

Bayer CropScience: Innovation and Cooperation Drive Sustainable Development of Agriculture

Date: 2013-10-3

Agropages has recently had a dialogue with Mr. Lykele van der Broek, COO of Bayer CropScience. Mr. Van der Broek shared his viewpoint about sustainable development of agriculture as well as Bayer CropScience's development strategy.

In recent years, multinational companies have increased the investment in the business of biological, seeds and traits, what kind of industry trends do you think it represents?

There are 7 billion people on the planet today. By 2050, the population is anticipated to be almost 10 billion. Besides population growth, the major global trends including changing of food consumption patterns, more limited arable land, weather fluctuations, insufficient storage, are also affecting the food supply. Contributing to world food security is no means task to all crop protection companies.

Food production needs to increase some 70% by 2050. To meet the growing demand, we must find ways to sustainably increase agricultural productivity. And innovation, only with new technologies, e.g. breeding, biotechnology to develop improved seeds, chemical and biological crop protection solutions, can farmers increase yield at quantities needed. The increasing investment of multinationals represents the trends of driving sustainable agriculture development by new technology and innovation.

How will Bayer CropScience maintain the sustained growth in this round of industry change? Is there any change in Bayer's crop protection conception?

In this round of industry change, innovation and cooperation are two pillars of Bayer guided by the conception that developing integrated crop solutions to best serve customer needs. We will foster innovation to further develop strong industry position. We offer integrated crop solution, spanning from seeds and traits in key crops like cotton, rice or soybean, to crop protection products based on chemical and biological modes of action for protection against weeds, fungi, insects and nematodes, all the way to services and proactive product stewardship measures.

We are taking on responsibility and bringing our innovation leadership and outstanding expertise in seeds and crop protection to the industry, but we need partners to work together. We are driving a holistic approach that leverages strength of partners both inside and outside our industry, to respond to customer demand that support good agricultural practices,

Could you please detail the development planning or commercial strategy of Bayer CropScience in conventional pesticide, biological, seeds field in the term of investment, merger, cooperation or license?

Regarding conventional pesticides, Bayer's investment are mainly for the expansion of facilities in Europe and North America, and establishment of formulation/production sites in Latin America and Asia, yet will serve our major markets in these areas to meet the growing market demand. In terms of commercial strategy, besides selling our products through Bayer's channel, we would also like to work with those companies which have technology and distributing channels, to make our products sold as wide as possible. Not limited to chemicals, the products also include biological, seeds and traits.

I regard to biological pesticide which has become more and more important with the rapid development of organic farming and the increasingly prominent of pesticide resistance. The market value of biological pesticides is expected to reach 40 billion Euros. Bayer is the first one among multinationals to access the market in large scale. We will invest more and are expecting to become No. 1 in this field. We have plans to establish biological technology platform in some countries/areas, making the research and commercialization of biological locally developed.

Seeds Business is another growth element of Bayer. We are still not in the dominant position in the market though we have had good performance in the crops such as vegetables, rice, oilseed rape and cotton, and try to build up significant market positions in soybean and wheat. We will target different market and need for product development. We will have some merger plans in this area or establish joint venture with local companies.

How do you see emerging markets' contribution to Bayer's business growth? How are you going to further expand emerging markets?

In the first half of 2013, Bayer has enjoyed a 12.8% growth in emerging markets, reaching 1.795 billion Euro. Latin America has a particularly good development and at the mean time, sales in Asia, Africa and Middle East are gratifying. Sales from emerging markets account for 34.8% of the total and will keep growing.

In recent years, growers in emerging markets have shown greater interests in patented innovative agrochemicals comparing to conventional non-patented products. Apart from providing such areas with high quality crop protection products, Bayer also conducted R&D activities according to local practice and crop situation. Currently, we have established R&D center and greenhouses in many regions and being productive in development work.

How do you see the EU ban of Neonicotinoid? Facing stricter regulatory administration, how will Bayer react to it?

We do not agree with the EU decision which is based on an "inaccurate & incomplete assessment" by EFSA. This decision hasn't obtained support from all member countries. If used according to label, neonicotinoid is safe and highly effective.

Stricter market administration is good for the industry and Bayer. It gives higher requirements and challenges. Our R&D will also be administered to develop better and safer products.

Under current circumstance, we will try to protect our products in other markets and meanwhile considering re-applying registration in EU. Furthermore, we will continue developing substitute products and proactively helping with bee health.