

South America Crop Protection Monthly Report



CCM International Limited

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Seize the opportunities in the boosting market

Crop Protection Monthly Report brings you the latest information on new company dynamics, new policies, new market trends, new technology, International trade

South America is the fastest growing area for pesticide consumption in the world. As one of the most important agricultural area in the world, South America increases its soybeans planting area. In 2011, the planting area of soybeans has been over 46 million hectares, which becomes the rigid support for huge pesticide demand. Its total pesticide market value is estimated at USD10.5 billion in 2011, up 30% year on year. At the same time, it has accounted for 22% of the total market value in the world.

Table 1 Market value of major countries in South America, 2011, million USD

Country	Market value
Brazil	7,803
Argentina	1,271
Colombia	374
Chile	200

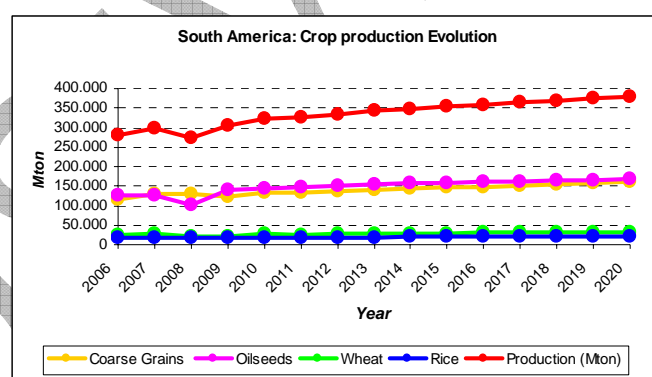
Source: Crop Life (2011 Preliminary data-Phillips McDougall)

South America's key role in international pesticide industry has drawn more and more attention in the world, especially when South America crop protection market has entered a phase of rapid development and transform. This rapid development of crop protection market was aligned with the increase of main crops areas and their yields evolution, sugarcane and cotton high global demand and growing economies in the region. The evolution in crops production was also due to the implementation of new technologies as direct planting that needs more chemicals before planting, use of fertilizers and treated areas with chemicals to protect crops from diseases as Soybean Rust during last campaign in Argentina, Brazil & Paraguay or pests as MOR in Brazil & Argentina in order to optimize yields.

By 2020, projections show the increase of production, yields and harvested areas in South America. As the result of this outlook, the crop protection market will grow to fit this future agriculture needs. The possibilities to satisfy the global food needs will be also an issue that could be solved from this region.

Table 2 South America crop production evolution, million tonne

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Coarse Grains	116.315	128.871	129.805	124.270	134.720	132.321	137.996	141.865	142.691	146.623	148.112
Oilseeds	124.900	125.846	102.693	141.439	144.624	148.193	150.222	153.335	156.642	158.814	160.599
Wheat	23.367	27.063	22.564	21.832	26.382	25.686	26.750	28.112	29.510	29.495	30.118
Rice	16.877	16.664	18.159	19.251	18.240	18.714	18.972	19.220	19.523	19.715	19.952
Production (Mton)	281.459	298.445	273.220	306.792	323.966	324.913	333.940	342.532	348.366	354.648	358.782



Source: OECD-FAO

Table 3 Argentina crop protection market production by origin %

	2008		2009		2010	
	Revenues USD	%	Revenues USD	%	Revenues USD	%
Formulated	575	32%	640	49%	581	35%
Import	445	25%	421	32%	758	45%
Produced	757	43%	246	19%	337	20%
Total	1,777		1,307		1,676	

Source: CASAFE

As the result of many meetings between Agriculture Ministers from Latin American countries, they signed a declaration in which they committed to generate, disseminate, and use agro biotechnology, nanotechnology, information and communication technology in order to improve the competitiveness of the sector. They have the conviction that innovations in the sector can serve humanity by strengthening food security and combating environmental deterioration. They are firmly committed to implement strategies for encouraging agricultural



innovation in order to make it more competitive, sustainable and inclusive.

Some aspects of the declaration that stand out are the adoption of technical regulations and sanitary and phytosanitary measures based on science, without restricting national and international trade in an unjustified manner, which is critical for helping countries to benefit from innovative agricultural technologies.

The director of the Inter-American Institute for Cooperation on Agriculture (IICA), Víctor Villalobos, affirmed that innovation is the basic motor of economic growth, which is why a partnership is needed between growers and governments in which national innovation systems are developed. A greater investment in research and development, as well as finding ways to transfer this knowledge to all the countries, is also required.

Some figures they used to describe the situation in Latin America:

- Agriculture generates 41 million jobs.
- The agricultural sector represents 15% of the GDP.
- Agricultural exports are 20% of all exports

In the year 2010, according to (ISAAA) report, the genetically modified (GM) crops amounted to 148 million hectares in 29 countries, which is an evidence of the rapid adoption of this technology.

Table 4 GMO planting areas global overview, 2010-2011, Million ha.

Country	Area (Million ha.)
USA	66,8
South America	50,3
India	9,4
Canada	8,8
Others	12,7
World	148

Source: ISAAA

Detailed information about South America Countries is on the following table.

Table 5 GMO planting areas in South America by country, 2010, million ha.

Ranking	Country	Area (Million ha)	Crop
2	Brasil	25,4	Soybean, Corn, Cotton
3	Argentina	22,9	Soybean, Corn, Cotton
7	Paraguay	2,6	Soybean
10	Uruguay	1,1	Soybean, Corn
11	Bolivia	0,9	Soybean
18	Colombia	0,1	Cotton
19	Chile	0,1	Soybean, Corn, Canola
20	Honduras	0,1	Corn

Source: ISAAA

Knowing companies' current dynamics and market situation in South America will help identify commercial opportunities in South America's market. In addition, a close watch of government policies and regional dynamics will surely help any exporter make wise decisions.

The favorable economic conditions in South America are an attractive destination for companies to develop and sell their products and services. The combination of new market creation and the availability of talent with product development expertise have triggered efforts to create innovation from within the country.

As an example of this China and other Asian countries has been increasing investments in South American Agribusiness.

Their investment projects in South American agriculture reflect its interest in securing long-term food supplies and expanding its sourcing options; a move to diversify investment portfolios from traditional countries treasuries into commodities; and a possible response to an internal supply-demand imbalance

The flow of deals with the region is expected to continue and will provide more balanced trade relationships.

Globally is an ongoing need to secure food and crops –soybean and corn- supplies matches well with South America's productive strengths.



The world will continue to look to South America for incremental production.

These are the main reasons to be one of our readers. You could analyze opportunities to let your business growth aligned with global needs

WHAT WE OFFER:

- Latest South America crop protection monthly report, studying on Brazil, Argentina, etc. and focusing on pesticide, GM seed industries
- In-depth profiles of crop protection companies exploiting South America and international market
- Exclusive analysis on how new legislations and macro economy will influence South America's crop protection market
- How requirements from distributors, farmers, diseases, pests, genetic modified organism, pesticide resistance, crop price and climate are influencing the South America market
- Advanced technology, new crop protection products and formulations that South America is pursuing
- Breaking news on joint ventures, foreign-owned enterprises and local companies
- Corporations, merges, and acquisitions between South

America crop protection companies

- Market price dynamics, causal analysis and trend forecast
- New plants and line openings, closings, and expansions
- Up-to-date information on manufacturing challenges and industry standards about residue and toxicity in South America
- Analysis of the impact of new crop protection guidelines and legislations

REASONS TO SUBSCRIBE:

- Identify new business opportunities in South America – where and when YOU should invest
- Know what technology, and crop protection products South America is prepared and excited for
- Find out where the South America crop protection market will go next and how your business can get involved
- Gain vital business intelligence from outside of South America to get ahead of the competition
- Keep track of your competitor's actions
- Sales and marketing deals from comprehensive coverage of deals completed in South America
- Gain insight into the latest market trends and market data for crop protection in South America



MAIN CONTENTS

■ Company Dynamics

- **Report** the latest news about crop protection companies in South America, including business situation, marketing strategies, launch of new production line, new product, new technology, company expansion, merger & acquisition and cooperation, regeneration etc.
- **Exclusive analysis** of the driving forces behind the news, such as market demand & supply, company advantages & disadvantages, its impact on the industry, policy guidance, and so on.
- **Company strategies** to achieve its goals and explore the crop protection market both domestically and internationally, how and when.

■ Market Dynamics

- **The latest events occurred** in crop protection markets, like new industry bases, pesticide supply & demand, price analysis, distribution channel development, etc.
- **Forces driving** the event, including market demand, raw material supply, end-users' consumption habit, crops' planting area, stricken area by pests, environmental protection, etc.
- **Responses, strategies and actions** from companies, experts and associations.
- **Current situation and Detailed market trend** of the event.
- **International trade** for pesticide, main agricultural products.

■ Policy and Legislation

- **Introduction** of new policy and legislation affecting existing crop protection companies in South America or potential entrants.
- **Impact** of the legislation on the crop protection industry, supply and demand, export and import, crop planting, crop protection method, etc.
- **Viewpoints** of companies, associations, experts and growers.
- **Companies strategies** to respond to the legislation and figure out legislation's future impact on the industry.

■ Crops and Pest

- **Report** of the latest situation of crops' planting area, yield, planted crops, planting structure in South America; additionally, price of South America's major crop will be updated, like table 1
- **Exclusive analysis** of South America crop's impact on crop protection industry, including its major pests, major pesticide demand, yield, growers' purchasing tendency, etc
- **Figure out** crop's total demand for pesticide, popular crop protection methods, what South America growers starving for, and crop planting trend
- **Point out** potential market opportunity occurred by pesticide resistance
- **Companies strategies** to take advantage of the market
- **Point out** the GMO planting situation and new variety application in South America, etc.

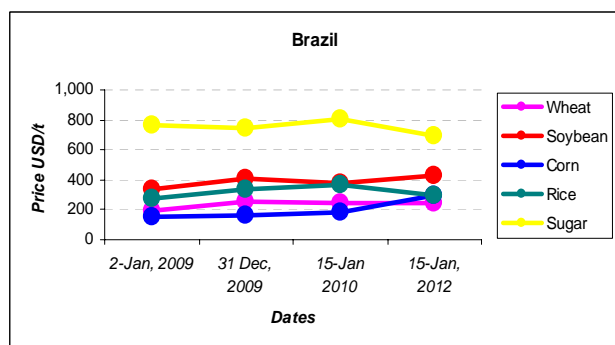
Table 6 Average market price of main crops in South America, price: USD /t

Crops	2-Jan, 2009		31 Dec, 2009		15-Jan, 2010		15-Jan, 2012	
	Brazil	Argentina	Brazil	Argentina	Brazil	Argentina	Brazil	Argentina
Wheat	190	125	254	137	247	143	246	150
Soybean	335	252	406	274	374	270	432	297
Corn	152	93	168	131	185	128	293	168
Rice	272		341		369		292	
Sugar	764		740		807		691	
Sunflower		175		237		240		295

Source: CCM International

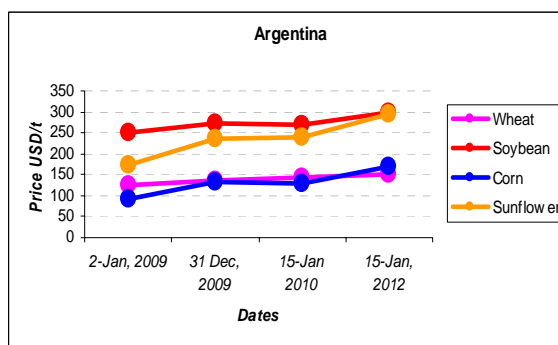


Table 7 Brazil: Average prices evolution by crop, USD/t



Source:IEA

Table 8 Argentina: Average prices evolution by crop, USD/t



Source:BCR

Note:

CCM International also welcome readers contact us to provide the hot issues occurred in the crop protection market in South America that need us to make a more further report, we would try our best to serve our reader by two- way communication and increase the readers satisfaction.

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