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WEEKLY

\$750 million Bayer rice settlement takes effect



Don Downing

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The largest Missouri settlement of the year now is legally binding.

The threshold has been met for the claims of farmers whose land is covered by a \$750 million settlement with Bayer CropScience over rice contamination, a plaintiffs' firm and Bayer announced Thursday. The first round of payments is expected to begin in early January, according to a press release from plaintiffs' firm Gray, Ritter & Graham of St. Louis.

"It should be great news for thousands of farm families across the south and should be a great way to start the holiday season for them," said Don Downing, a lead plaintiffs' attorney.

Bayer said on its website that the company had made "appropriate provisions" for the settlement program.

Farmers who planted 85 per-

cent of the 2.2 million acres of long-grain rice planted annually between 2006 and 2010 had to participate in the settlement, or Bayer could walk away. Richmond, Va.-based claims administrator BrownGreer determined Thursday that the number of claims submitted and found to be complete satisfied that threshold, according to the press release from Gray Ritter.

The farmers claimed in multidistrict litigation overseen by U.S. District Judge Catherine Perry in St. Louis that the discovery of Bayer CropScience biotech rice in the long-grain rice supply in 2006 caused a dramatic drop in U.S. rice prices because European Union countries stopped buying the rice.

Bayer said "traces" of the biotech rice were found, and that

the rice destined for Europe at the time accounted for less than 5 percent of U.S.-grown rice. Markets adjusted and that rice quickly was diverted and sold in other markets, Bayer said in its press release.

"Bayer CropScience regards the inclusion of all long-grain rice growers in the settlement program, whether they had filed a lawsuit or not, to be crucial to demonstrating the company's long-term commitment to rice," the German-based company's press release said.

The company reiterated that it "believes it acted responsibly."

Initial payments are for market loss claims. The payments are being reduced slightly to make sure the total amounts don't exceed the \$750 million cap, Downing said. If the claims

for other losses don't push payments to the cap, farmers will receive the remainder of their market loss payments at about mid-2012.

Payments to individual farmers could range from as little as \$10,000 to more than \$1 million, Downing said.

Also being paid out of the settlement money are the verdicts, plus interest, of three test cases that went to trial before the settlement was reached, Downing said. A fourth test case started trial and was settled — that settlement also will come out of the \$750 million. Another large verdict — \$48 million for 12 Arkansas rice farmers upheld by that state's Supreme Court earlier this month — is separate and would not be paid out of the settlement, Downing said.

Payment reductions

Initial market loss payments will be reduced slightly to account for the possibility that total claims will exceed a \$750 million cap. The difference will be made up to farmers if payments don't bump against the cap.

YEAR OF RICE PLANTING	TOTAL MARKET LOSS PAYMENTS PER ACRE	INITIAL PAYMENTS PER ACRE
2006	\$120	\$116.13
2007	\$80	\$77.42
2008	\$60	\$58.06
2009	\$40	\$38.71
2010	\$10	\$9.68

SOURCE: Plaintiffs' firm Gray, Ritter & Graham