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A Weekly Review of Business Opportunities

For further information, contact  
Coordinator: [marco.ortega@iica.int](mailto:marco.ortega@iica.int)

## PETROBRAS, CSN AND GERDAU MAY BUILD PORT

Petrobras and steelmakers Gerdau and Companhia Siderúrgica Nacional (CSN) announced yesterday that they have signed a memorandum of understanding to study a project to build port facilities in Baía de Sepetiba, Rio de Janeiro state. Petrobras said in a statement that although the three companies have industrial areas in the municipality of Itaguaí, they are developing their projects separately. According to Petrobras, the aim of the study is to evaluate the possibility of jointly building and sharing some facilities on the seaward area, like conveyors, transporters and piers, while preserving the interests of each company. When asked, Gerdau said it has no further details, as the study has not been initiated. CSN has not commented yet. *Source: CEISE Br.*

## BIG GROUPS HAVE THEIR SIGHTS SET ON LA SERENÍSIMA

Argentina's largest dairy company, Mastellone Hermanos, owner of the La Serenísimas brand, is on sale. At least this is what an official statement made by the company to the National Securities Commission (CNV) on June 16 seems to suggest. According to the local press, there are at least two companies interested: French Danone and Brazilian Brazil Foods (BRF), resulting from the Sadia-Perdigão merger. Danone has not commented, and BRF has said there is no negotiation underway. With 80 years in the market, Mastellone holds a 70% share of the milk market in Buenos Aires city and province, the largest and most important in the country. It accounts for 4.8 million of the 10.1 million liters processed in Argentina per day. In 2008 the company recorded revenue of a little over US\$ 600 million, a loss (for the third consecutive year) of US\$ 140 million and a total debt of US\$ 230 million. Further, it has been granted around US\$ 18 million in government subsidies to maintain consumer prices. *Source: Valor Econômico.*

## MEATPACKERS INVEST IN THEIR OWN RETAIL BRANDS

In partnership with supermarkets, meatpackers seek to stock shelves and boost sales of higher value-added products. Companies like JBS Friboi, Marfrig and Bertin have been investing in brand development and marketing actions at points of sale. In a context of increasing concern about sustainable livestock farming, brand development may become the most popular tool among companies to prevent eventual changes in the future behavior of consumers, who are becoming more environmentally sensitive. Marfrig Alimentos is one of the companies seeking to increase the share of processed food in sales from 30% to 50% by 2012. The company started looking for higher value-added products soon after it went public in 2007, which has resulted in acquisitions in the poultry and pork markets, where processed food consumption is more developed. Companies acquired by Marfrig include Da Granja and Pena Branca –which were bought last year. *Source: Agência Estado – São Paulo.*

## ILSA PRODUCES ORGANIC FERTILIZER IN RIO GRANDE DO SUL STATE

Italian Ilsa has put into operation a plant in the municipality of Portão, 43 km from Porto Alegre, to produce organic nitrogenous fertilizer from recycled chrome-tanned leather waste supplied by tanneries and shoe makers in the region. The facility required an investment of 10 million reais and has the capacity to process 35,000 tons of raw material per year –enough to produce 20,000 tons of fertilizer in the period. The plant began production in June and is operating at 40% of its installed capacity, but it is expected to reach 60% in the second half of this month. The entire production will be exported to Italy at first; the product still needs to be authorized by the Ministry of Agriculture and is expected to be available for use in Brazil within a year and a half. *Source: Valor Econômico.*

## BNB ALLOCATES 3 MILLION REAIS TO RESEARCH AND DISSEMINATION PROJECTS

With the aim of supporting technology research and dissemination in the areas of beef and dairy cattle farming, fruit growing and coping with semi-arid environments, the Northeast Bank of Brazil (BNB) has launched three new calls for projects proposing solutions for the region. A total of three million reais will be allocated, through the Fund for Scientific and Technological Development (Fundeci), managed by the Technical Office for Economic Studies of the Northeast (ETENE), of the BNB. Within the rural unit of the Fund for Northeast Financing (FNE), cattle farming required 3.4 million reais (26%) in lending operations last year. The fruit growing sector represented R\$ 397 mil (3%), and dry farming, with several activities in semi-arid areas, accounted for nearly 4.4 million reais (34%) of the funds in the same year. The deadline for submitting projects, June 29, will be extended to August 6, 2009. *Source: Portal do Agronegócio.*