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## Iowa Biotech Association Monthly Update October 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](mailto:otterm@gmail.com) or call (319) 621-8580

### Late Breaking News

A BIO study showed that since 2007, 100 publicly traded biotech companies, about 25% of the market, are **no longer in business**: <http://www.bloomberg.com/news/2010-10-05/shrinking-u-s-biotechnology-sector-lost-25-of-companies-in-past-3-years.html>

The biotechnology industry **eked out a 4.5% profit margin in the last year**, which is respectable in a down economy. Larger companies led the way: <http://www.signonsandiego.com/news/2010/oct/13/biotech-industry-turns-profitable/>

A recently released Tax Foundation study shows that **Iowa's business tax climate is ranked 45<sup>th</sup>**: <http://economix.blogs.nytimes.com/2010/10/27/states-with-the-best-and-worst-business-tax-climates/?ref=economy> A link to the full study is at the bottom of the page.

### Welcome to New Members

**Syngest**, who makes BioAmmonia™ from biomass. <http://www.syngest.com/>

**Fiberight**, a cellulosic ethanol company using waste fibers as a feedstock. <http://www.fiberight.com/>

**Avello Bioenergy**, who makes petroleum replacements from biomass using fast pyrolysis: <http://www.avellobioenergy.com/>

**Davis Brown**, a full service law firm based in Des Moines: <http://www.lawiowa.com/>

**Farm Credit**, serves the ag credit and financial needs of farmers and ranchers in Iowa, Nebraska, South Dakota and Wyoming: <https://www.fcsamerica.com/>

**TetraVitae Bioscience**, who makes biobutanol for chemicals, plastics and fuel: <http://www.tetravitae.com/>

# Healthcare & Pharmaceuticals



GlaxoSmithKline has **purchased a minority stake in Convergence Pharmaceuticals**, a new biotech company working to develop analgesic compounds: <http://triangle.bizjournals.com/triangle/stories/2010/10/04/daily15.html>  
GlaxoSmithKline also **paid a \$750 million fine** for selling contaminated baby ointment and an ineffective antidepressant:  
[http://www.nytimes.com/2010/10/27/business/27drug.html?\\_r=1&th&emc=th](http://www.nytimes.com/2010/10/27/business/27drug.html?_r=1&th&emc=th)



Pfizer will **buy King Pharmaceuticals** for \$3.6 billion in cash:  
<http://dealbook.blogs.nytimes.com/2010/10/12/pfizer-to-buy-king-pharmaceuticals-for-3-6-billion/?dlbk&emc=dlbk>  
Pfizer's latest **psoriasis drug achieved efficacy** in its Phase II trial:  
<http://www.reuters.com/article/idUSN0721001320101007>



Eli Lilly is **losing patent protection on drugs that accounted for 74% of 2009 sales** in the next seven years:  
<http://www.nytimes.com/2010/10/01/business/01lilly.html?th&emc=th>



The **Sanofi-Genzyme takeover received approval** from US Antitrust regulators: [http://www.nytimes.com/reuters/2010/10/20/business/business-uk-sanofi-aventis-genzyme.html?\\_r=1](http://www.nytimes.com/reuters/2010/10/20/business/business-uk-sanofi-aventis-genzyme.html?_r=1)



Johnson and Johnson will **purchase the remaining portion of Crucell** that it does not already own. Crucell makes vaccines and antibodies for infectious diseases: <http://www.investor.jnj.com/releasedetail.cfm?ReleaseID=515096>

Roche's Herceptin **drug for stomach cancer was recently approved**:  
<http://uk.reuters.com/article/idUKN2022984020101020>

Geron **enrolled the first patient for its early-stage human-embryonic stem-cell treatment** for spinal-cord injuries:

[http://online.wsj.com/article/SB10001424052748703794104575546371842991324.html?mod=WSJ\\_hps\\_sections\\_business](http://online.wsj.com/article/SB10001424052748703794104575546371842991324.html?mod=WSJ_hps_sections_business)

The Department of Justice believes that **human genes should not be patentable**:

<http://www.nytimes.com/2010/10/30/business/30drug.html?nl=&emc=a25>

The Supreme Court appears to be split on whether **vaccine makers are responsible for injuries allegedly caused by their products**: <http://www.bloomberg.com/news/2010-10-12/vaccine-makers-get-mixed-reception-from-u-s-justices-over-injury-lawsuits.html>

This link shows when different **provisions of the recent Health Care bill come in to effect**: <http://healthreform.kff.org/timeline.aspx> In other healthcare news, denture adhesives and acne cream are considered qualified expenses, but breast pump equipment is not: <http://www.nytimes.com/2010/10/27/business/27breast.html?th&emc=th>

SBIR **proposals for Cancer Research and Technology Development are due on Nov.**

8. Apply here: <http://grants.nih.gov/grants/funding/SBIRContract/PHS2011-1.pdf>

Colon cancer **detection by DNA tests may replace colonoscopies**:

<http://www.nytimes.com/2010/10/29/health/29cancer.html?nl=&emc=a23>

The Nobel Prize for Chemistry was **awarded to researchers who developed methods to link carbon atoms using palladium catalysts**:

[http://www.nytimes.com/2010/10/07/science/07nobel.html?\\_r=1&hp](http://www.nytimes.com/2010/10/07/science/07nobel.html?_r=1&hp)

**Illinois leads the Midwest in healthcare VC investment.** Minnesota is second:

<http://www.medcitynews.com/2010/10/illinois-keeps-lead-among-midwestern-states-for-healthcare-vc/>

McKesson Corporation **will buy US Oncology for \$2.16 billion**:

<http://dealbook.blogs.nytimes.com/2010/11/01/mckesson-to-buy-us-oncology-in-2-16-billion-deal/?dlbk&emc=dlbk>

## Industrial & Environmental



DuPont Danisco Cellulosic Ethanol LLC DDCE is **examining sites in Iowa for a biorefinery** that makes ethanol from corn stover:

<http://www.desmoinesregister.com/article/20101021/BUSINESS01/10210335/1030/Story-Webster-counties-under-consideration-for-new-biorefinery>



Avello Biosciences is **producing bioasphalt that is being used in trails** in Des Moines:

<http://www.desmoinesregister.com/article/20101007/BUSINESS/10070335/-1/comingsunday/Bioasphalt-on-trail-is-one-step-to-moving-away-from-petroleum>

MONSANTO



Corn stover has **tremendous potential as a feedstock for biofuels** and other biobased products:

<http://www.desmoinesregister.com/article/20101024/BUSINESS01/10240338/1030/Is-corn-stover-the-next-big-biofuel?> Here's a detailed article about six major factors involved in how much corn stover can be sustainably removed:

<http://www.liebertonline.com/doi/pdfplus/10.1089/ind.2010.6.271>

The EPA **approved E15 for use** in 2007 and later autos and light trucks. It is expected to rule on 2001-2007 makes next month. This article summarizes the stances of many of the involved parties: <http://www.biorefiningmagazine.com/article/1014100929>

The **USDA came out with rules for BCAP** and they seem to favor wood and perennials over corn stover. <http://af.reuters.com/article/energyOilNews/idAFN2022289620101020>

Valero's ethanol business has been profitable and they are **interested in purchasing more plants**: <http://blogs.desmoinesregister.com/dmr/index.php/2010/10/29/ethanol-still-profitable-for-valero/>

States that are net exporters of energy, such as Iowa, have **been less affected by the recession** than states that are dependent on energy exports, according to Biofuels Digest: <http://biofuelsdigest.com/bdigest/2010/10/25/how-and-why-did-energy-producing-states-skirt-the-us-recession/>

The military is **trying to break from its dependence on fossil fuels** in combat: <http://www.nytimes.com/2010/10/05/science/earth/05fossil.html?th&emc=th>

Kirkwood will **offer training in biodiesel fuels** for automobile technicians and mechanics: <http://www.vintoniowa.org/articles/Business/article101777.html>

Shell has **invested in 10 2<sup>nd</sup> generation biofuel technologies** and will pick the most appealing 5 for future investment: <http://www.reuters.com/article/idUSTRE69C5IQ20101013>

The U.S. Department of Agriculture's chief scientist said supporters of genetically modified crops should concentrate on keeping officials in much of Europe from demonizing the agriculture methods so the **benefits reach developing countries battling hunger**: <http://www.truthabouttrade.org/news/latest-news/16757-gm-crop-opposition-may-curb-use-to-ease-hunger-usda-scientist->

## Food & Agriculture



Kemin announced a **\$30 million expansion which will create 100 jobs in Des Moines**. They will build a 50,000 sq. ft. headquarters and add 160,000 sq. ft. of manufacturing and R&D space. Congratulations!

<http://www.desmoinesregister.com/article/20101019/BUSINESS/101019010/Kemin-plans-30-million-expansion>



**PIONEER**  
BRAND · PRODUCTS

Pioneer's **seed sales are up over 9%** in the first 9 months of 2010:

<http://www.desmoinesregister.com/article/20101027/BUSINESS01/10270350/1030/BUSINESS01/Pioneer-seed-sales-market-share-up>



**genetics** The EU is moving towards a **ban on cloned animals and their products**, such as meat and milk. The US FDA studied the issue for 5 years and approved those products as safe.

<http://topics.wsj.com/article/SB20001424052702303550904575562202519212876.html>

Congratulations to Cargill for **winning the 2010 McDonald's U.S. Sustainability Award** for improvements made to their supply chain:

[http://www.agnetwork.com/friday\\_newsletter.aspx?oid=1275555&tid=Archive&hq\\_e=el&hq\\_m=850347&hq\\_l=16&hq\\_v=5f53f8d16f](http://www.agnetwork.com/friday_newsletter.aspx?oid=1275555&tid=Archive&hq_e=el&hq_m=850347&hq_l=16&hq_v=5f53f8d16f)

The corn harvest is coming in **smaller, faster and drier than 2009**

<http://www.desmoinesregister.com/article/20101026/BUSINESS01/10260344/1030/Harvest-coming-in-earlier-smaller-drier-than-in-2009>

Bill Northey and Francis Thicke **have divergent opinions on many positions in their battle for Iowa Secretary of Agriculture**:

<http://www.desmoinesregister.com/article/20101003/BUSINESS01/10030320/1030/Northy-challenger-differ-on-ag-issues>

Bt corn offers a halo effect **which prevents pests from infecting nearby non-GM crops**:

<http://www.latimes.com/news/science/la-sci-gmo-corn-20101008,0,5035842.story>

The USDA **dropped its estimate of corn yield in Iowa by 10 bushels per acre**:

<http://blogs.desmoinesregister.com/dmr/index.php/2010/10/08/usda-drops-iowa-corn-harvest-10-bushels-per-acre/>

Commodity price increases will contribute to a **2-3% higher cost of food** in the coming year:

<http://www.desmoinesregister.com/article/20101031/BUSINESS01/10310327/1030/Green-fields-Commodity-spike-to-boost-costs-of-food-in-2011>

Corn based sweeteners **may have higher amounts of fructose** than was expected. Fructose tastes sweeter than glucose, but studies have shown that higher levels of fructose lead to obesity:

<http://blogs.desmoinesregister.com/dmr/index.php/2010/10/26/study-raises-questions-about-corn-sweetener/>

The USDA and egg producers are teaming up to **tighten regulations to prevent future salmonella outbreaks**:

<http://www.desmoinesregister.com/article/20101029/BUSINESS01/10290350/New-egg-safety-plans-unveiled>

The **World Food Prize** sponsored several events and visitors to the Des Moines area. The winners fought against rural poverty:

<http://www.desmoinesregister.com/article/20101014/BUSINESS01/10140339/1030/BUSINESS01/Food-prize-laureates-urge-U.S.-Invest-in-world-s-poor-farmers>

Other farmers gave their perspectives on **agriculture throughout the world**:

<http://www.desmoinesregister.com/article/20101015/BUSINESS01/10150369/1030/BUSINESS01/Farmers-from-around-the-world-talk-about-agriculture-in-their-home-countries>

Finally, the Obama Administration has **pledged \$3.5 billion to USAID to work on global hunger issues**, but Congress hasn't appropriated the funds yet:

<http://blogs.desmoinesregister.com/dmr/index.php/2010/10/15/new-green-revolution-said-at-stake-with-obama-initiative/>

## **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](mailto:otterm@gmail.com). Membership details available at [www.iowaBiotech.com](http://www.iowaBiotech.com).

## **Events**

National SBIR Conference, Oklahoma City, OK Nov. 8-10 <http://www.sbirok.org/>

BIO Pacific Rim Summit, Honolulu, HI, Dec. 11-14 <http://www.bio.org/pacrim/>

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

SEND A NOTE TO MICHAEL OTT AT [OTTERM@GMAIL.COM](mailto: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- <b>Thermo Fisher Scientific</b> Secondary Contract- <b>VWR</b>
Lab Casework & Equipment:	Primary contract- <b>Fisher Hamilton/Wynn O. Jones</b> Secondary - <b>TMI &amp; Kewaunee/Innovative Lab Sys.</b>
Analytical Equipment & Supplies	<b>Shimadzu Scientific and Beckman Coulter</b>
Office equipment, Supplies & Furniture	<b>OfficeMax</b>

## **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](mailto:rhurley.iowabiotech@gmail.com)

## **Today's Thought:**

I am glad that I paid so little attention to good advice; had I abided by it I might have been saved from some of my most valuable mistakes."

**--Gene Fowler,**