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A Weekly Review of Business Opportunities

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FIBRIA maintains project and invests in south Rio Grande do Sul state

The president of FIBRIA, Carlos Aguiar, yesterday stated the company will maintain the diamond project, which provides for the construction of cellulose production unit in the southern half of the state. It will start with a 40 million real investment in its Rio Grande do Sul forest base in 2010. The funds will be used to acquire lands and maintain growing forests. FIBRIA (arising from the VCP-Aracruz merger) owns around 60,000 cultivated hectares in Rio Grande do Sul and is expected to go up to 10,000 from 8,000 hectares next year. To supply a future cellulose plant, some 125,000 hectares are needed. The diamond project as a whole will require a US\$1.3 billion investment in eucalyptus planting in the state and a factory with capacity to produce one million tons of cellulose a year. **Source: Jornal do Comércio (12/17/2009).**

JBS pays US\$27.5 million for Tatiara and makes Swift Australia's biggest

JBS yesterday announced the acquisition of Australian Tatiara Meat Company (TMC) for 30 million Australian dollars (US\$27.5 million). The deal was closed through the Swift Australia subsidiary, which will become the country's largest sheep meat processor, with slaughter capacity 24,500 head per day. According to the Brazilian meatpacker, TMC works with high quality sheep meat and, besides working in the Australian domestic market, it is focusing on the United States, Canada and Europe. The company is in Bordertown South Australia, a region known for its high quality sheep, and has an annual turnover of around 200 million Australian dollars. To analysts, the acquisition of Tatiara Meat Company by JBS-Friboi is following the Brazilian company strategy to diversify activities and to grow in other animal protein sectors (apart from bovine). **Source: DCI - Diário do Comércio & Indústria (12/16/2009).**

Bunge sells part of its storehouse network

One of the biggest agribusiness companies, Bunge is considering a radical change in its Brazilian logistic structure. Bunge used to have more than 200 storage systems in Brazil, in practically all soybean and corn producing states. Out of this total, more than 50 have been traded and, only in Mato Grosso state, another 30 are for sale, according to sources consulted by Valor. Such sources say the company has given up its goal of being present in all cross-border regions. With sales, the company is expected to reach 100 million reais. **Source: Valor Econômico (12/15/2009).**

Quatro Marcos asks the court for authorization to pay debts before approving plan

Meatpacker Quatro Marcos yesterday announced it requested for a judicial authorization to start paying for credits from workers and from suppliers regardless of the approval of its recovery plan. Since the firm filed for bankruptcy protection, the company and creditors have tried to reach three agreements to settle the debt of more than 427 million reais, part of which (35.7 million reais) is owed to 273 Mato Grosso livestock farmers. As reported by the meatpacker, for example, the postponement of the last meeting to 29 January 2010 was driven by financial creditors' demand for an independent audit. **Source: Diário de Cuiabá (12/15/2009).**

ABA and Marfrig sign certification contract Angus beef in Rio Grande do Sul

The Brazilian Angus Association (ABA) and Marfrig group have signed a contract to certify Angus beef in Marfrig's Rio Grande do Sul facilities. With this measure, signed by ABA and Marfrig presidents, Joaquim Mello and Marcos Molina respectively, the new table for Angus beef supplier prizes, part of the certified Angus beef program, in the state, will enter into force on 1 January 2010. **Source: AgroLink (12/14/2009).**

ETH and Brenco closer to merger of operations

"Officially" in talks since October, ETH Bioenergia, belonging to ODEBRECHT, and the Brazilian Renewable Energy Company (Brenco) will take a final decision on their merger in 2009. ETH's Institutional Relations director, Luiz Pereira, reaffirmed that the company expects to conclude the due diligence and the merger of operations with the new partner by the end of the month. "The process is moving forward and we expect to complete it within this period", he added. ETH, which plans to invest another 900 million reais 2010 to expand the current capacity of its five plants to 28 million from 13.2 million tons, believes no more resources will be needed to generate synergies with Brenco mills. **Source: Valor Econômico (12/14/2009).**