



Post-event press release

**Moscow
December 26, 2016**

Press conference "Results 2016 for International Seed and Crop Protection Companies: Modern Technologies Increasing Productivity of the Russian Agriculture".

On December 21, 2016, the first joint press conference of two Committees — seed producers and crop protection product (CPP) producers — was held at AEB. The keynote speakers were executives of R&D companies. The emphasis in all presentations was given to innovative technologies and investment projects for the Russian and CIS markets, as well as support for new technologies and products that companies provide to their customers, Russian agricultural producers (training and information programs, field days, agricultural technology days, etc.).

A decrease in the global CPP market over the last 2 years was noted in the presentation of Sofia Treus, CEO of Kleffmann Group in Russia, who started the press conference. Russia occupies 11th place in the world for consumption of CPP, and is one of the few countries where the CPP market has not experienced a significant downturn. Consumption of the products of international and Russian companies by agricultural producers has remained steady in recent years, almost in equal shares (in 2016: 54% and 46%, respectively). Sofia Treus emphasized the significant share of international companies in the seeds of sugar beet, sunflower, corn, and winter and spring rape. It should be noted that seeds and CPP produced by international companies in Russia usually receive the status of domestic products.

Alexander Berkovsky, the Chairman of the CPP Committee and CEO of Syngenta in the CIS, said that the crop farming industry in Russia is healthy and that agricultural producers are aware of the fact that only modern technologies (fertilizers, high-yield seeds and CPP) can increase yields. The company has invested 70 million rubles in the construction of a Laboratory for the Evaluation of Seed Quality in Stavropol, launched in 2016. 34% of the volume of sunflower seeds sold in the country and 36% of the volume of Syngenta corn seeds sold in the country are produced in Russia. An increase in the production of corn and sunflower seeds to 50% of sales volumes is planned, improving cooperation with local farms and factories on seed processing. The tolling line at the Agrokhimikat plant produces 30% of CPP out of Syngenta's sales in Russia.

Vladimir Druzhina, Chairman of the Seed Committee and Eastern European Director for corn and oilseeds of KWS in Russia, noted the long-term prospects for international companies with regard to the Russian and Eurasian seed markets. He emphasized that 1/5 to 1/6 of the global turnover of international seed producers is spent on research and development activities every year. Special attention was paid to the KWS Experimental Station in the Lipetsk region, in whose development 6.2 million euros have been invested over the 8 years of its existence. At the KWS Centre of Agricultural Competences created at the station, 22 workshops for agricultural companies were held in 2016, aimed at providing professionals with necessary knowledge on modern technologies for the cultivation of sugar beet, corn and oilseed crops, grain crops and potatoes.

Yves Piquet, Deputy Chairman of the CPP Committee and the head of Bayer's Crop Science division in the CIS, outlined the main objective of the company - to improve the efficiency of Russian agriculture using the key principles of sustainable development: innovations, technology transfer and education. In 2016—2017, Bayer's total investment in the creation of a network of centers for seed processing in Krasnodar,

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Kursk, Omsk, Kaliningrad, Stavropol, Rostov-on-Don, Volgograd and Nizhny Novgorod will amount to RUB 100 million. 30% of products are made in Russia, and it is planned to increase local production to 50% in 2020. To familiarize agricultural producers with new agricultural technologies and techniques for their correct application, Bayer holds about 160 "Field Days" annually in different regions of the country, involving more than 10,000 professionals, 100 educational seminars and 11 specialized demo events called "BayArena".

Andrey Voropay, CEO of Limagrain RU, noted that in modern agriculture an intelligent technological approach is at the forefront. For this reason, Limagrain Group spends 14.6% of global turnover each year on research and development. In 2015, a selection station in Novotitarovskaya village, Krasnodarskiy Kray, was opened. In 2015—2016, investment in its creation and development amounted to 1 million euros. Limagrain also has production operations on the territory of Russia: sunflower seeds have been produced in Krasnodarskiy Kray for the last four years, and in 2017 it is planned to increase production fourfold. Two demonstration centres, in Rostov and Saratov regions, have been created, and each season they host "Field Days". About 120 "Field Days" and about 80 seminars are held annually all over Russia, from the North Caucasus to the Far East.

Anton Basov, DuPont Science and Technology's head of the CPP business in Russia, said that over the last 3 years the company has introduced 1 new active ingredient molecule and 4 new products to the Russian CPP market. In 2016, the company received an award in the category "Best solution in crop protection" for the development of DuPont™ Zorvec™ fungicide. Anton Basov focused particularly on the DuPont Khimprom plant, which is the first enterprise in Russia for CPP production localized by an international company and doing business in accordance with international standards. More than 150 training events are held for agricultural producers annually. However, some problems were also touched upon, particularly the inability to produce CPP for export without first registering in Russia. In the Questions and Answers session following the presentations, topics discussed included trends on the Russian seed and CPP market, long-term forecasts and prospects for international companies, the conditions of production localization, the use of biological CPP, etc.

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