

Paradigm Genetics/Bayer AG

Paradigm Genetics Inc. (Paradigm) has delivered new assays for high-throughput screening to Bayer AG. The new assays are designed to identify novel classes of safe and effective herbicides. Bayer scientists will use the assays to screen their extensive compound collection for promising product leads. Paradigm will receive additional milestone payments during the course of the agreement and royalty payments on products discovered. Paradigm's research collaboration with Bayer began in October 1998. Paradigm brings to the collaboration its expertise in gene function analysis and bioinformatics. Paradigm's high-throughput analysis methodology is comprised of a series of proprietary analytical processes combined with a computerised knowledge base of plant and fungal gene function information. Paradigm has recently announced the discovery and genetic validation of its 100th novel herbicide target for high-throughput chemical screening. See www.paradigmgenetics.com/

Genoptera joint venture

Exelixis Inc. announced that Genoptera LLC, its joint venture with Bayer's crop protection business group, delivered several novel insecticide targets for assay development and screening to Bayer. Genoptera was formed in January 2000 to discover novel insecticides and nematocides. The joint venture is a continuation and expansion of the collaboration that Exelixis and Bayer initially established in April 1998 and expanded in June 1999. In addition to \$80 M in committed research funding over the course of the eight-year joint venture, the arrangement involves a \$20 M up-front payment and performance-based milestone and royalty payments from Genoptera to Exelixis. Bayer has the exclusive right to commercialise insecticides based on technology developed by Genoptera. See www.bayer-agro.com and www.exelixis.com/

Dow AgroSciences looks to acquisitions and alliances

Dow AgroSciences, Indianapolis, IN, currently ranked number 6 in agrochemicals, is looking to acquisition and partnerships to keep up with the major players. The company recorded about \$2.3 bn in agrochemical, seeds and biotechnology

sales in 1999. So far, Dow AgroSciences has maintained its market position through strong product sales rather than blockbuster mergers. It is supported by the full resources of parent company Dow Chemical, the world's second largest chemical producer with sales of \$19 bn/y. Dow AgroSciences accepts that to avoid become a niche company it must keep pace with the larger players and have sales in the region of \$3.5–4 bn. An ideal approach for Dow would be to partner with another significant player. Since Dow's acquisition of Sentrachem, South Africa, in 1997, alliances have focused principally on glyphosate. In 4th quarter 1999, it established a joint venture with Finagro SpA-IpiCi for plant construction and production of glyphosate in Italy. Dow also has a multi-year glyphosate agreement with Monsanto under which it toll produces the herbicide, has rights to Monsanto's registration data and enables its US customers to apply Dow-branded glyphosate to Roundup Ready crops. In insecticides, Dow AgroSciences has had significant success with spinosad. With its first year in the UK and Germany, florasulam, a new herbicide, has proved to be a great success. Dow AgroSciences has recently agreed a 50:50 joint venture with Cheminova A/S called Pytech Chemicals to develop new pyrethroids. See www.dowagro.com/

Exelixis completes acquisition of Agritope

Exelixis Inc announced the completion of its acquisition of Portland, OR based Agritope, an agricultural biotechnology company that develops improved plant products and provides technology for the agricultural industry. Agritope will be renamed Exelixis Plant Sciences Inc and will function as a wholly-owned subsidiary of Exelixis Inc. The acquisition provides Exelixis with expertise in higher plant model systems such as Micro-Tomato, *Arabidopsis* and grasses, as well as key intellectual property and extensive experience in plant biology. This proficiency, combined with Exelixis' superior programmes in bioinformatics, genomics and simple plant model system genetics programmes, creates an industry-leading plant genomics programme. The technology and intellectual property base of the newly formed Exelixis Plant Sciences will provide opportunities to

establish additional funded partnerships with major companies in numerous areas with large market opportunities, including plant traits, industrial products, biopetroleum and agricultural chemicals. In connection with the completion of the acquisition, the stockholders of Agritope will receive about 1.7 M shares of Exelixis common stock in exchange for all of the outstanding shares of Agritope Series A preferred and common stock. Exelixis is a leading life sciences biotechnology company focused on product development through its expertise in comparative genomics and model system genetics. See www.exelixis.com/

Rohm and Haas and AgraQuest strategic partnership

Rohm and Haas has signed a 3-year deal with AgraQuest to develop biopesticides based on naturally occurring microbes identified using AgraQuest technology. Over 13,000 microbes have been screened for possible use as pesticides. AgraQuest's first commercial product, the biofungicide Serenade (*Bacillus subtilis* strain QST 713), recently received EPA registration for use in grape, nut and vegetable crops. See www.rohmhaas.com/ and www.agraquest.com/

Syngenta sells products to Makhteshim

Syngenta is to sell two pesticide lines to Makhteshim-Agan Industries. Makhteshim will make an up-front payment of SFR 140 M for the grass herbicide propaquizafop and for the wheat and fruit insecticide tau-fluvalinate. Further payments may be required later, depending on the products' sales growth. Sale of the two products was a European Commission condition for approval of the Syngenta merger. See www.syngenta.com/

Syngenta Crop Protection announces transition from its diazinon business

Syngenta Crop Protection USA (Syngenta) announced a 4-year phase out from its diazinon insecticide business. The company made the business decision to end its diazinon sales after a full analysis of the product's financial performance. Although diazinon sales have remained strong, the

Please send any contributions to the NEWS sections in *Pesticide Outlook* to Hamish Kidd, The Royal Society of Chemistry, Thomas Graham House, Science Park, Cambridge CB4 0WF. FAX +44 (0)1223 420247; email KIDDH@RSC.ORG.

margins on this product have continued to erode due to a very competitive marketplace. Diazinon has been marketed worldwide for more than 40 years. In the US it is sold mainly to control home lawn and garden insect pests, and many agricultural pests. While other manufacturers will continue to sell diazinon for agricultural uses after 2004, Syngenta will phase the product out completely. See under *Regulatory News* in this issue and www.syngenta.com/

Snippets

...Bayer is reported to have expressed an interest in taking over certain activities of Aventis CropScience which Aventis has indicated that it will spin off by the end of 2001. Bayer's turnover in crop protection chemicals totalled EUR 2.2 bn in 1999 and is forecast to reach EUR 3 bn by 2004.

...Bayer has commissioned a new \$1.4 M herbicide production plant in Bangpoo, Thailand. The plant will supply the SE Asian market with new herbicides. The new rice herbicide, fentrazamide, will be produced at the plant that has a capacity of 2000 tonnes/year. See www.agro.bayer.com/

...The Agricultural Ministry of Kazakhstan will spend more than 80% of funds budgeted for pesticides in 2001 on measures to combat locust. The measures require an investment of around DM 32 M and will target around 5 M hectares of agricultural land from March 2001 onwards.

...A new herbicide for grass weeds, oxaziclomefone, has been announced by Aventis CropScience Japan and Zen-Noh, Japan. Oxaziclomefone has been registered in Japan for use in herbicide mixtures for paddy rice and turf and has been developed jointly by Aventis, Japan and Zen-Noh. It is expected that the new herbicide will strengthen Aventis Japan's position in the Japanese rice market, which is valued at about \$1.175 bn. Oxaziclomefone is also under development in various other Asian countries, including Vietnam, Thailand, Korea and China. See www.aventis.com/

...Microbio Ltd, Cambridge, UK, has been acquired by Becker Underwood Inc, Ames, IO. The agreement includes the exclusive

production and marketing rights for all MicroBio biofertilisers and biopesticides for the agricultural, professional turf, and glasshouse markets. Included in MicroBio's product range is HiStick (rhizobium inoculant for legume crops), Nemasys (a nematode-based biopesticide for glasshouse, nursery stock, and speciality crops) and MBI 600 (a novel strain of *Bacillus subtilis*). See www.microbiogroup.com/

...UK company A H Marks has commissioned a new plant. The opening of the unit marks the start of a ten-year agreement under which Marks will produce phenoxy herbicides for BASF. See www.ahmarks.com/

...Bayer A G celebrated the topping-out ceremony in December 2000 for a new DM 220M multipurpose pesticides production facility at Dormagen. From 2002, production and process development throughout Germany will be brought together at Dormagen. See www.agro.bayer.com/

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