

SA approval for DuPont Pioneer/Pannar Seed deal

DuPont Pioneer, one of the world's leading agricultural businesses, and Pannar Seed (Pty) Limited, a South African-based seed company with operations throughout Africa and other parts of the world, on Friday received affirmation of South Africa's approval to implement their agreement for Pioneer to purchase a majority share of Pannar.



The Supreme Court of South Africa rejected an application by the Competition Commission seeking leave to appeal the 28 May 2012 Competition Appeal Court decision which approved the merger.

"We are pleased with the Supreme Court's decision," said Brian Corbishley, chairperson of Pannar. "This is good news for our stakeholders, including employees, customers, and consumers, who are set to benefit from the increased innovation in the seed industry that will result from this merger."

"Pioneer is committed to long-term investment in South Africa to enhance productivity and food security for the country and the continent," said Pioneer President Paul E. Schickler. "This partnership will accelerate the development of higher performing products for Africa's farmers."

Committed to establish research centre

In addition to its investment in Pannar, Pioneer has committed R62m by 2017 to establish a regional research centre in South Africa that would bring advanced R&D breeding technologies to Africa and apply these technologies to the companies' complementary germplasm pools. The research centre will be similar to the innovative research hubs that DuPont has established in Brazil, India and China and will allow South Africa the opportunity to play a leading role in agricultural development for the African continent.



Pioneer and Pannar have further committed to working with communities, government and other groups to develop programmes addressing the challenges faced by small-scale and developing farmers to increase their overall farm productivity, profitability and food security.

Pioneer has committed a further R20m over six years toward programmes, in addition to its current endeavours, that will benefit developing farmers in South Africa.

The merger will allow each business to access additional crop areas, reach more customers and deliver improved seed products quicker and more efficiently than either could have achieved on its own. Pannar receives access to Pioneer's genetics library and its maize breeding and biotechnology capabilities which will benefit its Africa operations and its operations in the United States and Argentina. Pioneer will tap into

Pannar's expertise and reach across Africa and its maize genetics developed specifically for the region.

With nearly 32 million hectares available for maize production, Africa represents a significant opportunity for improved productivity. Average grain yields are less than two tons per hectare, about one-third of what is achieved in other developing regions and only one-fifth of yields in developed countries. In addition, maize seed demand is strong and growing. In South Africa alone, annual hybrid maize seed sales total about US\$300m.

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