

## AgraQuest relocation

Biotechnology firm AgraQuest of California is transferring manufacturing operations to a \$7 M facility in Tlaxcala, Mexico. The firm, which specialises in natural pest control products, will use the facility to manufacture its new environmentally friendly fungicide, Serenade. The fungicide is currently being produced by a third party contractor in the US but production will be handled by the Tlaxcala facility when it begins operating in March 2001. The plant was acquired from pharmaceutical firm Abbott Labs in December 2000 through funds generated from a \$15 M private placement (<http://agraquest.com>).

## PGR claims disputed

BASF has heavily criticised claims by Syngenta that trinexapac-ethyl (Moddus) is the only plant growth regulator to increase rooting, tillering and control lodging. BASF says chlormequat achieves the same results and at much lower costs. Both plant growth regulators are anti-gibberellins, but Moddus blocks gibberellin synthesis near the end of the pathway, which causes a very rapid halt to growth. There is also often a rush of compensatory growth following Moddus application. Trinexapac-ethyl also requires a relatively high temperature at which to operate, unlike chlormequat.

## Disputes

### ...American Cyanamid settlement

Over 400,000 farmers may recover overpayments they allegedly made for chemicals manufactured by chemical producer, American Cyanamid. American Cyanamid has agreed to settle two lawsuits involving the sale of its crop protection chemicals. While agreeing to the settlement, American Cyanamid vigorously denies all allegations raised by the lawsuits. The crop protection chemicals involved were sold in all 50 US states and the District of Columbia. The bulk of the sales were made in the Midwest of US with the top five states in terms of

total purchasers being Iowa, Illinois, Minnesota, Indiana and Missouri. According to the terms of the settlement, those eligible to participate must have purchased crop protection chemicals manufactured by American Cyanamid for their own consumption and not for resale during the period from 30 January 1991 through 27 June 1997.

### ...Monsanto / Aventis settle

Monsanto and Aventis have settled lawsuits relating to the development and commercialization of GM varieties of cotton. The settlement relates to intellectual property for common traits and stacking of multiple insect protection traits. Monsanto will permit Aventis to license Monsanto's Roundup Ready and Bollgard technologies in Aventis' FiberMax cotton varieties in the US. Aventis will license its insect-resistant management patents relating to *Bacillus thuringiensis* genes to Monsanto. Other existing cotton transformation patents will be cross-licensed.

## Sales and acquisitions

### ...Bayer rejects call for split

Bayer has rejected calls from a shareholder to split into three parts. It has also confirmed it is considering acquiring DuPont's drugs business and Aventis CropScience. Tweedy Browne & Co, which holds 0.1% of Bayer shares, proposed splitting up Bayer into chemicals, drugs and agrochemicals businesses. But Bayer says this would be detrimental to long-term shareholder value. However, Bayer has been forced to allow shareholders to vote on the motion. Bayer says its present structure helps in the running of the business and allows it to capitalise on existing synergies and provides scope to move quickly on acquisition opportunities in the life science sector. The company is to seek shareholder approval to use a capital increase to raise up to EUR 8 bn for acquisitions.

### ...BASF sells cyanazine products to Feinchemie Schwebda in Eschwege

BASF sold the entire business based on the active herbicide ingredient cyanazine for the European economic region to the German company Feinchemie Schwebda of Eschwege. The active ingredient targets grasses and broad-leaf weeds in maize, soybean, cereals and vegetables and is marketed under the tradenames Bladex, Fortrol and Bullet. Cyanazine had been acquired by BASF as part of the American Cyanamid take-over.

This acquisition by Feinchemie Schwebda follows its recent acquisition of carbetamide and dimefuron, and of some European registrations of bifenox from Aventis Crop Science (<http://www.feinchemie-fcs.com>).

### ...Monsanto buys fungicides and herbicides

In order to increase its share in its second largest market, Monsanto is seeking to purchase fungicide and herbicide producers in France. It is understood to be interested in acquiring parts of Aventis Crop Science although it is also rumoured that Bayer is also interested in the acquisition. The sale of genetically modified organisms has been suspended in France by Monsanto for the time being.

...Mitsui & Co Ltd of Japan, through a wholly owned subsidiary, entered the US crop protection market and expanded its global Agri-Science operation by completing the purchase of Thermo Trilog Corp assets from Thermo Electron Corp. The new company is called Certis USA. The acquisition includes production facilities in Wasco, CA, Decatur, IL and Cardiff, UK. Certis headquarters will remain in Columbia, MD. It will be a leading producer of foliar *Bacillus thuringiensis* bioinsecticides, neem-based botanical biopesticides, and beneficial viruses, nematodes and pheromones. (<http://www.mitsui.co.jp>)