

Year 4 No. 39

September 28 - October 2, 2009

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**A Weekly Review of Business Opportunities**

## Seed purchase points to new record in the next crop

Brazil is expected to hit a record in production in the next crop. Better distribution of financing between trading, banks and own funds is enabling farmers to resume input purchase, even when the crisis is not over in this sector. According to estimates by the Brazilian Seed Association (ABRASEM), 80% of the soybean seeds for the 2009/2010 crop have so far been sold, a trend closely watched by corn producers. "There is demand even for wheat seeds", said Ywao Miyamoto, ABRASEM president, at the Second Seed Congress for the Americas, held in Brazil this year. He believes that, even with a slight fall in seed prices, the 2009 performance of the sector in Brazil will be like last year's, with sales of nearly 2 million tons and income of 8 billion reais. **Source: DCI - Diário do Comércio & Indústria (10/1/2009).**

## Almost one cattle head per person in Brazil

Both livestock farming and agriculture have grown tremendously in recent years, which is the result of increased productivity, as the total farm area has declined. The production of soybean, the main agricultural product in Brazil, has risen by 88%, reaching 40.7 million tons. As for livestock, Brazil's cattle population has virtually equaled its human population. The number of cattle is 171.6 million head, showing a 12% rise. Regarding poultry production, Brazil has 1.4 billion chickens. And the sector might have grown even more but for the avian flu outbreaks in Asia in 2006. The pork sector has also improved, doubling production in ten years to 31.1 million hogs. Due to ethanol, the sugarcane crop has soared by 48% (384.1 million tons). **Source: O Globo (10/1/2009).**

## New farm guarantee fund

An article and four paragraphs will be inserted in Provisional Measure No. 464, now before the Senate, to create the Agribusiness Credit Guarantee Fund that will be guarantee loans to rural producers and agricultural cooperatives of up to 2 billion reais. The new fund will guarantee up to 10 million reais per recipient, which may cover several credit operations. The text will be included in a bill presented by Senator Osmar Dias (Democratic Labor Party, PDT, Parana state), which sets out the creation of a guarantee fund of 4 billion for self-employed people, small entrepreneurs, small and micro companies. **Source: [www.opresenterural.com.br](http://www.opresenterural.com.br) (9/29/2009).**

## Lobby against imported inputs

Fertilizer companies operating in Brazil have requested the Ministry of Development to reopen the antidumping proceeding concerning imports of ammonium nitrate from Russia and Ukraine. In November 2008, the Chamber of Foreign Trade (CAMEX) approved the imposition of tariffs of 2.4% and 36.3% on this raw material used in fertilizers, depending on the company and the country of origin. Fosfertil, the largest local supplier of raw materials for nitrogen and phosphate fertilizers, requested the Ministry of Development to reconsider the imposition of antidumping measures stopping imports for lower prices than production costs in countries of origin. In 2008, Brazil imported 585,600 tons for US\$244.3 million from Russia and Ukraine. Until August this year US\$ 43.2 million were spent to purchase 242,100 tons from two suppliers. Antidumping duties on nitrate imports started to be applied in November 2002; however, because of the pressure exerted by Brazil's Ministry of Agriculture, Livestock and Supply (MAPA), the Government decided to reduce antidumping by November 2008. Still, part of the Government is against Fosfertil's initiative as it believes the measure would increase prices to be paid by producers. Now, to demonstrate prejudice, the Government has to compare Russian and Ukrainian market prices with sales to Brazil. **Source: Valor Econômico (09/28/2009).**

## Wasps, an expanding business

Mastering of laboratory techniques for reproduction of parasitoids, such as nematodes, wasps, flies, larvae, as well as their transport and conservation is recent and has been achieved by few companies in Brazil. The wasp market is shared by BUG Biological Agents, based in Piracicaba (São Paulo state), with growing exports and a domestic market share of 15% in the third quarter, and Megabio Produtos Biológicos. BUG, however, has developed a method involving the transport of insects disposable paper towels, facilitating conservation until they reach farms. Biological control requires 100,000 parasitoids per hectare. Controls to ensure that wasps do not become a pest in farms are conducted in laboratories. The company only trades in sterile insects. In farms, they live seven to ten days. A corn field requires three releases per crop; a soybean field, two, and a tomato field, one release per week. [...] **Source: Valor Econômico (9/28/2009).**