

Syngenta Seeds: "From field to fork"

By Robert L. Wallack, AJOT

Multinational agribusiness leader Syngenta AG in Basel, Switzerland is poised at the root of the food chain by making better farm products for better crop production in global markets.

The United States vegetable seeds division, Syngenta Seeds, Inc. with headquarters in Boise, Idaho, is where sales, marketing and logistics planning are handled. The company's ROGERS brand vegetable seeds, a brand since the late 1800s, are now exported from the Pacific Northwest to farm growers and processors in the US, Mexico and Canada.

The company began as a chemical business in 1758 in Switzerland. In 2000, Novartis agribusiness merged with Zeneca agrochemicals to form Syngenta. Herbicides, fungicides and insecticides comprise most of the company's 2002 sales of \$6.2 billion.

Seeds of field crops and vegetables & flowers accounted for \$503 million and \$434 million, respectively out of a total of seven product lines.

The Wall Street Journal reported signs of improvement in the farm market in 2003, after a five year slump, when Syngenta's net income increased 37% over 2002 on sales of \$6.58 billion.

Syngenta has the largest market share in the world for crop protection chemicals. Their brand name seed treatments fight against fungus on seeds or from soil dwelling pests. Certain products are developed for a specific country's grower needs.

Similarly, the company's field crop seeds are made by advanced breeding methods for specific geographic areas. For example, they produce genetically enhanced seeds with built-in insect resistance or herbicide tolerance. The field crop seed market is a \$9-11 billion market and Syngenta enjoys the third largest market share, based on sales for corn, soybeans, and sunflower seeds.

The global vegetables and flower crop seeds market is valued at \$3-4 billion. Syngenta has the second largest market share of this category. Besides the ROGERS brand for the Americas, Syngenta's vegetable and flower seeds customers in Europe, Africa and Asia buy the S&G brand. "We produce vegetable seeds and distribute the seeds through our global network. Our two largest production locations are the United States and Europe," said Gary Rasmussen, Traffic Manager, Syngenta Seeds, Inc., Boise, Idaho.

The American Seed Trade Association in Alexandria, Virginia is one of the oldest US trade associations, in existence since 1883. They estimate a commercial global market for seeds of \$30 billion of which the US holds twenty percent. Mexico's \$170 million. Canada's \$142 million, and Japan's \$58 million were the top three of 95 importing countries of US planting seeds in 2000-01, according to the United States Department

of Agriculture, Foreign Agriculture Service.

NEW PORTLAND-NORTH EUROPE SERVICES

The Port of Portland, Oregon estimates that Syngenta Seeds ships 25% of its international products (imports and exports) through their port.

Rasmussen explained to the *American Journal of Transportation* that Nampa, Idaho and Vin Falls, Idaho and Othello, Washington are production and shipping facilities for Syngenta's large vegetable seeds (peas, beans, corn). Their Gilroy, California location is for small vegetable seeds (watermelon, peppers, tomatoes, broccoli, etc.).

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International shipments of packaged seeds travel through several West Coast ports as well as some on the East Coast. "When shipping containers out of Idaho, Washington, and California, we prefer to source load our containers at our shipping facilities and truck the loaded containers directly to one of the ports," said Rasmussen. Truck transit times from Idaho to Portland are seven to eight hours.

Syngenta Seeds works with a few international freight forwarders. The company has longstanding relationships with various ocean carriers in which rate agreements are set.

Agreements are also in place with various air carriers as well. Domestic shipments are delivered by truck, rail, liner carriers and overnight air service.

Rasmussen stated that the company ships, "...approximately 500 teus per year, plus hundreds of LCL and air shipments. We also ship via truck and rail to Mexico and Canada."

The Port of Portland offers a new Med Pacific Express service for Syngenta run by the London-based CMA Ships. From Portland's Terminal 6 there is a standard all-water service from Portland to Northern Europe. CP Ships's Italia Line is used for the trade route.

"This is a gateway that they can put product

on which started in the last year," said John Akre, Regional Marketing Manager, Port of Portland.

CP Ships is in its 100th year as a North American niche carrier. "The Pacific Northwest is very important to us," said Paul Snell, Trade Manager, CP Ships.

Syngenta Seeds is just a small part of Idaho's production of 144 different commodities. Seed exports in Idaho were \$11.4 million in 2002 out of a total food and agriculture products exports of \$789.2 million. Almost one third of Idaho's agriculture production is exported. The top international markets are Japan, Canada, China, Taiwan and Mexico. Overall, Idaho's 2002 total crops and livestock farm gate receipts reached \$3.9 billion, according to Gus Eliopoulos, Trade Specialist, Idaho State Department of Agriculture.

Syngenta Seeds's Gary Rasmussen is a 15 year veteran of the company and has 27 years in the transportation and distribution industry. He concluded, "Our vegetable seed market is driven by consumer demand for fresh produce of high quality, by processor requirements and by farmer demands for better yields. Every day is a challenge as we are faced with new regulatory compliance issues that directly affect our business, customers and the world."