

Media Release
September 13, 2010

Canada holds tremendous investment opportunity in biotech: Hamer

SEPTEMBER 13, 2010: Agriculture, and particularly agricultural research, is fast gaining attention as the place to invest as the world struggles to feed a growing population and wean itself from fossil fuels, says Dr. John Hamer from the U.S. life sciences investment firm Burrill & Company.

Hamer gave the first of two keynote addresses to kick off the first day of the Agricultural Biotechnology International Conference (ABIC 2010) in Saskatoon. He spoke of past challenges in agbiotech investment, as well as future opportunities.

Hamer says that while a small information technology firm might be able to start out of someone's garage, the long regulatory times involved in agbiotech innovation make this impossible. This makes finding a partner with deep pockets essential, which means a willingness to share knowledge of the innovation.

"Most of these companies are working with university germ plasm, which puts them about eight to 10 years from commercialization," he says.

Another challenge is that some venture capital firms had their fingers burned both in the economic crisis of 2008, and in investments that were "oversold and underdelivered," such as in biotech and solar energy. Venture capitalists are now cautious, waiting for proof that the company really has figured out how to capture value from their ideas.

Along with his words of caution, Hamer also spoke of promising territory in agbiotech: bioenergy. Bioenergy promises to lower carbon emissions, and even allow farmers to grow their own fuel and increase their efficiency in the process. A critical component of bioenergy is feedstocks, that is, what to use to make the energy, whether it be hybrid poplar trees, cereal straw, or palm oil.

This points to opportunity for the less populated and prosperous areas of the world as the venture capital begins to move closer to the feedstocks. Burrill & Co., for example, recently set up shop in Brazil to jump into the second largest private capital market in the world (after China). The company has set up a \$200 million fund to pursue opportunities. A similar push for the company is underway for Canada, with its agricultural and forestry feedstocks.

"We see Canada as a place of tremendous opportunity," Hamer says.

ABIC 2010 runs from September 12 to 15 at TCU Place in Saskatoon. Tomorrow's keynote speakers are Dr. Prem Warrior of the Bill & Melinda Gates Foundation and Dr. Karl Dawson of the Alltech Centre for Nutrigenomics and Applied Animal Nutrition.

All speakers, including the keynotes, are available for media interviews in the green room at TCU Place for a half hour immediately after each session. ABIC staff and volunteers will be on hand to help arrange interviews outside these times.

ABIC 2010 is hosted by Ag-West Bio. Since it began in Saskatoon in 1996, the conference has traveled the world, from Australia and Ireland to Germany and Thailand. ABIC 2010, themed “Bridging Biotechnology and Business,” offers three concurrent streams covering Energy, Health, and Sustainability. For more information, including the full program, presentation briefs, and speaker profiles, visit www.abic.ca/abic2010.

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