



The Dow Jones industrial average closed at **11,858.52.**

**+83.93**

# BUSINESS & FARM D

Arkansas Democrat  Gazette

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## NEWS IN BRIEF LR bank's losses revised upward

Metropolitan National Bank on Friday revised its fourth-quarter loss to \$4.6 million, compared with a previously stated loss of \$928,000.

Lunsford Bridges, chief executive for the Little Rock-based bank, said in a release that the higher amount was from an increase in provisions for loan-loss reserves.

The bank said it agreed to raise the reserves after an annual examination by the U.S. Treasury Department's Office of the Comptroller of the Currency, which governs nationally chartered banks like Metropolitan.

A Metropolitan spokesman declined to comment beyond the release.

The bank's provision for loan and lease losses was \$30.4 million, which represents about 4 percent of total loans, at the end of 2010. The bank said it has assets of \$1.25 billion.

Bridges said in the release that the bank's capital and loan loss reserves "position us to continue reducing our non-performing assets in an effective manner."

For all of 2010, the com-

# Jury awards Riceland \$136.8 million

PAUL P. QUINN  
ARKANSAS DEMOCRAT-GAZETTE

A Circuit Court jury in Stuttgart awarded \$136.8 million Friday to Riceland Foods Inc. in a lawsuit against Bayer CropScience LP over genetically modified rice.

Riceland, a farmers cooperative based in Stuttgart, is the world's biggest miller and marketer of rice. It sued Bayer over losses it suffered when Bayer's experimental variety

of genetically modified rice made its way into the U.S. rice supply. That prompted the European Union to ban imports of the rice when the contamination became known in August 2006.

Most of the Arkansas County Circuit Court judgment against Bayer — \$125 million — was for punitive damages. The remainder, \$11.8 million, was for compensatory damages.

Litigation against Bayer, a German company, has been filed by thousands of farmers or farm corporations because of the contamination. The biggest court award before Friday came in April when a Lonoke County Circuit Court jury ordered Bayer to pay farmers and agriculture operations \$48 million, of which \$42 million was punitive damages.

Bill Reed, a Riceland

spokesman, said via e-mail Friday evening. "We are pleased that the jury's award recognizes the tremendous harm caused to Riceland and the entire rice industry when Bayer contaminated the U.S. rice supply with its Liberty Link rice. Riceland feels vindicated that the jury also found that Bayer was solely responsible for the farmers' damages resulting from the loss of the European Union market.

"Although Riceland sought more in compensatory damages, we respect the jury's verdict," he said.

The trial in Stuttgart, about 50 miles southeast of Little Rock, began Feb. 22. Attorneys made closing arguments Thursday.

Bayer, in a statement, said it was disappointed in the verdict and left the door open to an appeal. The statement

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## EU will toughen '11 tests of banks

'10 effort jeered as 'passes' failed

GABRIELE STEINHAUSER  
THE ASSOCIATED PRESS

BRUSSELS — The European Union bank regulator said Friday that coming

Friday in documents filed with the Securities and Exchange Commission.

Caterpillar says equipment sales were strongest in Latin America, which reported a 76 percent jump over the previous year. But even in the weakest region of Europe, Africa and the Middle East, sales grew 53 percent in February.

Caterpillar's sales figures are watched closely because the firm's results are considered an indicator of the health of the economy.

Engine sales also improved for Caterpillar, but not as much as machinery sales. Caterpillar says total engine sales grew 31 percent.

Caterpillar assembles road-graders at a plant in North Little Rock that will eventually employ 600 people, company officials said.

## Virtual red-light .xxx gets green light

The label XXX is usually plastered on adult magazines, DVDs or signs for strip clubs. This year, XXX will have a new home: as a Web domain on computer address bars.

On Friday in San Francisco, the Californian nonprofit organization that oversees Internet addresses gave the green light to the virtual red-light district.

The vote comes after several years of clashes and deliberations by the Internet Corporation for Assigned Names and Numbers.

Adult entertainment sites will still populate the .com space and every other corner of the Internet. But now, many pornography sites can also join a specialized domain that instantly telegraphs its content. ICM Registry, a Florida-based company that will run .xxx, said the domain's websites will be the Internet's most trusted place for adult entertainment. ICM will monitor the sites to ensure that they prohibit spam, viruses and any other illegal behavior, it says. And it says it will use some of the registration fees for an affiliated foundation to promote free speech and combat child pornography.

The domain has its critics. The Obama administration and some foreign nations believe that the domain's offensive material will encourage oppressive regimes to block .xxx entirely. A Commerce Department spokesman said the administration neither supports nor objects to the domain's actual content or merit.

Another set of foes includes pornography industry leaders, who also worry .xxx will be easily vulnerable to governments' censorship.

— COMPILED FROM DEMOCRAT-GAZETTE STAFF AND WIRE REPORTS

the distance can affect the economics of the business. The complex appears to be a better fit for George's, which has operations nearby."

## Riceland

• Continued from Page 1D also asserted, "The punitive damages award exceeds what is permitted by Arkansas law and will therefore be limited to the statutory cap of \$1 million."

Punitive damages may be awarded to plaintiffs in addition to compensatory damages if the jury believes the defendant acted recklessly.

"The company believes to infer a malicious act by Bayer CropScience in this case is unjustified," the Bayer statement said.

Chuck Banks, an attorney who has represented farmers in litigation against Bayer but was not involved in the Stuttgart trial, said Friday that the jury decided on a large award but the amount needed to be looked at in context.

"The size of the punitive award tells you that something was seen by the jury that caused them to believe that amount of [punitive] damages were necessary," he said.

Bayer stated in its release that the rice meant for Europe was diverted to other countries, so the damage to Riceland and farmers was minimal.

The European Commission allowed unrestricted U.S.

NEW YORK STOCK EXCHANGE has traded between \$14.59 and \$20.57 in the past year.

George's Inc. is a privately held company.

rice imports to the European Union to resume in June 2010 after emergency measures had been in place since 2006, when traces of Liberty Link 601, Bayer's genetically modified variety, were discovered in the U.S. rice supply. The EU has strict restrictions or bans on many types of genetically modified foods.

Arkansas produces more long-grain rice than any other state.

This is at least the seventh ruling against Bayer involving the Liberty Link 601 rice. Previously, three federal juries and three juries in Arkansas awarded more than \$53 million — most of it in the \$48 million Lonoke County case. Bayer has appealed several of the judgments.

Bayer had partnered with Louisiana State University to test its genetically modified rice at a school-run facility in Crowley, La., in 1998. Though the U.S. Department of Agriculture has said the rice variety posed no health or environmental risk, the rice had not been approved for human consumption at the time.

Experts previously have said that when the European Union halted U.S. rice imports, it started getting rice from Thailand and South America, which would make it difficult for U.S. rice farmers to break back into the market.

tions are being planned, the report said.

The heads of three animal-husbandry bureaus in the province were suspended, Xinhua said, while another 27 were in police custody, sacked or suspended.

The scare has spread to other parts of China. In the eastern city of Nanjing, 264 pigs believed to be from Henan were killed and buried after 20 pigs randomly picked from the group all tested positive for clenbuterol, Xinhua said. Also destroyed were another 1,300 pounds of pork at a market, it said.

The Ministry of Commerce said in a statement Friday that authorities have taken measures to block clenbuterol-tainted pork from entering the market, in an apparent bid to ease anxieties in the world's largest producer and consumer of the meat.

Shares of Shuanghui Group, China's largest meat processor, tumbled 10 percent Tuesday after CCTV broadcast the report that mentioned its subsidiary, Jiyuan Shuanghui. The company issued an apology Wednesday, saying it had ordered the subsidiary to halt operations.

Clenbuterol, known in China simply as "lean meat powder," is banned in China yet continues to pop up in the food supply, laced into animal feed by farmers impatient to get their meat to market and turn a profit.

Adding clenbuterol to feed can reduce a pig's body fat to a very thin layer and makes

clenbuterol and, in rare cases, death.

Pig farmers are often under pressure to use clenbuterol because slaughterhouses would rather buy leaner pigs, said Jason Yan, the U.S. Grains Council's technical director in Beijing.

"The slaughterhouse may pay them higher prices for pigs that looked leaner," Yan said. He added that the majority of large farms in China were unlikely to use drugs like clenbuterol and that the practice was more common in small farms, of which there are many.

In northern Shanxi and Gansu provinces, authorities are strengthening monitoring of pigs and pork supply chains, Xinhua said.

China has seen several food-safety scandals in recent years, including tainted milk powder that was linked to the deaths of at least six babies.

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## Business

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