

Agribusiness in Latin America

2000



2013



Brazil overview

Presented by:

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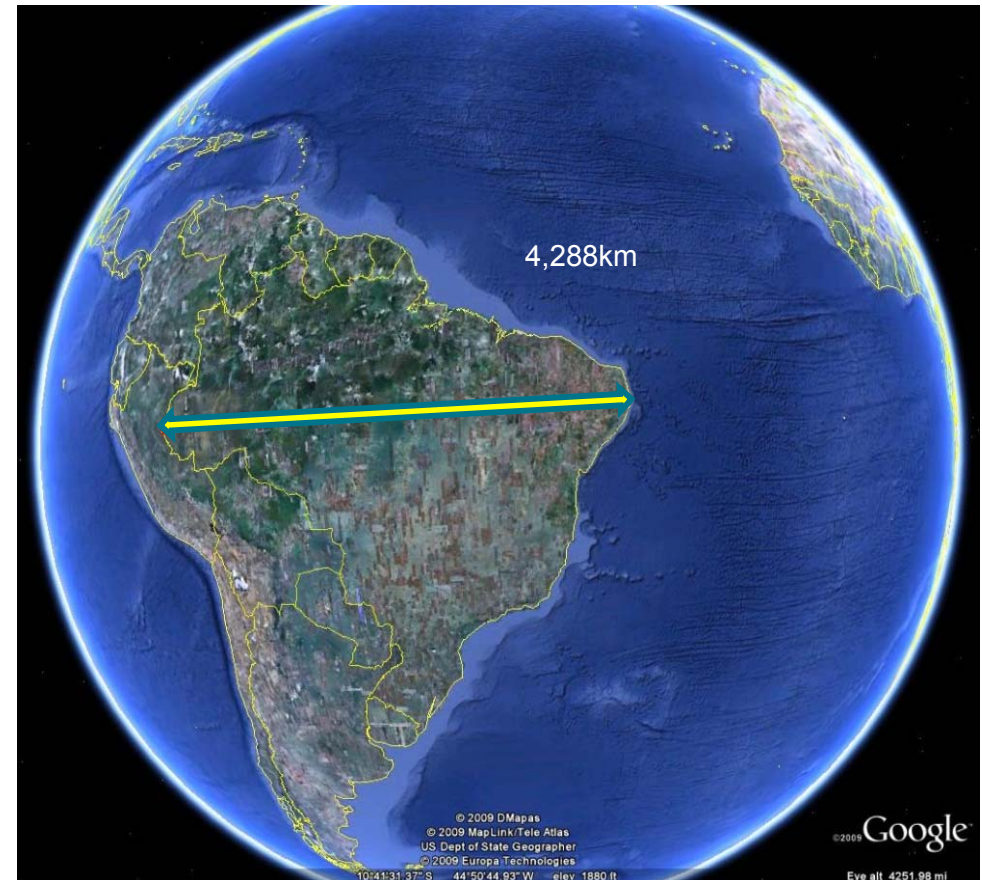
Territory Head Brazil



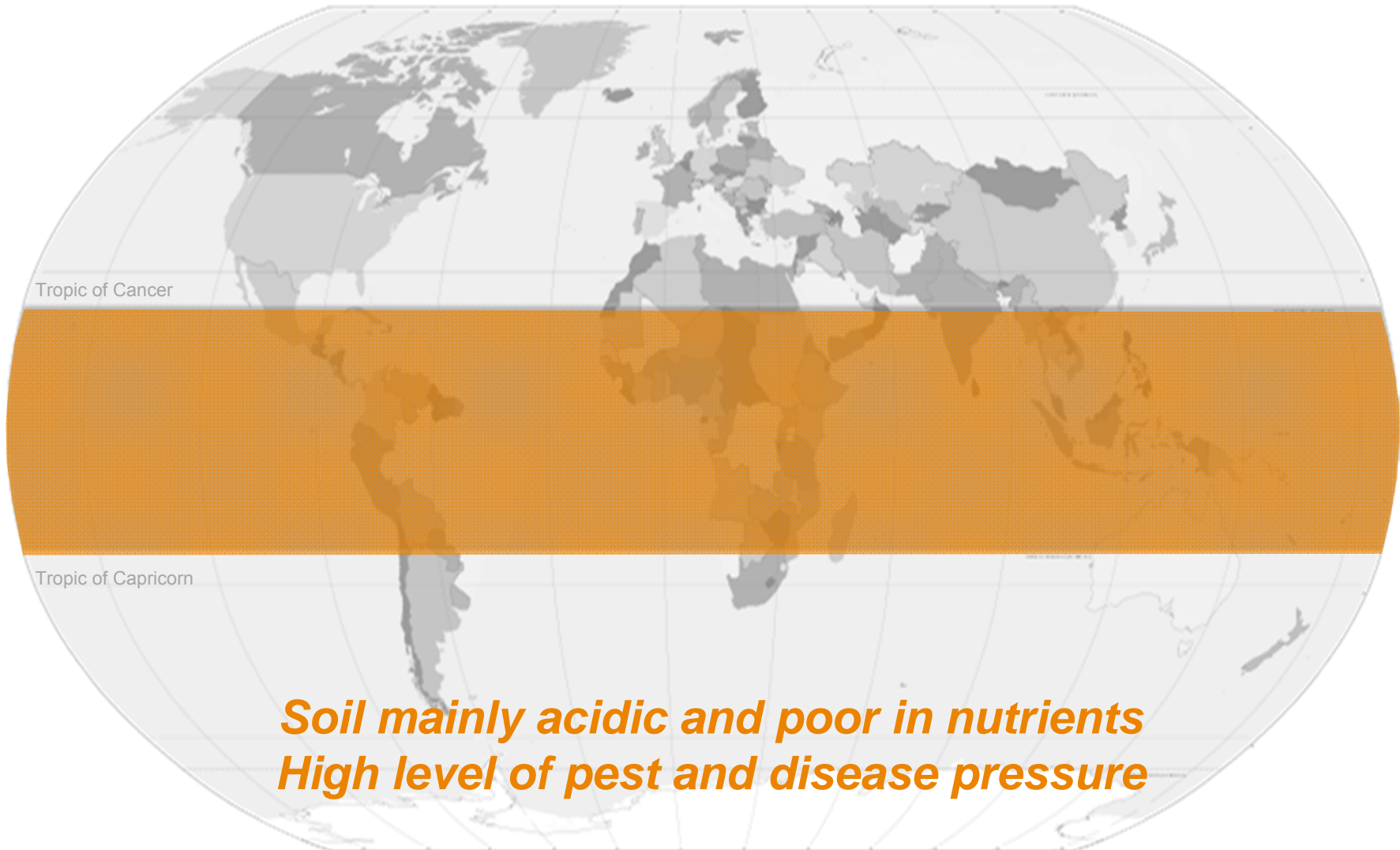
December 3, 2013

syngenta

Brazil: scale and environmental diversity

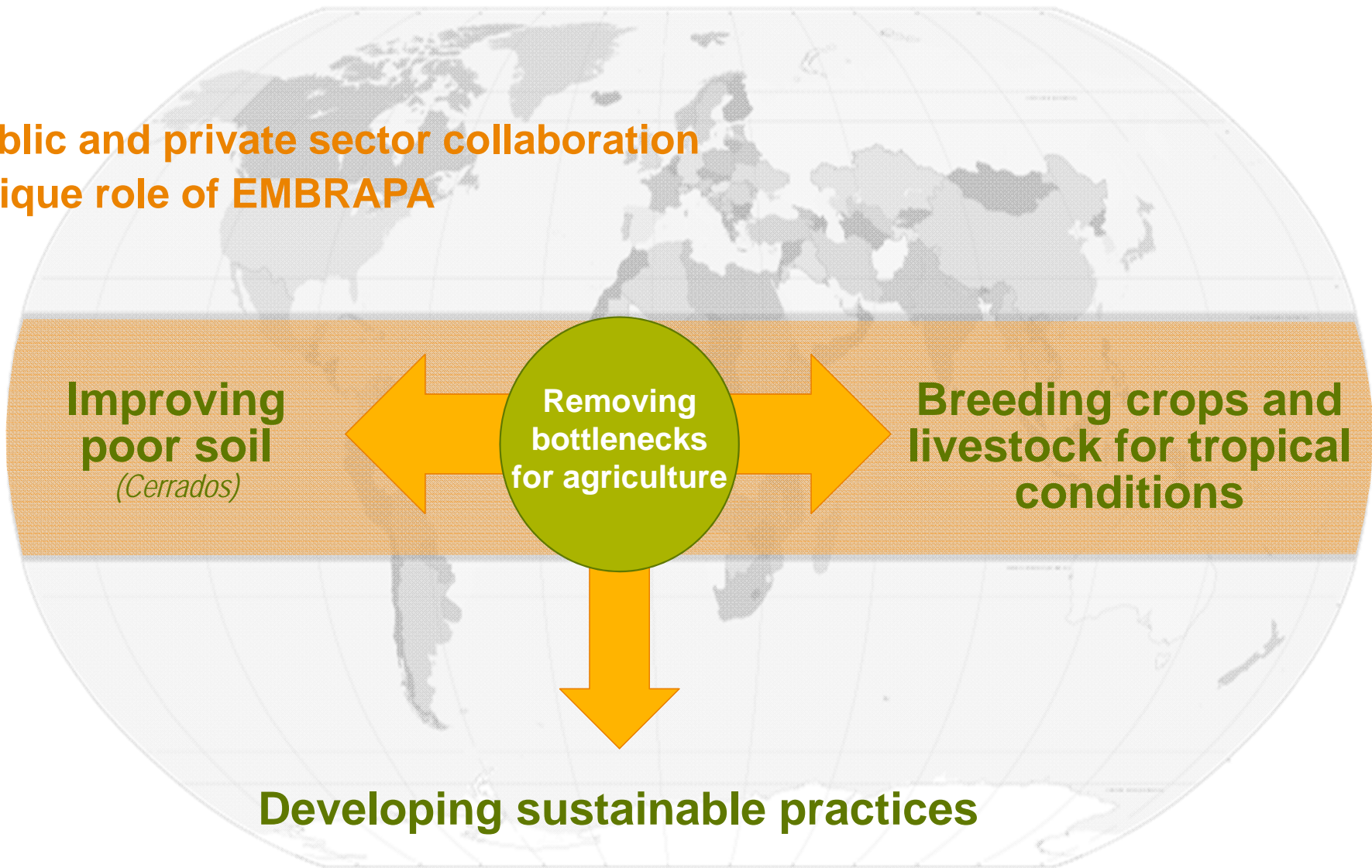


Tropical climate creates further challenges

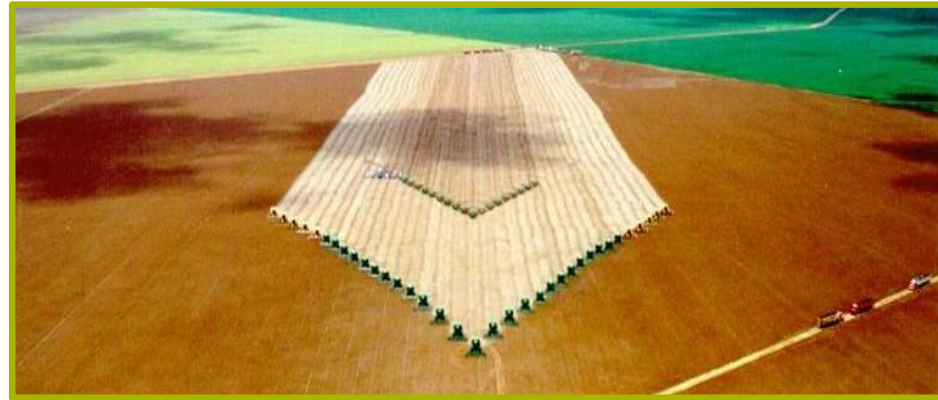


Brazil: innovation key to success

Public and private sector collaboration
Unique role of EMBRAPA



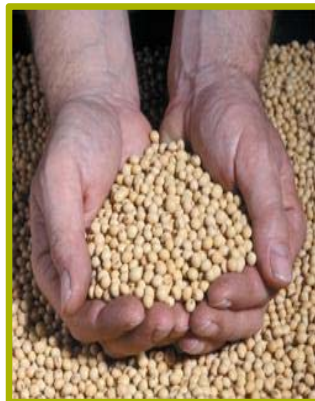
Agribusiness is key to the Brazilian economy



30% of GDP, 40% of employed workforce, 40% of exports



*Largest producer of
sugar, coffee and oranges*



*2nd largest
producer of soybean*



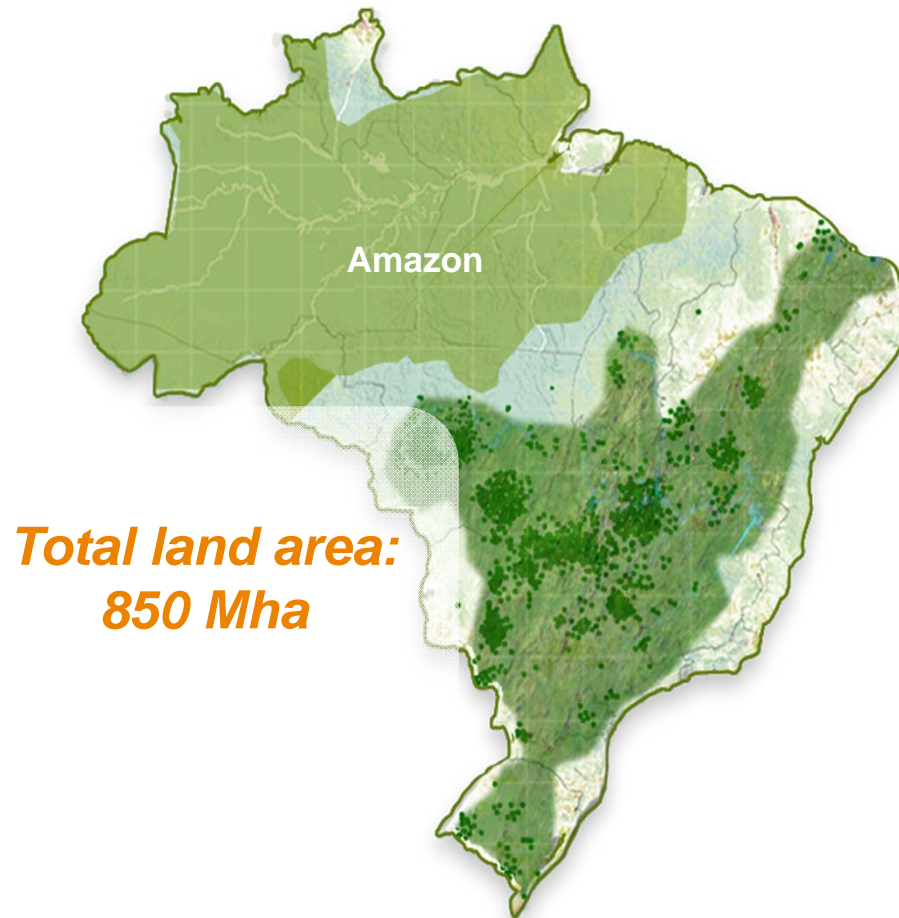
*3rd largest
producer of corn*



*Largest
beef exporter*

Source: IBGE, Brazil Central Bank

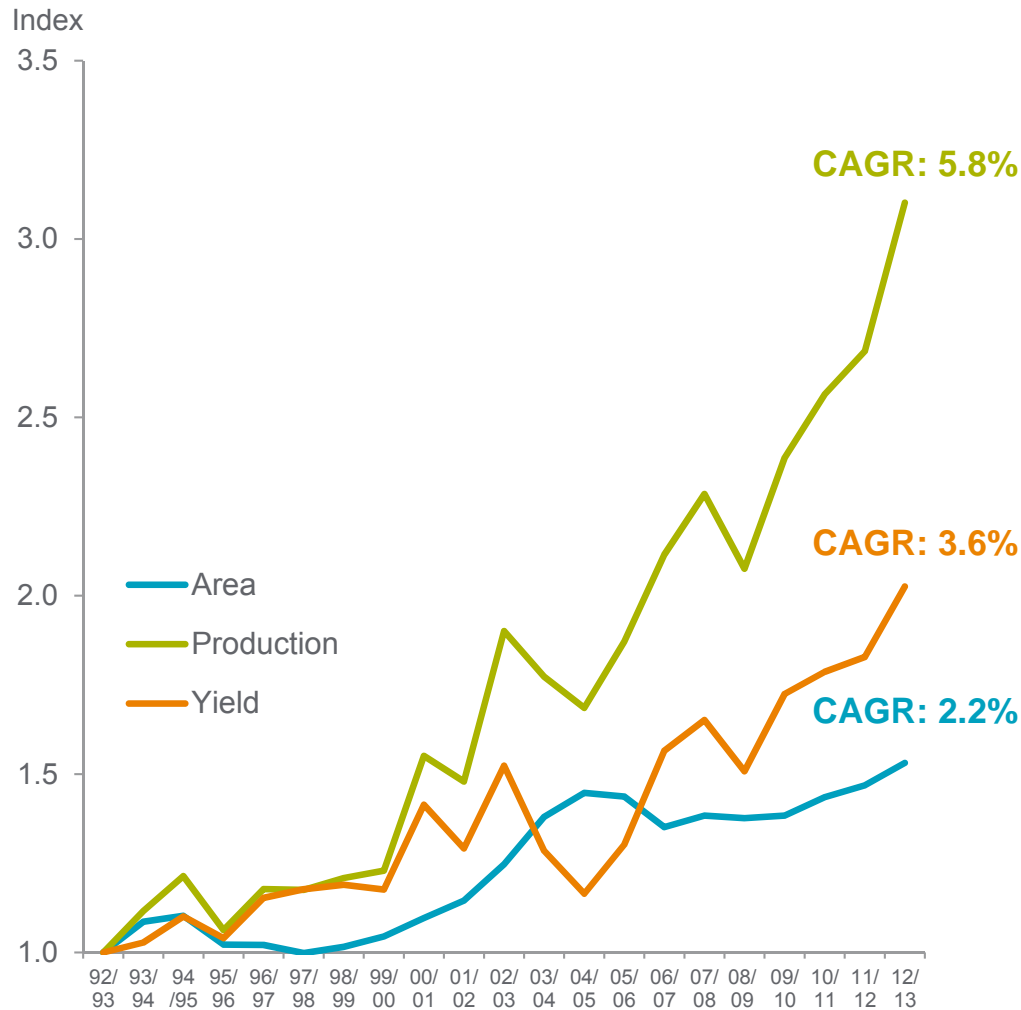
Increasing production by integrating agriculture and livestock



- 75m hectares planted with crops
- 150m hectares of pasture (livestock)
- Second largest crop protection and seeds market: \$12bn*
- ~100m ha available for expansion or integration (outside the Amazon)

* after USA: \$19bn
Source: CONAB, Syngenta

Yield increase more important than area expansion



Soybean, cotton, summer corn

Source: CONAB

- New varieties: germplasm and traits
- Biotechnology: soybean 90% GM, corn 85%
- Crop protection and seed care
- Fertilizer management
- Conservation tillage: 35 Mha
- Integration of crops and livestock

Infrastructure remains a bottleneck



- Roads, railways, harbors, storage
- 49 percent of production is >2 days from ports
- Increases costs: soybean freight \$92.6/ton for Mato Grosso vs \$8.5 for USA
- Hinders expansion of planted areas

Agriculture: the basis for sustainable economic growth

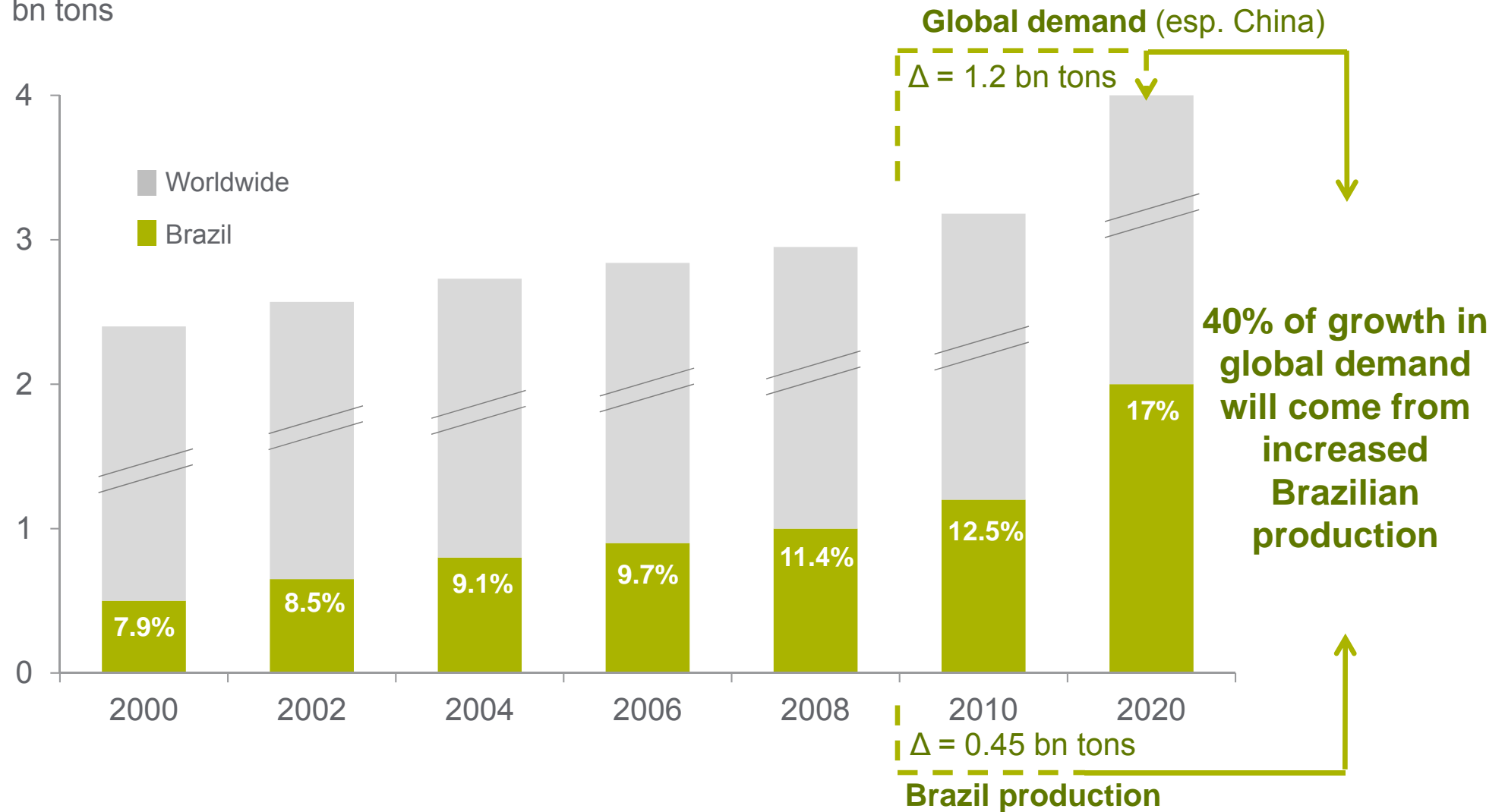
Brazilian balance of trade
\$bn



Source: Ministry of Agriculture, Livestock and Food Supply, World Factbook

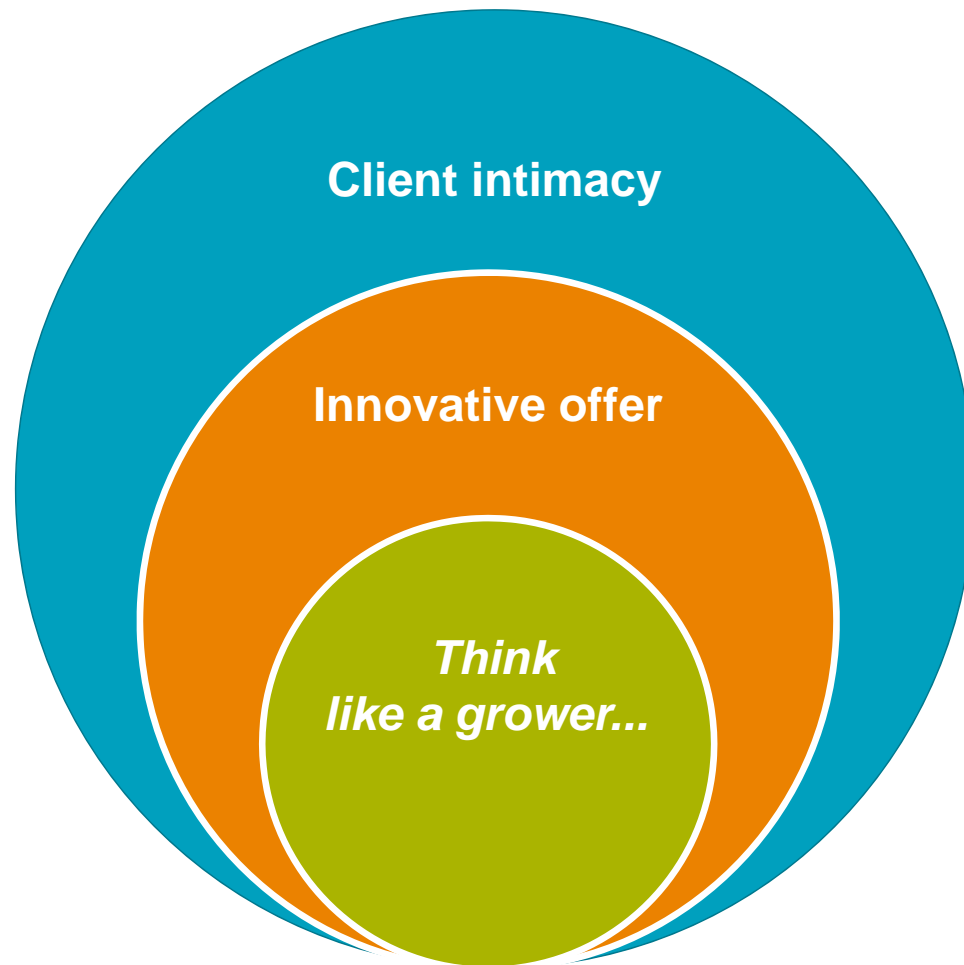
Brazil expected to meet almost 40% of global demand growth by 2020

Brazilian share of world grain production
bn tons



Source: FAO, OECD

Syngenta Brazil value proposition



*“Syngenta Brazil is an organization that differentiates itself by its **continuous pursuit of client intimacy** through an **innovative offer** leveraged by its **marketing and sales excellence**”*

From geography to customer segmentation

Business model

Customer segmentation

Brazil commercial units



Mega farmer



Customers

Direct sales B2B / OTO
Main Crops: Cotton, Soybean

Large farmer



North

Indirect sales – *focused customers*
Main Crops: Soybean, Corn

Medium farmer



South

Indirect sales dealers (46%), Coops (54%)
Main Crops: Soybean, Corn and winter crops

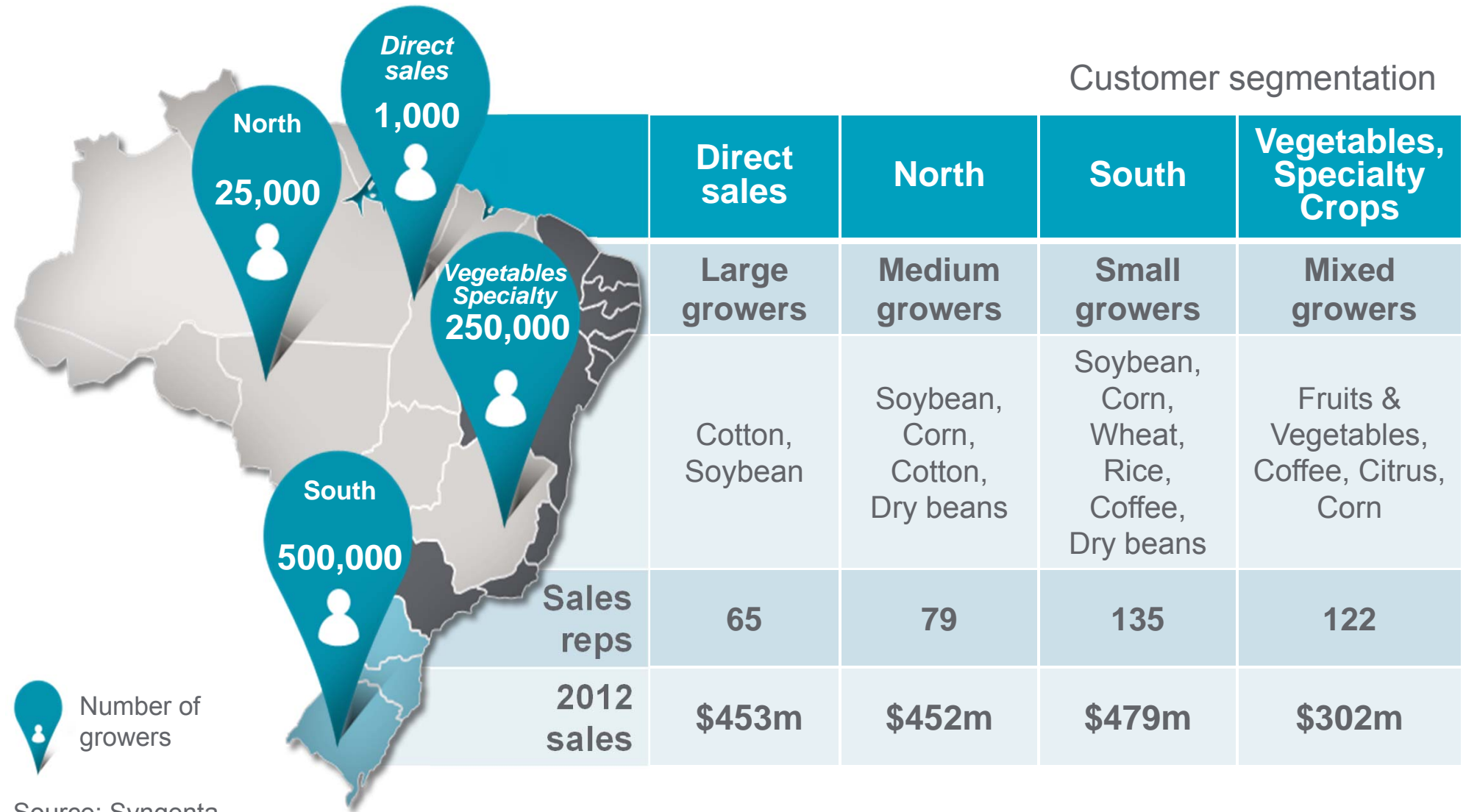
Small farmer



Vegetables, Specialty Crops

Indirect sales dealers and retailers
Main Crops: Fruits & Vegetables, Coffee, Citrus, Corn

Commercial units cater for different needs



Credit risk management strategy: bartering



Soil preparation & sowing



Development



Crop irrigation and protection



Harvest

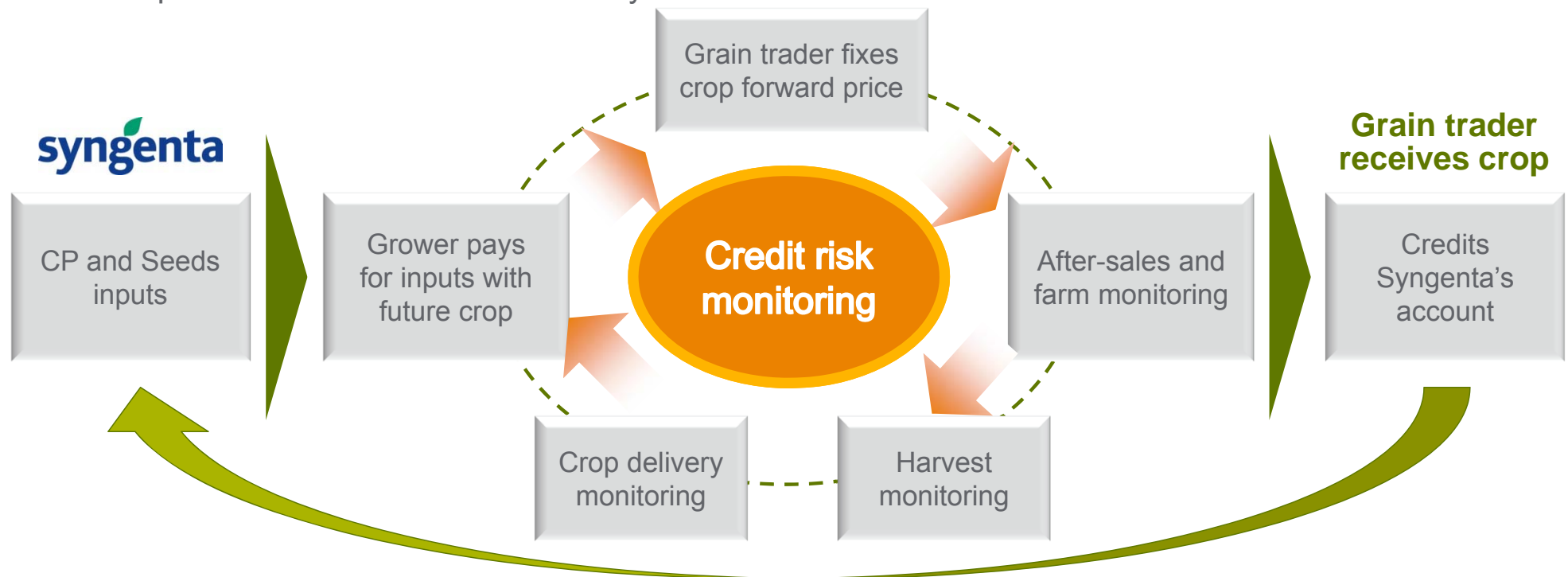


Transport



Export

Collection performance ~ 99% in the last 7 years



Integrating Crop Protection and Seeds: our strategy and journey

Oct 2007

Dec 2008

April 2009

Oct 2009

Dec 2010

Feb11 / Dec12

Work on concept begins

Day one

Kick off F1

Deep dive I

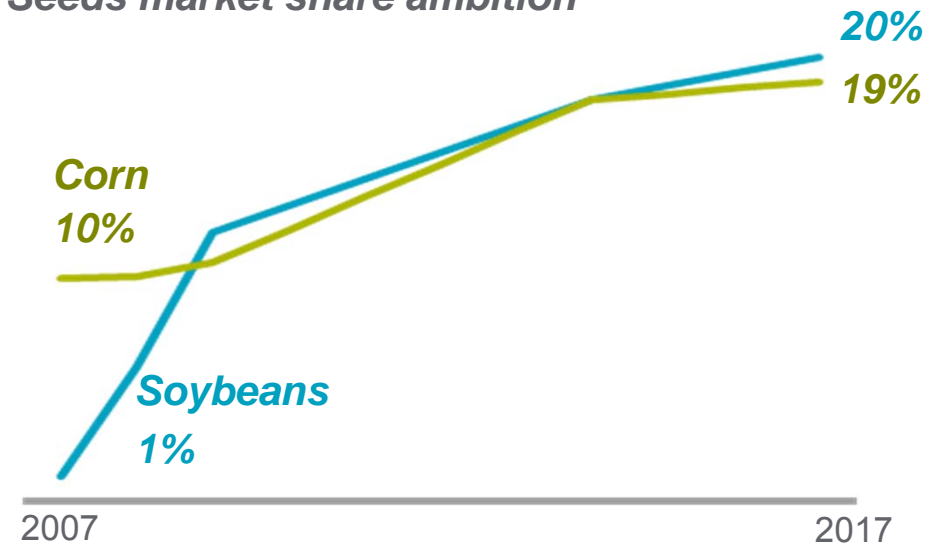
Integration

Kick off BM5

Vision for integration in order to capture value shift to seeds

- 1 *Be a unique partner for our customers*
- 2 *Integrated go-to-market model...*
- 3 *Consolidated management model...*
- 4 *...through a coordinated change process*

Seeds market share ambition



Capturing seeds opportunity while continuing to grow in crop protection

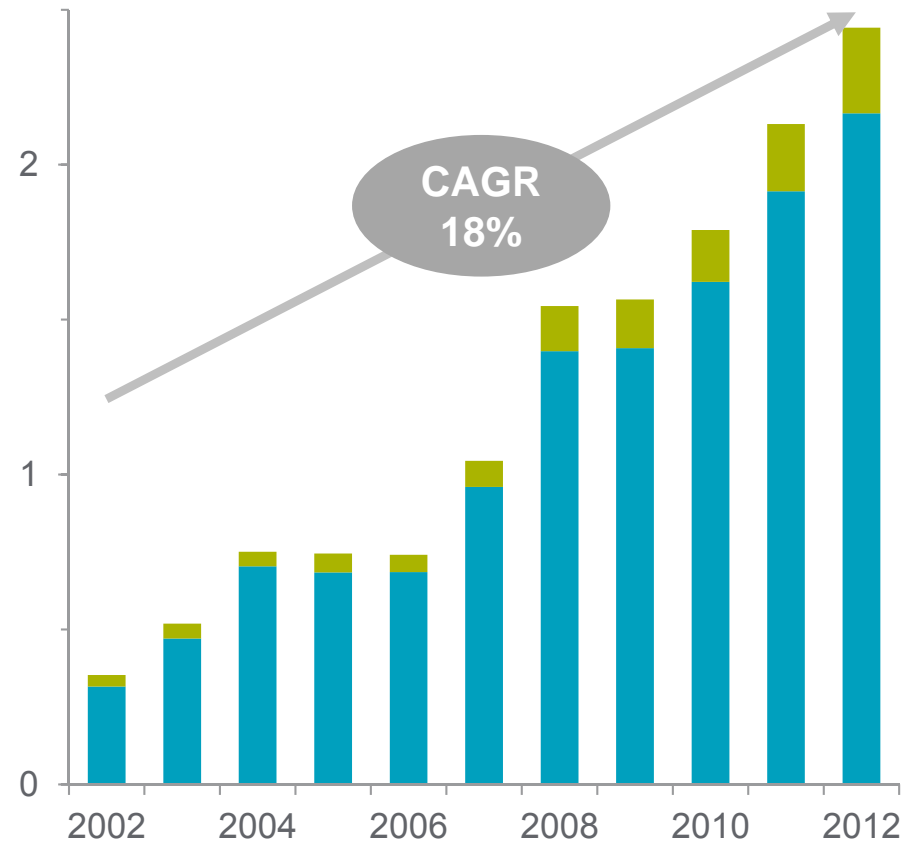
Integrating Crop Protection and Seeds: demand generation

- Aprova Formula 1: 8,000 demo plots
- More than 3,000 sales reps trained: internal and external
- 10,000 field days to show integrated offer to growers
- New skills and competence



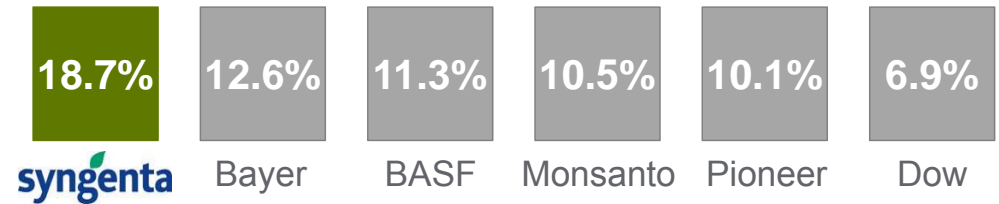
Fulfilling the potential

Sales
\$bn



■ Seeds
■ Crop Protection and Seed Care

2012 CP and Seeds market share



- Integrated strategy to drive share gain
- Commercial integration and new traits driving seeds sales
- Unique breadth across crops
- Targeting annual double digit growth to 2020

Bringing plant potential to life