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For further information, contact

Coordinator: marco.ortega@iica.int

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Industry considers building a feed nutrient factory

The companies associated with the animal nutrition segment are considering alternatives to reduce dependence on imported nutrients, especially from China, for the composition of products used in feeding poultry, cattle and pigs in Brazil. Recently, one of the most likely possibilities is the construction of a fine chemical industry, which could replace imports of this kind of product, which amount to US\$ 1 billion per year. The project is being designed by the Animal Feeding Trade Union (Sindirações), which has confirmed the interest of at least ten partners willing to invest in a new factory. Without disclosing the names of the companies involved, the Vice President of Sindirações, Ariovaldo Zanni, only says that they are multinationals which already operate in the human and animal nutrition segment in Brazil but rely on imported components for the formulation of their products. **Source:** [Valor Econômico](#) (2/25/2010)

Marfrig sets sight on plants owned by Parana group Globoaves

Marfrig, Brazil's second largest meat processor, is in talks to enhance its portfolio diversification strategy to strengthen its position as global animal protein group. After closing more than 30 acquisitions in Brazil and abroad in little more than three years and reaching an annual turnover of close to R\$ 18 billion, the company founded and led by Marcos Molina is negotiating to rent or acquire two meat packers now controlled by Globoaves, based in Cascavel, Paraná state. **Source:** [Valor Econômico](#) (2/24/2010).

Nestlé to open factory in March

Nestlé's unit in Carazinho will open on March 2. According to company information, Nestlé Brasil's CEO, Ivan Zurita, and other executives will attend the ceremony, along with Rio Grande do Sul state Governor, Yeda Crusius, and Carazinho Mayor, Aylton Magalhães. In the factory, acquired last year from Parmalat, Nestlé is producing milk cream and premium milk with nutritional differential. The processing capacity is 1.5 million liters per day. **Source:** [Correio do Povo](#) (2/23/2010).

Consolidation wave reaches the animal nutrition sector

Brazil's animal nutrition sector expects 2010 growth of up to 10% and new consolidations in the next few years. According to Eduardo Marchesi de Amorim, Director of Brazilian Fri-Ribe, after the merger with Dutch giant Nutreco, the global turnover of which is around US\$ 6.8 billion, the company expects turnover to increase by 7% this year to more than 160 million reais. In spite of the 0.5% reduction in feed production in 2009, compared to last year, according to data from the Animal Feeding Trade Union (Sindirações), which predicts 2010 growth of 5-10%, the recovery of Brazil's economy is encouraging for the sector. "I haven't noted a tendency to monopoly, but new partnerships may emerge", says Alex Santos Lopes da Silva, Scot Consultoria analyst. **Source:** [DCI - Comércio, Indústria & Serviços](#) (2/23/2010).

Itambé says no to Friboi and wants five cooperative merger

Itambé, Brazil's leading dairy cooperative and third biggest dairy company, with five producing units, last month rejected an acquisition offer by Friboi and is working towards a merger of five milk cooperatives. If Itambé, Cemil and Minas Leite (Minas Gerais state), Confepar (Paraná state) and Centroleite (Goiás state) merge, the new firm will be the country's leading dairy company in volume, with 2.5 billion liters of milk per year. It would move ahead of Nestlé (with nearly 1.9 billion liters) and Perdigão (approximately 1.5 billion). Itambé alone accounts for nearly 1.2 billion liters per year. In the second half of March, auditing firm PricewaterhouseCoopers will complete its studies on the merger, including what would correspond to each in the business. Later, the cooperatives will engage in final talks, which could make the merger effective. **Source:** [Folha de São Paulo](#) (2/23/2010)

Indian sugar refinery pays 600 million reais per plant in São Paulo

Shree Renuka Sugars, India's leading refinery, has completed the acquisition of a 51% stake in Equipav Açúcar e Álcool for 600 million reais, expanding foreign presence in Brazil's sugar and ethanol sector. Equipav, with plants in Promissão and Brejo Alegre (São Paulo), has capacity to process 10.5 million tons of sugarcane and produce 203 MW of power. With investment of 218 million reais, capacity will go up to 12 million tons and 295 MW, stated Renuka. This is the company's second big acquisition in Brazil. In November, the Indian firm had bought Paraná state-based Vale do Ivaí Açúcar e Etanol, estimated at US\$ 240 million and with crushing capacity 3.1 million tons. The acquisition follows the trend of expanding foreign presence in the sector. **Source:** [O Estado de São Paulo](#) (2/22/2010)