After pharma, pesticide industry eyes make in India opportunity

The big opportunity the Indian industry has to undertake is manufacturing of active ingredients that are scheduled to lose patent protection in the next few years. While the focus has been on pharmaceuticals, the issue of “Chinese dependence” is coming to the fore, especially post Covid-19, also in pesticides.

India’s imports of crop protection chemicals – mainly the technical material or active ingredients that go into making end-use formulations – stood at Rs 9,266.84 crore in 2018-19, most of it coming from China (Rs 4,904.28 crore), US (Rs 1,050.69 crore) and Germany (Rs 614.53 crore). “Just as in pharma, the government should encourage backward integration by our industry to reduce excessive reliance on imports of technicals, particularly from China,” says experts. The Rs 1,250-crore annual sales company – along with UPL, Gharda Chemicals, PI Industries, Meghamani Organics, Indofil Industries, Coromandel International and NACL Industries (formerly Nagarjuna Agrichem) – is among the few major domestic manufacturers of technical grade pesticides. These company manufactures technical-grade products that include herbicides (bispyribac-sodium, pretilachlor and atrazine), insecticides (lambda-cyhalothrin, bifenthrin and thiamethoxam) and fungicides (thiophanate methyl). (PT)

Significantly, India, in 2018-19, exported crop protection chemicals worth Rs 22,090.18 crore, a large part of it to Brazil (Rs 4,314.74 crore) and the US (Rs 4,238.63 crore). “

The one big opportunity the Indian industry has is to undertake manufacturing of active ingredients that are scheduled to lose patent protection in the next few years. These include chlorantraniliprole and cyantraniliprole (both blockbuster insecticides of DuPont sold to FMC Corporation of US in 2017, while marketed under ‘Coragen’ and ‘Benavia’ brands, with their patents expiring in 2022 and 2024, respectively), flubendiamide (insecticide molecule of Bayer CropScience sold under ‘Fame’ brand and just gone off-patent) and fluopyram (fungicide, also of Bayer and marketed as ‘Luna’, with patent expiry in 2024).

“The multinationals that have developed these active ingredients simply import them now. The government should speed up the process of granting registration for their manufacture by domestic companies once they have become generic chemicals,” Potential manufacturers are permitted to reverse-engineer proprietary crop protection products even during their period of patent protection. They can further carry out bio-efficacy and residue trials (in soil, water and plants under different agro-climatic conditions), apart from toxicology studies on their proposed generic version. All this data, including information of packaging/labeling and shelf-life, has to be submitted to the Central Insecticides Board and Registration Committee in the Union Agriculture Ministry.

“The problem today is that even after the data is submitted, the grant of registration takes inordinately long time. As a result, we cannot launch any product that has gone off-patent and make it immediately available to farmers at a more competitive rate. Since the registration process is so slow, it discourages domestic manufacturing and India ends up being a large-scale importer of technical material from China, the ultimate loser is the farmer.