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אל: Nimrod
נושא: Industry Trends [and it's meaning]

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Hi,

The world is changing (fast)! Yesterday's heroes and market leaders may disappear tomorrow.

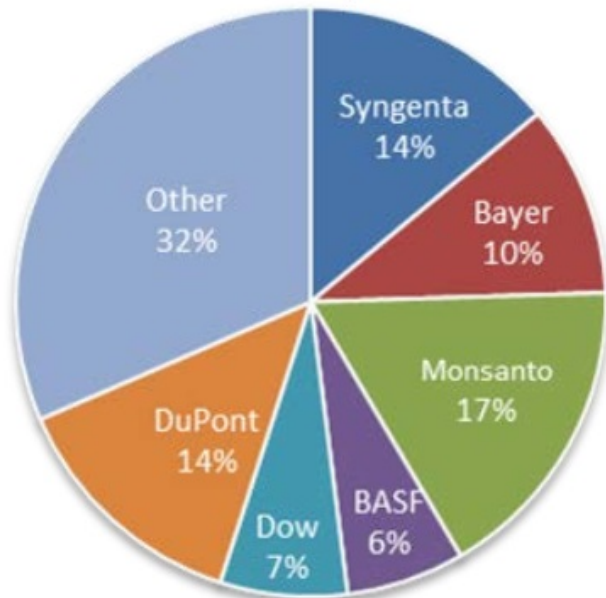
Do you remember when in 1999 Novartis and AstraZeneca merged into Syngenta, and a year later BASF bought American Cyanamid?

Well, this was nearly a promo to the tsunami of merging and acquisition (M&A) that is taking place in the past few years.

Are these M&A's are signs for the strength or weakness of the industry?

- * Dow and DuPont (and DuPont and Granular)
- * Bayer and Monsanto
- * ChemChina and Syngenta (and Adama)
- * Sumitomo Chemical and Botanical Resources Australia
- * Potash Corporation and Agrium
- * UPL and Arysta

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Big 6 global market share in the combined pesticides and seeds markets in 2015 (prior to announced Dow-DuPont M&A). Sources: Orbis, USDA, and the ETC Group
 Note: Figure is based on \$88 billion in global sales . from www.usitc.gov

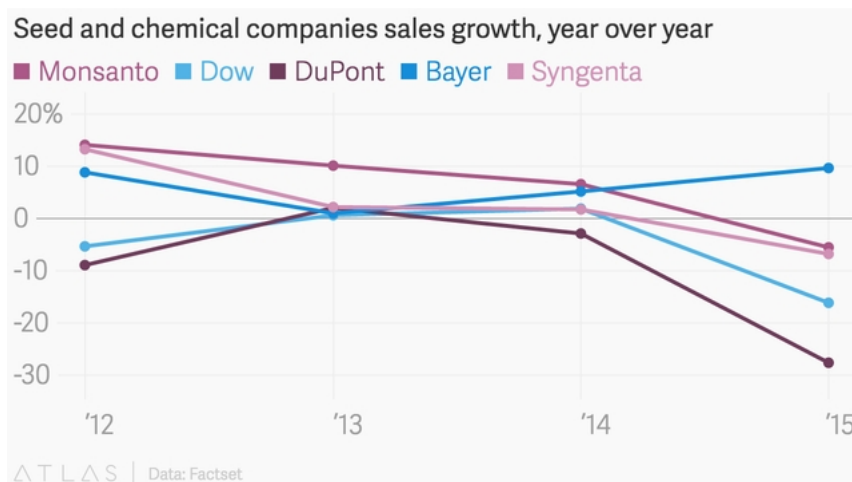
One should ask himself '*why do the biggest companies in the agrochemical industry need/want to go through the painful process of M&A?*'

Some of the possible reasons for these M&A's:

1. Negative effect of fluctuations in currencies, crop prices and crude oil prices.
2. The increasing cost of raw materials.
3. R&D costs and Operational costs saving.
4. Market or Product dominance.
5. facing increasing regulatory pressures on their chemical portfolio and chemicals' negative effect on the environment and people's health.

I can go on and on with more justifications. But I believe that the following illustration explains best why they have to go through M&A, which is...

6. **Unhappy shareholders and investors!**



ATLAS | Data: Factset
 source qz.com

Do you know any management or Board of Directors who can explain such trends for more than a few years?

For the shareholders and investors, it means that the companies are not generating any value, or even generating negative value.

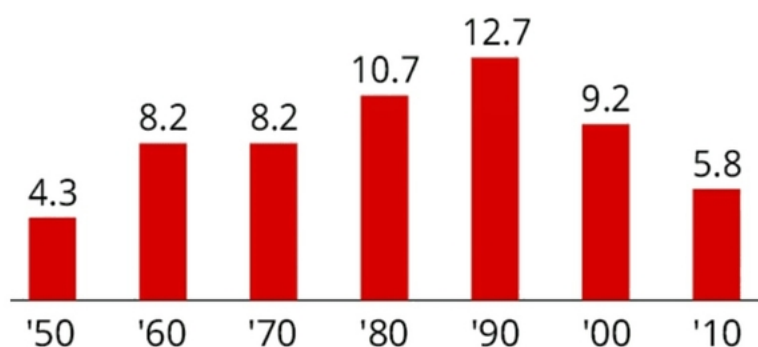
The Holy Grail: Innovative Active Ingredients - Is There a Light Out There?

What will happen if those companies invest a lot in R&D and come up with new innovative active ingredients? Will that be a 'game changer'?

Ho no... more bad news for the agrochemical industry.

They did invest billions of \$ in R&D and yet results are terrible and unbelievable... even **less active ingredients** per year. Meaning the pipeline of products is growing smaller.

Avg. Annual Global Launches of Active Ingredients, per Decade



Agro-Chemical industry A.I. average annual launches per decade. from [themarket](#)

How does management respond to investor frustration?

With no positive horizon for innovation and increasing income shareholders showed loss of a patient.

Companies head to show some hope for a better future and so started the huge M&A's we have seen in the past few years.

However, soon shareholders will find out that this is just a painkiller, not a true solution.

What will change look like?

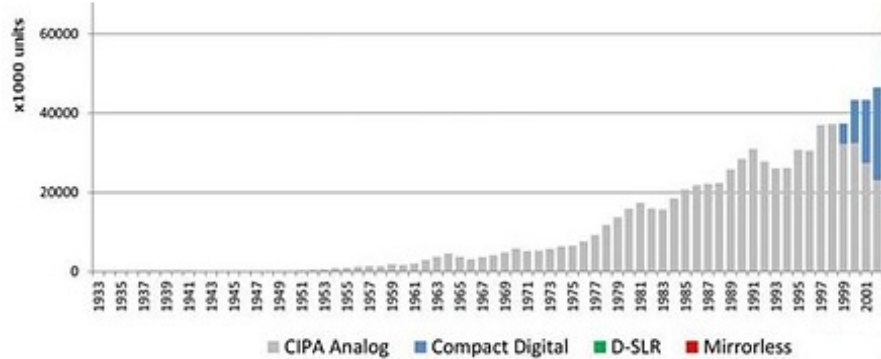
The true solution will have to wait because just like other industries it is going to come from a **completely different place**. Not from more or better innovative active ingredients.

- Amazon changed the retail industry thanks to e-commerce.
- Google has changed the information industry.
- Apple has changed the communication industry.

Each time such a huge change took place it brought with it many more changes in the entire industry.

For example, imagine that you are a manager in the camera industry, and the year is 2002. You see the (small) growth of sales and you are happy. Probably you even get a nice bonus.

Based on your past, when you see the first smartphone, will you see it as an opportunity or a threat? Will you even see it as competition?



Camera production by type 1933-2002. [CIPA data](#)

I am sure that in 2002 the BOD's of some camera companies were happy and full of satisfaction.

However, their happiness lasted a short time. Many of the old camera companies were purchased or closed while other companies, which adapted to the demands of the mobile phone world, rose and flourished.

As is well known, the scope of business has only increased for those who could change in time and take advantage of public love for the world of the new smartphone media.

Just from 1997 to 2016 the number of cameras has grown by 3,750%. Would you like to see such growth in your industry?



Camera production by type 1933-2016. [CIPA data](#)

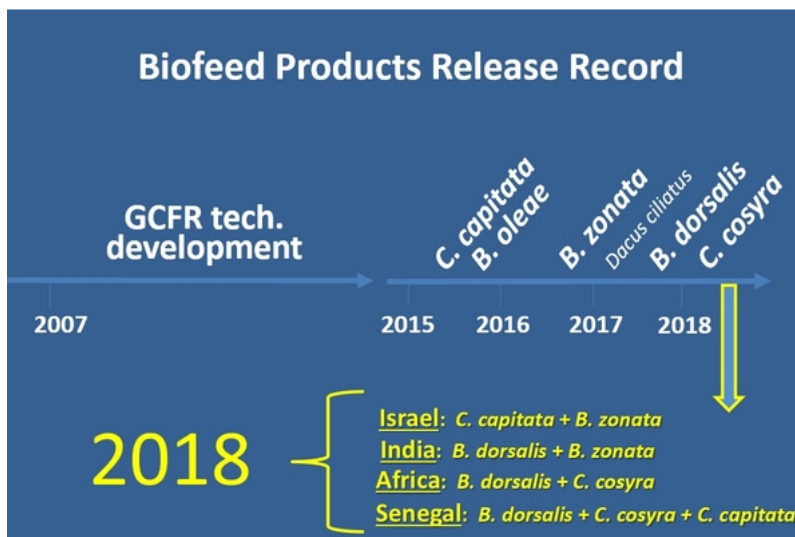
Can you see the change coming?

After nearly 100 years in which pest control is done by using chemicals that are sprayed and harming the environment and mankind, it is time to change.

GCFR technology, developed through many years by Biofeed, is based on sophisticated use of odors for effective and "green" pest control.

GCFR is the alternative we have been waiting for so long, and it will bring about the desired solution for better agriculture in a better environment for a better world.

It is enough to see the number of innovative solutions Biofeed has developed in the past 2 years for pests that are largely considered as 'impossible to control'.



Biofeed product release record. All 'green', all environmentally friendly, all more effective than pesticide spraying.

It's not a miracle it is the real thing!

From 2017 to 2018 Biofeed completed the development of solutions for three major pests, including *Bactrocera dorsalis*, which is considered as the most problematic and invasive fruit fly in the world.

In addition to this Biofeed has also released 4 complex formulations for the simultaneous treatment of 2 and even 3 pests.

Enjoy this song (written by Bob Dylen) - [Link](#)

Together let's make fruit flies; *just another pest!*

When You Join Me and Start Working With *FreeDome*, You Leave Your Worries Behind and You ==> Make a Change!

Regards,



Better produce... Better future... Biofeed...

P.S. It takes a long time to develop and bring a new technology that is revolutionizing the market. But once it is out there it spreads quickly.

Biofeed is confident in the promising future of the GCFR technology and I invite those who wish to lead the world of the 'Green pest management' to join me and Biofeed in our journey.

P.P.S. If the above data looks 'too good to be true' it may be because we were very patient for many years and over and over improved the GCFR technology in the fields of the Israeli farmers (most of which export or grow according to export standards).

*"Green, effective, healthy and suited for **all farmers**, this is my pest management"*

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If you enjoyed it, please share it with friends and let them enjoy the high quality control solution we provide. They can also add themselves to the list of mail receivers by - **[Pressing here](#)**.

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