals and vitamins used in feed composition) for cattle in the city, more lagging and in an unfavorable location, within the city. The new Campo Grande facility, which will replace the existing one, will have a capacity of 2,500 tons. The operating plant has a capacity of 1,800. Source: Valor Econômico.