SAO PAULO, Brazil - Monsanto Co.'s (MON.N) Brazilian division more than quintupled revenues from chemical exports in 2002 to $165 million from $30 million the year before, after its new plant opened in December 2001, company officials said.

Monsanto has already invested $350 million in the Camacari plant in the Northeast state of Bahia and another $200 million was earmarked for further expansion there, the company's president in Brazil, Rick Greubel, said.

"The money has been allocated, but when it's released will depend on demand and market growth," Greubel said at a lunch with journalists at the company's Sao Paulo offices.

The plant, located in the Camacari petrochemical area, produces the basic chemical components - phosphorus trichloride (PCL3) and adisodium iminodiacetate (DSIDA) - that make up Monsanto's trademark Roundup Ready herbicide.

These chemical building blocks are then shipped to Monsanto's plants in Sao Jose dos Campos in Sao Paulo state; Zarate, Argentina; and Antwerp, Belgium; all of which used to receive Roundup Ready components from the United States.

With the new plant, the company's Brazilian division has turned itself from a $150-million net importer of chemicals a year to a $150-million net exporter, said Felipe Osorio, Monsanto's marketing director.

The company's move to realign its agrochemical and seed production from parts of the world where grain and oilseed output is waning to Brazil, where there is dynamic growth in the farming sector - especially soybeans - is part of a trend.

Giant multinational food firms such as Archer Daniels...
Midland Co. (ADM.N), Cargill Inc. and Bunge Ltd. (BG.N) have been investing in Brazilian crushing plants, silos and logistics to meet the demands of the country's rural renaissance.

Greubel said 30 percent of the Brazilian division's sales came from seed sales, even though they were not of genetically modified Roundup Ready resistant strains. Brazil currently bans the commercial use of GM food crops.

The company has two chemical plants and 19 seed facilities in Brazil. It launched a seed research and production facility in Uberlandia, in the large farming state of Minas Gerais, in 2001 after an investment of $60 million.

Thirty percent of Monsanto's world sales come from seeds, most of which are bioengineered to withstand the powerful RR glyphosate herbicide, but Greubel said this percentage could grow to as much as 50 percent in the next two to three years.

"It's hard to say what our revenues would be if Brazil liberates the sale of our (GM) Roundup Ready soybeans," said Greubel. "We've tried to invest so that we will be prepared to supply the local market if our transgenic seeds are cleared."

"But we'll probably be unable to meet demand for the first year or so, at least once farmers can buy them legally. This has been the trend in other countries where we sell," he said.

The battle over the sale of GM foods in Brazil is currently tied up in the courts where a regional federal tribunal is deliberating whether to recognize the government's regulatory body on biotechnology, the CTNBio, which has approved Monsanto's Roundup Ready soybeans for sale.

If the court recognized the CTNBio's authority, Monsanto would be the only biotech company approved to sell GM soybeans in Brazil, the world's No. 2 soybean producer and exporter, and local farmers have already shown a taste for the GM seeds.

Although they are illegal, farmers have smuggled them in from across the border with Argentina, where it is legal to plant GM crops. About 30 percent of Brazil's soy crop is unofficially estimated to be illegal GM beans.

Story by Reese Ewing

REUTERS NEWS SERVICE
ENVIROMENTAL NEWS SEARCH

Enter your keywords to search our news archive by subject. Type "Greenpeace", for example, into the box below and you will be given a listing of all Planet Ark's news and images relating to Greenpeace.

Sort by relevance   Sort by date

Alternatively, why not check out our news archive on an issue by issue basis? Select a topic from the list below to learn everything you need to know about the topics contained within this search engine.

Acid rain
Air pollution
Asbestos
Animal rights
Biodiversity

© 2003 Reuters Limited. All rights reserved. Republication or redistribution of Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Reuters.

This site developed by Frontline, and managed by Planet Ark using RPM-NT.

Site designed by Jon Dee @ Planet Ark.

http://www.planetark.org/dailynewsstory.cfm?newsid=19556&newsdate=24-Jan-2003