

Isagro Q3 agrochem sales down 10%

by Robert Birkett

Italian agrochemical company Isagro (Milan) has posted a 10.6% fall in third-quarter agrochemical sales to €23.2 million (\$25.6 million at the current rate).



Italian agrochemical company Isagro (Milan) has posted a 10% fall in third-quarter agrochemical sales to €23.4 million (\$25.7 million at the current rate). Revenues on all business was down by 10.1% at €23.5 million (\$25.9 million). Third-quarter earnings went deeper into negative territory. Earnings before interest, tax, depreciation and amortisation (EBITDA) went from a loss of €665,000 to one of €3.5 million.

Operating loss also almost doubled, with EBIT hitting a negative €6.3 million.

Nine months

Agrochemical sales for the first nine months fell by some 12.2% to €92.1 million, while sales of all revenues fell by 16.2% to €96.6 million.

The first nine months saw general downturns at distributor level (mainly in North America and Europe) and a tightening of the regulatory picture in Europe, with consequent "phase-out" of different products in the EU, Isagro says. The company was particularly penalised as it largely selling to national distributors in those regions, it adds. Direct sales rose from €39.4 million to €42.7 million, while business to distributors was down by a quarter.

Sales of agrochemicals in Italy fell by 30% and accounted for 13% of such business compared with 16% for the first nine months of last year. Revenues in the rest of Europe dipped 3% and made up 36% of such sales (32%). Sales in the Americas dropped by 30% and accounted for 16% of pesticide sales (21%), while in Asia sales were down just 2% and accounted for 28% of such business (25%). In the rest of the world, sales were up 3% and made up 7% of revenues (6%).

EBITDA plunged 88.8% to €1.4 million, accounting for 1.5% of sales compared with 11% in the same period last year.

EBIT turned from a €5.6 million profit to a loss of €7.3 million.

Isagro sales (€ 000)

3rd qtr ended Sept 30th	2018 (\$ 000) ¹	% change	2019 (\$ 000) ¹
Sales	26,164 (28,795)	-10.1	23,510 (25,874)
Agrochemicals	25,970 (28,581)	-10.0	23,378 (25,728)
EBITDA ² [loss]	[665 (732)]	na	[3,549 (3,906)]
EBIT ³ [loss]	[3,198 (3,519)]	na	[6,254 (6,883)]
Nine months			
Sales	115,209 (126,792)	-16.2	96,564 (106,273)
Agrochemicals	104,987 (115,542)	-12.2	92,139 (101,403)
EBITDA ²	12,683 (13,958)	-88.8	1,425 (1,568)
EBIT ³ [loss]	5,557 (6,116)	na	[7,305 (8,039)]

1 at the current rate; 2 earnings before interest tax, depreciation and amortisation; 3 earnings before interest and tax.

Outlook

Isagro expects full-year contraction for agrochemicals business on a like-for-like basis, despite partial recovery in the fourth quarter, with a "consolidated loss in line with the first nine months". Including the accounting and financial effects

of the sale of Isagro Asia, Isagro estimates to be able to significantly reduce such loss, with an increase in equity. On November 4 th, the share deal was signed with Indian agrochemical company PI Industries (Udaipur) for Isagro's India-based subsidiary, Isagro Asia. The transaction includes pre-emption rights in favour of PI in case of possible divestment by Isagro of some specific assets, the company adds.

Isagro is switching from the development of new organic chemical molecules originated from its own research to the development mostly of biosolutions and copper fungicides. Such development will be financed through extraordinary operations aiming at seeking higher value of assets, the value of which it deems to not yet be "adequately expressed".

18 Nov 2019 | News | Nippon Kayaku | Financial Results

Nippon Kayaku's first-half agchem sales flat

by Andy Beer

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Japanese company Nippon Kayaku recorded agrochemical sales of some ¥3,200 million (\$29.4 million at the current rate) in the first half of its fiscal year ending March 31st 2020. That was unchanged from the same period last year. Agrochemicals are included in Nippon Kayaku's "other" business segment, which posted a 0.6% dip in revenues to ¥4,170 million (\$38.3 million). Operating profit grew by 20.9% to ¥795 million. The company points to an improvement in profit margins for its agrochemical business due to switching the sourcing for product materials.

18 Nov 2019 | News | Bayer Crop Science | Monsanto | Legal

Monsanto wins Brazilian case on use of saved GM seed

by Robert Birkett

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Bayer's Monsanto business has won a Brazilian case against grower groups seeking the right to plant saved seed harvested from the company's genetically modified herbicide-tolerant Roundup Ready soybeans. Nine judges at the Superior Court of Justice (STJ) unanimously decided that the case be settled under patent law and not seed law. Grower groups from the state of Rio Grande do Sul advocated for the latter law to be employed. Those grower groups are reportedly seeking a further appeal on the issue. They claim constitutional violations in the judgement, news agency Grupo Cultivar reports. Rapporteur Nancy Andrighi says that there is a conceptual difference between cultivars and GMOs, as the former undergo human intervention to gain improvement, but that is not possible with GMOs, Canal Rural reports. Therefore, growers would not be able to use protections in the cultivar law, which guarantee the right to save seed for planting. Farmers are seeking the right to use "saved seed" without paying further royalties for their use, and are seeking the return of previous such payments. Bayer reportedly said that the decision consolidated "the access to development of agricultural technology" in Brazil. "Growers will continue to benefit from biotechnology products, as Brazil has always demonstrated a consistent application of the legal system in relation to intellectual property rights and the protection of cultivars," it is reported as saying.