

Brazil Versus Tanzania

World Agriculture Investment Conference

Friday, 24th September 2010



Helping to sustain success in Agribusiness

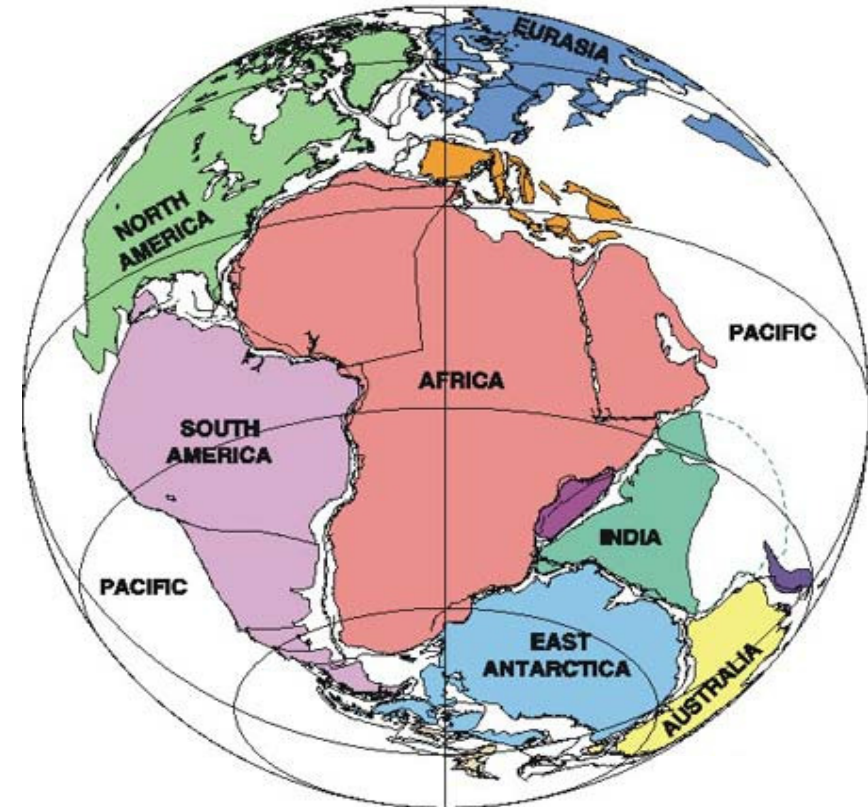
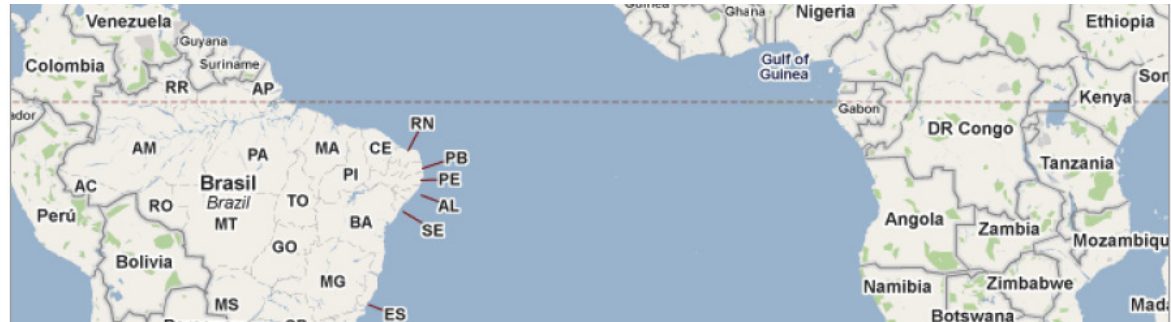


Agricultural Frontiers

Key to success in agriculture

1. Ample land with suitable soils & benign climate & water
2. Infrastructure – transport/energy
3. Economic and political stability

The more value you add the more critical 2 & 3 become



Economic Attributes

	BRAZIL	TANZANIA
GDP	US\$ 1,499 Trillion	US\$22 Billion
GDP Growth	2009 – (0.2%) 2008 – 5.1% 2007 – 6.1%	2009 – 4.9% 2008 – 7.4% 2007 – 7.1%
Inflation	4.2% (2009 e)	12.1% (2009 e)
Population	201 Million 26% below poverty line 88.6% literacy	41 Million – (EAC 80Mio) 36% below poverty line 69.4% literacy
MIGA pricing* (World Bank Insurance Group)	60-100 basis points	60-100 basis points
Ranking – Ease of doing business (World Bank)	129	131



Agri-Attributes

	BRAZIL	TANZANIA
Land area (KM ²)	8,514,877 (MT* 903,357)	947,300
Land Valuation Undeveloped	Cerrado MT: US\$3,500/ha	Wetlands: US\$ 300/ha**
Land Valuation (NPV) /hectare	Soybean/Maize rotation: US\$6,000	Paddy Rice (high tech) US\$6,000
Renewable Water	Renewable Sources 8,233	Renewable Sources 91
Infrastructure – Roads/rail/ports	SP = +++ MT = - Olympic & FIFA Investment	TZ = + Chinese Investment
Minimum Wage (unskilled labour) per annum	US\$3,921	US\$1,517



Brazil Growth 1975 - 2010

Historic Drivers

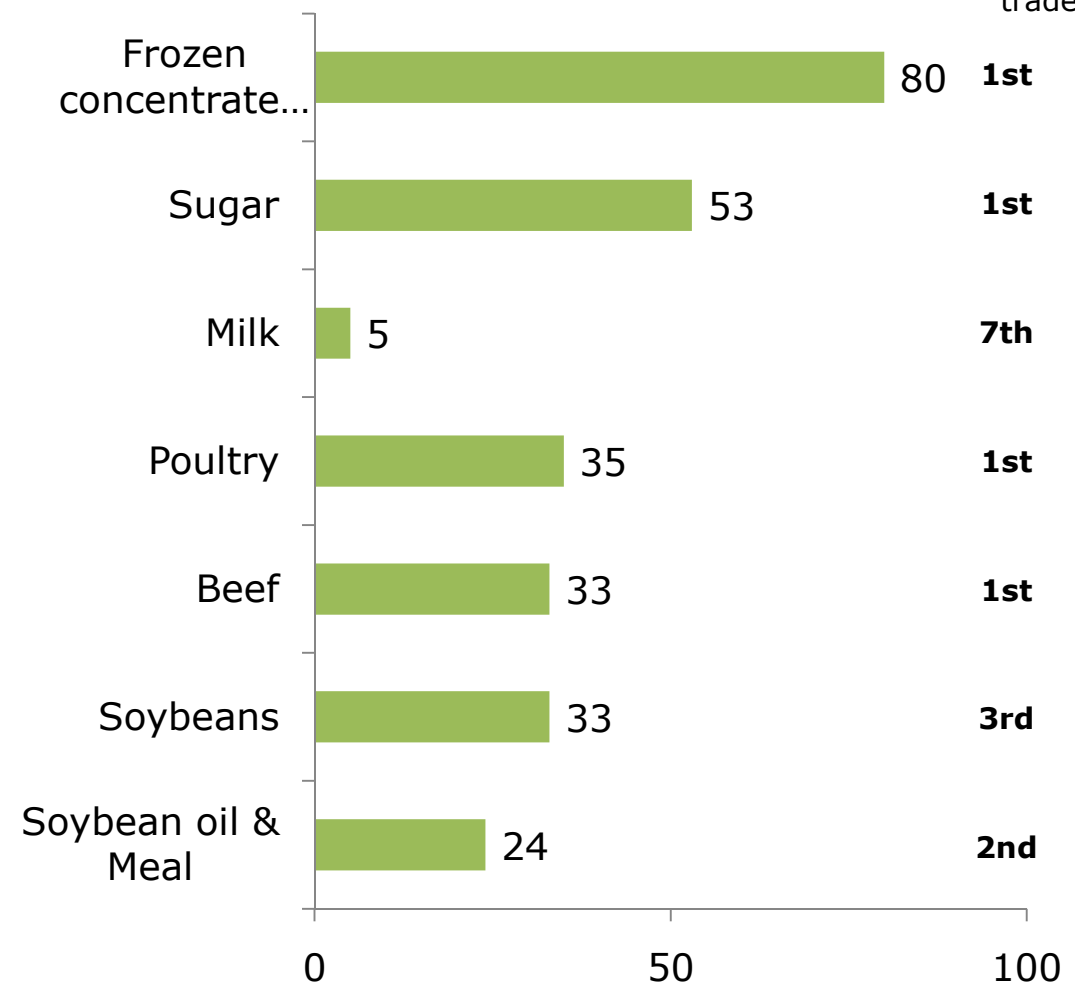
- Investment
- Technology
- Demand

Current Limitations in 2010

- Land availability
- Minimum wage
- Infrastructure

% Share of global trade or production 2006

Ranking as Exporter in world trade



Tanzania Growth 2010 - 2030

Future Drivers

- Investment
- Technology
- Demand

Challenges

- Access to long term lease hold
- Integration of small holders into industrial farming operations



Source: SAGCOT



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