



Agribusiness in Brazil

Brazil concentrates important advantages and conditions, both geographic and climatic, which results in its natural vocation for the development of the most variable activities related to the agribusiness. This is why the agribusiness in Brazil is continuously gaining importance within the context of the global economy, demonstrating an irreversible trend to solidify its position as one of the most important suppliers of agribusiness-related products in the world.

Moreover, the agribusiness presents important numbers for the Brazilian economy, representing a relevant portion of the Brazilian GDP (Gross Domestic Product).

The agribusiness chain includes activities that go from (i) the supply of goods - raw material, equipment, etc. - and services, (ii) agriculture production, livestock and forestry activities, (iii) industrial processing of related products and byproducts, as well, as (iv) transportation, warehousing, distribution and commercialization, both in the domestic and foreign markets.

This is one of the reasons why any legal advice in agribusiness requires a high-standard level of knowledge and specialization in the various areas of Law that apply to this sector, and needs to be ready for all challenges imposed by this each time more competitive and sophisticated business sector.

In this connection, **Trench, Rossi e Watanabe Advogados**, in cooperation with Baker & McKenzie International, has a team of specialized lawyers in all areas related to the agribusiness, always alert and updated in relation with the tendencies involving the interests, business, investments, and demands of our clients and, accordingly, well prepared to provide a competent, innovative and unique legal advice in this area.

Our specific knowledge enables us to provide legal advice in relation to several aspects of the agribusiness activities, such as strategic advice on agribusiness investment in Brazil, including private equity and venture capital, as well as other private and governmental funding mechanisms. Also, we have provided clients with legal advice on carbon forestry projects, as well as avoided deforestation (REDD+) projects to be implemented within the boundaries of private properties located in National System of Conservation Units and within indigenous areas.

With respect to environmental matters, our expertise comprises licensing, regularization of protected areas (permanent preservation areas and legal reserve areas), consultation of competent authorities for compliance measures, sanitary and public health matters, negotiation of consent agreements with environmental authorities, environmental management, auditing, and other organizational practices.

On the real estate and commercial aspects, we have solid experience with regularization of ownership and analysis of title chain involving rural property, advice on legal restrictions and limitations applicable to rural property ownership and occupancy matters, as well as in relation with drafting and negotiating deeds, contracts and other instruments with rural producers and other players who participate in the various phases of the agribusiness, going from the purchase and sale of supply, preparation of the soil and planting, harvesting, supply to manufacturers, storage and warehousing, transportation, distribution, up to the sale of the final product to the end-consumer.

We are also focused on assisting our clients with respect to the analysis (i) of viability and associated risks related to the alternative structures involving financing and credit concession mechanisms available for the agribusiness players, (ii) involving guaranty instruments, (iii) of tax aspects and possible risks associated with each business model, as well as (iv) of import and export operations, (iv) of securitization of receivables and other credit notes or bonds available to finance the agribusiness.

How we can help

- Legal assistance on licensing proceedings related to rural areas;
- Environmental management, auditing, and other organizational practices;
- Follow-up of legislative development and case law;
- Development of policies, compliance and enforcement strategies, as well as analysis and draft of regulations with governmental and private institutions.

In addition to the social environmental aspects of the agribusiness sector, our firm has solid experience in other related issues, such as financing aspects, sanitary and public health matters, real estate analysis, etc.

Awards and Recognition

CHAMBERS
AND PARTNERS

Trench, Rossi e Watanabe Advogados was acknowledged to be one of the leading law firms in the Agribusiness area in Brazil. Sources say: "The team is reliable and accomplished, meets agreed deadlines and gives the client ample attention."

Cláudio Mangoni Moretti is a tax lawyer with broad sector expertise, having advised numerous agribusiness companies over the years. Moretti is based in the firm's Porto Alegre office. **Alvaro Schmidt Gallo** is praised by sources as "competent, diligent and a very good communicator." They add: "He is very proactive and we truly appreciate his professionalism in conducting business." Sources hail **Alberto Mori** as "an experienced, dynamic and proactive lawyer, one always available to clients." **Karina Klabinska Kyriakos Saad** is praised as a "superb negotiator with expert knowledge".



RELEVANT PROJECTS



- **Petrobras Biocombustível** - Assistance in the analysis of rural land documentation, negotiation and execution of lease agreements and rural partnership agreements in several cities within the State of Pará, including assistance to the land owners and possessors to regularize their title to or possession of the land with the competent authorities, for purposes of the plantation of palm tree for further production of biofuel.

- **Petrobras Biocombustível** - Assistance in the analysis of rural land documentation, lease agreements and rural partnership agreements related to properties located in the City of Olímpia, State of São Paulo, for purposes of the plantation of sugar cane for further production of biofuel.

- **AES Tietê**: Assistance in the analysis of the competent documentation, negotiations and purchase of several rural properties in district cities nearby Petrópolis, in the State of Rio de Janeiro, for purposes of the construction of three small hydroelectric power plants.

- **Global Carbon Group**: Review of documents and complete dockets of a lawsuit filed by the supposed owner of certain rural properties in the State of Amazonas for the reconstitution of the title to the properties, which would have been destroyed by a fire in the facilities of the competent Real Estate Registry Office and issuance of a legal opinion about the title to the land in relation to which the client intended to preserve the local forest for the generation of carbon credits.

- **Bunge Alimentos**: Assistance in the analysis of rural land documentation, lease agreements and rural partnership agreements related to properties located in several cities within the State of Pará, including advice for regularization of the titles to the land with the competent authorities, for purposes of the plantation of palm tree for further production of palm tree oil.



- **Bunge Alimentos**: Assistance in the analysis of rural land documentation related to properties located in the City of Capão do Leão, State of Rio Grande do Sul, lease agreements and rural partnership agreements, for purposes of the improvement of rice.

- **Kellog's**: Due Diligence and assistance in the purchase of the Brazilian portion of the related business line Pringles.

- **Bunge**: Due Diligence for the potential purchase of tomato products industry.

- **Bunge**: Due Diligence for the potential purchase of rice industry.

- **Bunge**: Due Diligence for the potential purchase of coffee industry.

- **Bunge**: Due Diligence for the possible purchase of sugar alcohol industry.

- **Pepsico**: Acquisition of all of the shares representing the corporate capital of Mabel Alimentos S.A., one of the largest biscuit and snacks industries in Brazil.

- **Archer Daniels Midland**: Acquisition of several soybean and sugarcane companies, including Sadia, Rezende, Cabrera Energética Açúcar e Alcool and Bela Vista Bio Etanol Participações.

- **Louis Dreyfus Commodities:** Acquisition of several sugarcane and coffee companies.
- **Royal Numico:** Acquisition and subsequent sale of Laticínios Mococa.
- **Danone:** Sale of its cereal business in Brazil, including equipment and a industrial facility.
- **Starbucks:** Setting up a joint venture company of Starbucks in Brasil.
- **Starbucks:** Acquisition of the 51% of the equity participation in Starbucks Brasil Comércio de Cafés Ltda. from Starbucks' Brazilian joint venture partner.
- **Yara International:** Acquisition of relevant indirect stake in Fosfertil. Sale of the equity participation held by in Fertilizantes Fosfatados S.A. – Fosfertil and in Fertifos Administração e Participações S.A. to Mineração Naque S.A. , a subsidiary of Vale S.A.
- **Yara International:** Acquisition of equity interest representing the corporate control of Galvani Indústria, Comércio e Serviços S.A.
- **Aviagen:** Sale of all shares it held in the corporate capital of Agroceres Ross Melhoramento Genético de Aves S.A. to Agroceres Nutrição Animal Ltda.
- **Camil Alimentos(Camil Holding):** Sale of 50% of the share stock of a Brazilian food company to Garial LLC, USA.
- **Petrobras:** Joint Venture between Petrobras and Petrogal for the production and storage of biodiesel.
- **Petrobras:** Advice on the acquisition of 50% of Bioóleo Industrial by Petrobras Biocombustível. Draft and negotiate Share Purchase Agreement, Shareholders' Agreement and ancillary contracts and corporate documentation.
- **Comanche:** Joint ventures, acquisition, and/or development of biofuel projects in Brazil, regarding three ethanol plans in the States of São Paulo and Maranhão and one biodiesel plant in the State of Bahia.
- **Boise Cascade:** Assistance in one of the largest acquisition of rural areas in the southern region of Brazil for implementation of a plywood manufacturing project, coupled with assistance in construction of its local facilities, service and maintenance agreements with local farmers, and ancillary contracts.
- **Ranch Capital LLC,** a major U.S. private equity firm, and Infinity Bio-Energy, a large renewable fuels producer have executed an agreement for the subscription by Ranch Capital of 15.21% equity participation in Infinity Bio-Energy, with an option to acquire additional shares. Additionally, Ranch Capital and Infinity, through certain subsidiaries, have formed a joint venture company in Brazil for investments related to services relating to the intermediation of sale of ethanol.
- Negotiation of multi-jurisdictional transaction involving contemplated acquisition of foreign legal entities indirectly holding title to rural properties in Brazil, and legal due diligence on such properties, responsible for cultivation of cotton, soybean and corn.



- **Biogreen:** Legal assistance in land acquisition and obtainment of environmental license for a biofuel project.
- **Luso Carbon Fund:** Due diligence of agreements executed with swine farmers for the implementation of projects associated with the generation of carbon credits.
- **Corporação Andina de Fomento:** Due diligence and negotiation for the acquisition of a sugar cane mill, for purpose of also developing projects for the generation of carbon credits.
- **Petrobras:** Fuel Supply Projects: Ongoing legal Advice to Petrobras's Fuels Supply Legal Department in connection with a variety of fuels supply projects involving several jurisdictions, including an ethanol project.
- **Delta & Pine Land:** Representation of Delta & Pine Land (DPL) in merger control notification.
- **Louis Dreyfus Commodities:** Support to Louis Dreyfus Commodities in merger control filing related to the acquisition of all of Dunavant's cotton business.
- **Vale:** Merger control filing related to the acquisition by Vale of part of the assets and operations conducted by the Bunge group (through its subsidiary BPI) in the fertilizer business. The transaction involves the acquisition of 100% of participation.
- **Amyris:** Representation in the formation of a joint venture with the trading Crystalsev, and further buyout of Cyrstalsev's participation in the joint venture.
- Advice to a major agribusiness company in tax issues related with the restructuring of some Latin America operations. The tax work is innovative because the restructuring would be implemented as a combination of execution of agreements, re-organization of companies in different jurisdictions, merger of Latin America companies in one surviving entity and transfer of the shares of the surviving company.
- Advice to an agribusiness company in provision of tax, customs and exchange control advice in connection with the exportation of cultural products under the changing rules in Argentina.
- Tax advice to a leading agribusiness company related to post acquisition restructuring
- Writ of Prevention related to a corporate litigation involving dispute to control a leading agribusiness company.
- Legal advice to an agribusiness company in Proposal of Consent Agreement (Termo de Ajustamento de Conduta) between the District Attorney's Office of the State of Santa Catarina and the company in order to establish conditions to recover environmental degradation in protected areas.
- Support to a wood company regarding the notification by the national environmental agency involving the non-presentation of certificate of origin for the wood stored in its property. A fine of was imposed to the Company. We presented a Consent Agreement proposal to compensate suppressed vegetation and to avoid/mitigate liabilities.

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