

# FROST & SULLIVAN

## AgraQuest Receives 2009 Global Frost & Sullivan Award for Growth Leadership

**MOUNTAIN VIEW, Calif. - October 21, 2009** - Based on its recent analysis of the world biopesticides market, Frost & Sullivan recognizes AgraQuest with the 2009 Global Frost & Sullivan Award for Growth Leadership. The company has grown at a compounded annual growth rate (CAGR) of 37 percent in the last five years including 70 percent in 2008. The company reports sales in 2008 in the tens of millions of dollars. AgraQuest was quick to identify the trend of integrating conventional pesticides and biopesticides and begin designing products on those lines.

Despite the economic crisis and the maturing agrochemicals market, the market for biopesticides has grown globally by over 10 percent last year, owing to increasing environmental concerns and preference for chemical-free crops (mainly food crops). To be successful, products have to strike a balance between performance and being eco-friendly. Further, catering to a global market requires true understanding of the regulatory climate across countries.

“AgraQuest’s manifold growth in recent years can be attributed to a combination of factors – its unique product offering, its consistent globalization to achieve growth, its focus on product performance, quality, and pipeline, as well as other value-added services, promotion and marketing efforts,”

says Frost & Sullivan Research Analyst Yeshwanth Kumar. “Unlike many conventional pesticide companies, AgraQuest’s high-quality, eco-friendly products are highly compatible with chemical pesticides and can be used as a supplement, thus focusing on low chemical agricultural markets.”

Besides profitable growth, the company’s unique offering has fulfilled customer expectations and becomes a regular feature in many integrated pest management (IPM) programs. For instance, long-term studies of AgraQuest products in Ecuadorian banana plantations, where half of the plantation area used conventional pesticides while the remaining area used biopesticides and found that the quality of the yield witnessed manifold increase after using AgraQuest’s products. This customer satisfaction has translated into brand loyalty and increased business for the company.

AgraQuest also stresses globalization as an avenue for growth, capitalizing on opportunities in regions such as Asia, South America, and Africa. While it has strengthened its sales and marketing personnel in North America, AgraQuest has also entered into partnerships with other leading companies as well as distribution agencies outside North America to diversify its business by outsourcing its sales and marketing efforts.

The main strength of Agra-

Quest lies in its robust product line that is both versatile and can cater to specific applications such as row crops. The company is structured in two divisions – the agrochemical and bio-innovations division. The former focuses on marketing and improving existing products and developing new products for uses in agriculture, while the latter focuses on introducing AgraQuest technologies into markets parallel to agriculture like ornamentals, food safety and animal health. The in-house R&D team is actively pursuing products for both commercialization efforts. The product pipeline projects a healthy status, with eight new products (fungicides, insecticides, and fumigants) getting ready for commercialization over the next five years.

Product innovation at AgraQuest is in tandem with quality management, with strong emphasis on product quality and stringent QA procedure on every batch. Since inception, the company has invested over \$130 million in screening and developing its innovative product line and also in improving its infrastructure and products.

“With all fundamentals strongly in place, AgraQuest has increased its value addition, promotion, and marketing,” adds Kumar. “Within North America, the company has spent extensively on promotional campaigns and mediums such as email, radio, and

magazines to increase the company's visibility. Furthermore, it engages with customers and prospects through surveys to assess markets and identify areas of opportunities and improvement."

Overall, the company has grown at a strong pace to grab a place in top five ranks in the market for microbial biopesticides globally. With sales revenue expected to cross \$200 million by 2013, AgraQuest is the worthy recipient of the 2009 Global Frost & Sullivan Award for Growth Leadership in the world biopesticides market. Each year, Frost & Sullivan presents this award to the company that has demonstrated excellence in capturing the highest compound growth rate for the last three years.

Frost & Sullivan's Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

#### **About AgraQuest, Inc.**

The company was founded in 1995 with its headquarters in Davis, California. The company is an innovator in the discovery and delivery of biopesticides, such as fungicides and insecticides.

AgraQuest delivers low chemical solutions to major crop and pest targets, while offering growers unique benefits like crops free from chemical residues, flexible application windows and improved crop quality. Some of the fungal diseases that the company targets are Powdery Mildew, Sour Rot, Botrytis, Downy Mildew, and Fire Blight. The company's insecticide products mainly control lepidopterans such as loopers, leafrollers and armyworms, and sucking pests like mites, aphids, whiteflies and thrips. AgraQuest effectively targets these diseases and pests in crops such as tomatoes, peppers, potatoes, leafy vegetables, cucurbits, strawberries, citrus fruits, pome fruits, and grapes. AgraQuest also effectively targets broad-acre crops of the North American region such as soybean, corn and wheat. The company also aims in targeting the turf and ornamental market.

The company's focus is on microbial biopesticides, with some of the leading brands in the industry including Serenade®, Sonata®, BalladPLUS® and Rhapsody®, and plant extracts, with Requiem®. Today AgraQuest markets its products in 23 countries including Argentina, Canada, Chile, Colombia, Costa Rica, Ecuador, Honduras, Guatemala, Mexico, Peru, France, Greece, Israel, Italy, Portugal, Spain, Switzerland, Turkey, Japan, Korea, New Zealand, the Philippines, the UK, and the United States. The company aims in expanding its global market reach

with partnerships, and in pursuit of which the current successful marketing and research partnerships were formed with companies such as BASF, BioWorks, and Sylvan Inc.

#### **About Frost & Sullivan**

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 35 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.

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