



Iowa Biotech Association Monthly Update July 2010

This message was sent to you as a benefit of membership in the IBA. If you would like more information on any topic or no longer wish to receive these messages, please email Michael Ott at otterm@gmail.com or call (319) 621-8580

Editor's Note:

We have a new editor and format for this month. The report is divided into three sections: Industrial & Environmental, Food & Agriculture, and Healthcare & Pharmaceuticals. Stories which feature IBA members are at the top of each section and are accompanied by their logo. In the future, editorial comments will be in italics. Please let us know if you like the changes, if we've missed something, or if you would like to highlight your company/institution. Comments are always appreciated to Michael Ott at otterm@gmail.com or 319-621-8580.

Late Breaking News:

The Energy Bill seems to have stalled in the Senate. There was hope that outrage over the BP spill would be a driver for action. This means that biofuel tax credits are still up in the air. Uncertainty around legislation has caused numerous businesses to delay investments and important strategic decisions.

The Iowa Office of Energy Independence is looking for technology demonstration projects. Please forward to groups that you believe could qualify for funding.

<http://www.energy.iowa.gov/files/OEISEPNewsWireDT071910.pdf>

Industrial & Environmental



IBA member SynGest was **awarded \$2.5 million from the Iowa Power Fund** to pursue biomass ammonia development:

http://www.biomassmagazine.com/article.jsp?article_id=3927



An ISU researcher **has developed a new green, bio-based method for producing isobutene** (isobutylene) by identifying a new, natural enzyme that produces the fuel organically. http://www.soyatech.com/news_story.php?id=19132

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The European Commission has **approved 6 genetically modified corn varieties** for importation. This is a very positive step for producers:

<http://www.nytimes.com/2010/07/29/business/global/29gmo.html?src=busln>

Dry mill ethanol has made tremendous gains in efficiency, **pushing the energy balance at most plants to 2.3:1**. If a plant is biomass fired, it jumps to 2.8:1. Stats detailed here: http://www.soyatech.com/news_story.php?id=18802

Biofuel Tax Credit Thread

Growth Energy, an ethanol trade association, is **proposing the phase out of the 45 cent ethanol subsidy** in favor of installing blender pumps which could drive up use of the product. <http://www.reuters.com/article/idUSN1521158720100715>

Along the same lines, some speculate that **moving forward the blender credit may be reduced to \$0.36/gallon or be eliminated** altogether anyway:

http://www.agnetwork.com/monday_newsletter.aspx?oid=1165794&tid=Archive&hq_e=el&hq_m=768672&hq_l=17&hq_v=5f53f8d16f

An ISU researcher claims that **reducing or eliminating the VEETC will have little to no effect on the ethanol industry**. This study was funded by UNICA, the Brazilian ethanol trade association, and is under scrutiny:

<http://blogs.desmoinesregister.com/dmr/index.php/2010/07/23/isu-economist-defends-ethanol-study/>

The **biodiesel tax credit may still be alive**, if Sen. Grassley is successful in this latest attempt: http://www.biodieselmagazine.com/article.jsp?article_id=4313

The NRDC and other groups are **lining up to oppose E15**:

http://www.ethanolproducer.com/article.jsp?article_id=6859

The **EPA has overhauled their RFS2 goals**, lowering the amount of advanced biofuels required this year, while keeping the total amounts the same.

<http://biofuelsdigest.com/bdigest/2010/07/14/epa-proposes-2011-rfs-mandates-slashes-cellulosic-biofuel-holds-to-overall-target/>

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Some claim that indirect land use should be included in the life cycle analysis of biofuels. This study from the Univ. of Nebraska includes **the carbon output from military protection in the Persian Gulf and from the war in Iraq** in their life cycle analyses:
http://www.ethanolproducer.com/article.jsp?article_id=6860

An ethanol **pipeline doesn't appear to be cost effective**, given projections about biofuel demand and shipping costs:
<http://blogs.desmoinesregister.com/dmr/index.php/2010/07/19/ethanol-pipeline-not-viable-at-projected-demand-study-says/>

Green Plains Renewable Energy is **moving ahead with Phase II of their algae project and also installing corn oil extraction technology**:
http://www.ethanolproducer.com/article.jsp?article_id=6863

Algae as a feedstock for biofuels is popular, but **there are risks and concerns**:
<http://www.nytimes.com/cwire/2010/07/22/22climatewire-the-race-to-make-fuel-out-of-algae-poses-ris-80037.html>

REG has **purchased two companies** that will help them diversify into non-soy feedstocks:
http://www.biodieselmagazine.com/article.jsp?article_id=4305

EPA requiring **coal plants to reduce sulfur and nitrogen** emissions: http://online.wsj.com/article/SB10001424052748704862404575350881027651908.html?mod=dist_smartbrief

A **summary of biomass findings** that were presented at the BIO World Congress in DC. A link to the full report is at the bottom: <http://www.icis.com/blogs/green-chemicals/2010/07/the-future-of-biorefineries.html>

Novomer is a startup that is trying to use **waste carbon dioxide to make plastics and products**. This seems like a much better idea than just burying it in the ground:
<http://www.masshightech.com/stories/2010/07/19/daily48-Novomer-notches-184M-grant-from-DOE-.html>

Massachusetts is issuing **stricter rules for biomass based electricity**, based on a study that many in the industry claim is flawed. This could be a re-enactment of the CARB issue in biofuels: http://www.nytimes.com/2010/07/10/business/energy-environment/10biomass.html?_r=1

Now the authors of the study are claiming that their **results were misinterpreted and overhyped by the media**. An explanatory event is planned:
http://www.biomassmagazine.com/article.jsp?article_id=3967

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Scientists working in field of synthetic biology **ask for more regulation** by the federal government: http://www.boston.com/news/science/articles/2010/07/09/regulation_of_synthetic_biology_industry_urged/

KiOR raised **\$110 million for their biomass cracking catalytic process**, which converts biomass to biocrude oil in seconds, from some well known names: <http://earth2tech.com/2010/07/23/khosla-backed-kior-ups-funding-to-110m/>

Food & Agriculture



EMBRIA
Health Sciences



Several **Iowa companies have released new food products**, with a trend towards fewer ingredients, smaller labels, and healthier products:

http://www.agnetwork.com/monday_newsletter.aspx?oid=1162543&tid=Archive&hq_e=el&hq_m=768672&hq_l=18&hq_v=5f53f8d16f

MONSANTO



Monsanto Co. has pledged to **maintain export approvals** through 2021 for the first-generation version of its herbicide-resistant soybeans, assuring international sales can continue after the patent on the technology expires.

<http://www.desmoinesregister.com/article/20100709/BUSINESS01/7090354/1030/Monsanto-OKs-post-patent-biotech-soybean-sales>



ISU Extension sent out this helpful piece on **grain storage options**: <http://www.extension.iastate.edu/aqdm/crops/html/a2-35.html>

MONSANTO



Monsanto Co. and BASF said Wednesday they would **develop genetically modified wheat** as part of an expanded joint venture.

<http://online.wsj.com/article/SB10001424052748703636404575352910082531370.html?mod=googlewsj>

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Cargill is **launching a new omega-3, canola/flaxseed blend** containing up to 30 percent ALA it says will enable food manufacturers to employ omega-3: <http://www.nutraingredients-usa.com/Industry/Cargill-debuts-flax-canola-omega-3-blend>



Ajinomoto and Kellogg's have a **collaborative R&D project to develop healthier cereals:**

<http://www.foodnavigator-usa.com/Science-Nutrition/Ajinomoto-and-Kellogg-s-team-up-on-healthier-cereals-project>



Food ingredients may offer some help in **the treatment of macular degeneration:** <http://www.nutraingredients-usa.com/Research/The-science-of-eye-health-ingredients>

Farmers Feed Us is a new website put together by state ag groups that **addresses some of the criticisms of farming.** Check it out here: <http://farmersfeedus.org/>

This is a really interesting **thought experiment about what would happen if everyone became a vegan:** <http://www.newscientist.com/article/mg20727691.200-veggieworld-why-eating-greens-wont-save-the-planet.html?DCMP=OTC-rss&nsref=environment> There is some unnecessary anti-agricultural propaganda, but the stats are very valuable.

The FDA has produced draft guidelines **to reduce the amount of antibiotics** in meat: <http://www.foodqualitynews.com/Food-Alerts/FDA-urges-phasing-out-of-antibiotics-in-meat>

The European Parliament wants to keep **cloned milk and meat out of foods:** <http://www.foodproductiondaily.com/Quality-Safety/Keep-clones-out-of-novel-foods-MEP-vote>

Codex established **limits for the amounts of melamine and aflatoxin** that are safe in foods: <http://www.foodproductiondaily.com/Quality-Safety/Codex-sets-limits-for-melamine-and-aflatoxin-in-food>

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Healthcare & Pharmaceuticals



The FDA will give **priority review to Amgen's drug** which prevents skeletal problems in cancer patients: http://online.wsj.com/article/BT-CO-20100716-712079.html?mod=dist_smartbrief



Be well Merck **acquired Hawaii Biotech in order to continue work on their Dengue Fever vaccine.** Dengue fever was prevalent in Brazil when I was there in 2008 and has recently spread to Florida.
http://www.staradvertiser.com/business/businessnews/20100721_Merck_acquires_part_of_bankrupt_Hawaii_Biotech.html

A major merger may be underway in the pharmaceutical world. Sanofi-Aventis is exploring options to acquire Genzyme: <http://dealbook.blogs.nytimes.com/2010/07/23/sanofi-aventis-biotech-play-for-genzyme/> Follow up: http://www.nytimes.com/2010/07/29/business/29genzyme.html?_r=1&src=busln

Contract manufacturing is growing, due to rising cost pressures on pharmaceutical manufacturers: <http://www.outsourcing-pharma.com/Contract-Manufacturing/Contract-manufacturing-sector-growing-at-12-per-cent-report>

Vaccines may be **delivered by biodegradable skin patches** rather than with needles. Because the body expects to encounter harmful invaders on its surfaces, the skin is loaded with cells that can launch an immune response--a key step for a vaccine to work. <http://www.technologyreview.com/biomedicine/25818/>

Researchers are **experimenting on octopus venom from Antarctica**, which has amazing cold flow properties, in order to create biomimics for drug delivery: <http://www.abc.net.au/news/stories/2010/07/21/2960350.htm?section=world>

A combination of nanoparticles and stem cells worked very well at **reducing cardiac plaques** in pigs: <http://consumer.healthday.com/Article.asp?AID=641309>

Bones and joints were **re-grown in rabbits**, using just growth factor, and not implanted stem cells. This could have major implications for treatment of arthritis and joint replacements: <http://www.reuters.com/article/idUSN2821255720100728>

PhRMA **does not want to limit free samples** given to doctors, as is now done in Europe: <http://www.fiercepharma.com/story/phrma-not-interested-free-sample-limits/2010-07-12#ixzz0v7Eo5HU5>

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John Castellani will **take over as CEO** of PhRMA:

<http://www.reuters.com/article/idUSN1324769420100713>

Finance Thread

Euthymics Biosciences **successfully raised \$24 million in a Series A round** for an antidepressant drug that initially seems to be effective where SSRI's are not. This is the first big Series A round that I've seen in quite some time:

<http://www.pehub.com/77935/antidepressants-developer-raises-24-million/>

Immune Design **raised \$32 million in a second round** financing for their vaccines:

<http://www.xconomy.com/seattle/2010/07/26/immune-design-nabs-32m-for-targeted-vaccines/>

Cerenis **raised \$51 million** for their cardiovascular drugs:

<http://www.businessweek.com/news/2010-07-26/cerenis-raises-51-3-million-to-develop-heart-disease-drug.html>

Drug R&D **productivity is declining**, as revenues are skewed towards older drugs:

<http://www.reuters.com/article/idUSTRE65Q3IM20100627>

FDA Thread

The FDA will decide whether companies should **be allowed to sell tests for high risk diseases** directly to

consumers: http://online.wsj.com/article/SB10001424052748704875004575374960528395530.html?mod=WSJ_business_IndustryNews_DHC

Here's a follow up article:

http://online.wsj.com/article/SB10001424052748704421304575383550518554386.html?mod=WSJ_hps_sections_health

The new healthcare reform law outlined a pathway for the Food and Drug Administration (FDA) to **approve next-generation biopharmaceuticals** modeled on original breakthrough drugs. Critics say the provision is vague and leaves FDA with a great deal of leeway to okay those drugs — including the flexibility to decide whether clinical trials are necessary at all. Greater screening may be necessary:

<http://thehill.com/blogs/healthwatch/health-reform-implementation/109647-experts-concerned-about-lack-of-clinical-trials-for-biosimilar-drugs>

States are **caught in a Catch-22 with the new healthcare bill**. States are mandated to expand new programs but are forced to wait on Congress to direct funds to plug holes in existing coverage:

http://online.wsj.com/article/NA_WSJ_PUB:SB20001424052748704799604575357540945483582.html

New Members:

If you know of a company that would benefit from the Association's advocacy, financial savings and education/workforce focus, please have them contact the Association at (319)-621-8580 or email otterm@gmail.com. Membership details available at www.iowaBiotech.com.

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Events

Livestock Biotech Summit, Sept. 28-30, Sioux Falls, SD. For details go to www.bio.org/livestockbiotechsummit.

Platt's Next Generation Biofuels Summit, Oct. 4-5, Chicago, IL. For details go to <http://www.platts.com/ConferenceDetail.aspx?xmlpath=2010/pc037/index.xml>

BIO is seeking Papers and Panels for the 2010 Pacific Rim Summit in Honolulu, HI from Dec. 11-14: http://www.bio.org/pacrim/presenters/submit_abstract.asp

Want to promote your biotechnology conference, symposium or training class?

SEND A NOTE TO MICHAEL OTT AT OTTERM@GMAIL.COM Members may submit their event for a free listing on the Event Calendar that appears on IowaBiotech.com and other affiliate state associations. Discounted rates are available for prospective members.

PURCHASING AGREEMENTS:

One of the largest benefits of membership in the IBA is access to discounted merchandise through our purchasing partners. Please contact us at 515-327-9156 for details on:

Lab Equipment Supplies and Chemicals: Primary Contract- **Thermo Fisher Scientific**
Secondary Contract- **VWR**

Lab Casework & Equipment: Primary contract- **Fisher Hamilton/Wynn O. Jones**
Secondary - **TMI & Kewaunee/Innovative Lab Sys.**

Analytical Equipment & Supplies **Shimadzu Scientific and Beckman Coulter**
Office equipment, Supplies & Furniture **OfficeMax**

Speakers

IBA staff are available to give 15-60 minute speeches to interested groups, such as Rotary Clubs, trade associations, or civic groups. A broad range of topics could be discussed, included biotechnology, healthcare, food vs. fuel, legislative policy, investment and more.

Contact Rachel Hurley at (515) 327-9156 or rhurley.iowabiotech@gmail.com

Today's Thought:

A business has to be involving, it has to be fun, and it has to exercise your creative instincts.

Richard Branson

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