



## NEWS RELEASE

### **New Economic Study Shows Neonics Save Consumers Billions of Dollars**

*Economists conclude losing neonicotinoids would raise food prices to consumers by more than \$4 billion, while threatening environmentally sensitive land currently dedicated to conservation*

MADISON, Wis. (February 25, 2015) – A new report from agricultural economists has concluded that the loss of neonicotinoid insecticides would cost North American consumers more than \$4 billion in higher food prices. Using proven supply and demand economic models, researchers estimated the economic impact that would occur if these products were no longer available for use in several major crops. In addition to the financial impact on society, the study found that hundreds of thousands of acres would be converted to new farmland, some of which could come from environmentally sensitive areas currently used for conservation purposes.

Agricultural economists associated with AgInfomatics, LLC, and the University of Wisconsin-Madison evaluated the economic benefits of neonicotinoids for several commodities in the United States (corn, soybean, wheat, cotton, sorghum, tomato and potato) and Canada (canola, corn and soybean). Using existing economic models, and comprehensive use and yield data, the researchers assessed the economic impact that would result if these products were no longer available.

The study conclusions are startling. The loss of neonicotinoids would be felt by farmers initially (due to yield and quality losses), but over time, most growers would adjust to the changing pest management environment, with the agricultural economy moving to higher prices and increased acreage. A new supply and demand equilibrium would be established eventually, and the higher costs for these commodities would be paid by the consumer in the form of higher food prices. The study estimated that the aggregate economic impact would range between \$4.0 to \$4.3 billion in the U.S. and \$150 to \$275 million in Canada.

The study found that consumers bear the greatest financial burden if neonicotinoids are no longer available, but it also raises important questions regarding land use. As growers look to offset losses in yield and quality, the total amount of farmland in the United States alone is predicted to increase between 340,000 to 410,000 acres. Much of this new acreage would likely come from the Conservation Reserve Program, environmentally sensitive land established to help improve water quality, prevent soil erosion and reduce habitat loss for endangered or threatened species.

#### **Report References**

***The Value of Neonicotinoid Insecticides in North American Agriculture: An Economic Assessment of the Benefits of Nitroguanidine Neonicotinoid Insecticides in the United States and Canada***

*This report is one of a series recently undertaken to provide a comprehensive evaluation of the economic and societal benefits of neonicotinoid insecticides in North America. The research was conducted by AgInfomatics, a consulting firm*

*of independent agricultural economists and scientists, and jointly commissioned and sponsored by Bayer CropScience, Syngenta and Valent U.S.A. For questions or information concerning this research and reports, please contact the Porter Novelli address identified below.*

All reports will be published online at: [www.GrowingMatters.org](http://www.GrowingMatters.org).

#### **About Growing Matters**

Growing Matters is a coalition of organizations and individuals committed to scientific discourse on the stewardship, benefits and alternatives of neonicotinoid insecticides in North America. [Bayer CropScience](#), [Syngenta](#) and [Valent U.S.A. Corporation](#) are leading this coalition with support from Mitsui Chemicals Agro, Inc.

Agriculture and horticulture are key to nourishing families and communities. Feeding a growing population, enhancing the beauty of our surroundings, and sustaining a commitment to environmental protection are fundamental needs that matter. Crop protection products, both natural and synthetic, are important tools that protect plants from tough and invasive pests that can devastate crops and urban landscapes.

Go to [www.GrowingMatters.org](http://www.GrowingMatters.org) for the latest information, reports, videos and infographics on the benefits of neonicotinoid insecticides or to show your support.