EU regulations contributing to consolidation in biotech, agrochemicals industries

Bayer AG's big push into the U.S. agrochemical market with its <u>planned acquisition</u> of <u>Monsanto</u> Co. could help it offset a growing problem on its home turf: increasingly stringent European regulation.

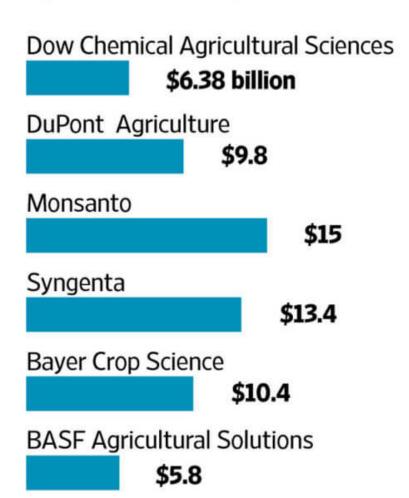
The oversight has been driven by fierce public resistance in the European Union to pesticides and other crop-protection chemicals...

"The single biggest challenge [in the EU] is regulation on the crop protection side," said Liam Condon, the head of Bayer's crop science division... "It's taking longer and longer to bring products to market."

The regulatory environment, along with low crop prices in North America, has helped drive a wave of consolidation in the agrochemicals industry.

Leading the Pack

Sales of the world's major agrochemical companies in 2015



Note: China National Chemical Corp. is also a major manufacturer of agricultural chemicals. It doesn't make divisional sales figures for the company's agro business available; its total sale for 2015 is \$45 billion.

Source: the companies THE WALL STREET JOURNAL. The Bayer-Monsanto deal would allow the two companies to pool resources to increase research and development and investment in technology... said David Zaruk, a professor at Université Saint-Louis in Brussels.

Mr. Zaruk said smaller seed and crop companies in Europe mostly have been priced out of the market and must team up with multinationals to get their products out because of the hundreds of millions of euros it can cost to comply with regulatory standards.

The GLP aggregated and excerpted this blog/article to reflect the diversity of news, opinion and analysis. Read full, original post: <u>Bayer's Monsanto Purchase Could Offset European Regulatory</u> <u>Concerns</u>