



Soaring costs of developing new pesticides could increase farmers' risks

By Jon H. Harsch

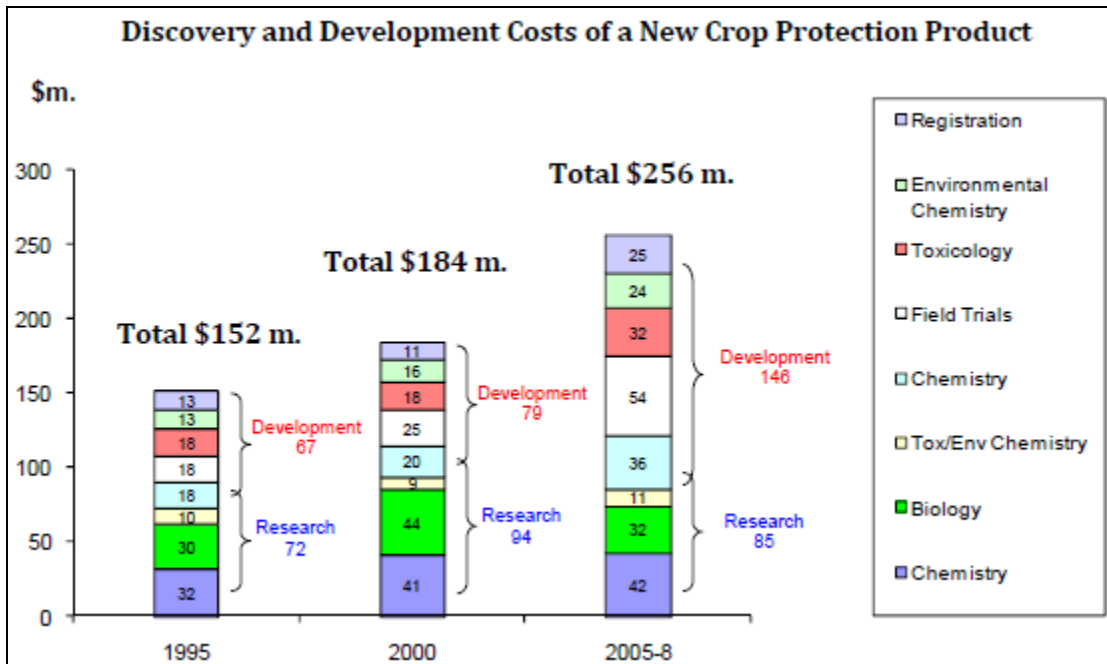
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Washington, Feb. 25 – America's farmers and ranchers may be facing a perfect crop-protection storm that's moving up fast. On the one hand, climate change studies from USDA and others forecast increasing pest and disease problems with higher summer temperatures stressing both plants and animals while warmer winters mean more insects and disease are surviving to strike again. Compounding the problem, crop protection companies now have far higher costs, steeper regulatory hurdles, and longer delays for launching new products.

A joint CropLife America (CLA) and European Crop Protection Association (ECPA) report released Feb. 25th shows that the cost of developing and registering new pest and disease prevention products has rocketed from an average of \$152 million per product in 1995 to \$256 million for the 2005-2008 period. That's a 68% increase – and a 39% increase from the \$184 million cost five years ago. Even more chilling at a time when more products may be needed to deal with increasing pest and disease pressure, the report finds that although many more potential products are being tested each year, "the number of products actually making it through the stages to market introduction declined from four in 1995 to only 1.3 in 2005-08."

The study carried out by agribusiness consultant Phillips McDougall shows that to put a single new product on the market in 1995, private companies analyzed some 52,500 molecules ten years ago. Now the same process to end up with a single product starts with working on 140,000 molecules.

In announcing the new report, CLA President and CEO Jay Vroom explained another challenge facing private industry: the process of bringing a new product to market which took 8.3 years back in 1985 has stretched to 9.8 years. Vroom says that means the product has only half its twenty years of patent protection left by the time it goes on sale.



Source: CLA/ECPA report on “The Cost of New Agrochemical Product Discovery, Development & Registration, and Research & Development.”

Vroom said that with world population expected to jump from 6.6 billion now to over nine billion by 2050, “We are facing an urgent need for agricultural innovation, one that is crucial to meeting global demands.” Pointing out that “Seventy percent more food will be required just 40 years from now,” he said “Farmers will require new tools, techniques and technologies to meet that demand while using about the same amount of land, water and other natural resources. However, ever-increasing costs and lengthy timelines are challenging our ability to respond.”

Vroom said the industry already complies fully with stringent regulatory requirements and that “The crop protection industry is one of the most highly regulated sectors in all of agriculture and we support a sound, consistent and risk-assessment based regulatory system for our products conducted by the Environmental Protection Agency (EPA).” At a time when environmental interests seek more limits on pesticides, Vroom added that “What we need is a consistent regulatory framework that is supported by science-based policies in the support of modern agricultural production.”

Warning against further constraints on production agriculture, Vroom concluded that “It is essential that we continue to advance modern agricultural production by investing in crop protection research, innovative farming methods and new technologies to meet the unique challenges faced by agriculture and consumers worldwide who rely on it.”

To read the 22-page report, go to: www.croplifeamerica.org/phillipsmcdougallstudy.

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