



# **Bayer CropScience Limited**

Speech of the Chairman

**Pankaj Patel**

**Delivered at the**

**59<sup>th</sup> Annual General Meeting held on  
Wednesday, August 23, 2017**

**Dear Shareholders,**

On behalf of the Board of Directors of Bayer CropScience Limited, I welcome you to the 59<sup>th</sup> Annual General Meeting.

### **Agriculture Sector: Outlook**

The importance of Indian agriculture can be seen from the fact that over 58% of rural households depend on agriculture as their primary means of livelihood. Around 70% of the Indian population depends on farming either directly or indirectly. With a contribution of 18% to the Gross Domestic Product (GDP), agriculture is significant to the continued progress of the Indian economy. (Figures source: Ministry of Agriculture & Farmers Welfare).

The central challenge for Indian agriculture is low productivity, which is evident in average crop yields. According to a study by the Food and Agriculture Organization (FAO), food energy requirements for South Asia will be about 2,700 calories per capita, per day by 2025. In India, the current food grain availability is quite low at 525 grams per capita, per day. The corresponding figures in China and USA are 980 grams and 2,850 grams respectively. Low productivity although being a challenge, also presents an opportunity for the agriculture industry and for agrochemical companies in particular.

As per the 3<sup>rd</sup> Advance Estimates of production of major crops for 2016-17, released by the Ministry of Agriculture & Farmers Welfare, India's total food grain production is estimated at 273.38 million tonnes. This is higher by 8.34 million tonnes (3.15%) than the previous record production of food grain of 265.04 million tonnes achieved during 2013-14. As a result of good rainfall during monsoon 2016 and various policy initiatives taken by the Government, India has witnessed record food grain production in the current year. But, India has a long way to go to increase food grain availability.

The southwest monsoon, which lasts from June till September, plays a crucial role as more than 75% of India's annual rainfall occurs during this period. The fate of the Kharif crops depends on the performance of the southwest monsoon. Good rains during the season result in bountiful crops which further benefit the farmers and the agriculture industry. For 2017, the Indian Meteorological Department (IMD)

has forecasted a normal monsoon of 98%. This augurs well for the agrochemical industry.

## **Bayer CropScience Limited: Today & Tomorrow**

In the Financial Year 2016-17, Bayer CropScience Limited achieved Revenue from Operations of Rs. 29,484 millions, marking an increase of 2% from Rs. 28,894 millions in the previous year. Profit for the year stood at Rs. 2,910 millions. Our domestic sales grew 8% over last year, due to good growth in our herbicides and fungicides portfolio. Good commodity prices of vegetables provided a strong impetus to farmers to invest further on crop protection products. This led to an exceptional growth in our portfolio of vegetables.

We successfully launched two new products in Crop Protection, five new products in Seeds and one new product in Environmental Science. The new offerings in Crop Protection include: Luna Experience, a fungicide for Powdery Mildew Management in grapes and Movento Energy, a two-way, systemic insecticide for sucking pests. The new launches from Seeds include three rice hybrids: Arize AZ 8433 DT, Arize AZ 6453 and Arize AZ 6508. The new millet hybrid launched in 2016 is Proagro PA 9072. The new brand launched from the Environmental Science business unit is Temprid, a dual active insecticide for Professional Pest Control of cockroaches commonly found in food handling and food processing areas of household and commercial premises.

Bayer is committed to bringing in enhanced customer focus through close collaboration with farmers across the country. With our expertise, we help farmers grow more food and market their produce more effectively, thus generating higher incomes. One of the examples of our customer centric solutions for Indian farmers is 'Bayer Labhsutra', which aims to increase per acre earnings and qualitative yield for participating farmers. As of 2016, Bayer Labhsutra demonstrations were carried out in 1,900 plots.

Today, any company wishing to remain at the cutting edge of scientific and technological development needs excellent partners. That's why; we maintain a network of collaborations and strategic alliances through our Food Chain Partnership program. Under this program, Bayer CropScience Limited provides farmers with innovative crop protection products, seeds, and services, as well as

advice on the optimal use of products and application technologies. In 2016, we covered an area of 103,000 hectares with 111,700 farmers in vegetables, fruits and Basmati Rice. We also signed two new agreements taking the total number of our Food Chain Partnerships to 37.

Innovation will play a key role in further developing agriculture in India. Rising farm incomes, encouraged by good commodity prices, will encourage farmers to spend on qualitative inputs for achieving higher yields, better quality and a more favorable return on investment. With increasing labor shortage, farmers will look for mechanized solutions in the area of various agricultural operations.

Bayer CropScience Limited understands these changing trends. Our product offerings in both Seeds & Crop Protection and extension capabilities are designed to provide customized solutions to different farmers. With our strong distribution reach and a vast network of more than 3,000 field officers, we are well-equipped to partner Indian farmers in making a difference in the Indian agriculture industry.

On behalf of the Board of Directors, I take this opportunity to express my sincere appreciation to our Shareholders, Banks & Financial Institutions, Distributors and Farmers for their continued support and belief in us.

I would also like to thank all our employees who displayed great passion and personal dedication in making 2016-17 a successful year for Bayer. I seek your continued support to grow and progress further in years to come.

Mumbai  
August 23, 2017

**Pankaj Patel**  
Chairman  
(DIN: 00131852)

Note: This speech does not purport to be a record of the proceedings of the Annual General Meeting.