

Fine Agrochemicals:

Extending PGR's Use for Cereals, Corn and Soybean Expanding presence in Latin America and in Eastern Europe



"Fine has always been active in the development of post-patent PGR products and once commercialised, Fine typically enhances the product offering either through improved formulation technology or by enhancing the product label with new uses. The Company has established a well-deserved reputation in this regard. Fine then works with its client base to ensure that the product features and benefits are well communicated and understood by growers. This coupled with Fine's expertise in ensuring it has the necessary flexibility in order to meet the logistical demands of getting the product where it needs to be and on time helps ensure that Fine's reputation and market leadership position remains intact," said Julian Ward, Managing Director at Fine Agrochemicals in a recent interview with AgroPages.

He also shared his views on the Fine Agrochemicals' global presence, core competitiveness, business model, product series & special features, PGR's innovation formulations, as well as future development plan etc.

Julian Ward, Managing Director at Fine Agrochemicals

fine
Excellence in PGR technology

? Please introduce the development history and milestone events of Fine Agrochemicals, global presence and core competitiveness.

Fine Agrochemicals has been in business since 1983. The Company was originally set up by two entrepreneurs who were ex-employees of Uniroyal Corporation. A key product in the founders' then portfolio was daminozide under the brand name of DAZIDE® which is still an important product sold and used in ornamentals today. The business was always established with an international focus in mind but had concentrated on Europe and the Middle East in those early years. The global headquarters of the Company was and is in Worcester UK and its crop focus has historically been PGRs for use in ornamentals and fruit crops.

In 2004, a US subsidiary was established under the name Fine Americas, Inc., reflecting the importance that Fine places on the US market. This coincided with the launch of Fine's first ornamental product in the US marketed under the brand name PICCOLO® (paclobutrazol). Fine Americas is headquartered in Walnut Creek, CA.

In 2014, the Fine business was acquired by the De Sangosse Group of France. Fine is still run as an independent entity within the Group with its own management team, distinct branding and customer base.

Today, Fine operates in 60 countries with a global turnover of \$60 million but 80% of the business revenues still come from the US and European Union.

More recently the business has branched out into broadacre crops such as cereals, corn and soybean and capitalises on synergies with its parent company, De Sangosse. In the US, Fine works with several local partners to promote its product technologies based on gibberellic acid, IBA and kinetin in corn and soybeans and Fine's branded product MAXPORT® was recently launched in Brazil in the same crops and is marketed by De Sangosse's local affiliate, De Sangosse Agroquimica. In Europe, Fine assists De Sangosse in the development and promotion of ORFEVRE® and FABULIS® (prohexadione-calcium) in cereals.

? How does Fine Agrochemicals manage its value chain and operate its global business? What are the business mode and criteria in choosing partners? Is there any plan to extend new markets?

Fine's business approach is exclusively one of developing partnerships with selected third parties, whether at the production or services end of the chain or at the distribution end. All manufacturing is contracted out to third parties across three continents. Fine has its own laboratory facilities but also works with contract research organisations to develop molecules and test them and to provide the requisite data in order to support registrations. Fine then secures agreement with carefully selected distributors who are the number one or number two leading specialists in the markets in which they

operate. Agreements are often exclusive for a given territory or market but will depend upon the size and complexity of the market. In the US, Fine operates a regional approach to distribution and has its own dedicated sales force to assist key distributors in getting Fine products on to farm.

Fine is currently expanding its presence in Latin America and in Eastern Europe where it has deployed dedicated sales and technical staff. Recently, Fine was successful in securing four new registrations in Brazil, complimenting its long-standing presence in Argentina & Chile. In Eastern Europe, Fine has been busy establishing its activity in Serbia, Ukraine, Georgia & Uzbekistan. Fine is also developing products for the Russian and Kazakhstan markets and has ambitions to develop its high value products in many Asian countries. In Turkey, Fine has had a long-standing leadership position with its local partner and continues to invest in this strategic market.

? Can you introduce Fine Agrochemicals' PGR product lines and special features? What are the strategies of product development and the plans to develop new products? How does Fine Agrochemicals combine products with services?

Fine has always been active in the development of post-patent PGR products and once commercialised, Fine typically enhances the product offering either through improved formulation technology or by enhancing the product label with new uses. The Company has established a well-deserved reputation in this regard. Fine then works with its client base to ensure that the product features and benefits are well communicated and understood by growers. This coupled with Fine's expertise in ensuring it has the necessary flexibility in order to meet the logistical demands of getting the product where it needs to be and on time helps ensure that Fine's reputation and market leadership position remains intact.

In fruit, Fine focuses on apple and pear crops. Well-known brands such as NOVAGIB® (gibberellic acid GA4/7) and PERLAN® (GA4/7 + 6, benzyladenine) are used to promote sizing, shaping and skin finish while EXILIS® (6, benzyladenine) is positioned as a chemical thinner. KUDOS® (prohexadione-calcium) was added to the portfolio some years ago and is used for vegetative control.

In ornamentals, DAZIDE® and PIROUETTE® / PICCOLO® are Fine's long-established flagship brands - they are effective in reducing stem height and making plants more compact and therefore marketable. CONFIGURE® (6, benzyladenine) was introduced more recently to increase lateral branching and flowering. Several other ornamental brands are marketed by Fine Americas reflecting the complexity of the US & Canadian ornamentals market for PGRs and the relative ease of securing registrations there compared to Europe.

FALGRO® and FLORGIB® are Fine's gibberellic acid (GA3) brands and are positioned in a wide range of crops for different uses.

All of Fine's products are supported via an extension network of efficacy trials.

Even though the cost of registering new molecules from scratch becomes prohibitive for any company, Fine spends a significant part of its development budget on research and discovery looking for new potentially useful molecules through its screening program. Fine retains staff who are dedicated for this purpose.

Agricultural



avocet™



exilis™



falgro™



kudos™



novagib™



perlan™

Ornamental



carousel™



configure™



dazide ENHANCE™



florgib™



pirouette™

■ Branded products of Fine Agrochemicals.

Can you share some PGR's innovation formulations in your company?

Fine has a record of developing innovative formulations for use by growers and many are patented. There are too many examples to mention here, however one example of this is utilising Fine's cutting-edge oil dispersion technology to develop new novel formulations of prohexadione-calcium for the broadacre cereals markets

of Europe, providing growers with a liquid alternative to commercial standards. The same technology can be applied to other active substances in the Fine portfolio such as GA3. Another was the ground-breaking development of a suspension concentrate of 6,benzyladenine (6,BA) which allows for greater non-hazardous product concentrations of the active substance than was previously possible with standard SL formulations. This then enables 6,BA as a useful tool for growers where much higher concentrations are needed to be applied. Fine's brand CONFIGURE® was the first 6,BA product to be labelled for ornamentals in the EU and is formulated as an SC.

How can PGR be used to give the best returns, for instance, right climatic conditions, equipment or technology support, or any other specific requirement for use of these products?

There are very many ways in which a PGR can influence the physiological development of a plant or its produce and are far too complex to be able to encapsulate in a few short sentences. The key point that can be made here however is that PGRs are useful tools which the grower has and which can be selected from his toolbox depending on the desired quality or yield outcome of the plant or its produce. In most countries of the world, PGRs are classed as regulated substances like pesticides and growers can only use them in strict accordance with the approved product label.

With a growing number of active substances disappearing from markets due to registration issues and with global climatic conditions changing, Fine believes that PGRs are set to play a vital role in keeping affordable food quality and production at the highest level.

What's the future development planning of Fine Agrochemicals?

As with any regulated pesticide product, considerable planning skills are required to bring a new product to market and significant investments are required in process and formulation development, field testing and the development of regulatory data for both active substance and formulation. For Fine's PGRs, huge upfront costs are needed and the return on investment is often only realized many years later. Fine adopts a team approach across all disciplines and the Company adheres to strong principles of project management in order to ensure commercialization timelines are met.

In addition to developing new products, Fine is committed to supporting the majority of key existing PGR active substances in the European re-registration review through its active participation in dedicated task forces. Again, significant investments and dedicated planning are required for this purpose.

Through the Company's activities, Fine ensures a ready supply of pipeline products in the short-term through new market introductions, medium term through new formulation development or label extensions and in the long term through Fine's active substance development and new molecule screening programs.

Could you briefly introduce PGRs' global market landscape/scenario, driving force and its growth prospects over the coming years? What are the key market trends?

We estimate the global plant growth regulator market to be between two and three billion dollars at ex-manufacturing level. Just over half of this (57%) are PGRs used in cereals and grains and a further 20% in

oilseeds and pulses with the balance being made up of fruit & vegetables and turf & ornamentals. As indicated earlier, Fine's historical strengths have been in these latter sectors but the Company is now working with strategic partners to expand into the larger broadacre segments. Fine sees growth in all these sectors with slower growth (3.5% pa) in the more mature markets of North America and Western Europe and up to 9% in the developing markets of Latin America, Asia and Eastern Europe. Perhaps this goes some way to explaining Fine's interest in targeting these areas for development of its portfolio... AP

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