

Year 4 No. 40

October 5-9, 2009

For further information, contact

Coordinator: marco.ortega@iica.int

A Weekly Review of Business Opportunities

ETH and Brenco merger creates the biggest producer

The merger between sugar and ethanol companies ETH Bioenergia and Brenco will create the largest sugarcane ethanol producer in Brazil and in the world. Together they will produce 3 billion liters of ethanol per year and 2,500 Gw/hour of electricity from biomass per year. The signing of a memorandum of understanding between the two companies was reported yesterday, after months of negotiation. In June the CEO of ETH Bioenergia, José Carlos Grubisich, had said a partnership with Brenco was being considered. Under the MOU, ETH RWE has an exclusive right to analyze Brenco's assets to consider the best way of conducting the transaction. Grubisich said the period of exclusivity cannot be disclosed under a confidentiality agreement between the two companies. He also said this company assessment will determine the way the assets will be combined. According to him, no decision has been made. Brenco's CEO, Philippe Reichstul, said the transaction will maintain all current partners of the two companies.

Source: AgroLink and O Popular (10/9/2009).

Agricultural machine sales in Brazil up by 7.9% in September

Agricultural machine sales in Brazil rose by 7.9% from August to September, to 5,446 items, but declined by 0.4 % compared to September 2008, as reported by Brazil's Carmaker Association (ANFAVEA) on Monday (10/7). Sales from the start of 2009 up to September amounted to 38,360 machines, down by 6.4% compared to the same period in 2008. Brazil's exports in September reached 1,212 items, up by 41.3 against August. An annual comparison showed a 50.8% fall. Exports in the first nine months of the year amounted to 10,295 machines, down by 54.9% compared to the same period in 2008. **Source: AgroLink e Reuters (10/8/2009).**

CTC to have new productive, pest-resistant sugarcane varieties

The Sucarcane Technology Center (CTC), based in Piracicaba (São Paulo state), will launch two new more productive and pest-resistant conventional sugarcane varieties. They have been named CTC 19 and CTC 20 and are part of the fifth generation of new varieties developed by the company. The productivity peak of CTC 19 starts in June, like the peak of sugarcane harvest in Brazil's Center-South. That of CTC 20 begins in March-April, when harvest starts in that region, said Tadeu Andrade, CTC research and development director. "For the first time in the history of CTC, we have developed high-productivity varieties. The performance of CTC 19 is 11% better than more traditionally used varieties. That of CTC 20 is 38% better than its competitors", he said. This year, the CTC has announced two major partnerships for research on genetically modified sugarcane, one with Dow and another with Basf. **Source: Valor Econômico (10/7/2009).**

Slaughterhouses set limits on suppliers

The four Brazilian slaughter and beef/leather processing giants, Marfrig, Bertin, JBS-Friboi and Minerva yesterday publicly reaffirmed their commitment to no longer accept suppliers involved in forest clearing in Amazonian ecosystems and have adopted a six-action program including deadlines for registration of direct and indirect suppliers and the strict monitoring of forest clearing throughout the production chain. The four companies announced, at an event promoted by Greenpeace at the Getulio Vargas Foundation (FGV) in São Paulo, the social and environmental criteria adopted to prevent the Amazon Forest from continuing being harmed by the expansion of livestock farming. It is important for companies to encourage farmers to register and map their farms in order to meet the commitments made today, explained Adário, director of Greenpeace's Amazon campaign. **Source: JB Online (10/6/2009).**

MT confirms bigger soybean harvest prospects

The Mato Grosso State Agricultural Economics Institute (IMEA) has confirmed the prospects of increased soybean production in the state estimated at 17.6 million tons in the 2009/10 crop. If this volume is reached, it will be 1.2% greater than that of the 2008/09 crop, when, according to this institution, Mato Grosso produced 17.4 million tons. Cultivated area is expected to be more than 5.86 hectares, which would mean a rise of 2.9% compared to 5.70 million hectares in the previous season. The new land area forecast is 18,000 hectares larger than that presented a month ago. Meteorology institutes forecast cold and rain in major soybean areas in the US, which tends to delay harvest. Still, grain contracts for January yesterday fell by 1.25 dollar cents to US\$ 8.9075 per bushel; the same factor made corn prices reach the highest level in eight weeks. The fall was modest: throughout the day, prices reached the lowest level in six weeks. **Source: Valor Econômico (10/6/2009).**