

27 August 2008

Brazilian meat dealer buys in Paraguay

Brazil's fourth-largest beef exporter, Minerva, has acquired a controlling stake in Paraguayan meatpacker Friasa.

The US\$4 million deal, which closed on 5 August, transfers 70 per cent of Friasa's share capital to the Brazilian group.

Henrique Lang, a partner with Minerva's Brazilian counsel, Pinheiro Neto Advogados, calls the acquisition a milestone of Minerva's expansion in Mercosul: "Paraguay is one of the world's leaders in meat export, with a large cattle flock and a high improvement potential."

Paraguay is the world's eighth largest beef exporter, with 11 million heads of cattle. In fresh beef exports, the Paraguayan market grew by 37 per cent in the first half of 2008, the highest growth rate of any Mercosur country.

Friasa leases a meatpacking plant in Asunción with a 700 head per day slaughter capacity. The sale agreement with Minerva requires Friasa to continue to lease the plant for five years.

Counsel to Minerva

In-house counsel - Flávia Ribeiro

Brazil

Pinheiro Neto Advogados

Partner Henrique Lang and associate Henrique Vieira

Paraguay

Peroni, Sosa, Tellechea, Burt & Narvaja

Partner Esteban Burt

Counsel to Friasa

Sole practitioner - Victor Perez