

Adecoagro submitted an investment proposal to partner with SanCor

Adecoagro, leading agro industrial Company in South America, submitted an investment proposal to partner with SanCor to develop and expand the business. The offer is subject to the approval of the constituent members of the SanCor cooperative.

Under the terms of the offer, SanCor, one of the largest milk processors in Argentina, will contribute with selected operational facilities, brands and employees, while Adecoagro will do so with its high quality raw milk production and its strong balance sheet.

Argentina, as a result of the optimum combination of agro-ecological conditions coupled with the capacity and professionalism of its labor force, is amongst the lowest cost producers of raw milk in the world.

Over the last twenty years, milk production in Argentina remained stable compared to the sustained growth experienced in the region. The country has a clear opportunity to add value to its raw milk production:

- Regarding the export market, the possibility to produce high value added products, such as infant formula. Global demand is rapidly expanding and it presents a highly attractive opportunity.
- As for the domestic market, producing high quality products, strengthening brand name and enhancing distribution and logistics.

Adecoagro is the largest raw milk producer in Argentina, producing over 270 thousand liters of raw milk per day

We are currently expanding our dairy operations. We expect to double current capacity over the next 15 months. Besides, to enhance the sustainability of our operation, we built a bio digester that generates electricity by burning biogas extracted from the effluents produced by our seven thousand milking cows. At the same time, we concentrate valuable nutrients in the process which are applied back to the fields as bio fertilizers.

This offer proposal forms part of Adecoagro's commitment to continue investing in the country, creating high quality jobs, and developing local communities.