

Syngenta, Bayer, Dow, and BASF retain leadership in global crop protection chemicals market

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According to a report published by Mordor Intelligence on crop protection chemicals, the global volume market for pesticides is projected to reach 3.4 million tons by 2020 from 2.3 million tons in 2014, with a CAGR for volume growth being 6.2 percent between 2015 and 2020.

Factors driving the markets for pesticides include decreasing arable land, increasing population and the requirement of improving crop yields.

On the other hand, regulatory authorities such as EPA (Environment Protection Agency) frequently come up with stringent laws related to curbing pesticide use for alleviating environmental damage and increasing consumer awareness about pesticide consumption, which is expected to be instrumental in slowing down growth in demand for synthetic pesticides.

In addition, several highly toxic pesticides have either been banned or are in the process of being phased out, thereby opening new avenues for growth in demand for Biopesticides.

For instance, chemicals such as glyphosate (herbicide), atrazine (herbicide) and chlorpyrifos (insecticide), to name a few, remain under constant reviews and can be either gradually phased out or even banned if more eco-friendly options are made available.

Being organic, free of chemical residues and eco-friendly products, Biopesticides have been witnessing faster growth in demand compared to their synthetic counterparts.

Governments in several countries have come up with initiatives aimed at promoting the development and use of Biopesticides because of their low toxicity, greater safety and higher effectiveness in controlling pests.

However, growth in the market has also been hampered due to the entrenched pesticides market, low per capita usage of pesticides in several regions, shrinking farm lands, and burgeoning research and development costs.

Despite being the largest market for Pesticides, demand growth in North America is likely to be the slowest, while Asia-Pacific is expected to emerge as the fastest growing market. Asia-Pacific is forecast to be the fastest growing, with a 2015-2020 volume CAGR of 7.9 percent.

US, China, Japan and Taiwan have the highest per capita (Kg/ha) usage of pesticides when compared to low consumption in countries like India, Greece among others.

However, the need for food security and better reforms will drive the market in these countries.