

# STK interview: We expect a continuous interest in the acquisition of niche biological companies

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Sanjiv Rana talks with STK Bio-ag Technologies' vice-president of business development and R&D, Shay Shaanan, to discuss the company's plan.

**q** Which are STK's already launched biological products?

**A** STK's biological portfolio comprises organic products as well as "hybrid products" mixing plant extracts with chemical molecules. STK has two organic biofungicides, Timorex Gold and Timorex Act (both based on *Melaleuca alternifolia* extract), and a hybrid fungicide, Regev (*Melaleuca alternifolia* extract + difenoconazole).

**q** Which are the products in the about to be launched or in the registration pipeline?

**A** We have another hybrid fungicide, Yarden, which is in registration processes. The first country where we plan to launch it is Israel. STK's pipeline includes an insecticide based on a novel botanical ingredient as well as additional hybrids.

**q** What impact do you foresee from the disruption caused by Covid-19 on the growth of biologicals this year? Has STK experienced any disruptions in product procurement and distribution?

**A** So far, we have not experienced any disruption in procurement. Our products are based on natural botanical extracts and we organise our supply over the long term. As regards our distribution, our products are distributed by leading local distributors and we have not experienced any disruption.



**A** We think that demand in organic products will be reinforced by the Covid-19 situation as consumer awareness of the relationship between nutrition and health will grow.

**q** **After the end of the mega M&As that went on in the last 3-4 years, is there a possibility of another round of acquisition of niche biological companies?**

**A** We are not expecting significant moves this year as most companies need to face the Covid-19 consequences and will wait for the end of the crisis. However, we think that the crisis will reinforce the demand for biologicals, and, in the coming years, the mid-size to large companies will continue to look at how to reinforce their biological portfolio. We are thus expecting a continuous interest in the acquisition of niche biological companies.

**q** **Most biopesticides have been either insecticides or fungicides or nematocides, to some extent. Do you see a market for bioherbicides?**

**A** We are convinced that there is a market for bioherbicides. Low prices of conventional products and the complexity in developing biological herbicides have been delaying their introduction – but the need is there.

**q** **What timeframe do you see for biologicals making an impact in row crops?**

**A** Hybrids (mixing biological actives with chemical ones) will allow biologicals to make an impact in row crops in the coming years. Up to now, row crops have barely been accessible to biologicals due to their cost, which has been high compared with conventional products. Hybrids would be more competitive and answer the need of growers: reduced chemical loads with the same efficacy as conventional products. Our product, Regev, is the first hybrid foliar fungicide and we believe it will be the 'bridge' for many row crop growers to experience the benefits of biological content. Regev is now being introduced in the US in major crops such as soybeans, rice and potatoes, on which it has demonstrated excellent disease control.

**q** **Where does precision agriculture fall in the scheme of things so far as biologicals expansion is concerned?**

**A** Precision agriculture will contribute to the optimisation of the use of crop protection products. Such optimisation can only support the use of biologicals. Indeed, as timing will become more accurate and dosage may be lowered, efficacy will rise while costs may decrease. This will reduce the current limitations of some of the biological products.

*Timorex Gold is registered in the following countries: Argentina, Armenia, Australia, Belarus, Belize, Bosnia and Herzegovina, Brazil, Canada, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Georgia, Guatemala, Honduras, Israel, Jamaica, Korea, Macedonia, Mexico, Morocco, New Zealand, Nicaragua, Panama, Paraguay, Peru, Philippines, Puerto Rico, Serbia, South Africa, Spain, Turkey, US and Venezuela.*

*Regev is registered in the following countries: Argentina, Bosnia and Herzegovina, Chile, Colombia, Dominican Republic, Ecuador, Guatemala, Honduras, Israel, Nicaragua, Panama, Peru, Philippines, Serbia and the US.*