



Featured Insight

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The global seed market in 2020

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Crop Science Market Analysis and Data team is pleased to announce that the Seed Market Overview 2020 and Trait Overview 2020 have been published. These reports present our most recent analysis of the performance of the global commercial seed market in 2020. The Seed Market Overview Section covers industry performance and analysis of the global commercial seed market by crop, seed type (GM & conventional), and region while also providing key data regarding company performance and activities. On the other hand, The Trait Overview Section features the latest information on

transgenic traits and traits developed using gene-editing technology. The report covers the GM market value and area analysis for the past ten years at the trait and country level.

To complement these latest releases from Seed Market Analysis, this Featured Insight intends to highlight some of the report headlines. Current subscribers to the Seed Market Analysis have access to the complete reports.

If you are interested in expanding your current subscription to include the Seed Market Analysis, please contact your account manager for details.

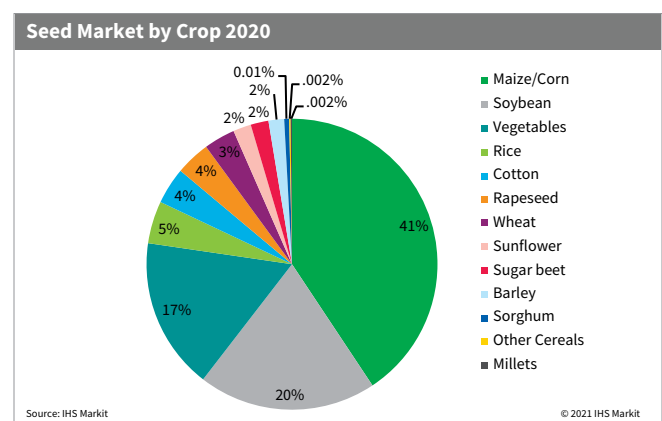
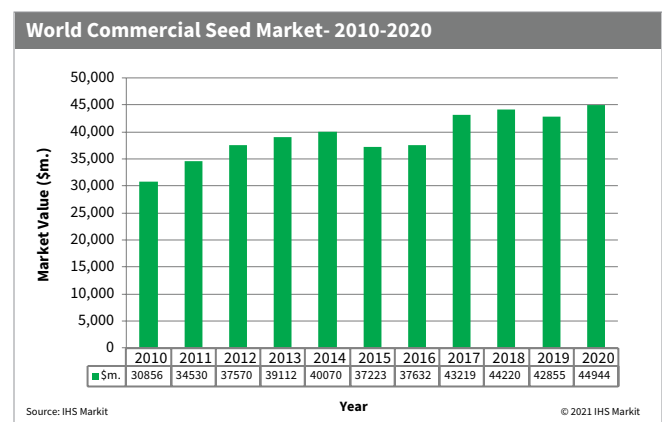
Commercial seed market shrugged off some COVID-19 effects

COVID-19 impacted various industries negatively in 2020. However, due to its essential nature, the agricultural sector was one of the the least-affected segments.

The global market for commercial seeds was estimated reaching \$44,944 million in 2020. The market witnessed 4.9% growth over 2019, with its compound annual growth rate (CAGR) coming in at 3.8% between 2010-2020.

Key market drivers for 2020 seed market growth included:

1. Favorable weather conditions
2. Better commodity prices compared to 2019
3. Increase in crop plantation areas
4. Increased farmer incomes
5. Higher soybean seed prices



GM & conventional seed market analysis

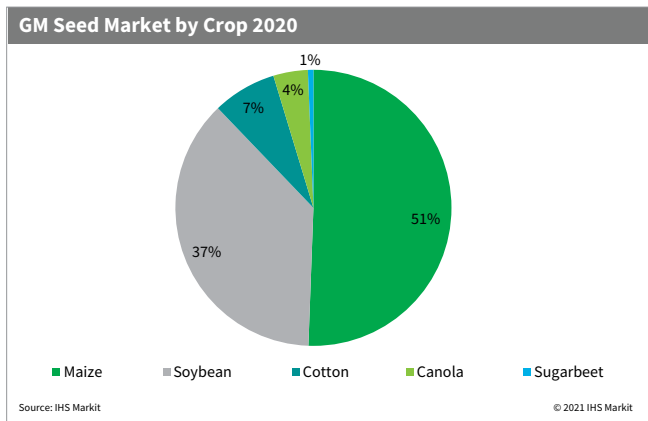
The past decade saw an increase in crop plantation areas utilizing genetically modified (GM) seeds, whereas the area under conventional seeding saw a slight decrease.

GM seeds accounted for 48% market share in the commercial seed market in 2020. GM and conventional seeds comprised 19% and 81% of total crop plantation areas, respectively. Between 2010-2020, CAGR for the GM seed market was 5%, and the conventional seed market was 3%.

During 2010-2020, a 3.4% increase was observed in GM-seeded area, whereas the area under conventional seeding declined by 0.03%. Area and market value statistics for GM and conventional seeds in 2020 over 2019 are given in the table below:

| Global GM and Conventional Seed Planted Area (Ha.m.) & Seed Market Value (\$m.) 2019-20 | | | | | | |
|---|---------------|---------------|--------------|---------------|---------------|--------------|
| Type | 2019 (Ha. m.) | 2020 (Ha. m.) | YoY % | 2019 (\$m.) | 2020 (\$m.) | YoY % |
| GM Seeds | 182 | 194 | +6.3% | 19,867 | 21,465 | +8.0% |
| Conventional Seeds | 822 | 827 | +0.6% | 22,987 | 23,480 | +2.1% |
| Total Seeds | 1,004 | 1,020 | +1.6% | 42,855 | 44,944 | +4.9% |

Source: IHS Markit © 2021 IHS Markit



Key trends in the seed market in 2020 included:

- Global GM corn seed market share in the total GM seed market declined from 55% in 2019 to 51% in 2020. Low corn seed prices in North America and currency effects in Latin America offset an increase in GM corn area.
- GM soybean seed market share increased from 32% to 37% of the overall GM seed market. Market growth was boosted by increased soybean area in North America, the introduction of the EnlistE3 soybean, and an increase in soybean seed prices by 2% compared to 2019. In Brazil, soybean area under stacked traits increased from 60% in 2019 to 84.5% in 2020.
- The share of GM cotton declined by 2%, reaching 7% of the total market. Lower demand from the textile industry led to a decrease in US cotton planting and seed sales. The United States is the largest cottonseed market by value and lower seed sales there impacted the global market value.
- No changes in GM canola and sugarbeet market shares were observed in 2020 compared to 2019.

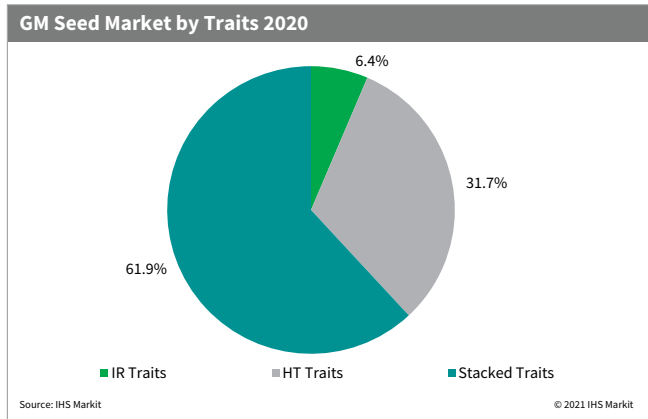
GM seed market trends by trait

The GM seed market is segmented into three types:

1. Herbicide-tolerant traits (HT)
2. Insecticide-tolerant traits (IR)
3. Stacked traits (includes a combination of HT and IR traits)

Herbicide tolerance is the most common trait among GM crops, present either as a single, multiple HT, or stacked traits. HT traits have been very successful, especially in corn, cotton, and soybeans. In the United States, planted areas of HT varieties/hybrids plateaued at approximately 90% for each of these three crops. There is similarly high uptake in Argentina and Brazil.

2020 GM seed market shares by trait category are given below:



Notable developments in GM seed trait markets in 2020 included:

- An increase in overall crop area led to a rise in area under IR crops during 2019 and 2020, which positively impacted the seed sales for IR-traited seeds. To provide more benefits to growers, most IR traits are stacked with other IR and HT traits. Single IR traits are rare in large markets except for Bt cotton in India, China, and Pakistan.
- In stacked-trait seeds, market value reached \$13,287 million in 2020, up from \$5,521 in 2010. The market value for stacked-trait seeds has grown at 9.2% CAGR over the past 10 years. In 2020, stacked-trait market value increased by 11.1 % over 2019.
- Many HT, IR, and stacked traits lost their patent protection in 2020. In 2019, a total of six traits went off-patent in corn; however, four of those traits were discontinued in the United States long before the expiration.

Top trends among agricultural market players

Corteva Agriscience was the most active company in 2020, based on our analysis, followed by Bayer. Companies with larger market shares, including Bayer and Corteva, were more focused on research and development, digital agriculture, and new-product launches. Companies with smaller market shares, namely KWS, Vilmorin, Sakata, Barenbrug, and RAGT, were involved in mergers and acquisitions activities to continue global expansion in specific domains. The following table details the ranking of the leading seed companies based on their 2020 sales and provides information on company sales growth in 2020 over the last year and past five years.

| Leading Companies by Seed Sales (\$m.) | | | | | |
|--|--------|-------|-------|-------------|------------------|
| Company | 2015 | 2019 | 2020 | 2020/19 (%) | 2020/15 (% p.a.) |
| Bayer | 10,021 | 9,989 | 9,785 | -2.0% | -0.5% |
| Corteva | 8,240 | 7,590 | 7,756 | +2.2% | -1.2% |
| Syngenta | 3,031 | 3,083 | 3,193 | +3.6% | +1.0% |
| BASF | 1,417 | 1,628 | 1,703 | +4.6% | +3.7% |
| Vilmorin | 1,518 | 1,616 | 1,595 | -1.3% | +1.0% |
| KWS | 1,179 | 1,293 | 1,425 | +10.2% | +3.9% |
| DLF | 543 | 849 | 1,101 | +29.7% | +15.2% |
| AgReliant Genetics | 706 | 605 | 543 | -10.2% | -5.1% |
| Rijk Zwaan | 407 | 511 | 527 | +3.1% | +5.3% |
| LPHT | 326 | 453 | 477 | +5.3% | +7.9% |
| Sakata | 399 | 466 | 475 | +1.9% | +3.5% |
| Takii | 456 | 465 | 458 | -1.5% | +0.1% |

Source: IHS Markit © 2021 IHS Markit



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