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US FOOD INDUSTRY WANTS TO IMPORT MORE SUGAR

Some of the biggest US food manufacturers, like Kraft Foods Inc., General Mills Inc., Hershey Co. and Mars Inc, claim they may "virtually run out of sugar" due to import restrictions at a time when sugar prices are rising. Food companies warn that without free access to cheaper, imported sugar, "people will pay higher prices, jobs will be at risk and trading patterns will be distorted". Most years, the price food companies pay for U.S. sugar is twice the world level. Sugar prices have gone up by 95% this year to the highest price in the last 28 years. The reasons for this include increased sugar consumption and Brazil's increased share of sugarcane production for biofuel alcohol production. Meanwhile, US sugar stocks are going down at an unprecedented rate. The food industry wants to be able to import an additional 450,000 tons of tariff-free sugar by September 30. *Source: Valor Econômico/Wall Street Journal Americas.*

FLOWER SECTOR'S 2.5 BILLION-REAL INCOME EXPECTED TO GROW 9% IN 2009

The flower sector keeps growing, despite the global crisis, fear over the demand for agricultural products and frustrating forecasts or not for GDP performance this year. The sector's income was nearly 2.5 billion reais in 2008, with a forecast growth of 9% for this year and expectations to increase its size by a tenth. The high turnover is mainly due to retail market deals, including expenses associated with flower art, packaging or additional gifts and even sales in supermarkets. Amidst the crisis, instead of buying a more expensive present, such as an appliance, consumers end up buying flowers. The overall tone, however, is optimistic. *Source: Valor Econômico.*

NESTLÉ EXPANDS FACTORY TO PROCESS LONG-LIFE MILK

Nestlé Brazil announced that the Araraquara facility, in inner São Paulo state, will be expanded to produce long-life milk. Initially, 5 million liters will be produced a month, as estimated by the Food Worker Union of the city. The company, the largest milk collector in Brazil, only entered the retail long-life milk sector in early April this year, with the Molico and Ninho brands. The milk produced in Araraquara will reach the market in October-November. The Brazilian long-life milk sector's income is 5.031 billion reais a year (Nielsen data for 2008). The three biggest brands, Parmalat, Elegê and Batavo, control 23.9% of the market, says Nielsen. The main marketing channel are small nearby supermarkets and bakeries, with 56% of the traded volume. Then come hyper and supermarkets, with 24% and grocery stores, with 16%. *Source: Valor Econômico.*

JBS PROFITABLE AGAIN THIS QUARTER AND CONSIDERS NEW ACQUISITIONS

JBS-Friboi turned over the page in the second quarter, said the president of the company, Joesley Mendonça Batista, yesterday. "The company is going back to normal, that is growing through acquisitions, organically". In April-June this year, the net profit of the company, the largest beef company in the world, was 172.7 million reais, against losses of 364.4 million reais. JBS's financial organization is focusing on acquisitions and expansions. The aim is to grow in the regions where the company already operates. The resources for new investment should come from the stock offering JBS plans to conduct in the United States. Wesley Batista, CEO of JBS USA, said that, in addition to expanding the distribution platform, the company plans to boost production. He said JBS managed to increase its cattle slaughter market share in Brazil between the first and second quarters this year. The pork sector has also improved. *Source: Valor Econômico.*

CRISIS TURNED OPPORTUNITY

The share of Minas Gerais state agribusiness in agriculture GDP rose to 11,8% in April 2009 from 9.19% in 2002. Since 2003, 90 agro-industrial businesses have been set up and another 63 are being built or studied. With the second largest herd in Brazil, producers today have large groups that have opened facilities in the state. According to the Secretary of Agriculture, Livestock and Food Supply of Minas Gerais, Gilman Viana Rodrigues, "actually, 40% of the Brazilian meat that goes to Europe is from this state". The growth strategy has based on strengthening the state's traceability system, through the actions of the Minas Gerais Agriculture Institute (IMA) in health protection processes. Another growing sector is sugar and ethanol, which has greatly expanded in Minas Gerais, especially in the *Triângulo Mineiro*. Since 2003, 18 new plants have started operations in the state and another 38 are being built or studied. *Source: Carta Capital.*