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Editorial

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Agro Drugs Market and Sustainability - Biopesticides

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Editorial

Today, the agriculture faces with different challenges, which include, besides others, sustainability, which has an impact on all production process.

The strategy of using biopesticides for a sustainable protection of agricultural crops as part of food production process involves different actors of the agro-drugs market at different level.

For farmers buying agro-drugs with convenient price is an important aspect to ensure the economic sustainability and further development.

For consumers buying food products with adequate guarantees is relevant for their health and for the environment sustainability.

For companies selling agro-drugs is a profitable activity.

The agro drugs are divided in two types: generic and specialty.

The main difference between these two categories of products is attributable to the fact that generics are products for which patent rights have empire and then being freely reproducible are more subject to competition based on price.

Instead, the specialties are the expression of recent research of the manufacturers and as such, are produced and marketed exclusively by Companies holding the related intellectual property rights.

The specialties production is now attributable to multinational companies, highlighting an increasing concentration of the offer.

Ten companies control now 90% of the global pesticide market, while in the 80s were 20 companies.

The concentration of business finds its explanation in the high level of required investment to enter the industry, to adequate required certifications and inspections and to after place the product.

This has forced companies to activate merger or acquisition processes.

The types of companies currently operating in the sector can be divided as follows:

Large multi-national companies with international market;

National SME (Small Medium Enterprises) mainly operating with international market.

The dominant position of the multinationals is expressed significantly in the specific markets in relation to specific products.

Multinational companies with foreign capital, dominates with large groups which generate nearly 70% of total revenues.

The demand is, in most cases, pulverized at the level of individual farmers.

Excessive fragmentation forces producers to have a store in every municipality with a huge waste of resources.

In this context of obvious contractual weakness of users compared to producers, is clear that prices dynamics can only be to the advantage of the strongest individuals.

In the last decade, the input prices of the agricultural sector, as measured by products prices paid by farmers, reveal a worldwide increase.

The relation between sold products prices index and prices index of products purchased by farmers, inverted, since 2003, the trend favourable to the farms that had characterized the previous period.

Considering the decade period from 2001 to 2009, the amount of crop protection products distributed annually does not show relevant and changing trends market although the context reveals large annual fluctuations.

This relative stability of flows, however, represents an aggregate value emerging from contrasting performance of the main products categories: decreasing trends affect fungicides, insecticides, herbicides, while, innovative and low environmental impact products registered quite relevant increasing trends.

Biopesticides doubled their weight within the sector over a ten years period.

Especially for toxic products, the reduction is mainly due to the use of agricultural practices, agro-environmental policies encouraged by the Governments, addressing a lower demand of chemicals means used in agricultural crops.

In recent years, plant protection products were characterized by a tendency to replace the old conception molecules with new generation active ingredients with reduced environmental impact, even though climatic conditions evolving year after year and types of crops influence the distribution of different types of products.