

Danisco Plants Itself in the Heart of Brazil's Citrus Area

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Danish food company Danisco has decided to carry out its largest investment in organic growth of the ingredients business in recent time: the construction of a new pectin plant to be located in the center of Brazil's largest citrus area in the state of São Paulo.

Pectin is a natural stabiliser derived from citrus fruits or apples. Pectin is used for dairy, confectionery, jam, baked goods and beverages, and as it is based on a natural raw material, it is a preferred stabiliser for the food industry and consumers alike.

The construction of the plant is based on a need for enhanced capacity, as Danisco's pectin plants in Mexico and the Czech Republic are fully exploited.

Danisco, based in Copenhagen, Denmark is one of the world's largest producers of food ingredients. The company founded in 1989 develops and produces food ingredients, feed ingredients, sweeteners and sugar.

Brazil is the world's largest producer of orange concentrate and as mainly orange peel will be used as a raw material in the new plant, Danisco's investment will effectively enhance its production capacity for pectin by 35%.

"The market for soft drinks is moving towards new types of beverages, e.g. drinking yoghurts and milk/juice drinks. Pectin is very important for stabilising such beverages, and our new plant supports this trend.

"It also allows us to exploit the knowledge we already have in the area and produce speciality pectin with a relatively low level of costs," says Hans Henrik Hjorth, President Danisco Textural Ingredients.

Favorable raw material prices and relatively cheap energy are expected to turn the new plant into one of the world's most efficient and flexible production sites.

Danisco is making a DKK 300 million investment in the plant, and it meets Danisco's usual requirements for return on investments. The investment is included in the normal investment budget.

The plant brings around 110 new jobs to the area and responsible for the construction is Torben Torsbjerg Møller, VP Operations, Danisco Textural Ingredients, who will soon be celebrating his 40th anniversary at Danisco.

Danisco has produced pectin for close to 30 years and developed production technologies that can be exploited globally. The technologies will benefit the production in Brazil. One of the major advantages of Brazilian production is that it is close to the raw materials.

Danisco's share of the pectin market is around 25%, and the plant is to help retain this share. The global annual growth rate for pectin is 3-6%.

The plant will be operational in 2007.

With the new plant, Danisco has pectin production in Brazil, Mexico and the Czech Republic.