

Sumitomo Corporation acquires agricultural crop protection fungicide from Bayer Crop Science Japan

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Tokyo-based Sumitomo Corporation announced the acquisition of agricultural crop protection fungicide Metominostrobin from Bayer CropScience Japan. The deal was made through Summit Agro International (hereinafter referred as "Sumisho Agro"), a subsidiary of Sumitomo Corporation (SC).

Metominostrobin is a broad-spectrum, systemic fungicide with preventative and curative activity. It is especially potent on soybean rust, which can seriously damage soybeans.

Global cereal crop production has almost doubled from 1970 because of factors such as population growth and diet changes due to increased incomes. Worldwide, it is said that there is a need to double cereal crop production to meet the estimated food demand projected by 2050. To ensure this level of crop production in the future, farm land acreage needs to increase but most importantly, higher yields are essential. Fungicides like Metominostrobin will be instrumental in helping farmers meet this increased demand.

Metominostrobin has already been registered as a Crop Protection product in Argentina, one of the world's largest soybean producers as well as other Latin American countries including Columbia, Ecuador, Peru and Bolivia. Additionally, it has been registered for crop protection usage in Asia, including Vietnam, the Philippines, Malaysia and Indonesia, and in Israel, where demand for fruits and cereal crops is significantly increasing. Metominostrobin is in the process of being registered in Brazil, the world's second largest soybean producer, through Iharabras, which Sumitomo Corporation has equity participation.

Sumisho Agro's acquisition of this fungicide includes distribution and marketing rights for all markets with the exception of sales and development of Metominostrobin as well as its dossier for risk assessment in Japan, which will be retained by Bayer CropScience Japan. Sumisho Agro aims to sell several billion yen globally of the product by 2020 through increased global promotion of Metominostrobin. In addition, Sumisho Agro will proactively engage in the development of the mixture of new compounds to expand the application of the product.

Sumitomo Corporation Group (SCG) started to grow their crop protection business in the 1970s by exporting Crop Protection products manufactured by Japanese companies. Presently, SCG is developing the business of importing and selling these types of agricultural chemicals in 30 countries, mainly in Europe. SCG's strategy is to expand the value chain downstream through the acquisition of agricultural wholesalers and others. Sumitomo Corporation Group aims to further enhance its revenue base through diversified measures such as upgrading and expanding their portfolios and increasing their business base.

SOURCE SeedQuest