

Saudis to expand agricultural participation in Brazil

Saudi Arabia's minister of Agriculture met with his Brazilian counterpart this weekend. The Arab country plans to increase food products imports and investments.

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São Paulo – Saudi Arabia plans to increase food products imports and investments in the Brazilian agribusiness, reported this Monday (13) to ANBA the director of International Promotion of the Ministry of Agriculture, Livestock and Supply (MAPA), Evaldo da Silva Júnior. “They want to import more poultry and beef and grains, and want to also import livestock, plus increase investments in Brazil,” said Silva.

These topics were discussed by the ministries of Agriculture of Brazil, Blairo Maggi, and of Saudi Arabia, Abdulrahman Alfadli, in a meeting held this weekend in São Paulo. “We discussed Brazilian exports of meats and grains. And the [Saudi] minister showed a clear intention of increasing investments here,” said Maggi in a statement released by MAPA this Monday.

According to Silva, the Saudis want to buy equities in Brazilian agricultural companies to secure the supply to the Arab country's market. Food security is a major concern in the Arab world, especially in the Gulf countries, where the climate is extremely arid.

“This is the way they got to ensure food security, via equity,” said Silva. “They don't buy the whole company, but are shareholders, they aren't the operators,” he added. That is, they ensure financial support to the business in exchange to access to the products.

According to Silva, MAPA itself presented to the Saudis a portfolio of projects that can receive foreign investments and that are being analyzed. One example of a Saudi investment is the near 20% stake of SALIC in meat processing plant Minerva. SALIC is the branch for the agricultural sector of the Saudi sovereign fund PIF.

“The meeting represents the consolidation of Brazil and Saudi Arabia narrowing the gap in the agricultural

sector,” said the president of the **Arab Brazilian Chamber of Commerce**, Rubens Hannun, who attended the meeting between the ministers. He pointed out that the meeting is a result of the visit done by Maggi in May to Saudi Arabia.

The Brazilian minister visited four Gulf countries in May as head of a business delegation that aimed to promote business, but also offer an answer about Operação Carne Fraca by the Brazilian Federal Police, which investigated irregularities in meat processing plants and in the work of MAPA’s inspectors, and caused concern between meat importers from Brazil.

The Arab Chamber played a crucial role in the coordination of the talks between Brazil and the Arab countries after the operation, gathering representatives from the government and the private sector with ambassadors from the Middle East and North Africa, forwarding information to the parts involved and encouraging trips by Maggi and other authorities to Arab nations to strengthen the sector’s image.

“This meeting [in the weekend] is a consequence of May’s visit, which already aimed at increasing the volume of business of exports and investments,” said Hannun.

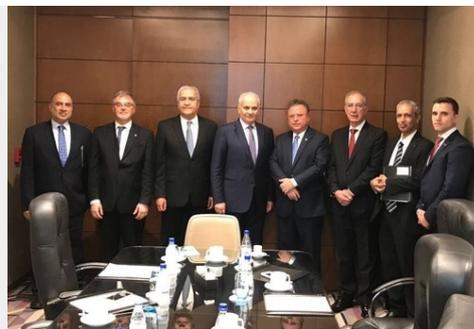
Maggi also presented to his Saudi counterpart the new agricultural attaché at the Brazilian embassy in Riyadh, Marcel Moreira. The Arab Chamber’s special projects advisor, Tamer Mansour, also attended the meeting.

Exports by Brazilian agribusiness to Saudi Arabia totaled USD 1.673 billion from January to September of this year, an increase of 0.7% over the same period of 2016, according to data from MAPA.

***Translated by Sérgio Kakitani**

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Rubens Hannun is the 3rd from right to left. At the center, the ministers Alfadli (L) and Maggi (D)