

## ***Pioneer Investment Will Boost Agricultural Productivity in South Africa and Africa***

### **Global food demands are increasing and Sub-Saharan Africa has its unique needs.**

- According to the United Nations, food production will need to nearly double by 2050 to feed a growing global population.
- Africa has great potential to double food production. Africa's food productivity is relatively low, despite Africa having about 20% of the world's hectares currently being planted to maize. Average maize yields in Africa are below 2 tons/ha – significantly below the U.S. (about 10 tons/ha) and South African averages (4.2 tons/ha\*). Sources: FAO, USDA. \*3-year average (2008-2010) of country-level data.
- The combination of Pioneer and Pannar will allow for the development of better yielding products faster than either party could do on its own, increasing national and household food security across all customer bases including small-scale, developing and commercial farmers.
- Pioneer's investment in Pannar provides the scale for Pioneer to establish a global research hub in South Africa, which will benefit farmers throughout South Africa and other countries in Africa in addition to helping South Africa retain its agricultural development leadership position across the continent. The research hub would be similar to those Pioneer has developed in Brazil, China and India.
- Pannar and Pioneer will together address needs related to increasing productivity, improving access to agricultural inputs, and providing agronomic training and educational opportunities across Sub-Saharan Africa.

### **Pannar needs a partner and chose Pioneer.**

- Without a strong partner, Pannar has determined that it will be increasingly difficult to meet the future demands of its maize seed customers in South Africa and Africa. The combination of Pannar and Pioneer germplasm, coupled with Pioneer's advanced breeding technologies, will benefit farmers throughout South Africa and other countries in Africa.
- The proposed investment in Pannar would be among the largest Pioneer has made anywhere in the world.
- It comes at a time when the United Nations Conference on Trade and Development reports that foreign direct investment (FDI) into South Africa has dropped and South Africa has dropped from fourth to 10<sup>th</sup> place on the list of FDI recipients in Africa.

### **Pannar and Pioneer will remain in South Africa.**

- Both businesses have been in South Africa, partnering with South African farmers, and led by South Africans for decades.
- Pioneer and Pannar brands will remain in the market and distribution channels will remain separate.
- With South Africa's unemployment rate above 25% and rising, this is an investment where no job losses are foreseen and good jobs are likely to be created.
- Pioneer's business model is to develop products locally, meaning Pioneer contracts with local farmers for seed production, builds local seed production plants, and hires local labour.
- This partnership will enable a platform of growth for the businesses, including further investment and expansion providing employment and skills development opportunities in South Africa for South Africans.
- It will help to improve the productivity of farmers, enhance food security, and increase competition in the marketplace and the global competitiveness of the South African maize industry in particular. South Africa will enhance its position as the leader in maize breeding and accompanying research in the region and become a globally recognized source for scientific knowledge relating to maize research.