

Eyes On IPM



From left to right, the Certis USA management team includes Takuji Fukaya, Jakob Eyal, Michael Dimock, Dennis Banasiak, and Tim Damico.

Certis USA's mission is to combine biological products, traditional chemistries, and crop knowledge to develop integrated pest solutions.

BY PAUL SCHRIMPF

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FINDING the right fit for biologically derived pesticides in large-scale production agriculture has always been a difficult challenge for manufacturers and marketers.

While some products have found successful niches — products such as insect pheromones, sprayable *Bacillus thuringiensis* (Bt), and neem-based products — success in creating a total, season-long solution for a given crop has proven more elusive.

The developers of these products many times were some of ag's most driven entrepreneurs, but many lacked sufficient financial backing and a product portfolio to gather and maintain momentum in their target markets.

These companies rose and fell during the 1990s, and the survivors began consolidating resources through mergers and acquisitions toward the end of the decade. One such survivor is Columbia, MD-based Certis USA.

Certis USA now controls some of the most proven and promising biopesticide technology and research, with a two-pronged goal: Creating integrated pest management solutions using the wide range of technology at its disposal, and trying to shake the stigma of overpromising and underdelivering associated with early bio-control marketing.

“The big difference between us and biopesticide companies in the past is that we no longer define ourselves as a biopesticide company,” says Dennis Banasiak, president and CEO of Certis USA. “We are a manufacturer of crop protection products that fill specialty niches in targeted crop markets.”

Beyond the scope of product offerings, Banasiak cites two other reasons for optimism at the company. First, it has the financial backing of international trading company Mitsui & Co., which owns Certis USA.

Second, the market is moving its way. Growing interest in organic products, as well as increasing food processor demands for low- or no-residue crops is creating new opportunities for Certis products to fill a niche.

Taking technology to the market is nothing new to Banasiak, who took on a division of Phillips Petroleum in the 1980s to market synthesized pheromones he himself developed as a research chemist for the company.

In 1988, Banasiak was called on to head a new joint venture between Phillips and Dow Corning called AgriSense. The idea was to combine Phillips' pheromone technology with

Dow's controlled release technology, resulting in innovations in pheromone delivery.

Banasiak returned to Phillips for a time working on international business opportunities when AgriSense was sold, but he returned to the biopesticide arena in 1999 when the Certis USA opportunity presented itself.



Certis USA acquisitions included more than \$100 million in product research.

Cover Story

Certis USA's lineage goes back to 1994, when W.R. Grace created a biopesticides division to develop neem oil. In collaboration with USDA, it released Trilogy biofungicide.

Thermo Ecotek purchased the Grace division in 1996, renamed the company Thermo Trilogy, and added neem competitor Biosys a year later. Biosys also was producing beneficial



nematodes and viruses, which were added to Thermo Trilogy's line. The Biosys deal also included AgriSense, which Biosys had purchased in 1990s.

Later in 1997, Thermo Trilogy picked up the Novartis (now Syngenta) line of sprayable Bt products. In 2001, Mitsui purchased the assets of Thermo Trilogy and launched Certis USA. Later, Certis added Bt products from Ecogen and partnered with 3M Canada on innovative sprayable pheromone technology.

Along with the products themselves, Banasiak says the company received more than \$100 million in product research from which to start. "The products have been well-researched — now we can target our own marketing and research efforts and make things happen."

Certis USA employs more than 100 people in the U.S., with 10 regional salespeople concentrated on the West Coast, Florida, and the Northeast.

Global Backing

Banasiak says he sees Certis USA

significantly increasing its potential to grow and expand, driven both by current market trends and a sizable global reach under the Mitsui umbrella.

Mitsui & Co., Japan's largest trading organization, recently created a holding company for its agriculture interests called Mitsui AgriScience International (MASI), under which Certis USA operates. Other MASI companies owned in part or in total by Mitsui include distribution companies

the Mitsui pipeline and we gain access to products from other manufacturers" in which Mitsui has an interest. The parent company also provides infrastructure services, such as risk management and logistics, which helps Certis USA operate more efficiently.

Walking The Line

With the passing of organics standards in the US, keeping its products at the forefront for organic growers is a market opportunity, as well as a challenge. "We work hard to maintain our organic grower business by formulating products and strategies that both meet the new standards and deliver the efficacy growers need," says Tim Damico, vice president, sales and marketing.

What that requires is honesty in product positioning — knowing and communicating the product's effectiveness and limitations — and solid stewardship of the product.

One initiative the company is using is its electronic pest alert program called Worm Traxx. Using a communication network of Extension, PCAs, and in-the-field observers in California, Certis USA provides fax-on-demand peach twig borer emergence alerts to almond consultants and growers during February and March. The alerts provide recommendations for applications of sprayable Bt products.

Certis USA also is working to build IPM programs that meet the demands of food processors and consumers for food with a certified lineage of low-impact inputs, while also delivering on efficacy assurances. Depending on the needs of the end user, programs can be "built to order," from totally biopesticide-based to a combination of traditional chemistries and biocontrols.

As with any niche-based strategy, the key will be delivering value that the market will pay for. Bringing together its broad base of biocontrols and connection to specialty crop consultants and growers, Certis USA is well-positioned to make it happen. ▀

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President and CEO*

Certis Europe, Certis Mexico and Certis Japan, the pheromone company AgriSense, and beneficial insect company Biological Crop Protection (BCP).

Mitsui also recently purchased 80 percent of Spiess-Urania Chemicals GmbH, the fourth largest distribution company in Germany and a basic manufacturer of copper fungicide products.

MASI sales currently exceed \$500 million, but Banasiak says the group expects to reach more than \$1 billion in sales in the "not too distant future." He explains that Mitsui's global presence both inside and outside agriculture will open up new market opportunities to all its subsidiaries, including Certis USA.

"There's excellent synergy for Certis USA in Mitsui," says Takuji Fukaya, vice president and treasurer, "where our products become established within