

Ocho Sur: "Palm oil is Ucayali's main export product thanks to our investment" (Part 1)

In total, our investment is approximately US\$ 150 million, which is one of the largest agribusiness investments, if not the largest, in the Peruvian jungle.

PUCALLPA, UCAYALI, PERU, January 18, 2022 /EINPresswire.com/ -- In an interview with one of the main newspapers in Perú, Michael Spoor, CEO of Ocho Sur highlighted the economic relevance of the Company in the Ucayali region. Below the translation of part 1 of the interview:



Palm oil has displaced wood for the first time as the main generator of foreign exchange in Ucayali. To achieve this, Ocho Sur has invested US\$ 150 million in the last five years. Few people realize this, but palm oil is present in many of the products we consume daily. Soaps, cosmetics, toothpaste, chocolates, cereals and even ice cream. All are made with palm oil, the most consumed vegetable fat in the world. One of the largest producers of this raw material in Peru is Ocho Sur, a company that has a positive impact on the economy of Ucayali, despite some critical voices. In this regard, we interviewed Michael Spoor, his CEO.

“

In 2021 we will export around US\$ 50 million. We produce the fruit in our two farms, which represent only 0.1 % of the surface of Ucayali, but generate 50 percent of the exports of this region.”

Michael Spoor - CEO

Ocho Sur operates in Ucayali, but oil palms are grown throughout the Amazon. Can you explain the size of the business you run? The palm industry is very small in Peru. It covers approximately 90,000 hectares (Ha) that represent 0.1 % of the surface of the Peruvian Amazon. Of this, Grupo Palmas (Romero) owns around 20,000 hectares, we have 10,000, and the rest is managed by chains of small and medium palm growers. In the case of Ucayali, we operate the largest and most modern palm oil extraction plant, but there are other small players that also have facilities.

How much palm oil does Ocho Sur produce?

We now process 45 tons per hour of palm fruit. We are working almost at full capacity, because we are at the peak of the harvest. And what we produce is crude palm oil. We will close 2021 with approximately 200K tons of processed fruits and 50K tons of palm oil production.

Where do you sell your production?
Mostly is exported to the international market. We are selling to some local clients because it is always better to sell domestically, but most of it is sold abroad. We have exported to Africa, Europe and other Latin American countries.

How much do you export annually?

In 2021 we will export around US\$ 50 million in palm oil. We produce the fruit in our two farms, which represent only 0.1 % of the surface of Ucayali, but generate 50 percent of the exports of this region. In 2020 we represented 39 percent of the exports and in 2021 we will exceed 50 percent.

Do you mean half of Ucayali's total exports or only agro-industrial ones?

Total exports. Ucayali's first export product has always been wood. This is the first time that it will be displaced by palm oil as the main source of foreign exchange.

How much have you invested in Ucayali?

In total, the investment between the agricultural and the industrial parts is, more or less, US\$ 150 million, which is one of the largest agribusiness investments, if not the largest, in the Peruvian jungle.

Most of it was at the extraction plant?

In the industrial part, we operate the mill, which we inaugurated in March 2020 with an investment of US\$ 20 million to date. But the biggest investment has been the acquisition of the plantations and the maintenance of the crops. We invested a lot of money to change agricultural practices (in Ucayali) and develop a sustainable business, doubling the productivity of crops in the region. Because if we can double productivity, we don't need more land.

Are you planning to expand your production capacity?

Our palm crops are still young and are producing more and more every year. In these months, for example, we have a peak in production because it is high season for harvesting. So, during



Palm oil is Ucayali's main export product thanks to our investment

the following year and the year after, we are going to invest to double the production capacity of our mill.

How much do you plan to invest?

The total should be around US\$ 7 million or US\$ 8 million. The plant now has 45 tons capacity per hour and is going to increase to 90 tons. It was designed in a modular way, precisely for this expansion, it will require an investment less than the initial US\$ 20 million.

Who are the shareholders of the company?

There are two: Anholt Services and Amerra Capital, both from the United States. Anholt is a family office based in Connecticut, founded by a Danish family. And Amerra is a private bank that finances projects in food and agriculture and manages US\$ 5 billion worldwide. But Ocho Sur is their only investment in palm oil.

Why were the shareholders of Ocho Sur interested in palm?

The reason is that they were one of the creditors who loaned the previous developer the money for the development. The business was started by a businessman who had some problems and the creditors decided to enforce the guarantee. And, basically, what we did was to acquire the two properties that were auctioned by a trust managed by La Fiduciaria. This is where the transfer of assets took place and when Ocho Sur began in 2016.

Ocho Sur acquired the plantations in progress? Have you not cultivated?

What we did in 2016 was to acquire the plantations that were already developed. But we never plan on planting palm trees. We have bought the farms with the crops already planted, and our investments have been to improve productivity, to build the factory and to create a sustainable business. We have not planted a single palm tree since we started in Peru.

SOURCE: DIA 1 – EL COMERCIO. January 11th, 2022

Comunicaciones Ocho Sur

OCHO SUR

contacto@ochosur.com

Visit us on social media:

[Facebook](#)

[Other](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/560861052>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 IPD Group, Inc. All Right Reserved.