All Headlines and Analysis 20240130

**US jury hits Bayer with over $2 bn Roundup damages**

**30 Jan 2024 - Crop Science | Headline Analysis| Bayer Crop Science, Monsanto Company| Laws & Regulations**

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自動產生的描述

A jury in a US court has ordered Bayer to pay $2.25 billion in the biggest damages awards yet in the company’s swelling glyphosate-based Roundup herbicide legal saga.

The company has been experiencing alternating verdicts in recent months, but damages awards are mounting. The record imposed damages award follows an order by a US court in November last year when a jury determined that Bayer pay [**$1.56 billion**](https://connect.ihsmarkit.com/master-viewer/show/phoenix/4921532?connectPath=CropScienceLandingPage&searchSessionId=aa36e5e2-fb3b-4c3f-b2cd-9577d45c3b4e)in charges. The cases involve claims against legacy business Monsanto for failure to warn or insufficient failure to warn over alleged cancer risks from use of its Roundup herbicide.

The jury in the Philadelphia Court of Common Pleas has this week ruled for John McKivision. It found that the plaintiff had developed non-Hodgkins lymphoma as a result of using Roundup for domestic garden work over several years. The verdict included the award of $2 billion in punitive damages and $250 million in compensation.

**Bayer to appeal**

Bayer intends to appeal and expresses confidence in refuting the verdict and at least significantly cutting the size of the awarded damages, noting a recent series of victories on the issue and previous award reductions. “We disagree with the jury’s adverse verdict that conflicts with the overwhelming weight of scientific evidence and worldwide regulatory and scientific assessments, and believe that we have strong arguments on appeal to get this verdict overturned and the unconstitutionally excessive damage award eliminated or reduced; previous damage awards have been reduced by more than 90% overall in final judgements.”

The company will pin part of its hopes on getting substantial reductions in recent defeats. Its first major defeat involving such cases came in 2018. The $289 million award from the verdict was within a couple of months reduced to [**$39 million**](https://connect.ihsmarkit.com/master-viewer/show/phoenix/3173174?connectPath=CropScienceLandingPage&searchSessionId=40f52177-44b0-4433-9fb5-cb48ea425c3e%20). Bayer also notes that it has won 10 of the last 16 cases at trial.

Monsanto has faced thousands of lawsuits since the International Agency for Research on Cancer (IARC) classified glyphosate as a “probable human carcinogen” in 2015. The cases hang on a failure by Monsanto to warn over alleged risks from use of Roundup or insufficient failure to warn. The company refutes the alleged risks citing various safety approvals by global authorities.

As of [**October 10 last year**](https://connect.ihsmarkit.com/master-viewer/show/phoenix/4909164?connectPath=CropScienceLandingPage&searchSessionId=dbd279de-2403-4e39-8d64-f2442f4952de), Monsanto had reached settlements or was close to settling in a substantial number of claims. Of the approximately 165,000 claims, some 113,000 had been settled or were not eligible for various reasons.

**Staying the course**

Bayer says that it remains committed to taking cases to trial, saying that it has a record of winning “when plaintiffs’ attorneys and their experts are not allowed to misrepresent the worldwide regulatory and scientific assessments that continue to support the [glyphosate-based] products’ safety”. It asserts that the McKivision verdict is “at odds with a recent decision by the US District Court for the Eastern District of Louisiana granting the company’s motion for summary judgement in Whalen, a similar Roundup case, because plaintiffs lacked reliable evidence required to prove their case”.

Bayer claims “significant errors” at the Philadelphia Court trial. It says that plaintiff’s counsel was permitted to conduct unrestrained cross examination of company witnesses, “including asking our experts prejudicial lines of questioning on documents they had never seen before, as well as questions on matters wholly irrelevant to the central issue in this case – whether Roundup is carcinogenic”. The company adds that defendants moved for a mistrial after the Court “improperly sustained plaintiff’s objections to the testimony of a company scientist, and struck a large portion of the defendant’s direct examination on topics directly relevant to the central issue in the case – whether Roundup is carcinogenic”.

**Downsizing**

The mounting costs have driven a Bayer move [**to downsize**](https://connect.ihsmarkit.com/master-viewer/show/phoenix/4978670?connectPath=CropScienceLandingPage&searchSessionId=aa36e5e2-fb3b-4c3f-b2cd-9577d45c3b4e)its operations. Board and employee representatives have agreed to adopt a worldwide model, including “significant” staff cuts at group companies in Germany. The company says that the move comes amid finding itself in “a difficult situation”. Bayer calls the new operating model “dynamic shared ownership [DSO]”, with the aim of cutting hierarchies and streamlining structures.

In the past three years, the company has spent some $11 billion to settle more than 100,000 glyphosate cases out of court and since [**set aside**](https://connect.ihsmarkit.com/master-viewer/show/phoenix/4069189?connectPath=CropScienceLandingPage&searchSessionId=8eee6c5a-6a48-4fd8-be5e-dc52dc53f384)some $4.5 billion to contest tens of thousands of unresolved claims.

**GRDC to invest AUS$8 m to tackle Septoria tritici**

**30 Jan 2024 - Crop Science | Headline Analysis | Investments|**

The Australian Grains Research and Development Corporation (GRDC) plans to invest Aus$8 million (US$5.3 million at the current rate) over the next five years to tackle Septoria leaf blotch (*Septoria tritici* – STB). The funding will relate to three separate projects: identifying genes for STB resistance; testing gene combinations for STB resistance; and understanding the causes of STB.

GRDC will work alongside the NSW Department of Primary Industries and the Australian National University to identify novel STB resistance genes and incorporate them into new Australian wheat varieties.

The first of the three projects aims to discover and transfer novel adult plant resistance genes for STB resistance into wheat breeding programs. The focus of the second project will be on testing optimal combinations of the genes to identify the “best ones”, and a smaller number of genes for stable adult plant resistance.

For the last project, the GRDC will work alongside the UK Birmingham University to dissect the interaction between key pathogen proteins responsible for “virulence and their corresponding host resistance genes in progressing disease”.

**Sharda Cropchem’s Q3 agchem sales slide 40%**

**30 Jan 2024 - Crop Science | Headline Analysis| Financials**

Indian company Sharda Cropchem (Mumbai) posted an almost 40% fall in agrochemical sales to INR 5,080 million ($61 million at the average rate for the period) for its third fiscal quarter ended December 31, 2023. Agrochemicals accounted for 80% (83% during last year’s corresponding quarter) of the firm’s consolidated sales, which slid 37.9% to INR 6,320 million ($75.8 million).

Sharda’s consolidated earnings before interest, tax, depreciation and amortization (EBITDA) tumbled over 76% to settle at INR 470 million ($5.6 million), with the fall translating into a lowered EBITDA margin of 7.5% (19.3%). The business attributes the decline to an increase in expenses from strengthening the company’s global workforce.

Likewise, the company registered a 95.4% decline in quarterly profit after tax (PAT) to INR 50 million ($600,000). PAT margin during the quarter dropped to 0.7% (10.7%).

| **Sharda Cropchem’s Q3 results (INR million)** | | | |
| --- | --- | --- | --- |
| **Quarter ended Dec 31** | **2022 ($ million)1** | **% change** | **2023 ($ million)2** |
| Sales | 10,170 (123.7) | -37.9 | 6,320 (75.8) |
| - Agchems | 8,420 (102.4) | -39.7 | 5,080 (61.0) |
| EBITDA3 | 1,970 (24.0) | -76.1 | 470 (5.6) |
| PAT4 | 1,080 (13.1) | -95.4 | 50 (0.6) |
|  | | | |
| 1average rate for the quarter ended December 31, 2022; 2average rate for the quarter ended December 31, 2023; 3earnings before interest, tax, depreciation and amortization; 4profit after tax. Source: Sharda Cropchem. | | | |

Herbicides accounted for the bulk of the agrochemical division’s sales at INR 2,800 million ($33.6 million) despite clocking a fall of over 43%. Consequently, the category’s share in divisional revenues reduced to 55% (59%). Insecticides were the only category that saw a jump in sales, up 21.6% to INR 1,180 million ($14.2 million). The segment’s contribution to divisional revenues increased to 23% (11%). Meanwhile, a 56% drop in sales to INR 1,100 million ($13.2 million) made fungicides the least dominant category with a 22% (30%) share in agrochemical revenues.

| **Q3 agchem sales by category (INR million)** | | | |
| --- | --- | --- | --- |
| **Quarter ended Dec 31** | **2022 ($ million)1** | **% change** | **2023 ($ million)2** |
| Herbicides | 4,950 (60.2) | -43.4 | 2,800 (33.6) |
| Insecticides | 970 (11.8) | +21.6 | 1,180 (14.2) |
| Fungicides | 2,500 (30.4) | -56.0 | 1,100 (13.2) |
| **Total** | **8,420 (102.4)** | **-39.7** | **5,080 (61.0)** |
|  | | | |
| 1average rate for the quarter ended December 31, 2022; 2average rate for the quarter ended December 31, 2023. Source: Sharda Cropchem. | | | |

All of Sharda’s regional markets witnessed a double-digit fall in revenues. Europe led the retreat with an almost 27% decrease in sales to INR 2,310 million ($27.7 million). However, its contribution expanded to 45% (38%). Meanwhile, the NAFTA region of Canada, the US and Mexico accounted for 36% (47%) of revenues, with the market contracting by 53.5% to INR 1,840 million ($22.1 million).

Latin American sales tumbled 32% to INR 340 million ($5.1 million), which marginally raised the region’s contribution to divisional revenues to 7% (6%). The lowest fall in sales of 26.3% was seen across regions outside of the named three, which raked in INR 590 million ($7.1 million). The share of such business in divisional revenues stood at 12% (9%).

| **Q3 agchem sales by region (Rs million)** | | | |
| --- | --- | --- | --- |
| **Quarter ended Dec 31** | **2022 ($ million)1** | **% change** | **2023 ($ million)2** |
| Europe | 3,160 (38.4) | -26.9 | 2,310 (27.7) |
| NAFTA | 3,960 (48.2) | -53.5 | 1,840 (22.1) |
| Latin America | 500 (6.1) | -32.0 | 340 (4.1) |
| Rest of the World | 800 (9.7) | -26.3 | 590 (7.1) |
| **Total** | **8,420 (102.4)** | **-39.7** | **5,080 (61.0)** |
|  | | | |
| 1average rate for the quarter ended December 31, 2022; 2average rate for the quarter ended December 31, 2023. Source: Sharda Cropchem. | | | |

**Nine months**

For the nine months, Sharda’s agrochemical sales shrank almost 30% to INR 14,240 million ($172.1 million at the average rate for the period), with the business accounting for 77% (79%) of consolidated revenues, which contracted by 27.8% to INR 18,510 million ($223.8 million).

Consolidated EBITDA for the period slumped over 95% to INR 190 million ($2.3 million), while EBITDA margin eroded to 1% (15.6%). Meanwhile, the company’s PAT went into a loss of INR 1,120 million ($13.5 million) with PAT margin going into negative as well at -6% (+5.6%).

| **Sharda Cropchem’s nine-month results (INR million)** | | | |
| --- | --- | --- | --- |
| **Nine months ended Dec 31** | **2022 ($ million)1** | **% change** | **2023 ($ million)2** |
| Sales | 25,630 (321.7) | -27.8 | 18,510 (223.8) |
| - Agchems | 20,320 (255.0) | -29.9 | 14,240 (172.1) |
| EBITDA3 | 4,010 (50.3) | -95.3 | 190 (2.3) |
| PAT4 [loss] | 1,430 (17.9) | -178.3 | [1,120 (13.5)] |
|  | | | |
| 1average rate for the nine months ended December 31, 2022; 2average rate for the nine months ended December 31, 2023; 3earnings before interest, tax, depreciation and amortization; 4profit after tax. Source: Sharda Cropchem. | | | |

Herbicides remained the driver of Sharda’s agrochemical business during the nine months. The category accounted for 54% (58%) of divisional revenues, despite a 33.9% slump in sales during the period to INR 7,720 million ($93.3 million). Insecticides contributed 24% (16%) to agrochemical revenues, with sales increasing nearly 6% to INR 3,470 million ($41.9 million). An over 41% decline in fungicide sales to INR 3,050 million ($36.9 million) diluted the segment’s share of revenues to 22% (26%).

| **Nine-month agchem sales by category (INR million)** | | | |
| --- | --- | --- | --- |
| **Nine months ended Dec 31** | **2022 ($ million)1** | **% change** | **2023 ($ million)2** |
| Herbicides | 11,680 (146.6) | -33.9 | 7,720 (93.3) |
| Insecticides | 3,280 (41.2) | +5.8 | 3,470 (41.9) |
| Fungicides | 5,360 (67.3) | -43.1 | 3,050 (36.9) |
| **Total** | **20,320 (255.0)** | **-29.9** | **14,240 (172.1)** |
|  | | | |
| 1average rate for the nine months ended December 31, 2022; 2average rate for the nine months ended December 31, 2023. Source: Sharda Cropchem. | | | |

Europe was Sharda’s largest business region during the nine months, with sales in the geography falling almost 21% to INR 6,780 million ($82 million). It generated 48% (42%) of the company’s agrochemical revenues. Sales in the NAFTA countries slid 40.8% to INR 4,840 million ($58.5 million), bringing down the geography’s share in divisional revenues to 34% (40%).

In Latin America, an around 32% drop in sales to INR 1,350 million ($16.3 million) pulled down the region’s share of revenues to 9% (10%), while business across the rest of the world declined some 20% to INR 1,290 million ($15.6 million). The latter’s operations accounted for 9% (8%) of agrochemical revenues.

| **Nine-month agchem sales by region (INR million)** | | | |
| --- | --- | --- | --- |
| **Nine months ended Dec 31** | **2022 ($ million)1** | **% change** | **2023 ($ million)2** |
| Europe | 8,570 (107.6) | -20.9 | 6,780 (82.0) |
| NAFTA | 8,180 (102.7) | -40.8 | 4,840 (58.5) |
| Latin America | 1,970 (24.7) | -31.5 | 1,350 (16.3) |
| Rest of the world | 1,610 (20.2) | -19.9 | 1,290 (15.6) |
| **Total** | **20,320 (255.0)** | **-29.9** | **14,240 (172.1)** |
|  | | | |
| 1average rate for the nine months ended December 31, 2022; 2average rate for the nine months ended December 31, 2023. Source: Sharda Cropchem. | | | |

**Indian carbon farming business raises $8 million**

**30 Jan 2024 - Crop Science | Headline Analysis|**

US agricultural products business Indigo Ag (Boston, Massachusetts) and Indian agriculture company Mahyco’s (Dawalwadi) Mumbai-based Indian carbon farming subsidiary, Grow Indigo, has raised over $8 million. National media report that the investment round saw participation from both the parent entities, as well as individual backers.

Grow Indigo was established in 2018 and operates four carbon programs across 13 states. The company aims to remove 20 metric tons of agricultural carbon dioxide annually, highlighting that it has enrolled some 800,000 acres (323,749 ha) of farmland as part of its initiatives. It has raised more than $23 million since inception.

**ICRISAT makes leadership appointment**

**30 Jan 2024 - Crop Science | Headline Analysis| People|**

The India-based research center, International Crops Research Institute for the Semi-Arid Tropics (**ICRISAT**), has appointed *Stanford Blade* as its deputy director general – research. He has a background in agricultural academics, and previously worked at the Canadian University of Alberta (Edmonton). The appointment is effective April 1, 2024.

**Crop Science Weekly Briefing 30 January 2024**

**30 Jan 2024 - Crop Science | Market Briefing|**

News from the agrochemical industry during the past week was led by a European Parliament committee approving new rules on plants produced through certain new genomic techniques. Developments in the EU also included the EFSA granting safety clearance to two GM corn varieties, besides the scientific community urging MEPs to advocate new breeding techniques for crops in the region.

A number of corporate deals were reported. These include Novozymes getting a conditional EU nod for its takeover of Chr Hansen, besides Biobest completing the acquisition of its Turkish biological controls subsidiary, Biobest Antalya. Furthermore, the week saw Meristem and DeLong forging a US supply deal, and a US digital agriculture firm acquire a peer business. The reporting of quarterly financial results commenced with Indian business Rallis publishing its fiscal third quarter statement.

Other news included the registration of an herbicide from Bayer in the US, as well as the launch of Eden Research’s foliar biofungicide, Mevalone, in the state of California. Product launches were undertaken by Syngenta as well, with the company introducing two herbicides in Spain.

Read on for these, and other leading articles in this edition of *Crop Science Market Reporting*’s weekly briefing.