

Year 4 No. 45

November 9-13, 2009

For further information, contact

Coordinator: [marco.ortega@iica.int](mailto:marco.ortega@iica.int)

A Weekly Review of Business Opportunities

### Shree Renuka buys two mills in Paraná state

Indian group Shree Renuka yesterday announced the acquisition of two sugar and ethanol plants from Vale do Ivaí located in Paraná state. The acquisition marks the entry of the Indian company in Brazil, which is now focusing efforts on São Paulo state-based Equipav's two mills, said Brazilian newspaper Valor. The company paid US\$82 million for the Vale do Ivaí facilities and took over the company's US\$240 million debt. The Indian group is one of India's biggest sugar producers and refines 1 million tons per crop. Apart from Shree Renuka, Cosan, Bunge and Noble are interested in Equipav's assets. Vale do Ivaí has two plants in Paraná and one in the *Triângulo Mineiro* (in west Minas Gerais state). **Source:** [Valor Econômico](#) (11/12/2009).

### India factor to maintain sugar prices

India, the world's biggest sugar consumer, is expected to import 2-3 million tons of sugar next year. According to London bank Barclays Capital, this will occur because the country's production will fall for the third consecutive year. The Indian situation contributes to high sugar prices in the international market. This year Indians have had to import almost 6 million tons. For the 2010-2011 fiscal year, production is forecast at 19-20 million tons, below the annual demand of 23 million tons. There are also signs for boosting international coffee prices. Colombian plantations have been hit by devastating pest known as the berry borer, which affects quality and is already damaging third quarter exports. **Source:** [Valor Econômico](#) (11/13/2009).

### Copebrás bid stirred up

The bid for Copebrás' assets has been stirred up. Copebrás is Brazil's second biggest manufacturer of raw materials for fertilizers in the country. Controlled by South African company Anglo American, Copebrás was put up for sale on 23 October, upon a restructuring announced by the mining multinational. In the market, the deal is estimated, at least, at US\$1.2 billion. The first company that publicly expressed an interest in the acquisition was Brazilian Vale. Fosfertil will be another bidder. **Source:** [Valor Econômico](#) (11/11/2009).

### Greater liquidity expected in citrus growing in 2010

In the face of the expected improvement in citrus growing, Brazilian companies have expressed greater interest in citrus trade. Last week some growers consulted by the Center for Advanced Applied Economics Studies (CEPEA) mentioned new contract proposals for delivery in the 2009/2010 crop for around 7 reais per 40.8 kilo box. For new contracts for delivery in the 2010/2011 crop, growers believe prices over 10 reais per box would be more attractive. Offers like these, however, have not been made by industries. Citrus growers expect negotiations to increase in early 2010. **Source:** [DCI - Diário do Comércio & Indústria](#) (11/10/2009).

### Agribusiness dominates production

Since the start of the program, agribusiness dominates biodiesel. Soybean planters and meatpackers supply 95% of feedstock. In recent months, according to ANP (National Petroleum Agency), soybean represented 79%, followed by animal tallow, 16% and then sunflower oil with less than 3%. Castor bean, which heads official advertising, does not appear. Ricardo Dornelles, director of the Renewable Fuel Department of the Mines and Energy Ministry, says some factors have contributed to castor bean's performance being poorer than expected, including low productivity and limited associationism culture in northeast Brazil. **Source:** [Folha de São Paulo](#) (11/10/2009)

### Zimbabwe buys used distillery from Brazilian group

An ethanol distillery has been dismantled in Diamantina (Minas Gerais) and will be sent to Zimbabwe, in southern Africa amidst political and economic turmoil. The deal, the amount of which has not been disclosed, was closed between Vale do Verdão, a producer based in Goiás state and Zimbabwean renewable energy company Boabad Energy, as stated by Portuguese attorney Jorge dos Santos Neves, from Barrocas buffet, in Lisbon, who represented the acquiring party in the transaction. Former Destilaria Diamante was put up in 1985, with a capacity to produce 150,000 liters of ethanol per day or 35 million liters per crop. The Boabad Energy project involves, along with the Brazilian equipment, the preparation of 12,000 hectares for sugarcane cultivation in Chisumbanje, which implies an investment of US\$100 million. **Source:** [Valor Econômico](#) (11/9/2009).