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Re: 2022APR001

23 May 2023

Syngenta response to the RFI relating to the Fresh Produce Market Inquiry (Case number: 2022APR0051)

Dear Ruan Mare

Please see below our response to the RFI referenced above. This document should be read together with the referenced annexures provided therein. For ease of reference our annexures are referenced in line with the numbering and subheadings of your request for information sent to Syngenta South Africa. This document and the annexures thereto are confidential, and we accordingly enclose a Form CC7 and Schedule. We will provide the Commission with a non-confidential version of the submission in due course.

Our responses and attachments would include the following references which indicates the two units/segments which we believe they impact Fruits and Vegetable market.

CP- Crop Protection – This will relate to a response from Crop Protection view

VEG SEEDS- Vegetable Seeds- This will relate to a response from vegetable seeds commercialization view

Referencing example

Where we have two responses relating to each unit/segment for question 4. Below will be the example of document reference

Annexure 4 CP- Will represent response/information from Crop Protection view

Annexure 4 VEG SEEDS- Will represent response/information from Vegetable Seeds view

BACKGROUND AND BUSINESS ACTIVITIES

1. Briefly describe the business activities of SYNGENTA and how it is positioned relative to other businesses that provide key inputs for growers in the fresh produce sector.

Syngenta innovates with world-class science to protect crops and improve seeds. Our two core businesses, crop protection and seeds, support farmers with technologies, knowledge and services so they can sustainably provide the world with better food, feed, fibre, and fuel.

Syngenta link: <https://www.syngenta.com/en/company>).

Syngenta Global business overview- Crop Protection

Crop protection is one of the world's most highly regulated industries. To gain and maintain registration, a chemical must be shown to be safe for workers, the environment, crops and consumers.

Syngenta is a world market leader in crop protection products, offering farmers an extensive toolbox of solutions. We develop and produce herbicides, insecticides, fungicides and seed treatment products that promote strong and healthy growth.

Our products and solutions protect crops and enhance the ability of plants to defend themselves. They can be based on world-class chemistry or naturally occurring substances and processes (biocontrol's). We bring these together with new monitoring techniques, precision application, fast-developing digital technologies and new breeding techniques.

Protecting crops means investing significantly in research and development. We don't find active ingredients by chance. We design them and it can take 8 to 10 years to reach commercial launch.

Whatever the solution, we take our responsibilities seriously when it comes to making each one safe and sustainable for farmers, the whole of society and the planet.

Syngenta South Africa Crop Protection

Syngenta South Africa does biological development of new products, label expansions, crop programs and crop solutions. We also support global development and research as a Southern Hemisphere country.

In South Africa we mainly import Active Ingredients, which are then commercialized at our Brits Formulation, Fill & Packaging Plant in North-West.

For the purpose of this response, where possible we have focused our answers to Crop Protection (Products impacting Veg and Fruits market) and Vegetable Seeds as we believe they have an impact on the South Africa Fresh Produce market.



In addition to this, we have included a high-level overview of the products supplied by Syngenta South Africa under Annexure 4, we have not limited our response to products linked to the fresh produce market.

Syngenta Crop Protection go to market strategy (GTM) in South Africa

Syngenta South Africa (Pty) Ltd Crop protection business unit does not sell directly to producers/growers. Our current Go-to-Market strategy is through the distribution channel. The distribution channel sells directly through their agents to the producers and growers. The distributors are independent entities not under the control of Syngenta. The producers/growers who wish to use Syngenta products can buy the products from their distributors of choice.

Syngenta Vegetable Seeds

Syngenta is one of the top vegetable seeds players worldwide. Syngenta continuously invests in Research and Development to deliver more winning innovation for our growers and stakeholders around the world. Syngenta has worldwide 27 Research and Development sites which enable us to develop new products thanks to locally tailored breeding programs.

Syngenta breeding programs are focused on attending the market's need for quality, which varies from demands for varieties with stronger resistance and/or tolerance to key diseases, insects and viruses, reliable and deliver high yields, and resistance to environment stress.

Our seed varieties are tested in growing conditions right across the region to ensure they meet your local growing conditions.

Market trends demand that our varieties are fresh, attractive, efficient and cost effective.

The Syngenta seed business in South Africa plays a pivotal role in developing high performance crops that are increasingly productive and resilient thereby raising the industry standard as our varieties maintain their quality during global shipping and handling.

We work across the value chain to address today's increasing demand for healthy, fresh produce. We serve a growing, dynamic industry with diverse local grower needs.

Through our dedicated and specialized teams, we bring our expertise in genetics, crop management efficiency, and value chain relationships to support:

- increased vegetable yield and quality, improve pest and disease control, and higher return over investment for growers.
- improved crop uniformity, increased shelf life and product safety:
- better produce flavor, color, shape, appeal, and convenience while also reducing food waste and improving natural resource management.

Syngenta Vegetable Seeds GTM in South Africa

In South Africa, Syngenta vegetable seeds teams conduct early-stage development trials with the distribution level for evaluation purposes (adaptability of the variety to the local environmental conditions), such tests are conducted at times at growers' land as well.

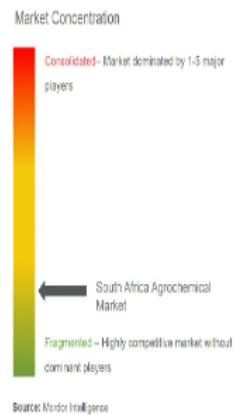
Syngenta sells its Syngenta sells proprietary seed varieties to distributors through its legal entity in the Netherlands, Syngenta Seeds, BV, Distributors then in turn sell to growers via their sales team.

South Africa Agrochemicals Industry overview

The South African agrochemicals market is highly competitive, with the presence of many international and domestic players operating in the market. The major players in the South African agrochemical market include Sasol Limited, Bayer Crop Science AG, Syngenta AG, BASF SE, CF Industries Holdings, ICL Group Ltd, Land O' Lakes (Villa Crop Protection (Pty) Ltd), and K+S AG. These prominent players are expanding their positions in the country to have a wide-reaching consumer base for their agrochemical products.

South Africa Agrochemicals Market Leaders

- 1 Sasol Limited
- 2 OCP Group
- 3 Yara International ASA
- 4 Sociedad Química y Minera de Chile (SQM)
- 5 K+S AG



<https://www.mordorintelligence.com/industry-reports/south-africa-agrochemicals-market>

Although Syngenta Group is the market leader Globally, in South Africa we are still relatively small as compared to our competitors.

2. If SYNGENTA operates multiple businesses, provide the most recent organogram depicting the companies directly and indirectly controlled by your parent company and all its subsidiaries.

Refer to **Annexure 2**.

3. Indicate if SYNGENTA or related operating companies are owned and controlled by Historically Disadvantaged Persons (“HDPs”).

Syngenta South Africa Proprietary Limited is not owned or controlled by historically disadvantaged persons (“HDPs”).

4. Provide a list of products sold by SYNGENTA in South Africa

Refer to **Annexure 4 CP** and **Annexure 4 VEG SEEDS**

5. Provide the most recent audited annual financial statements (AFS) for the South African operations of SYNGENTA. If the AFS cover a number of businesses, then provide the management accounts for the South African business alone.

Refer to **Annexure 5** attached for our latest audited financial statements.

VEG SEEDS – Annexure 5 (latest Audited Financial Statement) does not include the Vegetable Seeds sales as these sales are made by another Syngenta legal entity, namely Syngenta Seeds B.V.

6. To the extent that it is not contained in the AFS, provide a detailed financial breakdown of both revenue sources and operational costs of the firm for the most recent financial year (April-March Basis, if not, indicate).

This is provided under **Annexure 5**.

VEG SEEDS – This is provided under **Annexure 5**. Please note that the latest Audited Financial Statement does not include the Vegetable Seeds sales as these sales are made by another Syngenta legal entity, namely Syngenta Seeds B.V.

7. Provide illustrative examples of any monthly management reports on key metrics used to track the performance of SYNGENTA’s business. If no such reports exist, then provide a list of the key performance metrics that management uses to track the performance of the business.

Refer to **Annexure 7 CP** attached.

Refer to **Annexure 7 VEG SEEDS** attached.

8. Provide investor or any other presentations that describe SYNGENTA 's current business and business model. If no investor presentations exist, provide internal documents describing the business model.

Refer to **Annexure 8 CP** attached

Refer to **Annexure 8 VEG SEEDS** attached

9. Provide all internally and externally commissioned research and/or studies conducted in the past three years on the consumer side of the business, and the market position of your business relative to competitors.

Syngenta Crop Protection have not performed any study/research related to the consumer in Fresh Produce market.

VEG SEEDS – Syngenta South Africa has not commissioned research and/or studies conducted in the past three years on the consumer side of the business. Syngenta South Africa Proprietary Limited is member of SANSOR (South African National Seed Organization) and relies on the information shared by SANSOR to all its members regarding the seeds industry.

10. Provide copies of SYNGENTA 's latest marketing materials and presentations used in engagements with different types of potential customers.

Refer to **Annexure 10 CP** Attached. These are examples of marketing presentation to our Dealers/Distributors and Agents on a specific solution and products.

VEG SEEDS Refer to **Annexure 10 VEG SEEDS** and to Syngenta South Africa dedicated website:

- <https://www.syngenta.co.za/seeds-0>

And Syngenta South-Africa Facebook page:

- <https://www.facebook.com/SyngentaVegetableSeedsSouthAfrica>

11. Provide copies of SYNGENTA 's latest marketing materials targeted at consumers.

Refer to **Annexure 10 CP** Attached. These are examples of marketing presentation to our Dealers/Distributors and Agents on a specific solution and products.

VEG SEEDS Refer to **Annexure 10 VEG SEEDS** Syngenta South Africa dedicated website:

- <https://www.syngenta.co.za/seeds-0>

And Syngenta South-Africa Facebook page:

- <https://www.facebook.com/SyngentaVegetableSeedsSouthAfrica>

12. Provide the historic prices for your top 10 relevant products sold within the fresh produce industry from January 2019 till March 2022.

Refer to **Annexure 12 CP**

Refer to **Annexure 12 VEG SEEDS** Attached. Please note that there is a variation in the top 10 relevant products sold within the fresh produce industry from 2019 – 2022 as some of them were either replaced or discontinued.

12. 1 Provide the most recent price lists issued by SYNGENTA for each of these products.

Refer to **Annexure 12 CP** Attached

Refer to **Annexure 12.1 VEG SEEDS** Attached.

13. Kindly provide the names and contact details of the following customers within the fresh produce industry:

13.1 The 10 largest customers by sales in the last financial year

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]



13.2 The 10 smallest customers by sales in the last financial year

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Vegetable Seeds has only 4 (four) customers. **Refer to response in 13.1**

13.3 The 10 most recent potential customers who engaged with SYNGENTA but did not end up using SYNGENTA (either because they did not meet the SYNGENTA 's requirements or on their own accord).

Syngenta use indirect channel partners/ distributors model and as such the above is not applicable to Syngenta under the current go to market model.

MARKET DYNAMICS OF KEY INPUTS AND THEIR IMPACT ON PRODUCERS

14. Explain your understanding of the value chain for agricultural inputs (all levels and players), the various activities of key role players at the different levels and indicate where SYNGENTA fits within the value chain.

Refer to **Annexure 14 CP and Annexure 14 VEG SEEDS**. This provides an overall view in the input value chain and indicates where Syngenta plays a role.

15. Identify and estimate the sizes of the manufacturers of agricultural inputs (seeds, fertilizers, agrochemicals (herbicides, fungicides and pesticides) for the past 5 years up to and including 2022. The estimated market size should be based on value of sales, volumes, and revenues. This information should be based on all areas where SYNGENTA is active either as a manufacturer or distributor and ignore areas where SYNGENTA is not active as either manufacturer or distributor.

[REDACTED]

[Redacted]

A [Redacted]

16 Explain the price setting mechanisms which pertain to agricultural inputs (seeds, fertilizers, agrochemicals (herbicides, fungicides and pesticides)). In your response refer to:

16.1 The methodology and factors considered when determining price;

[Redacted]

16.2 The use of international bases for price including the use of import and export parity pricing in the determination of local pricing; and

[Redacted]

[Redacted]

16.3 The main drivers of cost; and

Costs of Active ingredients /Raw Materials (CP) and SEEDS (VEG SEEDS) (These are procured mainly overseas) (Thus foreign exchange impact is considered)

Freight costs (Sea and Rail) (CP and VEG SEEDS)

Import duties and related costs (CP and VEG SEEDS)



Formulation costs (Labor, machinery, energy, water, other ingredients, and overhead costs) **(CP and VEG SEEDS)**

Local Transportation and Storage costs (CP and VEG SEEDS)

Research and Development costs (CP and VEG SEEDS).

16.4 Certification costs in relation to seeds

We import our Veg Seeds from Syngenta Seeds B.V., Dutch legal entity registered in Enkhuizen - the Netherlands, and certification is done there. The certification costs will be included in the costs of the imported seed.

Certification of costs only applies to Seeds and not CP.

17 Provide the following information about agricultural inputs that you sell and/or distribute (seeds, fertilizers, agrochemicals – herbicides, fungicides, and pesticides) for the past 5 years up to and including 2022. This information should be provided in Microsoft Excel:

Syngenta Veg Seeds sales are not sold through Syngenta South Africa (Pty) Ltd. Veg Seeds are sold via Syngenta Seeds B.V (in The Netherlands) to customers (Distributors) in South Africa. Data that have been provided are direct sales from the Netherlands to customers. The information is shared to assist the commission to understand the market as we are participants to South Africa market.

CP sales provided are sales done through the South African legal entity and forms part of Syngenta South Africa (Pty) Ltd financial statements.

17.1 Total volume sold. Refer to **Annexure 17 CP** attached.

Refer to **Annexure 17 VEG SEEDS** attached for all distributors.

17.2 Average selling prices,

Refer to **Annexure 17 CP** attached.

Refer to **Annexure 17 VEG SEEDS** attached for all distributors.

17.3 Rand and percentage markups,

Refer to **Annexure 17 CP** attached.

Refer to **Annexure 17 VEG SEEDS** attached for all distributors.

17.4 Rand and percentage gross profit margins, and

Refer to **Annexure 17 CP** attached.



Refer to **Annexure 17 VEG SEEDS** attached for all distributors.

17.5 Rand and percentage net profit margins

Refer to **Annexure 17 CP** attached.

Refer to **Annexure 17 VEG SEEDS** attached for all distributors.

18. Provide a list of top 10 customers (per product) of SYNGENTA in terms of revenue for the past 5 years up to and including 2022. In your response, please include the average selling prices, discounts and/or rebates applicable per product per customer, and their HDP status.

Refer to **Annexure 18 CP** attached for all distributors.

Refer to **Annexure 17 VEG SEEDS** attached for all distributors.

19. Provide a list of bottom 10 customers (per product) of SYNGENTA in terms of revenue for the past 5 years up to and including 2022. In your response, please include the average selling prices, discounts and/or rebates applicable per product per customer, and HDP status.

Refer to **Annexure 19 CP** attached for the bottom 10 distributors

Refer to **Annexure 17 VEG SEEDS** attached for all distributors. No need for bottom 10 as all included.

20. Where there are appointed distributors of your products, kindly provide a list of (i) top 10 distributors and (ii) bottom 10 distributors and indicate the products that these distributors have been appointed to distribute. In your submissions, also provide information about revenue, average prices, discounts/rebates where applicable and HDP status.

Refer to **Annexure 18 and 19 CP** attached for all distributors.

Refer to **Annexure 17 VEG SEEDS** attached for all distributors. No need for bottom 10 as all included.

21. Provide distribution Agreements that SYNGENTA has entered into with (i) top 10 distributors and (ii) bottom 10 distributors.

Refer to Annexure 21 CP

Refer to **Annexure 21 VEG SEEDS**. Regarding Mirmar Seeds, Syngenta is selling one tomato variety to Mirmar Seeds through purchase orders.

Mirmar seeds are not yet an official distributor, only one product is allocated to them for sales, the materials are allocated to them for evaluation purposes only.

22. Provide the volume of sales of agricultural inputs which are generated through the “Khula! Inputs App” or any similar or competing online sales platform(s), in the past 5 years. In your response, please include the volume of these sales expressed as a percentage of total sales for agricultural inputs, average selling prices, discounts and/or rebates applicable per product per customer, and HDP and SMME status of these customers.

CP and Vegetable Seeds are not involved on the Khula platform.

For Crop Protection one of our distributors (AECI) is managing and using the Khula platform.

VEG SEEDS – Not applicable. No sales made through “Khula! Inputs App” or any similar or competing online sales platform.

23. What are the barriers to entry for input manufacturers and suppliers? In your response refer to:

23.1 Capital and infrastructure costs;

Crop Protection manufacturers (Britz)

Capital and infrastructure costs will be very dependent on the intended services and or products to be provided. For eg. to be compliant from a contamination perspective plant and equipment cannot be shared between Herbicide/Fungicide/Insecticide products hence equipment and plant need to be duplicated if the manufacture is providing Herbicides and Fungicides/Insecticides. The equipment required is capital intensive and typically not produced in South Africa. The costs ranges on type of operation one intends to run from manufacturing perspective. Our estimate is that this can be anything from \$ 15m -\$ 30m to set up a functional plant for formulating only herbicide. Most of the input raw materials are imported and hence support infrastructure in the form of warehouse space and facilities are necessary.

Crop Protection suppliers in general

Generally, outside manufacturing/ formulation plant there are very low barriers to enter the crop protection supplier market. As a supplier can export products and sell direct to the market.

The crop protection market in South Africa is growing steadily, one major factor that will be limiting the growth of the crop protection market is stringent government regulations and phasing out many of the existing active ingredient.

VEG SEEDS – The barriers to entry for input manufactures and suppliers regarding capital and infrastructure costs for vegetable seeds can be relatively low, depending on the business model. Seeds companies like Syngenta that have been developing, producing and supplying vegetable seeds for several years, and therefore the market entry is based on evaluation trials and/or open pollinated varieties. Alternatively, companies which do not count with R&D capabilities can license varieties from

companies like Syngenta and introduce in South Africa market, with very low upfront investment. Moreover, several vegetable crops are open pollinated, and not protected by patent or PVPs, thus, any new entry could obtain basic seeds for such crops and started producing commercial seeds for further distribution.

23.2 Time required to recoup the costs of investment

Crop Protection - The process leading to the discovery, development and commercialisation of a new agrochemical molecule is complex, costly and time consuming. The overall process can be split into three main stages, firstly the research programme leading to the discovery of a new molecule, secondly its development and lastly its registration with the appropriate regulatory authority.

Research

The discovery of new active ingredients, either from natural sources or by chemical synthesis, and subsequent screening to assess biological activity. Research stages generally also include preliminary toxicological and environmental testing prior to making the decision as to whether to progress the product to full development.

Development

The progression of selected potential products from discovery to commercialisation. Includes regulatory studies required to support product registration as well as investigating the biological efficacy of the product in the field against a variety of pests in multiple crops, the manufacturing processes and formulation chemistry.

Registration

Preparation and submission of data dossiers to, and subsequent negotiations with, registration authorities with the aim of obtaining approval to market a new product.

In summary, the lead time between the first synthesis of a new crop protection product and its commercialisation is on average of 8 years to 10 years. (<https://www.syngenta.com/en/protecting-crops>)

In addition to the various studies associated with new product discovery, the agrochemical industry undertakes a significant amount of research and development aimed at maintaining and developing the existing product portfolio.

Some of these studies will be undertaken to extend the application and use of the product following launch to other crop pest situations or to other country markets. Increasingly a number of studies are also being undertaken to satisfy the re-registration requirements of regulatory bodies.

VEG SEEDS

Time required to recoup the costs of investment, on average: 10 years, due to R&D and marketing activities. Our scientists constantly improve seeds through breeding plants to enhance precise characteristics. We work not only in our own labs but also in partnership with universities, research institutes and other companies.

23.3 Other sunk costs

Crop Protection products are extensively regulated, and registrations times are currently taking 18-48 months to be approved. Additional sunken costs would be the environmental approvals to be able to develop a new site / facility. Brand development, IP development and protection, investments on failed products development or failed registrations.

23.4 Scale economy advantages

Due to the equipment input costs there is a significant volumes requirement in order to ensure a viable business case justification. This is, however, dependent on the products being offered.

Agricultural land availability, operations size and consumer area proximity. South Africa is recognized as a major player in the field crop industry in Africa, and the contribution the country is making towards food security on the continent is acknowledged worldwide.

24. Kindly identify and list any new entrant that has entered the market for the manufacturing of any of the agricultural inputs that you manufacture in the past 3 - 5 years in competition with SYNGENTA.

Syngenta is not aware of any new entrant in the past 3 – 5 years.

25. Kindly identify and list any firm that has exited the market for the manufacturing of any of the agricultural inputs that you manufacture in the past 3 - 5 years.

Syngenta is not aware of any firm that exited the in the past 3 – 5 years

26. In relation to producers/growers as customers of agricultural inputs, provide a breakdown of the costs of agricultural inputs (disaggregated please) expressed as a percentage of your total costs. In your response indicate:

[REDACTED]

26.2 To what extent SYNGENTA is able to procure from local suppliers or manufactures and the price and quality of locally produced agricultural inputs compared to imports.

There are several factors linked to Syngenta's inability to procure from local suppliers or manufactures such as the complexity of producing agricultural inputs (seeds, fertilizers, agrochemicals – herbicides, fungicides, and pesticides) which cannot be carried out by all our local legal entities due to environmental constrains, proprietary genetics, among others.

26.3 The extent which volume purchases have on the pricing of agricultural inputs.

(See comment in 26 above)

26.4 The role (or lack thereof) of cooperatives and public sector agricultural support in the provision of competing inputs.

(See comment in 26 above)

27. Provide a broad overview of the role cooperatives play in markets for fresh produce. In your response kindly refer to:

CP and VEG Seeds - Syngenta South Africa does not deal directly with producers/growers/Co-operatives as customers. Our customers are the distribution channel who we believe would be in the best position to provide accurate data on this question. This will apply to points 27.1 to 27.5 below. 27.1 The ability of cooperatives to lower costs for producers/ growers (especially in the small-scale/emerging producers/growers segment);

(See comment in 27 above)

27.2 The ability of cooperatives to create access to input markets for growers/produces (small-scale/emerging segment);

(See comment in 27 above)

27.3 The ability of cooperatives to ensure better pricing and service outcomes for growers/producers.

(See comment in 27 above)

27.4 Provide a list of the top 10 producer/grower cooperatives that have bought agricultural inputs from SYNGENTA for the past 10 years up to and including 2022. In your response, please include value of sales, volume of sales, and discount rate/rebates whichever applicable. Provide this information in Microsoft Excel format.

(See comment in 27 above)

27. 5 Provide a list of the bottom 10 producer/grower cooperatives that have bought agricultural inputs from SYNGENTA for the past 5 years up to and including 2022. In your response, please include value of sales, volumes, and discount rate/rebates whichever applicable. Provide this information in Microsoft Excel formats.

(See comment in 27 above)

28. In relation to growers as customers of agricultural inputs, to what extent has changes in climatic conditions or any other changing dynamics impacted on:

CP and VEG Seeds - Syngenta South Africa does not deal directly with producers/growers as customers. Our customers are the distribution channel who we believe would be in the best position to provide accurate data on this question. In an effort to share our limited view, we have formulated and provided responses below on our view on climate and other changing dynamics in general, rather than directly in relation to growers where possible

28. 1 The need to source more complex agricultural inputs;

Our view and understanding of resistance development due to climate change usually requires new solutions and products, this results in a need for more complex inputs required as a result of extensive R&D costs.

Furthermore, changes of the legislation and ban of Active Ingredients result in loss of products and available solutions in the market. This will require alternative solutions, which usually are complex and expensive.

VEG SEEDS - Syngenta is continuously developing and producing seeds that are more vigorous, stronger, resistant, including innovative hybrid varieties and biotech crops that can thrive even in challenging growing conditions. Syngenta's scientists are constantly improving seeds through breeding plants to enhance precise characteristics. High-quality seeds ensure better and more productive crops, which is why farmers invest in them. Advanced seeds help mitigate risks such as disease and drought stress potentially allowing farmers to grow produce using less land, less water and fewer inputs.

28.2 The increase in costs of agricultural inputs, particularly for small holder farmers;

Not applicable to Syngenta as we do not deal directly with growers.

28.3 The extent to which access to improved seeds and intellectual property around seed varieties has created market barriers and high input costs for smaller farmers and growers; and

Access to improved seeds and intellectual property is widely available through a range of companies and distributors. Smaller growers tend to focus on affordable improved seeds on smaller scale rather than older genetics on larger scale.

VEG SEEDS - A minority of vegetable seeds sales are protected by IP rights in South Africa (less than 5%). The only sales which are protected by patent so far are sales of watermelon SP-7, which is out of the scope of this RFI. Please note that is a very small part of the portfolio and even so it is limited to PVPs (Plant Variety Protected), which allows further development/breeding the technology. Thus, improved varieties have benefited the local growers and has not hinder the entry of any new players."

28.4 The extent to which access to more advanced fertilizers, agrochemicals (herbicides, fungicides and pesticides), and farming equipment has created market barriers and high input costs for smaller farmers and growers.

Not applicable to Syngenta as we do not deal directly with growers.

DISCRIMINATION ON INPUTS

29. Explain the factors that are considered in determining the pricing of the major key inputs?

Refer to response 16 above on pricing and costs drivers.

30. Do small-scale/ emerging producers/growers have access to similar trading terms (e.g., quality, price, discount, rebates etc.) as those of large-scale farmers? In your explanation, provide supporting documents.

CP and VEG SEEDS - Syngenta South Africa (Pty) Ltd does not deal directly with producers/growers as customers. Our customers are the distribution channel who we believe would be in the best position to provide accurate data on this question.

31. What are commercial terms offered by SYNGENTA to large-scale farmers that may not be accessible to small-scale farmers?

Syngenta CP and VEG SEEDS - Syngenta South Africa does not deal directly with producers/growers as customers. Our customers are the distribution channel who we believe would be in the best position to provide accurate data on this question.

32. Provide the factors that are considered when determining the retail prices for the key input (seeds, seedlings, fertiliser, pesticides, herbicides)?

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

34. What are the local and international pricing dynamics that affect growers and how these can be managed best?

CP and VEG SEEDS - Syngenta South Africa does not deal directly with producers/growers as customers. Our customers are the distribution channel who we believe would be in the best position to provide accurate data on this question.

35. Are there any barriers that emanate from the pricing dynamics across the input level of the fresh produce markets?

CP and VEG SEEDS - Syngenta South Africa Pty Ltd does not deal directly with producers/growers as customers. Our customers are the distribution channel who we believe would be in the best position to provide accurate data on this question.

ACCESS TO FINANCIAL SUPPORT

36. Does SYNGENTA have policies/support mechanisms to assist SMEs and/or firms owned and controlled by historically disadvantaged persons? If yes, provide documentation which details the support provided. If no such documentation exists, please describe the nature of the support provided.

Unfortunately, we do not have specific policies. However, our compliance with the BBBEE act empowers us to develop suppliers & enterprises under the Enterprise and Supplier Development pillar.

37. If your company operates internationally, does SYNGENTA have policies/support mechanisms to develop South African businesses? If yes, provide documents which detail any policies/mechanisms to support South African businesses. If no such documents exist, please describe mechanisms used by your company to support and/ or develop South African businesses.

Unfortunately, we do not have specific policies. However, our compliance with the BBBEE act empowers us to develop suppliers & enterprises under the Enterprise and Supplier Development pillar.

INQUIRY SCOPE AND ISSUES

38. Are there any additional areas of inquiry into the market for fresh produce not contained in the Terms of Reference that you believe are important for the Inquiry to cover as part of its work? If so, identify the specific area of inquiry or issue and the reasons why the Inquiry should include in the scope.

None identified at this moment.

39. Are there any other features of the market for fresh produce and the participation therein in South Africa of relevance to the Inquiry which has not been traversed in the questions above? If so, please provide details as to the feature and the relevance for the Inquiry.

None identified at this moment.

40. Are there any other submissions SYNGENTA would like to make of a general nature?

None identified at this moment.