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U.S. company CHS Inc. coming to the Balkan region

Report Categories:

Agricultural Situation

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Report Highlights:

U.S. company "Cenex Harvest States Inc." involved in grain, food and energy sector is coming to the Balkan region through acquiring agribusiness part of Cyprus based "East Point Limited" (owned by a Serbian businessman) company with operations in Romania, Bulgaria, Hungary and Serbia. The acquisition is a part of company's ongoing global grain expansion of grain trade, adding approximately 1.5-2 million MT of corn, wheat and barley in its portfolio.

General Information:

It was announced on January 18, 2011 that U.S. company "Cenex Harvest States Inc." (CHS) involved in energy, grains and foods, bought agribusiness part of Cyprus-registered "East Point Holdings" (of the Serbian owner businessman Mr. Zoran Drakulic) for about EUR 45 million. "East Point" sold its international grain trading and storage business called "Agri Point", including operations in Serbia. The acquisition of agribusiness part of "East Point Holding" is a part of "CHS" ongoing global expansion of grain trade, adding approximately 1.5-2 million MT of corn, wheat and barley in its portfolio.

According to "CHS" Europe, the sale deal covers "Agri Point's" operations in Romania, Bulgaria, Hungary and Serbia and will enable "CHS" to further develop its global competency and presence into the high growth areas of Balkan. "CHS" announced opening of representative offices in Romania, Bulgaria, Hungary and Serbia. "CHS" is adding important infrastructure to the company's global supply chain capabilities with purchasing a deep-water port in Constanta, Romania, a barge loading facility on the Danube River at Giurgiu, Romania, and an inland grain terminal at Oroshaza, Hungary.

For the last two years Serbia entered top ten world corn exporters. According to official customs data, Serbia's exports of yellow corn in MY08/09 Serbia were 1.46 million MT and 1.34 million MT in MY09/10. Total corn export in MY 10/11 is projected to be up to 1.5 million MT. In MY 2009/10 Serbia exported 267,436 MT of wheat and 140,263 MT of flour. Exports of wheat in MY2010/11 will be much higher since Serbia exported from 1 July, 2010 until December 2010 about total 282,370 MT of wheat and 73,768 MT of flour. Majority of corn and wheat exports are going by river barges through Danube river to Port Constanza, Romania to Cyprus, Italy, Spain and some African countries, while some smaller quantities are transported by trucks to neighboring countries such as Montenegro, Croatia, Bosnia and Herzegovina and Albania.