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Vale, FCA and the Government of Minas Gerais put agribusiness development on track

Vale, together with its subsidiary, Centro-Atlântica Railroad (FCA), and the Minas Gerais State Government will inaugurate the Intermodal Terminal of Pirapora (TIP) in Northwest Minas Gerais on Thursday, April 16. The terminal is only one of the stages of the project, which received an investment of 300 million reais and marks the start of a new era for agribusiness in Minas Gerais. By December this year, the Intermodal Terminal will have moved 600,000 tons. From 2013 on, the terminal is expected to move 2.6 million tons of grain annually. Vale predicts that the project will generate around 20,000 jobs across the production chain.

The Northwest corridor of Minas Gerais will be the most important logistics alternative for the export of all the grain produced in the region due to its connection to the Port of Tubarão, in Vitória (ES). The Centro-Atlântica Railroad and the Vitória to Minas Railway (EFVM), totaling 1,000 kilometers, will handle the outflow of production.

The grain harvested in Northwest Minas Gerais will be exported from Pier III of the Diverse Products Terminal (TPD), located within the Port Complex of Tubarão in Vitória (ES). Over 5 million tons of soybeans and meal are currently shipped out from Pier III annually. However, this volume could reach 7 million tons by 2013 if we add the grain yield of Northwest Minas Gerais.

The whole project focuses on regional development. The Government of Minas Gerais invested in the rehabilitation and construction of new roads, totaling 220 kilometers. Northwest Minas Gerais receives massive investments in order to lower production and transportation costs, thereby ensuring greater international competitiveness in agricultural production.

The terminal was built in a four-hectare area, the equivalent to five football fields, and has a loading capacity of six thousand tonnes of grain per day. The enterprise is located outside the urban perimeter and has two storage silos with a storage capacity of 3,000 tons each, plus bulk loading and unloading equipment. There is also a truck parking lot in an area that totals 18.5 thousand square meters, providing space for up to 200 trucks at once. The unit also has a truck and rail scale. This infrastructure will allow the Intermodal Terminal to receive about 60 freight cars per day in its first year of operation, which translates into 3,600 tonnes of grain per day or 600,000 tons by the end of 2009 and 800,000 tons in 2010.

In order to make this project feasible, Vale, the Government of Minas Gerais and FCA are investing 300 million reais to renovate the stretch between Corinto and Pirapora (already completed), as well as in super and infrastructure and in the terminal's construction. About 650 direct jobs were generated during the renovation of the stretch, such as during crosstie replacement. By 2013, more resources will be allocated to the project. The State Government has committed to ensuring road infrastructure and promoting grain production in the region.

Grain production*

In 2008, the grain production in Minas Gerais reached 10.2 million tons, close to the figure that was planned for 2009. Minas Gerais ranks as 5 th largest grain producer in the country. The state's potential, however, is immense. Minas Gerais is the 2nd largest bean producer in the country, 3rd largest corn producer and 7th largest soybean producer. The grain-sown area corresponds to approximately 600,000 hectares. Of the 10 major grain-producing municipalities in Minas Gerais in 2008, three of them were in the Northwest region--Unai (2 nd), Buritis (3rd) and Paracatu (7th)--which serves to confirm the region's vocation.

This Minas Gerais region is also the second largest soybean producer. In 2008, of the 2.5 million tons that were produced in the state, 34.2% were produced in Northwest Minas Gerais alone. The municipality of Unai was the state's largest producer. Other contenders include Buritis (3 rd place) and Guarda-Mor (5th).

The Northwest region also accounts for 13.5% of all the corn produced in the state, which totaled 6.6 million tons in 2008. Once again, Unai is the leading producer in Minas Gerais. Beans are also another important cultivation in the region, which accounted for 60.2% of the 564 thousand tons that were produced in the entire state. The three largest producers in Minas Gerais are concentrated in the Northwest region: Unai, Paracatu and Buritis.

In 2008, Minas Gerais' soybean complex exports (soybean, soymeal and soyoil) generated US\$ 271 million. The Northwest region of Minas Gerais was responsible for 20.6% of all the state's export crops in 2008, losing only to the Minas Triangle (23.2%) and Alto Paranaíba (21.3%).

* State Government Data

FCA

The FCA is responsible for the operation of a network comprised of approximately 8,000 kilometers of rail lines and covering seven states--Minas Gerais, Espírito Santo, Rio de Janeiro, Sergipe, Goiás, Bahia and São Paulo--and the Federal District. The FCA is one of the largest railroads in the country due to its sheer extension and it also serves as the main connection between the Northeast, Southeast and Central-West regions.

Its current fleet consists of 11,881 freight cars and 495 locomotives, all monitored by satellite (GPS). The main products that the concessionaire transports are soybeans, soymeal, sugar, corn, wood, cement, bauxite, pig iron, clinker, phosphate, lime, limestone, fuel (alcohol and petroleum derivatives), petrochemicals and steel.

More information



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