AGRICULTURAL INVESTMENT IN AFRICA
Brazilian Expertise to Promote Sustainable Agriculture Investments

Context

Technical Cooperation Agreement Between:
- Brazil-USA technical cooperation agreement to develop bioenergy in countries in the tropical belt.
- Technical cooperation agreement between the European Union and Brazil, for a feasibility study to produce biofuel and food in Mozambique.

Results: 12 countries have received the feasibility studies of bioenergy project development: ethanol, biodiesel, electricity, steam and food projects.

The projects were financed by the following entities:

Motivation for bioenergy and food projects in the Tropical Belt

Brazilian Experience

- Expertise in sustainable production of biofuels and food production (ethanol, biodiesel, vegetal oil, grains and others).
- Ethanol program since 1975.
- Biodiesel program since 2005.
- 103,000 family farms involved.
- USD 576.5 million in purchases from family farms.
- 20% of biodiesel fuel stock is supplied by family farmers.

FGV methodology

Combines all Brazilian expertise in developing sustainable bioenergy and food projects.

Methodology

Weather Stations

Climal Flow

Climatic water balance

Pre-processed data

Multiple regression analysis

Agroclimatic map

Best Sites for Cotton

Senegal - Agroenvironmental zoning

FGV PROJETOS
Best Sites for Cotton

The best sites contain the following aspects:

- Suitable Edaphoclimatic parameters;
- Environmental suitability,
- Logistical adequate,
- Others.

Methodology

These studies are deep and include:

**Framework**

**Phase I – Feasibility Analysis**

- Crop Plants
- Aptitude (food & bioenergy)

**Phase II – Executive Project**

- Executive Project

**Phase III**

- Implementation

**Phase IV**

- Operation
Definition

- Management Level refers to potential land use and social sustainability;
- Potential Clusters refer to the potential regional industries.
- Cluster Definition is obtained by merging data from Management Level, Potential Cluster List, Logistics, Commercial Viability, Public Policy, and other factors.

Process

- Step 1: Region Zoning
- Step 2: Physical Analysis
- Step 3: Social Analysis
- Step 4: Determine Management Style
- Step 5: Optimal Crops Selection
- Step 6: Define Schedule and Steps

Example of Cluster

- Step 1:
- Step 2:
- Step 3:
- Step 4:
- Step 5:
- Step 6:

Nacala FUND
ProSavana Program
Nacala Corridor

PROSAVANA

- It is a Master Plan for the Nacala Corridor, funded by the Japanese Government (JICA) and the Brazilian Government (ABC), focused on the development of Nacala Corridor;
- Its design is based on the success of the Prodecer Program - in the Brazilian Cerrado, also developed with JICA, which is currently characterized as one of the largest agricultural areas in Brazil;
- ProSavana Master Plan includes:

Master Plan will be the Guideline of Nacala Fund.
Spatial location

Agricultural potential

Infrastructure: Highways

Infrastructure: Railroad

Infrastructure: Port of Nacala

ProSavana: Trilateral Cooperation

Investments:
- Agro Industrial: Soybeans, Corn, Rice, Cotton, Beans, Sunflower, Coffee, Fruits, etc.
- Protein: Cattle, Poultry, Fish, etc.
- Infrastructure: Supporting the Project, e.g., Port terminal for grains.

International volatility in food prices:
- Similar biomes.
- Similar challenges.
- Visit business opportunities.
- Sharing of experiences.
- Future vision of comparable market.

Target markets:
- Mozambique
- Africa
- Asia (53% of world population)

Produce
Consume
Export

Chart 55: Historical volatility of world reference food prices also reached new heights in 2010.

Chart 56: Of all the prices of major food commodities, global sugar quotations have been most volatile.

Source: FAO, Statistics Division

Metalink: P2.HUN.FAO.FPV.FPV, p. 164
Partners Involved

- FGV PROJETOS
- JICA
- IDB
- L.GREEN
- FINEP
- BNDES
- Vale
- UNEP
- APEX BRA\n
Nacala Fund

- Support the development program of Mozambique, promoting the economic, social and environmental progress.
- Regulate the investments in the Nacala Corridor: Promoting productive arrangements through association, cooperatives and consortium.
- Attracting investments with low risk and high return.

- Risk: Institutional package (ProSavana program)
- Return over the capital: Know-how, Infrastructure and market.

Nacala Fund

- Value Chain
  - Infrastructure
- Fund
  - Nacala Fund
- Private Investment Fund
- Nacala Fund
- ProSavana
- Cooperatives
- Fulfilled
- Out.12
- Nov.12
- Jun.13
- Master Plan Delivery

Schedule – Nacala Fund

- Project Portfolio
  - Economic
  - Rural Extension
- Nacala Fund Project
- Organization
- Fund-raising
- Master Plan Delivery

Strategic Investor (direct investment into project with/without majority)

Project I

Project II

SPV

Annual

Food Crops

¹(Local regulations apply for newly established SPV in each country of operation)

THE AFRICA OPPORTUNITY FUND

(Brazil)

(Luxembourg regulated SICAR)

THE AFRICA OPPORTUNITY FUND I: NACALA FUND

Japanese Fund Manager for the local FEEDER FUND /

(Japan)

(Japan regulated fund)

Japanese Fund Manager for the local FEEDER FUND /

(Japan)

(ProSavana program)