

SEED AND PESTICIDE SECTOR UPDATE

MARCH 2026

This document summarizes key developments in the seed and pesticide sector over the past year. While the period has not been marked by large horizontal mergers, consolidation dynamics in the sector continue to evolve in response to sustained regulatory scrutiny, legal pressure, and market conditions. Dominant firms have increasingly relied on internal consolidation, corporate restructuring, and expansion into adjacent markets to preserve and extend market power without triggering merger review.

Regulatory, Legal, and Policy Environment

Over the past year, seed and pesticide companies have operated under sustained and increasingly visible regulatory, legal, and political scrutiny. While this scrutiny has not yet resulted in structural deconsolidation of the sector, it has materially shaped corporate strategy, risk management, and the forms of consolidation firms are willing to pursue.

Antitrust Enforcement and Investigations

In 2022, the Federal Trade Commission, together with a bipartisan coalition of state attorneys general, filed an antitrust lawsuit against Syngenta and Corteva, alleging that the companies used exclusionary “loyalty” programs to pay distributors contingent on limiting sales of generic pesticide products. The complaint asserts that these practices suppressed competition, impeded generic entry, and kept crop protection prices artificially high for farmers. While the case was initiated under the prior administration, developments in 2025 indicate federal enforcers continue to pursue the litigation, with the case advancing through procedural milestones and moves toward trial.

This posture is reinforced by broader institutional actions. The U.S. Department of Agriculture and Department of Justice’s Memorandum of Understanding has formalized interagency coordination on competition issues in agriculture, elevating consolidation, pricing power, and vertical integration in seed and pesticide markets as ongoing enforcement priorities. In parallel, the U.S. Senate Judiciary Committee held a [full committee hearing](#) focused explicitly on consolidation in seed markets and its relationship to rising input costs and reduced farmer choice. Together, these actions underscore a regulatory and political environment in which market power in the seed and pesticide sector is under sustained scrutiny, even as enforcement actions proceed over multiple years.

Executive Branch Attention to Agricultural Concentration

Executive branch actions over the past year have further signaled concern about market concentration in food and agriculture. Executive orders and agency initiatives have emphasized competition, transparency, and fairness in agricultural markets, placing seed and pesticide companies within a broader policy narrative linking consolidation to farm viability, food system resilience, and rural economic outcomes.

While these actions do not directly mandate structural changes, they contribute to an environment in which large mergers face increased scrutiny, and firms must account for heightened political and regulatory risk when shaping corporate strategy.

Bayer's Multi-Front Campaign to Curtail Roundup Liability

Against this backdrop, Bayer has pursued a sustained, multi-front campaign to limit its legal exposure related to Roundup (glyphosate).

This campaign has included:

- litigation strategies aimed at securing federal preemption of state-law failure-to-warn claims,
- support for federal and state-level legislative efforts that would restrict or eliminate pesticide liability, and
- regulatory and public-facing advocacy asserting the safety of glyphosate and challenging adverse scientific findings.

These efforts reflect the scale of Bayer's ongoing legal exposure and underscore how liability risk—alongside antitrust scrutiny—has become a central factor shaping corporate behavior in the seed and pesticide sector. Rather than prompting divestment or exit, liability pressure has coincided with internal consolidation, portfolio streamlining, and defensive restructuring.

Implications for Sector Dynamics

Taken together, antitrust enforcement actions, interagency coordination, congressional scrutiny, executive-branch attention, and large-scale liability exposure have created a regulatory and legal environment in which dominant firms face sustained pressure—but not yet structural constraints. This environment helps explain why recent consolidation has taken the form of internal restructuring, selective asset transfers, and expansion into adjacent markets rather than large horizontal mergers.

Major Trends in the Seed and Pesticide Sector Over the Past Year

Over the past year, consolidation in the seed and pesticide sector has continued less through large horizontal mergers and more through strategic responses to regulatory, legal, and market pressures, while overall market power remains highly concentrated among a small number of global firms. Several interrelated trends stand out:

Persistent Market Concentration With Limited Deconsolidation

Despite increased scrutiny, the sector remains dominated by a small group of multinational firms controlling seed genetics, proprietary traits, and crop protection markets. There is little evidence of meaningful deconsolidation in core commodity seed or trait platforms, even as ownership structures and portfolios evolve at the margins.

Regulatory and Legal Pressure Shaping Corporate Strategy

Seed and pesticide companies are operating under heightened pressure related to antitrust enforcement, pesticide liability, and political scrutiny of input costs. Rather than driving breakups or large divestitures, these pressures are shaping how firms maintain dominance—through internal restructuring, corporate separations, and strategies aimed at limiting future legal and regulatory exposure.

Internal Consolidation and Portfolio Rationalization

In response to regulatory risk and tightening farm economics, firms are simplifying product portfolios, consolidating seed brands, and narrowing strategic focus to high-margin, globally scalable platforms. These actions reduce visible competition and farmer choice without requiring mergers that would trigger antitrust review.

Expansion Into Adjacent and Downstream Markets

Major firms continue to expand into biological inputs, digital agriculture, and biofuel-related crop systems. These moves extend corporate influence across the agricultural value chain, allowing firms to shape production systems and demand while preserving concentrated control over seeds and crop protection.

Key Updates and Notable Mergers, Acquisitions, and Structural Activity

The developments below illustrate how dominant seed and pesticide firms are responding to sustained regulatory scrutiny, legal exposure, and market pressures—largely through restructuring, internal consolidation, and strategic repositioning rather than large horizontal mergers.

Bayer: Internal Consolidation Amid Liability and Scrutiny

Bayer announced that it will consolidate ten regional seed brands into its national Channel® brand, eliminating multiple distinct brand identities while retaining control over the underlying genetics, traits, and distribution networks. While ownership does not change, the move reduces brand-level competition and further centralizes Bayer's presence in seed marketing and dealer relationships, illustrating how dominant firms can strengthen market position through internal consolidation rather than acquisitions.

Syngenta: Exit From Paraquat Production Amid Liability Pressure

Syngenta announced that it will phase out global production of the herbicide paraquat, a widely used crop protection chemical that has faced mounting legal, regulatory, and public-health scrutiny due to alleged links to Parkinson's disease. The decision reflects growing liability exposure and reputational risk associated with legacy pesticide products, particularly in jurisdictions where litigation has intensified and regulatory restrictions are tightening.

While the move represents a significant withdrawal from a long-standing product line, it does not materially alter concentration in core crop protection markets, where Syngenta maintains strong positions across multiple herbicide and seed platforms. Instead, the decision illustrates how dominant firms are responding to external pressure through selective portfolio contraction and risk management rather than structural divestment or deconsolidation.

Separately, Syngenta agreed to divest its two-row malting barley seed business to RAGT. Although this represents one of the few true seed divestitures during the period, the transaction is limited in scope and does not affect the company's dominant positions in global commodity seed markets or proprietary trait platforms. Together, these developments underscore a broader sector pattern in which divestment, when it occurs, has been peripheral and strategic rather than transformative for overall market structure.

BASF: Corporate Separation as a Response to Market and Regulatory Conditions

BASF announced plans to separate its Agricultural Solutions division into a standalone entity through a partial initial public offering (IPO), while remaining a majority owner. The division includes crop protection, seeds and traits, and digital farming technologies.

This restructuring reflects both market pressures and a regulatory environment in which large, diversified chemical firms face increasing scrutiny over risk exposure, profitability, and strategic focus. While not a merger and acquisition (M&A) transaction, the separation will require

changes to how BASF is represented in consolidation analyses and underscores the extent to which corporate boundary-drawing has become a key strategic response to external pressure.

Corteva: Strategic Expansion Beyond Traditional Seed and Chemical Markets

Corteva has continued to reposition itself through structural changes and partnerships rather than acquisitions. In addition to its announced plan to separate its seed and crop protection businesses, Corteva entered into a joint venture with BP focused on oilseed crops for biofuel feedstocks.

These moves reflect a strategy of expanding influence into downstream and adjacent markets—such as energy and commodity demand—while maintaining concentrated control over seed genetics and traits. This expansion occurs against a backdrop of antitrust scrutiny and policy debate over the role of dominant firms in shaping agricultural markets and production systems.

Broader M&A Environment: Constrained by Scrutiny and Farm Economics

Across the seed and pesticide sector, industry reporting indicates that 2024–2025 M&A activity has been characterized by smaller, targeted transactions—often involving biologicals, specialty inputs, or narrowly defined assets—rather than large horizontal mergers among dominant firms.

This pattern is consistent with an environment of heightened antitrust awareness, ongoing litigation, and challenging farm economics, in which firms appear cautious about pursuing deals that could attract regulatory intervention. Instead, companies are relying on internal consolidation, restructuring, and vertical or adjacent market expansion to preserve and extend market power.

Conclusion

Recent developments in the seed and pesticide sector underscore that consolidation remains a defining feature of these markets, even in the absence of new megamergers. Regulatory enforcement actions, heightened political scrutiny, and significant liability exposure have altered the strategies dominant firms use to manage risk and maintain control, but they have not meaningfully reduced concentration in core seed and crop protection markets. Instead, consolidation has continued through internal restructuring, brand rationalization, selective repositioning, and expansion into adjacent and downstream markets.