

# Fetal Bovine Serum – A Changing Market

The fetal bovine serum (FBS) market is experiencing unprecedented dynamics. These dynamics - mergers and divestitures, raw material shortages, and product recalls - reduce the availability of FBS and increase production costs. Fetal bovine serum users should understand how these dynamics affect the products they purchase and plan for long-term challenges they will encounter.

## MARKET DYNAMICS

**MERGERS AND DIVESTITURES** – The FBS supplier landscape has experienced substantial changes in the last year. Mergers and divestitures have traditional suppliers in turmoil and have exposed their operational risk. This instability results in rapidly escalating prices and reduced product availability.

**GLOBAL SHORTAGE** – Fetal bovine serum is a by-product of the beef industry and availability is affected by conditions that serum suppliers cannot control. Sustained adverse weather conditions (drought, flood, extreme cold), combined with increasing global demand for beef and dairy, have reduced the total cattle herd size to the lowest level in 60 years. Fewer cattle will be processed in the coming years in an effort to rebuild the herd to a more sustainable level, reducing product availability.

**PRODUCT RECALLS** – The first mass recall of FBS in history affected a large number of FBS suppliers and users. This recall, issued by one supplier, resulted from unethical business practices designed to conceal fraudulent manufacturing practices that dramatically reduced the cost of FBS by diluting with water, adulterating with supplements or by mixing countries of origin without adequate disclosure.

**BSE RISK STATUS CHANGE FOR US ORIGIN MATERIAL** – In May 2013, the World Organisation for Animal Health (OIE) announced that the United States' BSE risk status would be upgraded to “negligible risk,” establishing US origin FBS serum as equal in safety to that of Australia and New Zealand. US origin FBS has a historically lower cost point and higher production compared to Australian and New Zealand sourced FBS. As a result, the world's largest consumers of FBS are validating the use of US origin FBS, driving increased pressure on availability and pricing.



## VWR INTERNATIONAL

*is dedicated to educating FBS users who may be affected by these dynamics by providing the most up-to-date information on the market. We are also committed to providing cell culturists assurance of supply with industry-leading quality and traceability.*

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