

AGROPAGES June 2020 Edition Latin America Focus

Interview with Fernando Gallina

SynTech Research Regional Director - Latin America

1. Please brief us on your company's business in Latin America. What services does the company mainly provide to customers?

SynTech Research is a global R&D services provider with 20 years in the market and presence in more than 30 countries. Agriculture is our main business and we are dedicated to provide product evaluation, development and registration services across a range of territories and targets, including crop protection chemicals (all disciplines), biologicals, bio-stimulants, micronutrients, fertilizers and seeds & traits.

Our operation in Latin America started in 2009 and since then we have been expanding our service offer and geographical coverage. Currently, we can provide quality studies for all agricultural sectors and we are among the very few CROs that can provide an "End-to End" service - regulatory consultancy and registration management as well as studies. Our services portfolio contains **Residue** studies, including study directorship, field trials and lab analysis for crops, soil, bee matrices, and, also, selected food processing studies; **Bio-efficacy** trials in all major crops and targets, including post-harvest evaluations; **Ecotoxicology**, notably pollinator studies for the higher tier (tunnel and open field) side effects and bee matrix (pollen & nectar) studies, as well as foliage residue toxicity. We also developed competences to support **Seeds & Traits** projects by providing agronomic equivalence, protein expression and composition (field phase) and Non-Target Organisms studies for regulated seeds and GMO traits as well as counter season seeds increases in Chile and Argentina. Our field, laboratory facilities and operations are executed under GLP (OECD/EPA) directives and are accredited by the country competent regulatory agency, like MAPA, INMETRO and CTNBio in Brazil, OAA in Argentina and by accreditation bodies of all countries where we operate.

2. What are the advantages driving your company's Latin American business?

SynTech Research's regional coverage, field stations footprint and technical consultant network are crucial to provide clients with the opportunity to have their projects implemented in the key agricultural areas of Latin America. This allows clients to have single points of contact and manage their projects in a regional way. We have established structures in Brazil, Chile, Argentina, Uruguay and Costa Rica and in the near future, in Colombia. From these countries, we can provide services in key other markets through our strategic partners (Ecuador, Peru) and / or our mobile teams (other countries, on demand). And we are proud to have a highly qualified team who has a track record of results delivery satisfying our clients with independent, high quality, and timely studies, reports, and recommendations, with regulatory and registration management across most LATAM countries.

3. What are the characteristics of the Latin American market that attract investment from CRO

companies?

Latin American countries are among the top world food producers and exporters. Brazil and Argentina are among the three largest producers of soybean grain and mill, corn, sugar, coffee, cotton, cattle, poultry, pork. Chile has a remarkable fresh fruit business; Ecuador, Colombia, Costa Rica are among the world's largest world banana and coffee producers; all other countries have large fresh fruit and vegetable productions serving their own and international markets. Every year new technologies and modern production inputs are required. However, this diversity brings challenges in both the ability to reach all the sectors and the complex regulatory frameworks. All large AgChem, Seeds, Fertilizers companies have important operations in the region; many others, some with business with off-patent products, are looking to participate in this market, I believe all of them will need help to deal with those challenges and developments. Another important factor, in my view, is the professionalization and reliability that CROs have demonstrated in recent years; the industry players now have much more confidence in outsourcing.

It is clear to me that Latin America is the Region for players in agricultural businesses to focus on; consequently, it is a tremendous opportunity for R&D service providers.

4. What are the significant changes in agricultural or crop protection policies and regulations related to your business in major regions of Latin America in recent years?

Most of the Latin America countries have introduced regulations, many originally based on product hazard and cut-off criteria, aimed at reducing farmer and consumer's exposure to "toxic" products. Now we see a clear evolution in most country regulations towards risk assessment, which considers the conditions in which products are used. More scientifically-driven regulations is a positive; Pollinator studies and tier approaches are good examples of this.

I think agriculture will continue to expand in both planted area and in technology adoption. Food security will continue to be an important driver, but after the Covid-19 pandemic, the "Food Security" will play a key role, if not the most important. That means that consumers will care about the food quality, traceability, possible contaminants, production practices, on the top of the current concerns about residues etc. If all this becomes reality, it will impact all agriculture input industries and trigger regulatory reviews. But for the moment, it is quite impossible to draw robust assumptions. The crop protection sector is already highly regulated and regulations are more and more enforced. I see more a more open approach to new alternatives, e.g. biologicals and to adopting sensible risk assessment in the approval of chemical technologies.

5. The Latin American market, especially Brazil and Argentina, has witnessed the rapid development of biological solutions and digital agriculture in recent years. What impact will these have on your company's development strategy?

Biologicals are a reality in many countries and growing in size, with a potential to reach 8 – 10% of crop protection inputs space, not as a replacement but as a complementary technology. For us, as a CRO and study supplier, we need to develop and acquire new knowledge and technical competences with biologicals, particularly in product evaluation and registration and this is already in progress.

Regarding digital technology, we see the increased precision agriculture applications in a broad range of activities, including product applications, seeds sowing and data management. SynTech will adjust its operations and take advantages of digital agriculture and this is part of our strategic direction. Data capture and management is a quick win in this.

6. What is your company's development plan in Latin America or key countries in the next few years? Do you have any suggestions for your potential partners who'd like to invest more in Latin areas?

Since 2016, with the acquisition of the residue analytical laboratory and expertise in Brazil, SynTech has been focusing on growth. Since then, we became experts in the key residue-related areas of science, including pollinators, developed new capacities and added registration consultancy and management to the portfolio. We have also invested in new management and infrastructure.

For 2020 / 2021, we are building new field stations in Brazil, increasing our capacities in the key agriculture locations where we already have bases. We are also planning a new bee toxicity laboratory as well as the protein expression lab as part of our Biotech competence. We are also expanding our Seeds/Traits capabilities in Brazil and are able to provide such field services during 2020-21 season. We plan to open SynTech Colombia and strengthen our operations in Argentina. It is also important to recognize that the merger with Acceres will strengthen our position, particularly in the Regulatory area, through our association with GAB Consulting, a leading European registration company.

I am sure we are heading fast in the right direction to be a leader in our sector of the very attractive Latin America market.