

 Early Warning System

IFC-47633

Zilor Cogen



Quick Facts

Countries	Brazil
Specific Location	City of Lençois Paulista
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	ACUCAREIRA QUATA S/A
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 30.00 million
Project Cost (USD)	\$ 30.00 million



Project Description

Zilor, established in 1946, operates in two business divisions: (i) agroindustry, specializing in the production of Very High Polarity (VHP) sugar, hydrous and anhydrous ethanol, and electricity generation from bagasse; and (ii) biotechnology, focusing on food additives under the Biorigin brand. Zilor has three agro-industrial units in the state of São Paulo (São José in Macatuba, Barra Grande in Lençóis Paulista, and Quatá in Quatá), three Biorigin plants in Brazil and one in the United States, and distribution centers in Brazil and Belgium. The company's annual crushing capacity is 12 million tons. In 2023, Zilor achieved 10.6 million tons of crushed sugarcane, 695 thousand tons of sugar, 451 thousand cubic meters of ethanol, 43 thousand tons of food additives, and 490 thousand Megawatt-hours (MWh) of electricity sold. Zilor sources sugarcane from 35,000 hectares (ha) of owned land and 145,000 ha of leased land. All sugarcane harvesting is mechanized. The plantation is managed either by Zilor or by sugarcane producers, known as agricultural partners. The company has a workforce of 3,200 individuals, including 2,700 permanent and 500 seasonal employees, with 15% being women. Furthermore, over 4,000 workers are engaged in the operations of the company's partners. IFC's proposed investment is a loan of up to US\$30 million for the expansion of Zilor's electricity cogeneration capacity from 199 MW to 319 MW (the Project). This expansion entails the installation of a more efficient boilers and turbogenerators at Barra Grande (<https://maps.app.goo.gl/thK6WBHVMqRHshdf7>) unit, without an increase in the sugarcane plantation area. Furthermore, a 23-km 138-kV transmission line will connect Barra Grande to the Barra Bonita energy substation (<https://maps.app.goo.gl/m4ewDvyoHd89wsbe6>). The execution and operation of this transmission line fall under the oversight of the Companhia de Transmissão de Energia Elétrica Paulista (CTEEP). The expansion project at Barra Grande is currently in progress, with an anticipated completion date set for May 2024, aligning with the start of the sugarcane harvesting. The area of plantations that supply sugarcane to the Barra Grande are 62,000 ha, including 42,000 ha managed by 16 agricultural partners and 20,000 ha managed by Zilor. Sugarcane acquired from the spot market or independent producers constitutes less than 3% of the overall volume, respectively. The average distance from sugarcane plantations to the mill is estimated at 22 km. The nearest town to the Barra Grande mill is Lençóis Paulista (population of 68,000), situated 3 km to the West, along with other smaller settlements like Areiópolis, Macatuba and Pederneiras, which are located within the mill's sugarcane sourcing area.



Investment Description

- International Finance Corporation (IFC)



Contact Information

IFC

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