cpda
HARNESSING
THE STORM
COUNCIL OF PRODUCERS & DISTRIBUTORS OF AGROTECHNOLOGY

PROTECTING THE ACRE
GROWING THE OPPORTUNITY

FORCES RESHAPING THE GLOBAL CROP PROTECTION INDUSTRY

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HARNESSING THE STORM. 2026 ADJUVANTS, INERTS & CROP PROTECTION CONFERENCE

ABOUT BOB TROGELE, PhD

- 35+-year leadership career in global agribusiness
- Independent board director, investor, entrepreneur in global agribusiness
- CEO, **Verdelis Investments**
  - Multi-faceted venture and growth equity management firm focused on investments in ag-tech
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OVERVIEW: What's Ahead for 2026

- 9 major predictions shaping global agriculture – update April 2026
- Focus on disruption:
  - Macroeconomic pressures
  - Geopolitical shifts
  - Technology
  - Supply chains
- Focused action plan

PREDICTION #1:

Agroindustry Stagflation Continues

- **Overproduction** persists: high grain inventories, oversupply of tree crops/vegetables
- **Flat global demand** due to aging populations, lower & changing consumption
- **U.S. demand impacted** by obesity drugs, "Make America Healthy Again" program
- **Producer, distribution, supplier margins stressed**; consolidation, M&A accelerates
- **Inflation steady but 30% decline in purchasing power since 2020:** energy / logistics / COGS

PREDICTION #2:

Input Prices Flat due to Overproduction

- **Global tariffs, trade retaliations** create short-term volatility
- Medium-term **stabilization** expected
- **U.S. subsidies** may reach $40B-$60B annually
- **Labor costs** remain high due to inflation, shortages
- **Iran (2019/20) driving energy volatility:** the unknown . . .
- **Ukraine:** nobody is paying real attention

PREDICTION #3:

China's Economic Challenges Persist

- China's **massive pesticide** capacity continues to erode global margins
- **Anxiety, desire to replace** existing ROI model: foreign debt, military spending, etc.
- **Lower margins** hinder reinvestment in technology, services; only bright spot is export
- As of 2020, **China debt build exceeds 2900%** from 2000 baseline; no country has survived such rapid growth

PREDICTION #4:

Energy Outlook Mostly Positive

- U.S., Middle East can stabilize **supply-side policies and** energy prices (?). Timing?
- **China hedges** by investing in all energy types, stockpiling oil – but cheap oil is likely gone (?); 7 months of rations
- Western Europe may need to **expand nuclear capacity, defense spending;** what will this do to CAP, cult of "climate taxes"?

PREDICTION #5:

South America – A Two-Sided Coin

- Input suppliers, investors need to **heed caution**: bankruptcies, divestments
- **Brazil**: high interest rates + inflation → agribusiness defaults but 30% of GDP
- **Argentina:** potential renaissance under President Mileti with U.S. support; will history repeat?
- Financing, energy supply, logistic costs, China investment, currency value → **all create uncertainty**

PREDICTION #6:

Cost of Money/Energy Becomes a Tailwind

- Lower U.S. interest rates → stable, lower dollar → **predictable capital planning**
- **Energy independence** a strategic advantage
- **U.S. is open** for global agribusiness investment of capital
- Watch for **tariff stabilization**, U.S. economic acceleration, GDP >4%

PREDICTION #7:

Integrated Technology Packages Evolve

- **Cybercrime** remains a major threat to agribusiness infrastructure
- **Soil health** solutions needed for climate adaptation, improved germplasm, U.S. producer competitiveness
- Future **technology platforms integrate** AI, digital tools, quantum computing, robotics

PREDICTION #8:

Where to Invest: Full-Service, Full-Gamut Solutions

- **Biorationals grow** but regulatory clarity lags
- **Market confusion** from many small competing firms and start-up failures
- Biological **breeding** becomes less capital-intensive leading to new opportunities
- Integrated **sensor systems** backed by AI – digital solutions drive farm efficiency

PREDICTION #9:
Supply-Chain Realignment

- Some markets require **restructuring**
- **Sudden tariffs/regulations** can cause major losses
- **Producers become more dependent** on government support: U.S. = globally
- **Global shipping logistics** will drive costs due to security (insurance), energy issues

FOCUSED ACTION PLAN: What's Ahead for 2026

Focused Action Plan:
Adaption and Evolution

- **Promote producer P&L optimization** (OPEX, absolute margin) as "cultural mindset": first over yield
- **Advance automation**, precision farming, robotics
- Support designing **integrated, multi-tech solutions** for farmers – think monetization! Invest in tech that drives on-farm adoption
- **Make inventory, AR management** key processes: manage cash flow aggressively
- **Re-engineer** or evolve business model
- Strategic **supply chain modeling** will be key

Focused Action Plan:
Adaption and Evolution

- **IPM becomes full-service opportunity:** nutrition + biologicals + chemicals + germplasm + technology
- **South America: wait and see!** Consider investment in Mercosur if long-term political/economic signals show stabilization
- **Drive automation, AI** across supply chains
- **Target new customer segments** (e.g., biofuels), portfolio/service diversification
- **Manage the controllables** and **plan for the un-controllables**

Change is Certain

- Are you adapting fast & furious?
- Are you able to compete?
- Is your culture and business model evolving?
- Do you have a plan and a backup plan?
- Are you ready for the tech revolution of quantum-driven AI?

Costs Increasing

- Regulatory cost
- Energy/logistic costs
- Labor supply & costs
- Liability cost (FIFRA)
- Cybercrime
- Lawsuits
- Technology Investments

Government Influence

- Nationalism
- Subsidies/tariffs
- Biofuel subsidies continue & expand?
- Activism
- DE: globalization/war

Market Drivers

- Margin squeeze
- Changing food demand
- Global commodity competition
- World grain inventory high
- Consolidation at all levels
- IPM, demand for more total portfolio solutions
- Generic, commodity pricing margins
- Limited new chemistry

Competition

- New tech (robotics/AI)
- Automation continues
- Start-ups / venture capital
- Alliances among traditionals
- MFG expansion oversupply

THANK YOU

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