

Seed manufacturer sought suitable partner

The Pannar Seed Company has told the Competition Tribunal that it undertook an extensive investigation into finding a suitable partner before deciding to do a deal with DuPont subsidiary Pioneer Hi-Bred International that led to the merger being outlawed by the Competition Commission.

 By [Paddy Hartdegen](#) 23 Sep 2011

Pannar's managing director, Deon van Rooyen claims that it was clear to him that the company was losing market share to companies that used modern technologies such as Monsanto and to overcome this, it has started seeking a suitable partner about ten years ago.

He says that other companies approached Pannar but many of them did not appreciate the fact that Pannar had more than 50 years of experience in the local market and more importantly were not prepared to pay for that expertise.

It is currently the largest seed company in Africa but also has successful operations in North and South America as well as in Europe.

Reducing competition in seed production sector

The deal between Pioneer Hi-bred and Pannar was originally done in December last year but the Competition Commission stopped the merge because it feared this would reduce competition in the seed production sector.

The tribunal hearing is expected to take at least three weeks to approve or prohibit the merger. Apart from representations from Pannar, environmental groups Biowatch South Africa and The African Centre for Biosafety are expected to testify.

Biowatch says that if the deal were to go ahead it would put most of South Africa's seed supply into the hands of Pioneer Hi-Bred and Monsanto and such a move would pose a threat to South Africa's food security and its seed sovereignty.

Read more:

- [More on Pannar Seed.](#)
- [More on Pioneer Hi-Bred.](#)
- [More on Biowatch South Africa.](#)

ABOUT PADDY HARTDEGEN

Paddy Hartdegen has been working as a journalist and writer for the past 40 years since his first article was published in the *Sunday Tribune* when he was just 16-years-old. He has written 13 books, edited a plethora of business-to-business publications and written for most of the major newspapers in South Africa.
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