

## FEBRUARY 2014 ISSUE

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## PRESIDENT'S MESSAGE



### Dear FAOPMA Members:

According to the Chinese Zodiac, 12-animal-circle which still remains popular in East Asian countries, 2014 is the year of the Horse representing vitality and progressiveness. Like horses' nature which is smart, patient, strong and energetic, I wish FAOPMA great success with its developments in 2014

through the spirit of The Horse.

**As the new president of FAOPMA, I will make my best efforts to bring positive and sound energy to all FAOPMA members this year.**

Thanks to many of our members and officials, KPCA was able to host the 25<sup>th</sup> FAOPMA Convention and Exhibition in Seoul, Korea very successfully last November, **with about 4,500 participants from 25 countries.** The outstanding event was proudly recognized in Korea as a premier international congress for the pest management industry.

By inviting specialist speakers in advanced IPM technology and knowledge, we demonstrated the unique value and competency of FAOPMA and its annual conventions by highlighting various infectious diseases among countries. Our event became the cornerstone of the Korean pest management industry's development and globalization and could well be a catalyst for promoting the 'FAOPMA' brand. **We really appreciate all the support.**

Fears of the spread of AI (Avian Influenza) have escalated recently in Korea, China and several neighbouring countries in Asia. Since mid-January when AI was detected in southern Korea for the first time, there has been no case of AI infection of humans but it has been spreading nationwide. In China, after the outbreak of AI, the Chinese Health Ministry has concentrated on quarantine measures to stop the virus from spreading. The Korean government continues all-out quarantine efforts by each local government, by running 24/7 AI situation rooms for a more proactive quarantine system, even during the Lunar New Year holiday period. KPCA will lead with support and collaboration nationwide, to rapidly prevent AI spread.

**I advise all our members that CPCA will host its Annual Congress in Zhengzhou, Henan in China from March 27 to 29.** As one of the neighbouring county associations, KPCA has attended the CPCA Annual Congress since 2012.

Local FAOPMA members do not have many opportunities to meet and network other than at our annual FAOPMA Convention, so attending CPCA's Annual Congress every March is a great opportunity for us to further develop relationships. Significantly, Henan Province is the birthplace of Chinese civilization with over 5,000 years of history.

**I would like as many of our members as possible to attend this CPCA congress in Henan, not only to build our intimate friendship but also to get a perfect chance to experience numerous heritages as well as the world famous martial art, Kung-Fu.**

**Myeon-Ha Park**  
President of FAOPMA, KPCA

## Allpest sold to US giant

*Nick Evans The West Australian January 27, 2014*

The owners of WA's biggest pest-control company have reaped the rewards of 15 years work growing the business after selling out to US-listed **Rollins Corp** late last week.

**Allpest WA, established in 1959 but owned for the last 15 years by husband and wife team Greg and Sue Mills, was bought by the American pest-control giant to help it establish a beachhead into the Australian market and Asia, Rollins said in a release to the US market late last week.**



*Greg Mills – Managing Director*

**Rollins describes itself as the biggest pest controller in the world. It is listed on the New York Stock Exchange with a market capitalisation of \$US4.25 billion.**

While Rollins did not disclose the purchase price, and Mr Mills said he was contractually restrained from doing so, disclosures by Rollins and US analyst estimates put the likely price well above \$40 million.

Mr Mills told *\_WestBusiness\_* Allpest had an annual turnover of about \$500,000 a year and a staff of seven when the pair bought the business. The company has since grown to report annual revenue of more than \$25 million, with a staff of 160 across the State.

In addition to its traditional residential and commercial markets, Mr Mills said Allpest had built strong inroads into the mining and oil and gas sectors, and also had a substantial biosecurity business, contracting to airports and governments. Allpest had also won contracts offshore, he said.

Rollins said in a statement it intended to continue managing the business in the same way and Mr Mills, who will stay with Allpest in a consulting role through the transition, said he had no doubt the deal would be good for Allpest's staff.

"They've brought one person to Australia, not a whole team. Buying my business allows them to build on the infrastructure that's here, not bring their own infrastructure in. So that's great for my staff and it's really what we were looking for - a company that has a core business in pest control," he said.

Mr Mills said the acquisition also offered Allpest's Perth-based staff the opportunity build on its work to push into overseas markets as part of Rollins' plans to capture more business in Asia.

Allpest's advisers in the transaction were KPMG, Corrs Chambers Westgarth and Paragon Consultants.

## **The West Australian**

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### **Rollins Acquires Allpest, a Leading Independent Australian Pest Control**

**Provider**



*Paul Giannamore*



Rollins, Inc. (NYSE:ROL), the parent company of Orkin, has acquired Allpest WA, the leading independent pest control provider in Western Australia. The acquisition is expected to close in February, and this is Rollins' first business venture in Australia. Rollins' goal is to become the leading pest control firm in Australia and this acquisition provides a strong foothold for the Atlanta-based pest control giant.

Established in 1959 and headquartered in Perth, Australia, Allpest recorded revenues of approximately US \$25 million for 2013. Allpest has been recognized as Western Australia's Pest Manager of the Year for the past two consecutive years. The company has strong brand recognition and is well positioned for organic growth and expansion into Asia-Pacific and other growth areas. In addition to traditional residential, commercial and termite service offerings, Allpest provides consulting services around the globe on pre-border protection of Australia's biosecurity and provides specialized offerings to Australia's mining and oil and gas sectors.

Gary W. Rollins, Vice Chairman and Chief Executive Officer of Rollins stated "The acquisition of Allpest is a very important milestone for our Company and firmly establishes our global presence as a leader in international pest control management. Allpest has an outstanding management team, and brings to our family of pest control brands many of the shared values within our Company, including a culture of continuous improvement, ongoing investment in training and professional employee development programs. We look forward to working with them and their talented employees, while sharing each other's best practices."

**See also Page 7....Ed**



## The Queen of Sex

Ricardo Caliani Oliveira - 16 January 2014



Worker insects spend their existence tending to the every need of their queens—even giving up their sex lives. But why are queens the only ones allowed to reproduce? The answer lies in pheromones—chemical signals, produced by queens, which workers react to.

To further investigate the means behind this reproductive control, researchers looked at the chemicals produced by the queens of three social insects: **the buff-tailed bumblebee, the common wasp (pictured), and the desert ant.**

Once identified, the scientists tested the potential pheromones on isolated workers to see if they prevented reproduction. In all three species, similarly structured alkanes (a type of carbon-based compound) limited the development of the workers' ovaries, the researchers report online today in *Science*.

In addition, a review of existing studies revealed that alkanes are the most common chemicals overproduced by queens across a wide variety of social insect species. By constructing an evolutionary history, the researchers determined that these pheromones likely date back at least 145 million years, to these insects' common (and solitary) ancestors—who probably used the chemicals as fertility signals to attract males.

Over time, these signals may have developed into a simple communication system, with daughters temporarily giving up reproduction to assist their mothers when the latter were fertile (thereby helping to indirectly pass their genes to the next generation). The researchers believe these signals may have paved the way for subsequent evolution of complex, colonial behaviors seen today among these varied insect groups.



## 'We're Fed up with Mosquito Menace'

By Express News Service - KOCHI 14th January 2014

Even as the corporation has promised strong measures to curb the mosquito menace that has been spreading into several parts of the city, inadequate pest control measures and the lackadaisical approach of the Health Department continue to invite criticism from all quarters.

Raising the issue to the fore, Ernakulam Vikasana Samiti members staged a dharna in front of the corporation office on Monday. The members demonstrated their protest symbolically by sitting inside a mosquito net, holding placards and electric bug swatter bats in their hands.

“We are fed up. When we approach the ward councillors to arrange fogging measures, they say that the corporation has not provided them funds. Meanwhile, the corporation authorities tell us to sort out the issue by ourselves,” said a member of the organisation.



The Samiti has requested the corporation to make arrangements for more centralised fogging system in the city. It has also requested the corporation to speed up action to clean the blocked drains and canals, waste dumped on unoccupied lands and to arrange a processing mechanism for the septic and sewage waste.

Several division councillors, both from the ruling council and the opposition, had come out in protest against the corporation on the issue. The recent council meeting was stormed with protests against the delay in implementing pest control measures. Following this, corporation Health Standing Committee chairman T K Ashraf had promised to initiate more centralised fogging systems and other pest control measures.

However, the Health Department is of the opinion that pest control measures are short of public participation. “Though the corporation has purchased hand held fogging mechanism, people are opposing large scale fogging mechanisms at many places,” Ashraf said. He added that pest control measures cannot become a success without the cooperation of the people. The chairman also assured to review the pest control measures undertaken in all the corporation wards.

## Magnetic Termite Mounds

*By Kaushik - January 13, 2014*

In Australia's Northern Territory, inside the protected Litchfield National Park, near the township of Batchelor, about 100 kilometers southwest of Darwin, termites build peculiar mounds that are mysteriously aligned to the earth's magnetic field.

Wide swathes of empty ground are filled with hundreds of termite mounds that look like tombstones from a distance, but much larger. The magnetic termite mounds rise to as much as three meters in height, look relatively flat and they all face the same direction with their thinner edges facing the north and south like the needle of a compass.



The currently accepted hypothesis is that the precise alignment allows the termites to keep their homes comfortable. Northern Australia gets extremely hot during the day and cool at night, and researchers believe termites have somehow harnessed the power of the earth's magnetism to strategically climate-control their homes.

Graham Brown, a former curator of insects at the Northern Territory Museum explains that these towering mounds are essentially termite apartment buildings.

A single nest may contain tens of thousands of termites. To comfortably house all those insects, the mound needs to have just the right architecture.

He says all the little rooms, or galleries, need the proper moisture level and a good internal temperature, and the north-south alignment of the mounds seems to help keep the termites comfortable.

**AMUSING PLANET**  
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## Poultry Plant Closes Again After Cockroach Cleanup

A California chicken farm that reopened over the weekend after it was shut because of a cockroach infestation says it's "voluntarily and temporarily" suspending operations again, ABC News reports.



Foster Farms said Sunday it was closing the plant in Livingston for several days so it can properly implement new food safety measures. The company said in a statement that it is "exercising vigilance" and dedicating additional time to ensure its preventative plan is realized.

Work had resumed Saturday after Foster Farms announced that it met the demands of the U.S. Department of Agriculture by performing a thorough cleanup and treatment of the plant. The company says no chicken product was affected.

The plant closed Jan. 8 when inspectors found the cockroaches on five separate occasions in various parts of the plant over four months.

Sources: ABC News, Foster Farms



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## NTU creates pest-control system

By Lee I-chia / Staff reporter

A research team from National Taiwan University (NTU) yesterday said they have developed a world-leading wireless agroecological monitoring system that can effectively collect pest information in fruit orchards and transmit the data every 30 minutes for analysis, as well as provide a seven-day forecast of possible pest outbreaks.

The interdisciplinary research was funded by the government's science and agricultural agencies and started in 2006.

The research team was led by Jiang Joe-air (江昭皚), a professor at NTU's bio-industrial mechatronics engineering department, in cooperation with other departments and the National Taipei University of Technology.



Although Taiwan has been known as the “kingdom of fruits,” the reality is that local farmers face serious damage to their crops from pests, which cause losses of tens of billions of New Taiwan dollars every year, Jiang said.

“I’ve often dreamed of farmers one day managing their farms using their personal computers or smartphones, becoming technological farmers,” he said.

Jiang added that new user-friendly technologies can help achieve that goal, just as the system they have developed can help farmers to easily monitor pests in their orchards, as well as the damage they cause.

The world-leading agroecological monitoring system incorporates technologies and knowledge from insect research, climate monitoring, a wireless sensor network, cloud computing and a geographic information system, and 24 systems have been set up throughout the nation so far.

The research team identified the prevention of damage by *Bactrocera dorsalis* as the main target of their initial experiments, for which they developed an infrared automatic insect-counting cylinder.

*Bactrocera dorsalis* is a variety of oriental fruit fly that is considered one of the most serious threats to the nation's fruit industry, causing damage to more than 80 types of fruit and losses that run into billions of New Taiwan dollars each year.



The automatic insect-counting cylinder attracts the fruit flies by releasing a chemical attractant or pheromone. Its infrared sensor counts the number of flies caught in the cylinder, while the information is transmitted through a wireless network to a database used for estimating pest damage.

Jiang said while the Council of Agriculture has installed more than 600 pest data collection stations throughout the nation and uses manpower to collect the caught insects every 10 days for further analysis, the information is often released too late for farmers to conduct pest prevention measures in their orchards.

“By forecasting how many flies are likely to attack the orchard the next day or the day after, farmers can decide how to prevent damage to their fruit, such as cleaning up the environment, bagging the fruit, or even spraying a certain amount of pesticides,” he said.

Jiang added that the time of bagging the fruit can affect their quality, especially in high-priced fruit such as high-quality export mangoes.

TAIPEI  TIMES

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## Workers demand permanent jobs

*Sumita Sarkar, TNN / Jan 5, 2014*

NASHIK: Pest control employees who have been working on a contract basis with the Nashik Municipal Corporation (NMC) agitated in front of the civic body's headquarters at Rajiv Gandhi Bhavan on Saturday, demanding that they be absorbed as regular employees.

The employees said they were asking to be absorbed since long, but their demands were not met. Agitating under the banner of the Samta Parishad, the 212 workers said they will present a memorandum of their demands to the municipal commissioner.

"The matter has even been discussed in general body meetings. The NMC, however, is not serious about the issue," one of the protesters, Mukund Bhoir, said.

Another protester Aklaq Shaikh said the workers had no job security and their salaries were not sufficient. The protesters said they were eligible for gratuity, paid leave and service tax, but were not being given the benefits.

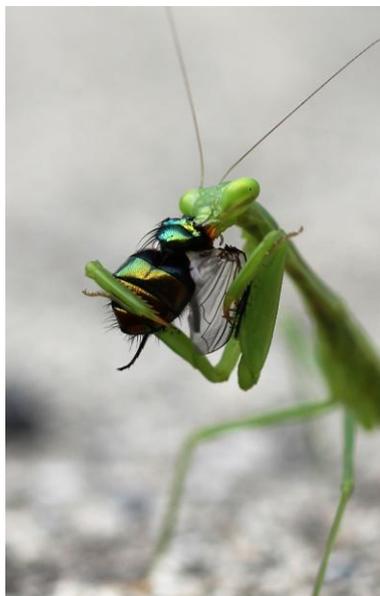
"We have been working for the city's health since many years, but no one seems concerned. We have given memorandums to the municipal commissioner a number of times and will give him another one," the protesters said.

## THE TIMES OF INDIA

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### Image of the Day: Hungry Mantis

*By The Scientist Staff / January 2, 2014*



*A South African praying mantis (Miomantis caffra) eats a fly*

**TheScientist**  
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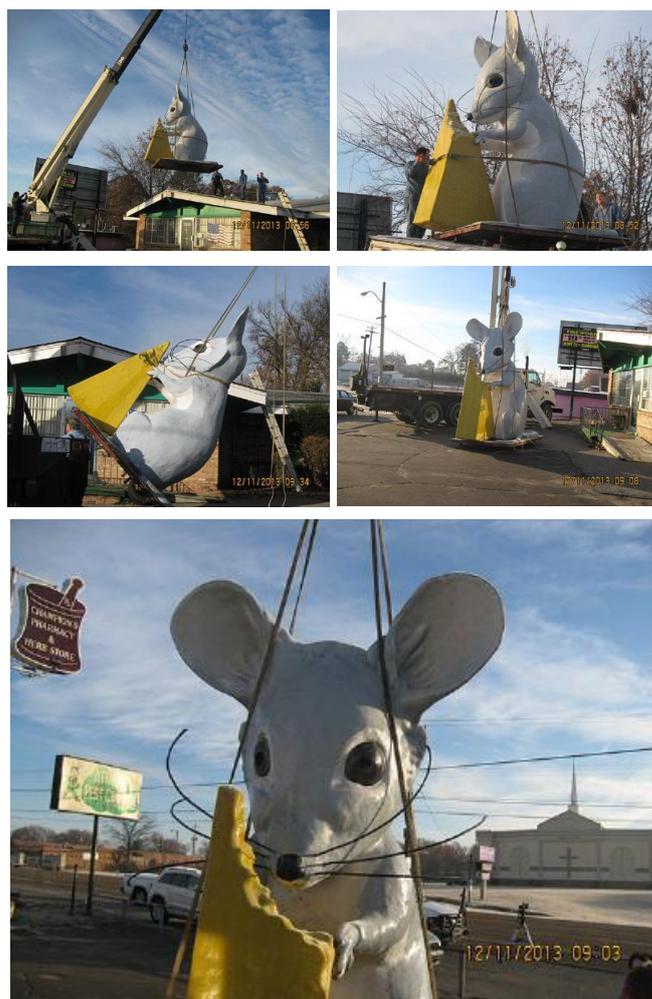
## The Mouse Has Left the Building

*Brad Harbison, Memphis / December 18, 2013*

On the morning of Dec. 11, the end of an era was marked when cranes removed Atomic Pest Control's 10-foot-tall, 1,200-pound iconic mouse from the company's Elvis Presley Blvd., building in Memphis.

The eye-catching mouse had become more than an Atomic Pest Control marketing tool – it had become part of the city's skyline and character during the last 30-plus years.

"The mouse leaving the building was bittersweet," said Atomic Pest Control Owner Carese Rice. "It was an amazing sight to see him taken off the building. The building does not look the same with that big blank spot."



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## Australia: The New Frontier in Pest Control Acquisitions

January 29, 2014 By Paul Giannamore

Rollins, the parent company of Orkin, has finally taken the plunge. After years of international franchising, Rollins agreed to acquire Perth-based Allpest WA in January 2014.

Allpest generated approximately \$25 million in 2013 and it is likely that Orkin will attempt to take a very similar path in Australia that it did in Canada, where it is now the dominant player in the Canadian market.

With Orkin finally operating in Australia, it shouldn't be long before Terminix International gets into the game, which will once again unite the Big 3 – Orkin, Terminix and Rentokil – on English-speaking turf.

Over the last two years, cheap money and sluggish top-line growth has driven the large North American and European pest control companies to make acquisitions at pricing levels higher than the historical mean. It won't be long before Terminix, Orkin and Rentokil are all competitively bidding in Australia, giving pest control sellers on the continent something to smile about.

While we believe that transactions in North America will continue to occur at higher multiples for the foreseeable future, the available of premium pest control acquisition targets throughout the United States, Canada, Mexico and the Caribbean are few and far between – which has caused the large US-based firms to start shopping abroad. Because Orkin and Terminix aren't the most daring firms on the planet, they'll likely continue to franchise in the emerging markets and leave acquisitions for countries a stone's throw from the US shores.

**These recent developments bode quite well for our pest control brethren Down Under who are considering a near-term exit from their businesses.**

Pest control operators in Australia looking to sell their businesses will want to keep the following in mind:

1. There is no such thing as a “going rate” for pest control companies. The competitive bid process is what causes an acquirer to pay a premium for your business. Therefore, never negotiate with only one acquirer and make sure you take your business out to competitive bid.
2. Australians will soon be in an unprecedented era in terms of valuations, so don't really on market comps to price your business.

If you need advice on the purchase or sale of a pest control business in Australia, reach out to us today.

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## About Paul Giannamore



Managing Director at The Potomac Company where I head the firm's strategy consulting and investment banking practice. I edit The Potomac Pest Control Executive, a newsletter read by over 10,000 pest control professionals in over 25 countries. In a nutshell, I do two things: (1) advise shareholders and senior management of pest management firms on creating value in their businesses by increasing cash flow and mitigating risk, (2) advise sellers on the sale of their businesses. I am a certified and accredited business appraiser, a graduate of Cornell University and I speak Italian, Spanish, Arabic and broken French.



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## New office bearers for 2013 - 2015

President: Mr. Myeon Ha Park, Korea (KPCA)  
Vice President: Mr. Raymond Lee, Malaysia (PCAM)  
Hon Secretary: Dr. Err-Lieh Hsu, Taiwan (TEPMA)  
Hon Treasurer: Mr. Junichiro Katayama, Japan (JPCA)  
President-Elect: Ms. Huang Xiao Yun China (CPCA)  
Reserve Members:  
Mr. Job B Dayandante, Philippines (PEAP)  
Mr. Javant Dandewate, India (IPCA)  
Administrator: Ms Catherine Yan, HongKong (HKPMA)

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## 2014 AGM will be in Hong Kong

It was confirmed at the 2013 Annual General Meeting that there will be no FAOPMA Convention in 2014, as the 26th Convention will be held in **September 2015**, hosted by the **Pest Control Association of Malaysia (PCAM)** - which is also the host for Pest Summit 2014 in September this year - **see next page**.

**However, it has been agreed that the 2014 Annual General Meeting will be held in Hong Kong, on November 26th - 28th, with the following schedule:**

- Nov 26th (Wed) 2pm - 6pm Exco meeting and AGM, 7pm AGM dinner (by invitation)
- Nov 27th (Thur) 10 am - 5pm Business Conference (Programme to be advised later), 6:30pm Annual Dinner (open to all members)
- Nov 28th (Fri) Morning tour + lunch (Optional)

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3rd - 5th September 2014



Sustainable Pest Management in a Borderless Globalized World

EVENT Information

## Pest Summit 2014 – Convention and Exhibitions

- Date:** 3 (Wed) – 5 (Fri), September 2014  
**Venue:** Sunway Resort Hotel & Spa, Persiaran Lagoon 46150 Petaling Jaya, Selangor, Malaysia  
**Program:** Seminar and Conference Sessions, Banquet Dinner, Exhibitions and Business Meetings, Social events – Tours and Shopping  
**Website:** [www.pestsummit2014.com](http://www.pestsummit2014.com)



### Conference Details

Pest Summit 2014 – an avenue where you can learn the latest research findings, technology and experience relevant to the pest management industry and indulge in the up-to-date information that you need to know from the experts while experiencing Malaysia – truly Asia

**Featuring:**

- Latest trends and market researches
- Business management strategies applicable for pest control operators and for the industry
- Up-to-date information on products and technology

**Expected Attendees:**

Pest Management Industry • Chemical Industry • Oil, Gas and Mining Industries • Property and Building Industries • Food Safety Consultants • Pest Treatment Equipment Supplies • Government Agencies in the field of Public Health and Environment • Academicians in the fields of Entomology, Food Safety and Public Health

**DISCLAIMER:**

The organizer reserves the right to make such alterations to the programs as circumstances dictate and will not accept responsibility for any errors, omissions or changes made to the speakers' information. The views and opinions expressed by the speakers at this PEST SUMMIT 2014 are not necessarily the views and opinions of the organizers.

#### Organizer



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