Agrochemical Service

PhytoPhile

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Nufarm to distribute Monsanto's Roundup in Australia and New Zealand

Nufarm announced on 12th February 2002 that they have signed an agreement to become the exclusive distributor for Monsanto's Roundup (glyphosate) family of herbicides in Australia and New Zealand. Nufarm also agreed to acquire Monsanto's selective herbicide business in the two countries. The agreements are subject to approval by the Australian Competition and Consumer Commission, which is expected by April. Monsanto will receive royalties on sales made by Nufarm. According to Nufarm, the deal will result in significant cost savings associated with the distribution and sale of the companies' products. Monsanto stated that the transaction would combine Nufarm's distribution and sales strengths with Monsanto's product development and marketing capabilities. Monsanto also says that the deal would allow the company to focus on its range of biotechnology related products, such as Ingard and Bollgard cotton, Roundup Ready cotton and Roundup Ready canola. Although Nufarm has it own glyphosate manufacturing capacity, the company has continued to use Monsanto as a source of the active ingredient since the 1980s for its own branded products. Monsanto's ability to manufacture glyphosate cheaply has allowed it to successfully follow a post-patent strategy of supplying the active ingredient to other companies at attractive costs. Nufarm will continue to offer its own branded glyphosate products in conjunction with Roundup. The company expects its total agrochemical sales will increase by 30% annually after the deal has been approved.

ProdiGene begins commercial-scale production of trypsin from plants

ProdiGene announced on 13th October that it has begun a commercial scale-up of the production of trypsin from plant systems. Trypsin is the company's third protein product manufactured in plants but the first large-scale product to be launched. ProdiGene plans to market tens of kilograms of plant-derived trypsin in 2002 and scale-up production to meet market demand by 2003. Trypsin is traditionally harvested from animal sources and is used in cell culture as an intermediary in the production of pharmaceuticals such as insulin. The company says that its non-animal derived trypsin is an alternative for those concerned with animal pathogens being potentially passed to humans. The company also notes one advantage of its technology is the ability to rapidly scale-up or scale-down production to match market demand.

Isagro establishes Isagro Asia and Isagro Copper from acquisitions

Following the acquisition of the agrochemical division of RPG LifeSciences in July 2001, Isagro has now established Isagro Asia to develop its business in India and the Asian continent. The subsidiary's aim will be to maximise the commercial potential of products manufactured locally through its newly acquired facilities in India. Isagro sees significant growth opportunities for these products (mostly pyrethroids), both in the local market and through the group's network of strategic alliances in international markets. Isagro Asia administers the former RPG plant in Panoli, which has the capability to manufacture both technical material and formulations, as well as possessing packaging lines. The plant also has an R&D facility dedicated to the improvement of manufacturing processes and formulation activities. In the near future, the company is planning to upgrade the facility to handle the manufacture of a number of proprietary molecules.

Isagro has now also established Isagro Copper to manage its new operations in the copper fungicides sector acquired with the Caffaro agrochemical business in June 2001. The subsidiary operates the plant in Adria, Italy, which employs 76 people and has the capability to manufacture 16,000 tons of cupric technical active principles and 20,000 tons of copper-based fungicides per annum. The plant, which has been awarded the ISO 9002 certification for its high quality products, is developing new formulations of its copper fungicides based on water dispersible granules.

Brazilian court requests more time over Roundup Ready decision

A Brazilian appellate court was due to make a decision on 25th February 2002 whether to overturn an injunction preventing the sale and planting of Monsanto's Roundup Ready soybean. However, only one of the panel of three judges made a decision on the day, with the remaining two judges requesting more time to consider the issue. The injunction was originally imposed after a federal court ordered Monsanto to conduct a full human health and environmental impact study on the release of the soybean. After seven and a half hours of deliberation, Judge Selene Maria de Almeida voted to lift the injunction, citing scientific consensus for the safety of Roundup Ready soybean to human health and the environment, and therefore a full impact study was not necessary. The final decision could now be delayed until at least 15th March.

Although a unanimous decision to lift the injunction could clear the way for the launch of Roundup Ready soybean in time for the autumn planting season, further delays may yet be introduced if Greenpeace or Idec appeals to a higher court. Furthermore, Brazilian soybean exports have recently benefited from its official non-GM status at the expense GM soybean exporters such as the US. Meanwhile, the government, which is now backing the introduction of GM crops, is facing an election year, and may be too preoccupied to fully support Monsanto's cause.

Certis USA and 3M in pheromone marketing agreement

Mitsui & Co's US subsidiary, Certis USA, has agreed to market the sprayable pheromone product line of 3M Canada Company of London (Ontario, Canada) in the US and Mexican agricultural markets. The pheromone product line is used to disrupt the mating of crop pests and includes products such as 3M MEC-OFM, which targets oriental fruit moth in stone fruit and apple orchards; 3M MEC-LRX, for leafroller pests in apple and pear orchards; 3M MEC-CM, for codling moth in walnuts and apples; and 3M MEC-GBM, for grape berry moth in vineyards. Certis USA believes that pheromones complement their biopesticide product line and that the company is on its way to becoming a primary producer of integrated pest management products. Financial terms for the agreement were not disclosed.

BASF brings chiral intermediates plants on-stream

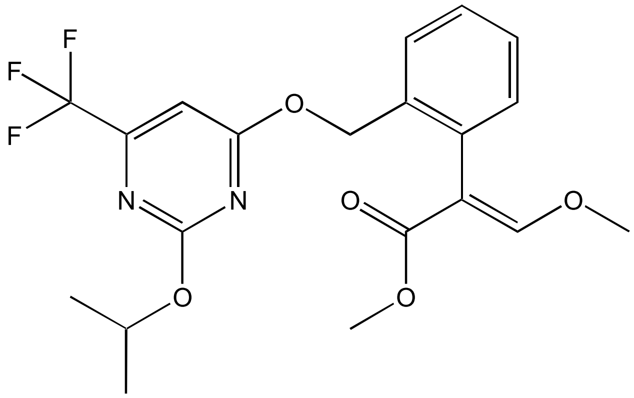
BASF has now brought on-stream three plants for the production of chiral intermediates used in the manufacture of pharmaceutical and agrochemical compounds. The company has branded these intermediates ChiPros to differentiate them from the non-resolved intermediates. One of the new plants, located in Geismar (Louisiana, US) uses a proprietary biocatalytic process to manufacture an optically active amine that is a key component of the maize herbicide Outlook (dimethenamid-P). The plant has an annual capacity of 1,000 tonnes.

Dow licenses plant transformation technology from Japan Tobacco

The Dow Chemical Company has licensed the rights to Japan Tobacco's proprietary PureIntro plant transformation technology. Further details of the agreement were not disclosed.

Nippon Soda to launch the miticide fluacrypyrim in Japan

Nippon Soda is planning to launch its new specific miticide fluacrypyrim in Japan this year under the trade name Titaron. Fluacrypyrim is a novel strobilurin analogue developed under the code NA-83 for the fruit tree sector and it has activity against all growth stages of spider mites. Lethal activity is observed from one to three hours after application. The compound also has residual activity of about one month.



fluacrypyrim

Nippon Soda's subsidiary, Koriyama Kasei, will be responsible for the manufacture of the active ingredient. Koriyama has already made an investment of around $4 million to construct new facilities. Apart from tepraloxydim, which was developed by the joint venture Nisso BASF Agro, fluacrypyrim will be Nippon Soda's first new active ingredient launch since 1996, when acetamiprid (Mospilan) was introduced. In addition to Japan, launches in South Korea and China are also anticipated. Nippon Soda is targeting sales of ¥3 billion ($25m), including export, within the first four years of launch.

Aventis acquires the Maxforce professional products range from Clorox

Aventis Environmental Science has agreed to acquire the Maxforce product line from Clorox for an undisclosed sum. The Maxforce line, based on fipronil or hydramethylnon, consists of a range of products to control ants and cockroaches, and is sold to the professional pest control markets in over 100 countries. Clorox will continue to sell its consumer insecticides, including the "Combat" and "Black Flag" branded products, into the consumer markets. Aventis already has the exclusive rights to market the Maxforce line in Europe, whilst also selling it in South America. Under the new agreement, Aventis will now have global rights to sell Maxforce to the professional pest control markets.

Griffin ordered to pay Cheminova $10m for malathion data

Cheminova announced on 25th February 2001 that it was awarded DKr85 million ($10m), excluding costs, by an arbitration tribunal over the use of the company's data when Griffin, DuPont's US generic subsidiary, registered its malathion insecticide product in 1998. The compensation was awarded in July 2001. Cheminova has since negotiated with Griffin over the terms of the compensation payment. The two companies agreed that Griffin will immediately pay 50% of the award, including interest, with the remaining 50%, including future interest, being paid in the form of royalties based on Griffin's sales of malathion in the US. Griffin also agreed to compensate Cheminova for some of the costs that Cheminova incurred in the continued registration of malathion in the US since 1998. Finally, Griffin has agreed to compensate Cheminova for some of the future costs related to the continued registration of malathion in the US. As a result of the agreement, Cheminova will record a non-recurring income of DKr35m ($4.1m) in its 2001 accounts. This takes into account the DKr15m ($1.8m) cost incurred in connection with the arbitration proceedings, which were allocated entirely to the 2001 accounts.

Dow AgroSciences licenses Planalytics' weather forecasting technology

Dow AgroSciences has agreed to license Planalytics' Impact planning technologies to better understand and plan the effects of weather on demand for its crop pest management products. Financial terms for the agreement were not disclosed.

BASF to provide satellite-based Internet access to rural customers

BASF Agricultural Products North America is partnering with Spacenet Inc. to provide high-speed satellite-based Internet access to its rural agricultural distributors and retail customers. The new service, to be called Harvest Partners Network, will be made available in the second quarter of this year. The company says that these customers have until now only had limited access to broadband connectivity and the new service will help them develop eBusiness opportunities and gain new efficiencies. BASF will provide a variety of value-added services through Harvest Partners Network.

For more information about Wood Mackenzie's Crop Protection business analysis products, please contact Kelvin D'Arcy-Burt (Tel: +44 (0)131 243 4217, e-mail: kelvin.d'arcy-burt@woodmac.com).

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