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Cargill Buys Stake in Novorossiysk Port to Boost Black Sea Presence

By The Moscow Times

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U.S. agribusiness giant Cargill said it bought a stake in a grain terminal in the port of Novorossiysk to bolster its access to export facilities in the Black Sea.

Cargill, one of four so-called "ABCD" companies that dominate the flow of agricultural goods around the world, has purchased 25 percent plus one share of indirect interest in the grain terminal Kombinat Stroykomplekt, or KSK, from privately held Russian firm Deloports Limited.

"It is our first investment in a Russian port on the Black Sea and will strengthen our offering to the market, providing a channel to connect our Russian grain operations to the rest of the world," said Andreas Rickmers, head of Cargill's grain and oilseeds operations in Europe, in a statement Thursday.

Cargill and Deloports, which still holds a 75 percent stake in KSK, declined to disclose

the value of the deal. KSK refinanced a $52 million loan from Russian state bank VTB on Wednesday, the day before.

Russia, one of the world's major wheat exporters to customers in North Africa and the Middle East, plans to export about 20 million tons of all grains in the July 2013/June 2014 marketing year.

The KSK terminal has the capacity to handle 3.5 million tons of grain a year. Cargill plans to use a portion of that capacity, while the remaining volume will be available to the market.

The port will add to Cargill's global network of grain and port facilities, including a joint venture in the Romanian port of Constantza on the Black Sea, the trader added.

The other ABCD companies are Archer Daniels Midland Co, Bunge Ltd and Louis Dreyfus.

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