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Biocontrol Market: How to Fill the Gap?

Bernard J. Blum

IBMA, International Affairs

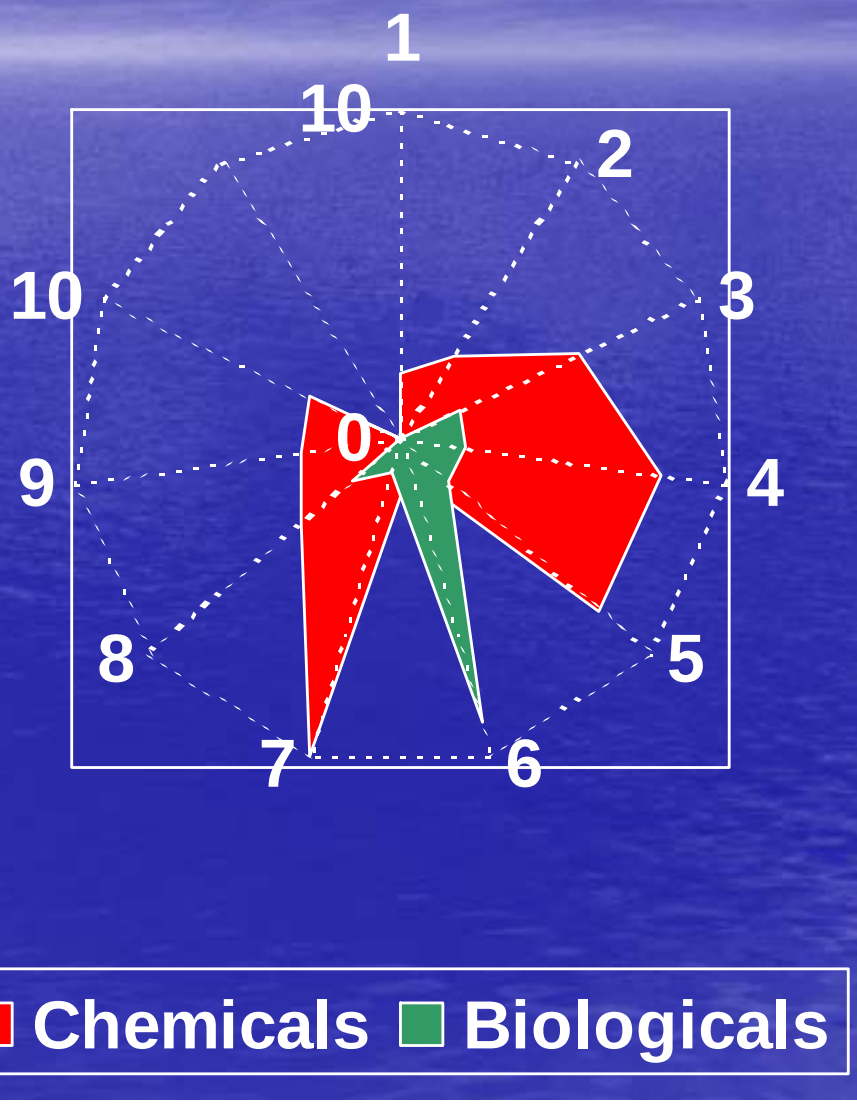
CEO Agrometrix ICM, Basle, Switzerland

IBMA
International Biocontrol Manufacturers Association

Biocontrol
where and how?

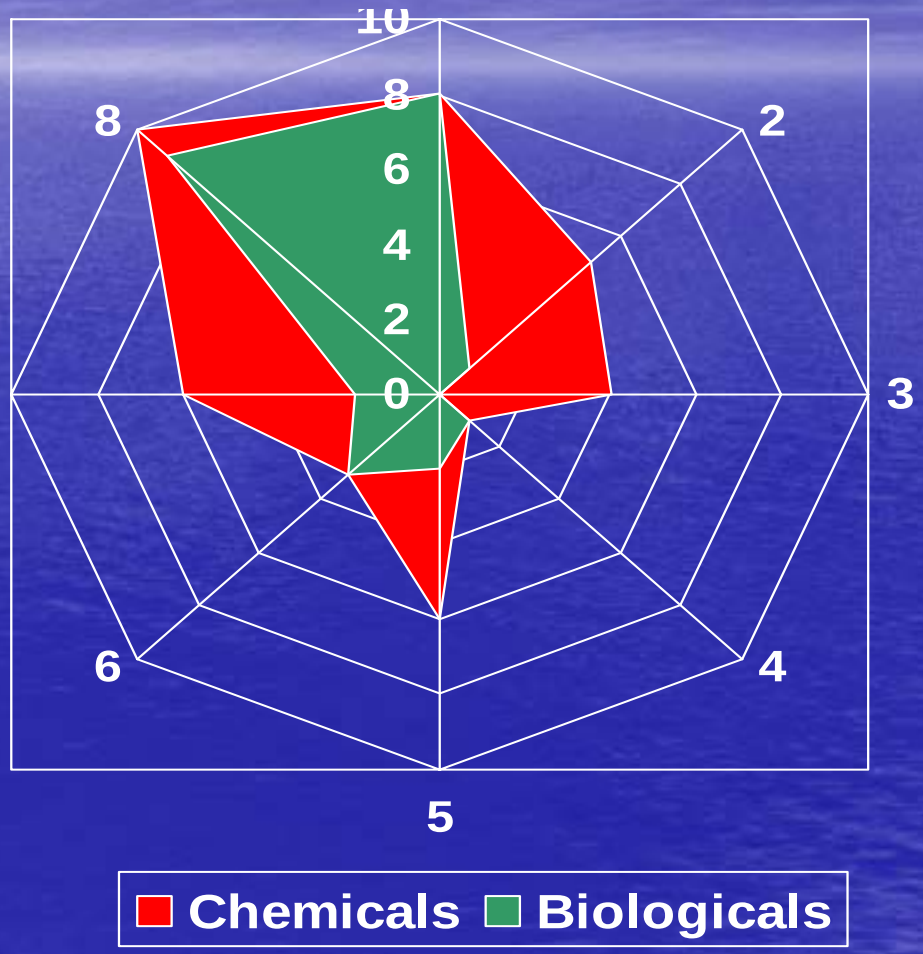
Plant Protection Products USES

1. Forestry
2. Amenity (not cultivated area)
3. Vegetables
4. Fruit crops
5. Vineyards
6. Covered crops
7. Large field
8. Horticulture open field
9. Animal health
10. Public hygiene



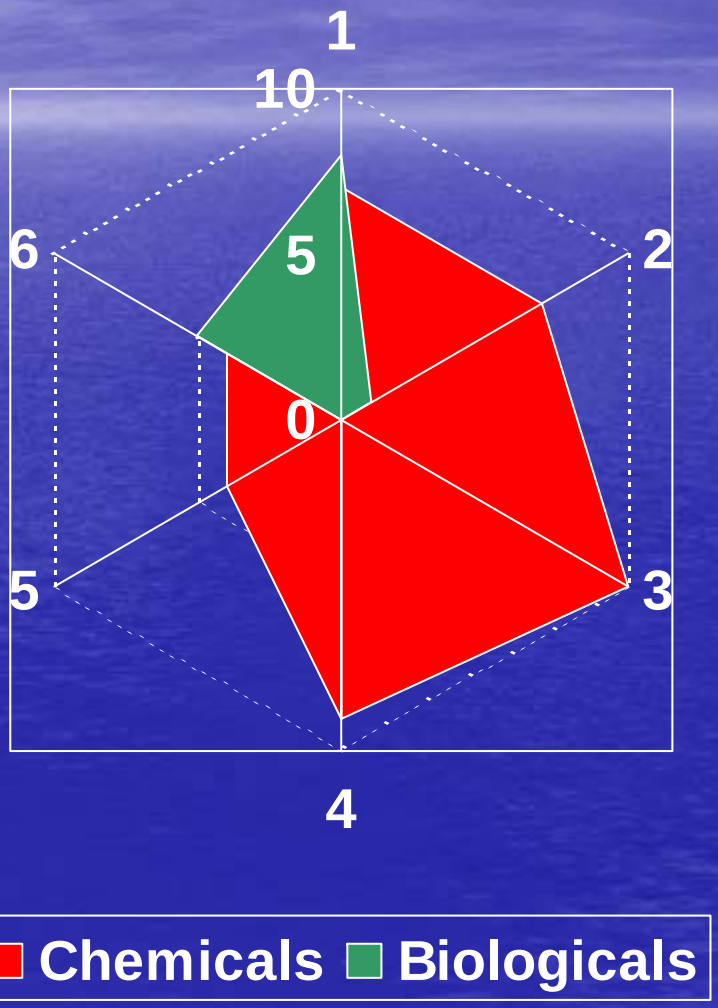
Geographical dimension

1. W. Europe
2. E. Europe
3. Middle east
4. Africa
5. Asia
6. Australia
7. Latin America
8. North America



Segmentation

1. Home & Garden
2. Large holdings intensive
3. Large holding extensive
4. Small holdings intensive
5. Small holdings extensive
6. State operations



Additionally

- Biologicals amount to less than 0.1% of sales at the ditribution level (OECD study « agro inputs supply » - 2005)
- Agriculturists Awareness Survey (Greenpeace –Europe and N. America2006) :
  1) general awarnes about Biocontrol 87%
  2) awarness about available solutions 4%
  3) readiness to adopt Biologicals 1%
  4) main reasons for reject:
     - high cost
     - lack of efficacy
     - complicated to be used

Gaps

- Regions :
  Asia, Latin America,
  Middle East, Eastern Europe
- Markets: Open field crops, plantations,fruits, vineyard, public hygiene,
  animal health
  (ectoparasites) etc.
- Segments: large holdings, intensive cropping (not covered)
- Traditional distribution not involved
- Lack of growers information

Opportunites

- Only 2-3% of the market covered
- Consumers and NGOs sympathy
- Support from officials and Regulators
- Chemical pesticides shrinking (Europe: 16% in 2005-2006)
- New solutions required by growers for Mios sales (soil insecticides Market: 2 Bio €)
- Numerous solutions offered by Research

VALUE: over 7 Bio €

HOW TO FILL THE GAP ?

SOLUTION

- Market Development Strategy
  therefore
  Avoid competition (amongst biological manufacturers)
- Market (instead of product) orientation
- Diversification: new regions, new uses

But, ...

- Most of manufacturers are SMEs
- Experienced in local niche markets
- Reestricted production capacity
- Lack of financial resources
- Reduced staff
- Few international connections

8 basic orientations

1. Market survey
2. Suppliers Consortium
3. Product Development project
4. Funding
5. Local distribution partnership
6. Regulation
7. Technical support, Training
8. IBMA local organisation

STEP 1: Market Awarness

- Where are market opportunities
  (eg.- Diabrotica market potential: 50 Mio € in Europe
  - DomesticFlies control market potential: 250 Mio $)
- Which problems have to be fulfiled
- What are the current solutions offered
- Are competitive products available and satisfy the users needs
- Which problems chemicals are facing
- Quantify market size and trend...

Step 2: To set up a Suppliers/ Manufacturers Consortium

- The penetration into new markets, new countries etc. requires time and funds
- The import of BCAs may be difficult and require local manufacturing and partners

1. Several suppliers may joint efforts in order to jointly succeed (cf Keith Douglas Warner – Santa Clara University)
2. Look for potential partners
3. Consider potential local duty manufacturers
4. Define roles, respective business objectives etc.
5. Important: a clear agreement is necessary in order to avoid potential conflicts

STEP 3: Product development

- Biological studies , small scale and field development in order to secure registration and prepare the technical support for the promotion
- Ensure that the application technique is adapted to the problem and the potential users

1. look at large opportunities which only will secure return on development costs
2. product development, especially in new market and overseas countries, is expensive and may require collaboration between several partners (provisonal agreements to be settled)

STEP 4: Ensure Project Funding

- identification of objectives
- Business plan
- Time & Cost concept

1. look at all kind of potential support, at each step of the project (eg EU Commission support to R&D projects, SMEs schemes ...)
2. consider joint action with potential partners
3. funding from alternative banks and international organisations (World Bank, WHO etc...)

STEP 5: Distribution

- It is usually excuded for the manufacturers to ensure both product development and distribution
- Biologicals require a strong technical support
- Most of the Biologicals are fragile, require special transportation systems and have to be used immediately

1. Look for local distributors which can take in charge the local promotion and technical support of users
2. Dedicated distributors are to prefered
3. Consider local formulation, even production

Step 6: Regulation

- International, but also national regulations cover the export, the import and the use of plant protection products
- They usually concern chemical pesticides, less BCAs

1. It is important to ensure that the export and the sales will not infring the regulations
2. Close contact with local authorities will facilitate the introduction and possibly the registration
3. If needed, offer collaboration for the adaptation of local regulation

STEP 7: Technical support

- Strong technical justification has to be provided
- Users have to be duly informed and trained
- They must be aware about benefits and risks of all solutions offered
- Application technique must be adapted to local conditions, often using information technoloy devices

1. To use as much as possible the support of governmental plant protection agencies
2. All technical documents must be available in local language
3. Supporting technicians must be local staff
4. Information technology, decision support devices will ease the adoption of new technologies

Step 8 : IBMA local organisation

- To succed with adaptation of local regulations as well as in order to ensure collaboration with local extension service may be more effective and appreciated when the action is endorsed by an industry association

1. When a local IBMA association or an Bioocntrol association exist look for potential support
2. When a local association is already created, ensure its affiliation with IBMA
3. When no association exist look for the setting up of a local IBMA organisation

Opportunites are numerous

BUT BE FAST and CAREFUL:

attractive markets attract new comers, especially when the « entry price » is (relatively) low !