



14 August 2018

## Glyphosate Update

Elders Limited (ASX: ELD) refers to the recent regulatory and legal action in Brazil and the United States, respectively in relation to glyphosate-based products.

On 6 August 2018, a Brazilian federal judge ruled that new products containing the chemical glyphosate could not be registered in Brazil and existing registrations would be suspended within the next 30 days until the government re-evaluates their toxicology. It is understood that this ruling is expected to be appealed by a number of agriculture-related associations, including Anvisa (the Brazilian Health Regulatory Agency), as well as the Brazilian Ministry of Agriculture.

On 10 August 2018, a jury in the San Francisco Superior Court of California found Monsanto liable in a lawsuit filed by a man who alleged that Monsanto's glyphosate-based products caused his cancer. It is reported that Monsanto will appeal this decision.

Glyphosate is registered for use in Australia and its national regulator, the Australian Pesticides and Veterinary Medicines Authority (APVMA) released a statement saying APVMA approved products containing glyphosate can continue to be used safely according to label instructions. The APVMA said in its statement that it was currently consulting their regulatory counterparts at Anvisa to obtain information relating to the Brazil decision, however continued to support its current assessment that glyphosate does not pose a carcinogenic risk to humans and there is no grounds to place it under formal reconsideration.

Elders will continue to stock and sell products containing glyphosate and notes that the sale of glyphosate-related products represents an immaterial proportion of its revenue and earnings. As a percentage of Elders' total Retail business, glyphosate-related products represent approximately 6% of revenue and 4% of gross margin. Glyphosate-related product sales by Titan Ag represents less than \$1m in gross margin earnings.

Elders affirms its current expectations for underlying earnings before interest and tax (EBIT) to be in the range of \$70m to \$74m as notified in its release to the ASX on 6 July 2018.

### Further information

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