# Pesticide Industry IPM Investments

## USDA National IPM Symposium

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# About the Pesticide Industry

- Global Market Size is $35.4 B
- Non crop global sales are about $4 B
- Top 10 companies sales are $30.3 B
  - Range in size from $7 B to $700 M
- US is a static market
- Growth markets are Asia and South America
  - $670 M fungicides sold in South America in 2004 up from $130 M in 2002

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# CropLife is a FAO Signatory on the Code of Conduct for Pesticide Distribution

- **Integrated Pest Management (IPM)** means the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms.

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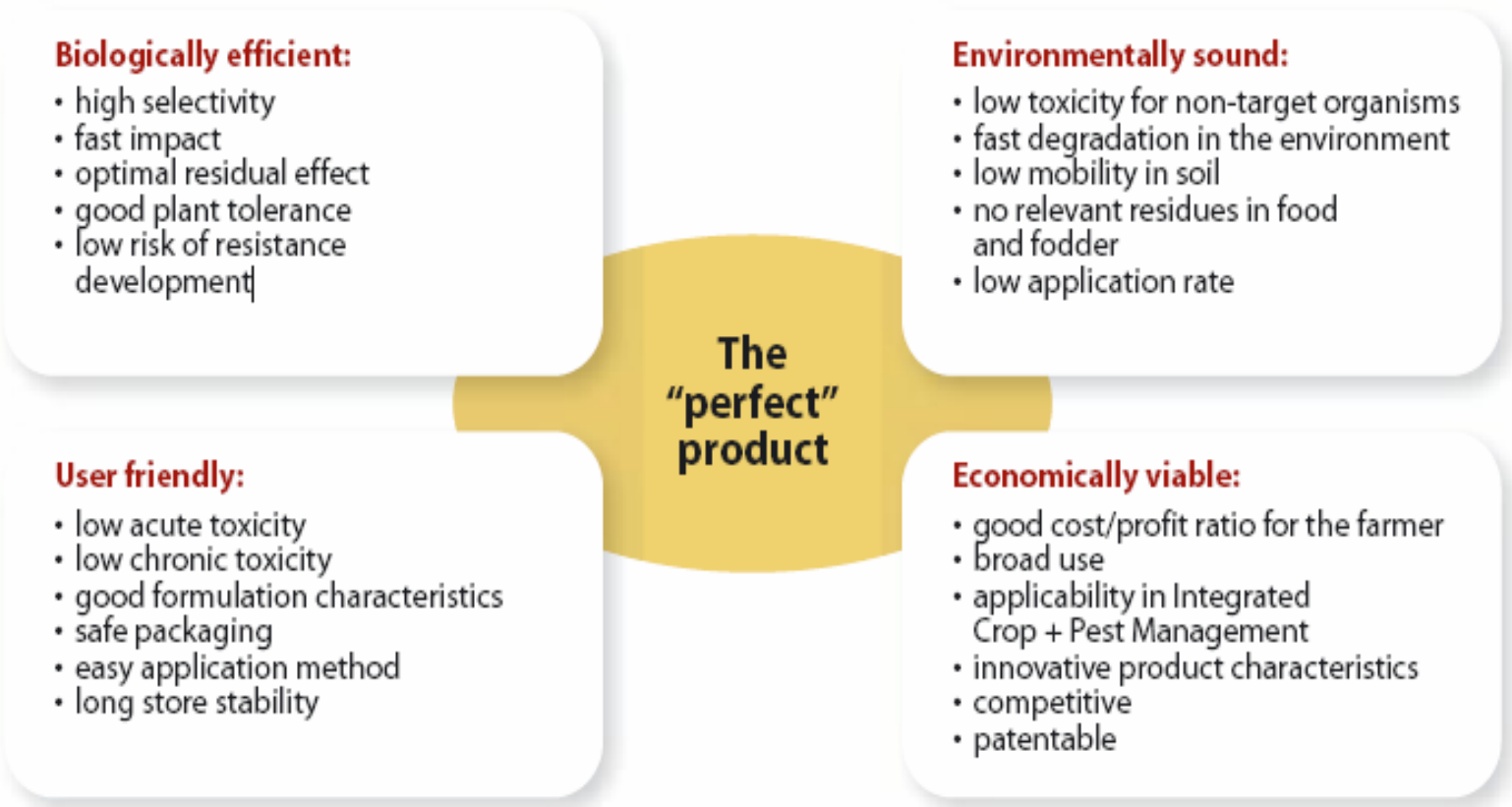
## Figure 3.2: Research goals for a new crop protection product




Source: Bayer CropScience

# 2005 Agrochemical R & D Investments

Source:

*Phillips McDougall*
*Vineyard Business Centre*
*Saughland*
*Pathhead*
*Midlothian*
*EH37 5XP*
*Tel : 01875 320611*
*phillipsmcdougall@dial.pipex.com*

# A New Pesticide

- Takes 8 to 9 years from discovery to registration

- Approximately $180 – $220 million to develop
  - 30% of the cost is on researching environmental fate and impacts.
  - 35% on biological research
  - 35% on developing formulation and production capability

- 10 CLA members spend $2.2 Billion on research and development or about 10% of their total expense

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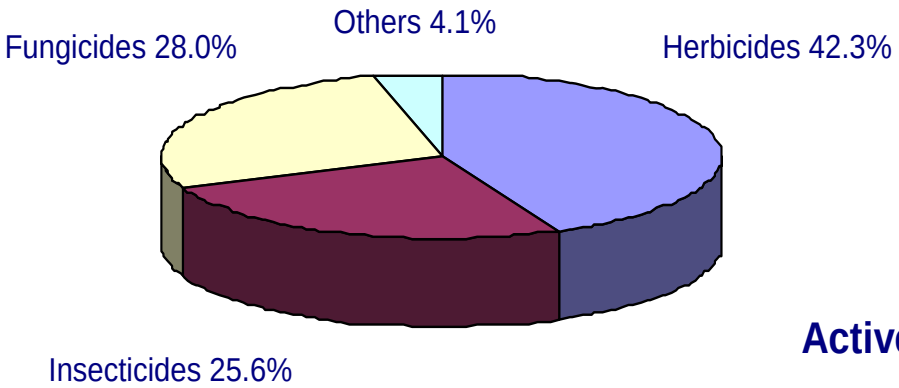
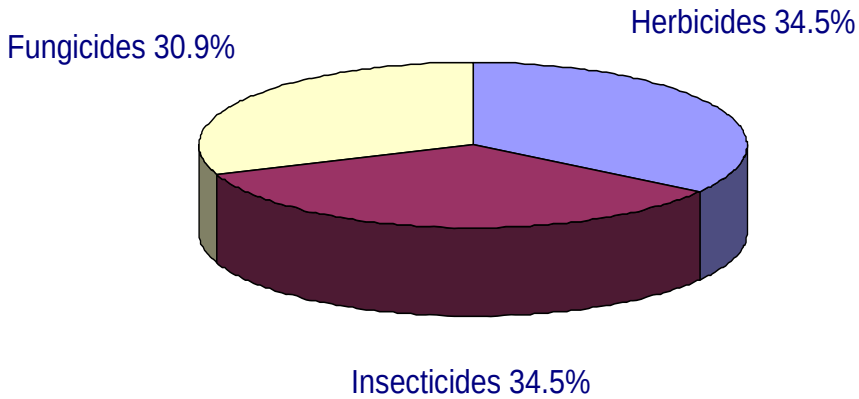
# Product introductions and R&D by Sector

## Active Ingredients Introduced Since 1980 by Sector




**Total = 293 products**

## Active Ingredients in R&D by Sector 2003




**Total = 55 products**

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# Product Introductions and R&D by Crop

| Number of new Active Ingredients | | Time period | | | |
|---|---|---|---|---|---|
| | | 1980/89 | 1990/1999 | 2000/2003 | In R&D |
| Herbicides | Cereals | 15 | 12 | 6 | 5 |
| | Soybean | 11 | 10 | 1 | 0 |
| | Maize | 2 | 10 | 2 | 6 |
| | Rice | 11 | 19 | 5 | 8 |
| | F&V | 2 | 1 | 0 | 0 |
| | Other | 10 | 5 | 2 | 0 |
| | Total | 51 | 57 | 16 | 19 |
| Insecticides | F&V | 11 | 16 | 5 | 8 |
| | Rice | 5 | 2 | 3 | 0 |
| | Cotton | 9 | 12 | 1 | 3 |
| | Others | 4 | 7 | 0 | 7 |
| | Total | 29 | 37 | 9 | 18 |
| Fungicides | F&V | 13 | 8 | 8 | 8 |
| | Cereals | 14 | 16 | 4 | 6 |
| | Rice | 9 | 5 | 5 | 3 |
| | Others | 0 | 0 | 0 | 0 |
| | Total | 36 | 29 | 17 | 17 |
| Others | | 7 | 3 | 2 | 1 |
| Total | | 123 | 126 | 44 | 55 |
| Average annual rate of introduction | | 12.3 | 12.6 | 11 | **11 |

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# IPM Training is a Global Activity

- CropLife member companies promote IPM through the network of regional and national organizations
- Partnerships with governments and NGOs are key to IPM training activities
- CropLife believes that safe use and IPM training are very synergistic
- CropLife member companies provide a matching grant program of $2 M each year to Latin America, Asia, and Africa national associations

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# Summary

- New pesticide products represent a $200 million investment
  - New products are compatible with FAO IPM definition
- Each year CLA member companies spend $2.2 billion on research
- New a.i.’s for corn, soybean, and cotton will be slow in coming
- IPM training partnerships are the key to training billions of farmers

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