

### Plant protection products market in Russia: output may grow twofold

**On September 28, CREON Conferences held the 10th International "Pesticides 2020" Conference. Leading experts in the plant protection products (PPP) market discussed the impact of COVID-19 and restrictive measures on the industry.**

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The COVID-19 pandemic has played into the hands of Russian pesticide suppliers, despite expectations of inevitable logistical problems, a shortage of raw materials and higher prices for protective agents. According to the estimates of the Russian Union of CPPP Producers, in the first seven months of 2020 the sales of locally produced herbicides increased by 47.4% to 62.8 thousand tons, while fungicides sales grew by 12.7% to 20.5 thousand tons.

The overall 2020 production of plant protection products (PPP) inside Russia is expected at the level of 110-115 thousand tons; consumption is preliminarily estimated at 170 thousand tons. In money terms, the market volume will reach \$ 2.4 billion.

An additional positive effect in the development of the Russian PPP market was achieved by the anti-dumping measures introduced since July 18, 2019. Thereunder, the import of ready-to-use agents from the EU and the UK to Russia is subject to duties ranging from 27.4% to 52.23% depending on the manufacturer (with regard to the largest market players, the duty was set on an individual basis).

The subsequent decrease in the PPP imports from Europe (2.8 thousand tons in January-June in 2020 compared to 14.7 thousand tons in 2018) in line with growing foreign investments in the localization of plants in Russia, led to higher domestic production which exceeded 2/3 of the total market consumption compared to the previously existing 50/50 ratio. Thus, over the past three years, Russia has reduced its import dependence in PPP by 1.5 times.

The PPP production capacities installed to date in Alabuga and Lipetsk SEZ, together with the planned commissioning of new sites by the two largest companies that are under anti-dumping procedures, will reach about 300 thousand tons. At the current level of domestic consumption this will open up good export prospects for Russian pesticide producers.