Development of crop protection is crucial

A billion people go to bed hungry every day, and the number is still growing. This negative trend must be reversed by more efficient farming, and this is where crop protection products are essential. Cheminova is one of the companies focusing strongly on research and development of new effective products that can increase crop yields.

"Without crop protection products, as much as half of the world's crop harvests would be lost. This is why these products are so essential. They are just as important to the world's food supply as fertilizers, irrigation, breeding and education."

These are the words of Allan Skov, Senior Vice President, Development & Registration at Cheminova.

To further emphasise his point, Allan Skov points to the fact that the number of undernourished people in the developing countries is currently on the rise.

The situation is worsened by the financial crisis, but this negative trend dates back to the mid-1990s.

Need for research

Over the next 40 years, the world's population will grow to approximately nine billion. At the same time, a growing middle class in India and China is demanding higher standards of living. Feeding all these people will require a doubling of current food and feed production.

The development of new and improved products is therefore crucial to ensuring that agricultural production can meet the future needs of the world's population.

This is why Cheminova has focused so strongly on innovation since the beginning of the 1990s.

From a traditional focus on production, the company began to increase investment in research, process development and the registration as well as marketing of new crop protection products.

"About 15 years ago, we introduced a new active ingredient every third year. Today, we market three new active ingredients a year released as several crop protection products," says Allan Skov.

220 R&D staff

Development is carried out in the laboratories at Harboøre and at Cheminova India, one of the group's 23 subsidiaries. Other development projects are undertaken jointly with several different companies and research centres.

In recent years, Cheminova has invested strongly in development. A total of 220 of the group's 2,000 employees are engaged in innovative chemistry, process development, formulation development and registration.

Biological testing and evaluation takes place in greenhouses and advanced laboratories. Under controlled conditions, different crops are grown for trial use and are exposed to attacks by insects and fungi.

Researchers study how soy plants, cotton and rice are slowly but surely destroyed by these small pests. In this environment, the effect of the new products can be closely studied.

"In the real world, when soybeans are attacked by fungi and aren't sprayed in due time, farmers can easily lose their entire crop – as we have seen in Brazil," says Lars-Erik Kruse Pedersen, Vice President, Corporate Communication.

Corporate Social Responsibility

Product development also means that new products are far safer but just as effective as traditional products.

"We have a natural interest in replacing the so-called Class I products with safer modern products," Alan Skov explains.

As a result, Cheminova has formulated a precise and open CSR policy (Corporate Social Responsibility) to show that Cheminova assumes greater social responsibility than required by law.

In practice, this has meant that Cheminova's Indian subsidiary has been able to replace sales of the extremely toxic phorate with a far safer insecticide a year earlier than promised in the phase-out plan. Production of the insecticide monocrotophos has also ceased, and the factory is now being rebuild to supplying a modern fungicide for Cheminova's global product programme.

Tough competition

"The challenge is to get the poor farmers to replace their effective traditional products with new and unfamiliar ones, as their economic survival depends on effective crop protection," says Allan Skov.

He admits that Cheminova can lose market share in connection with the phase-out plan because Cheminova's competitors continue selling the old toxic Class I products.

"But we are committed to a long-term CSR policy. This means that whatever we do must make business sense, but also be sustainable for the community, which in turn places further emphasis on innovation and development."

Despite tough competition, Cheminova has every reason to be optimistic about the future.

"It is expensive to develop and register new products. However, our investment will give us a competitive edge in the years ahead."

"Our goal is to double our market share by 2015. This means that current revenue of approximately DKK 5.5bn has to be more than doubled in this period."

"And this is certainly feasible," asserts Allan Skov.

Cheminova's product programme is undergoing constant development, as pointed out by Allan Skov, Senior Vice President, Development & Registration (left), and Lars-Erik Kruse Pedersen, Vice President, Corporate Communication. Photo: Martin Dam Kristensen.

CHEMINOVA

Cheminova's core activities are the development, production and marketing of crop protection products. The products are marketed in more than 100 countries, mainly to high-tech farming which – through exports of corn and soybeans – plays a crucial role in global food supply. 99% of Cheminova's production is exported.

The development of new products is given top priority, and Cheminova's many development laboratories and test installations are located at the head office in Harboøre and at the subsidiary in India.

The head office employs a staff of 800 employees. The group has a further 23 overseas subsidiaries employing a total workforce of 1,200.

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