

Japan's Sumitomo Corp. invests in Bio Insumos Nativa to strengthen agrochemical supply chain

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Sumitomo Corporation is investing in Bio Insumos Nativa (BIN), a Chilean biocontrol manufacturing company, through Summit Agro South America, an agrochemical distribution company in South America. This investment will be deemed official once the various procedures required by law have been completed.

With the growing global population making it essential to increase crop yields, the use of agrochemicals and fertilizers has been increasing year by year. The accompanying upsurge in environmental impact has become a major concern for the agricultural industry, and demand for biocontrol is rising in response.

BIN is a biocontrol manufacturing company established in Chile in 2002. In the microbial biocontrol sector, its primary focus, BIN is the largest player in the Chilean market, accounting for a 30% share. The company is currently the main supplier of the biocontrol products handled by Summit Agro South America and it has proven its market competitiveness through existing transactions and its development in Latin American countries, particularly Chile and Peru.

In addition to the products currently on the market, there are several new biocontrol under development that are expected to expand the company's sales in future. Prompted by this investment, BIN will begin participating in R&D/manufacturing from a more market-oriented perspective. Since biocontrol have less environmental impact and milder control effects than agrochemical, the company will also encourage wider use of biocontrol throughout the value chain by providing farmers with farm management/technical guidance to enable them to use biocontrol more effectively.

The market for biocontrol was on the order of \$8,000 million (approximately 1.2 trillion yen) in 2023, representing a 16-fold increase over 18 years from \$500 million (approximately 75 billion yen) in 2005, and it is forecast to grow to \$15 billion (over 2 trillion yen) by 2029, accounting for approximately 20% of the total agrochemicals market of \$75 billion (approximately 11 trillion yen). The Latin American market for biocontrol is expected to expand at an average annual growth rate of 15% through 2029 due to the registration system that encourages the use of biocontrol and their greater use among soybean growers and other large-scale dry-field farmers.

Sumitomo Corporation Group initiatives in the agrochemicals field

The Sumitomo Corporation Group has been engaged in agrochemical-related businesses for more than 40 years, and it is currently involved in the sale and distribution of agrochemicals, specialty fertilizers and other agricultural materials in about 40 countries worldwide, contributing alongside producers to global agricultural production. In 2017, the Group invested in Futureco Bioscience S.A., a manufacturer of biocontrol in Spain, thereby obtaining access to that company's expertise in biocontrol R&D, manufacturing/formulation processing, and sales networks. With this latest investment, the Group is intent on acquiring an even broader product portfolio in the areas of biocontrol R&D, manufacturing, and formulation processing and on further expanding the products it handles and the extent of its sales customer network to achieve the growth required for the Group to meet the needs of the biocontrol market's entire value chain from upstream to downstream. The Group will leverage the strength of its global network to address sustainable agricultural production with an eye to responding to megatrends such as environmental regulations and biodiversity efforts.