

Solutions



*Dekalb™ Corn Farmer
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www.reportjunction.com*



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The world will need to produce more food in the next 50 years than what was produced in the last 10,000 years.

In seven out of the last eight years, the world consumed more grain than it produced.

The world's population is estimated to grow from 6.8 billion today to 9.4 billion by 2050 and the global demand for food is expected to double by then.

The Government of India estimates that India's population will touch 1.3 billion by 2017 and that we may be short of 14 million metric tons of food grains.

Eight warmest years on the planet have all occurred in the last decade.

Concern over climate change has increased. Temperatures are rising and are expected to continue to rise, with related climatic consequences. In developing countries like India, climate change represents an additional stress on ecological and socio-economic systems that are already facing tremendous pressure due to rapid urbanization, industrialization and economic development.

Today, agriculture uses 70 per cent of the world's freshwater, with up to 90 per cent in some regions of the world. World Water Council suggests that we will need 17 per cent more water than is available if we are going to feed the world in 2020. The United Nations has projected that by 2025, 66 per cent of the world's population will be living in either drought or water-stressed conditions.

With the effect of climate change on the monsoons, India's per capita water availability is expected to fall from 1,820 million cubic metres per year in 2001 to 1,140 million cubic metres per year in 2050.

With 57 per cent of India's population directly dependent on agriculture, and on the monsoon, India is considerably vulnerable to the impacts of climate change.

The World Bank estimates that approx. 900 million rural people live on less than Rs. 48 (\$1) a day.

According to the UN Food and Agriculture Organization (UN FAO), nearly 60 per cent of the world's hungry are resource-poor farmers; another 20 per cent are landless and rely exclusively on agriculture for their livelihood.

After more than 50 years of independence, India still has the world's largest number of poor people in a single country. The World Bank estimates that 456 million Indians (42 per cent of the total Indian population) now live under the global poverty line of \$1.25 per day (PPP). This means that a third of the global poor now reside in India.

The challenges are immense. The solutions need to be innovative and sustainable.

Global experts agree that increasing agricultural productivity is a practical imperative that must be at the center of strategies to reduce hunger and poverty in order to improve the social well-being of resource-poor farmers.

We need to increase production of food while conserving land, water and energy. Agriculture, and leading technology companies like Monsanto, have a unique role to play in achieving sustainability.

As the world's largest investor in farmer-focused agricultural research and India's leading agriculture company – Monsanto, its people and partners are working to meet these needs playing an important role in

providing solutions to the challenges we face today. To cite an example, we are researching innovative products that will enable corn farmers reap higher crop productivity from the combined benefits of insect- and pest-protection and better weed management via eight unique technologies in a single corn seed.

Science and agronomics have come together to develop solutions that address agricultural challenges and support farmer needs. Together, we must meet the needs for increased food, feed, fiber and energy while protecting the environment. In short, the world needs to produce more while conserving more.

For today's farmers we have high-yielding seeds that enhance productivity. We have herbicides delivering valuable crop protection, enabling farmers to grow crops with less or no tillage, conserving soil, water and carbon dioxide. Our portfolio of solutions offers millions of Indian farmers higher yields, superior value and consequently higher incomes and better lives.

In our research labs and breeding fields, we develop seeds that will do more, yield more with fewer inputs per unit of production, thus requiring less land to meet our growing world's needs. Simultaneously, the growth in agriculture needs to be inclusive and improve farmers' lives. We believe this is the essence of what sustainability really means.

Monsanto is committed to developing better seeds to give farmers new choices to help them meet the critical challenges they face today.

This is at the heart of Monsanto's commitment to creating sustainable solutions.



SHRI MANSUKH ROOPABHAI HATHILA LIVES IN JANWAD VILLAGE, SANTRAMPUR TALUKA, PANCHMAHAL DISTRICT OF GUJARAT WITH HIS FAMILY OF 40. HE AND HIS THREE BROTHERS – SHRI HEMABHAI, SHRI ROOJABHAI AND SHRI SOMABHAI - OWN FIVE ACRES OF LAND. FOR YEARS THEY STRUGGLED TO MAKE ENDS MEET. CROP YIELDS OF FOUR-FIVE QUINTALS PER ACRE FROM CONVENTIONAL CORN SEEDS WERE INSUFFICIENT FOR THEIR FAMILY AND LASTED ONLY A COUPLE OF MONTHS. THE CONSTANT THREAT OF DROUGHT, LOW YIELDS DESPITE GOOD RAINS, RIGID ADHERENCE TO AGE-OLD FARMING PRACTICES WAS TAKING ITS TOLL. FEEDING 40 MOUTHS FROM ONLY FIVE ACRES OF LAND WAS A CHALLENGE. AT THE END OF FOUR TO SIX MONTHS, THEY WERE APPREHENSIVE ABOUT THE THREAT OF HUNGER.

EACH YEAR, THE ELEVEN SONS OF THE FOUR BROTHERS MIGRATED TO THE CITY TO WORK AS DAILY WAGE LABOURERS. EMPLOYMENT OPPORTUNITIES WERE SCARCE EVEN IN THE CITIES. YET, THEIR UNPREDICTABLE INCOME WAS THE ONLY HOPE FOR SURVIVAL FOR THE ENTIRE FAMILY UNTIL THE NEXT SEASON.

Report

Junction

The story of Shri Mansukh Roopabhai Hathila is similar to millions of others across the country who depend on age-old farming practices, have low awareness and poor access to quality inputs. This coupled with changing weather patterns causes lower yields - invariably hinting at possible phases of malnutrition and hunger every year.

A 2009 report on the *State of Food Insecurity in Rural India* by the World Food Programme (WFP) and India's M. S. Swaminathan Research Foundation (MSSRF) states:

- India ranks 94th in the Global Hunger Index of 119 countries
- 230 million people in India are undernourished — the highest for any country in the world
- About 56 per cent of women are anemic and just under half the children are underweight
- Global food price rises and climate change are contributing to growing food insecurity

India is expected to overtake China to become the world's most populous country within the next 25 years. Our population has grown from 357 million in 1950, to more than 1.1 billion today. By 2030 it is expected to be home to 1.6 billion people, compared with China's 1.4 billion. We will have many more mouths to feed.

Over 70 per cent of our population lives in rural areas. 57 per cent of us are directly dependent on agriculture for a living. Solutions in the form of superior products and technologies, and better access to them, can help Indian farmers produce more to meet the growing needs of the country. Better yields can ensure their families do not sleep hungry at night.

In 2008-09, Shri Mansukh Roopabhai Hathila and his family cultivated Monsanto India Limited's (MIL) Dekalb™ high-yielding corn hybrid seeds on their five-acre farm as part of our Public Private Partnership with the Government of Gujarat's Tribal

Development Department (TDD), under the aegis of the State Government's 'Van Bandhu Kalyaan Yojana'. High-yielding corn hybrid seeds with superior germplasm and timely training on agronomic practices resulted in higher yields of 18-20 quintals per acre — a five-fold increase as compared to yields from conventional seeds. They are now self-sufficient and have ample food for their 40-member family for the entire year. Seven of the eleven sons have returned to farming and the four others who still work in the cities are soon planning to return too. The family plans to invest in additional land and cultivate Dekalb™ Prabal high-yielding corn hybrid seeds.





AGRI FACTS

On World Water Day in March 2008, more than a billion people around the world lacked access to safe drinking water. And two billion have little or no sanitation.

(UN World Water Development Report)

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☼ India is heavily monsoon-dependent to meet its agricultural and water needs, and also to protect and propagate its rich biodiversity.

☼ Climate change can lead to major food security issues for India. Increased temperatures will impact agricultural production. Higher temperatures reduce the total duration of a crop cycle by inducing early maturity, thus shortening the 'grain fill' period. The shorter the crop cycle, the lower the yield per unit area.

☼ World Bank reports that incomes on the small rain-fed farms in Andhra Pradesh could decline by five per cent under modest climate change and by over 20 per cent under harsher conditions, bringing many farmers below the poverty line.

☼ In 2009, the Government estimates of 15-18 per cent lower than normal monsoon (July-September), could reduce agricultural growth to (-)2 per cent year-on-year (Goldman Sachs).

In India, agriculture is a paradox of sorts. On the one hand we have one of the largest cultivable land-masses on earth and on the other, our productivity levels per acre are amongst the lowest in the world. Increasing unpredictability in the changing of seasons is now more of a certainty. It is imperative that agriculturists brace themselves to meet this 'certain' uncertainty.

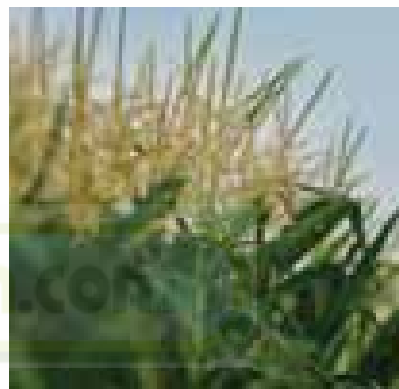
Climate change is for real.

Much of the land best suited to agriculture is already under cultivation. In fact, it is decreasing due to increasing population and economic growth. Food demand from the young growing affluent population is on the rise. To meet this demand, farm productivity per acre has to be enhanced. Farmers need tools that will allow them to meet these needs while reducing the impact on land and other resources.

Some farmers across India are combating the acute challenges of climate change

and are reaping benefits from improved farm solutions. Shri Kailash Akolkar from Hatnur village in Aurangabad is one of them.

In 2008-09, Shri Akolkar, along with other farmers in Maharashtra faced tough times. Delayed monsoon was only the beginning of the challenges. Erratic, scanty rains and a prolonged dry spell dominated most of the season. Today, Shri Akolkar is happy that he adopted the right product by cultivating MII's Dekalb™ high-yielding corn hybrid seeds on 1.75 acres of his five-acre corn plot.



“DEKALB™ 900M GOLD HAS HELPED ME GET THREE TIMES HIGHER YIELD OF 49.7 QUINTALS PER ACRE VERSUS ONLY 16.6 QUINTALS PER ACRE FROM OTHER HYBRID SEEDS THAT I PLANTED ON THREE ACRES OF MY FARM. DEKALB™ 900M GOLD IS BETTER THAN OTHER SEEDS AS IT GAVE ME HIGHER YIELDS, AND HIGHER INCOME DUE TO SUPERIOR QUALITY OF CORN WHICH FETCHED ME A GOOD MARKET PRICE. I EARNED AN INCOME OF RS. 32,814, WHICH IS FIVE TIMES HIGHER THAN WHAT I EARNED IN THE OTHER THREE ACRES COMBINED.” SINCE HE STARTED USING DEKALB™ IN 2005, SHRI AKOLKAR VALUES THE PROTECTION IT PROVIDES FROM THE UNPREDICTABILITY OF NATURE AND A CHANGING CLIMATE. HE ADVOCATES THE USE OF GOOD QUALITY CORN HYBRID SEEDS LIKE DEKALB™ 900M GOLD TO HIS FELLOW FARMERS.



With a per-capita GDP of Rs. 43,200 / \$900 (approximately Rs. 1,29,600 / \$2,700 in Purchasing-Power Parity), India is among the world's poorest countries. Poverty continues to be a crucial issue. With a large section of our society residing in rural areas, this challenge gets magnified.

A number of factors are responsible for poverty in rural India where people primarily depend on agriculture, which is highly monsoon-dependent. Inadequate rain and lack of irrigation infrastructure cause low yields. The Indian family unit is often very large, which often amplifies the effects of poverty. This coupled with fragmentation of land-holdings, lack of physical infrastructure such as roads, power, communication; weak social infrastructure such as drinking water, and sanitation, poor health and high levels of illiteracy all factor in to India's poverty quotient.

Some experts estimate that 80 per cent of farmers want to move away from

agriculture to more assured income-generating options. With inadequate returns from farming, in order to ensure survival of their families, farmers are forced to migrate to other states as unskilled or daily wage labourers. This trend is not restricted to a few states in India; but almost every Indian state is seeing an influx of farmers from the villages to the city. This is due to the poor infrastructure development at village level resulting in poor incomes.



220,000 villages in India still do not have electricity



77 per cent of India's rural population do not have access to manual water pumps



Almost 80 per cent of rural households do not have access to toilets within their premises

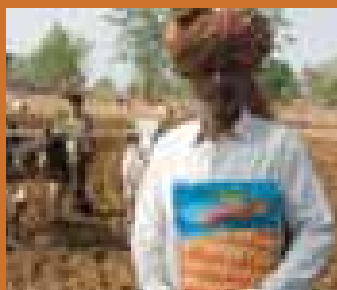


Irrigation infrastructure has not been adequately maintained and needs rapid expansion

In spite of all these challenges, some parts of rural India are witnessing extraordinary transformations. Nava Muvada in Panchmahal district of Gujarat is one of them.

Shri Ramabhai Khoyabhai Maaliwaad's family had seen tough times. Low yields of not more than six quintals from conventional corn seeds and resultant low income thereof, was creating a challenge for his nine-member family. Migration to the city as a daily wage labourer was considered as the only option left.

Nava Muvada was one such village in Gujarat where access to MIL's Dekalb™ high-yielding corn hybrid seeds was provided to farmers below-poverty-line under 'Project Sunshine' a Public Private Partnership with the Government of Gujarat's Tribal Development Department (under the State Government's 'Van Bandhu Kalyaan Yojana'). Shri Maaliwaad was one such beneficiary of the program.



CULTIVATION OF MIL'S DEKALB™ PRABAL HIGH-YIELDING CORN HYBRID SEEDS PRODUCED THREE TIMES MORE THAN HE HAD PRODUCED WITH CONVENTIONAL SEEDS – 20 QUINTALS IN HIS ONE ACRE FARM. HE SAVED 12 QUINTALS FOR THE CONSUMPTION OF HIS FAMILY AND SOLD THE REMAINING PRODUCE IN THE MARKET. WITH HIS INCOME, HE HAS SETUP A SMALL DAIRY FARM THAT GENERATES AN ADDITIONAL INCOME OF RS. 880/- DAILY : A BONUS TO HIS FARMING INCOME.

HIS FAMILY NOW HAS A NEW MOBILE PHONE AND AN ELECTRICITY CONNECTION IN THEIR HOUSE. TO PROVIDE IRRIGATION TO HIS FIELDS, HE IS INVESTING IN A 40-FEET DEEP WELL, AND WILL BUILD A PIPELINE LINKED TO HIS FIELD. HIS SON MAHESH IS PURSUING A COURSE TO BE AN ELECTRICIAN.

IN A SINGLE SEASON, SHRI RAMABHAI KHOYABHAI MAALIWAAD'S FAMILY HAS PROSPERED. THEY HAVE MOVED FROM BEING BELOW-POVERTY-LINE TO BEING SELF-SUFFICIENT AND EMPOWERED. AN EXAMPLE OF THE POSITIVE IMPACT A SINGLE INPUT, I.E. HIGH-YIELDING SEEDS LIKE DEKALB™ PRABAL CAN MAKE.



For agriculture to be prosperous, and our rural communities to benefit from it, there is a greater need for solutions that can make a sustainable difference.



AGRI FACTS

Within the next 25 years, farmers in Asia must increase their cereal yields by 50-75 per cent, to meet increasing demands.

(Martina McGloughlin, University of California, Davis)

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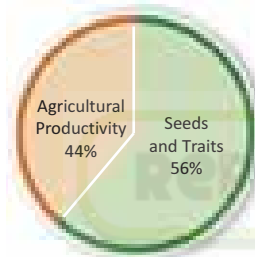
We are 100% focused on agriculture

Monsanto Company*

Monsanto is an agricultural company. Through innovation and technology Monsanto helps farmers around the world produce more while conserving more. Agricultural solutions from Monsanto enable farmers to grow yields sustainably so they can be successful, produce healthier foods, better animal feeds and more fiber, while also reducing agriculture's impact on our environment.

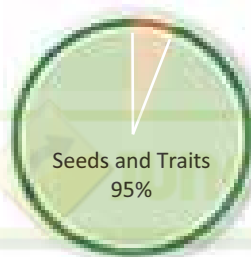
- \$11.3 billion in annual sales (FY 08)
- Headquarters - St. Louis, Missouri
- 20,000 + employees
- Six Regions - India, Asia-Pacific, China, EU/Africa, Latin America, North America
- More than 500 locations worldwide
- Globally, business structured in:
 - Seeds and Genomics
 - Agricultural Productivity
 - Focus crops - corn, cotton, oil seeds (soybean & canola), fruits and vegetables

NET SALES (FY 08)

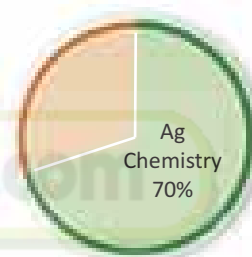


R&D IN AGRICULTURE

Monsanto \$ 980 million in 2008

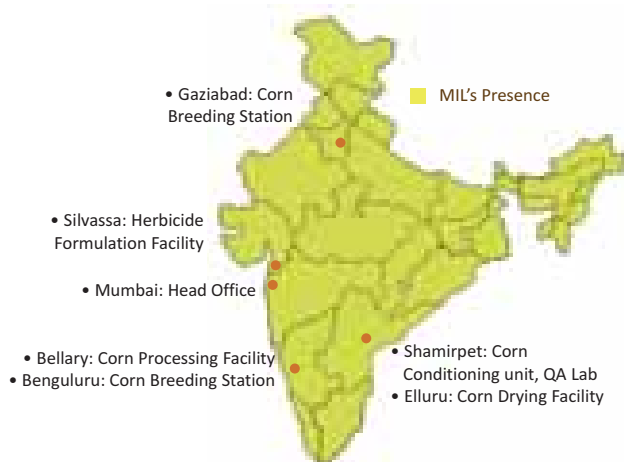


Rest of Industry



Monsanto India Limited

Monsanto India Limited (MIL) is a subsidiary of the Monsanto Company, USA, and is the only public listed company outside USA. We have been partnering with Indian farmers for over four decades and are focused on two businesses: (1) Seeds – Dekalb™, India's #1 corn hybrid seed brand; and, (2) Agrochemicals – Roundup™, the world and India's #1 selling glyphosate herbicide.



Map fit to size

- High yielding corn hybrid seeds.
- 13 variants developed to suit India's diverse agronomic and environmental conditions.
- Superior germplasm and cutting-edge breeding tools and technologies makes Dekalb™ one of the most trusted product of the Indian farmer.

- Broad spectrum, post-emergent herbicide which is safe and non-hazardous.
- Provides farmers superior value solution to weed management in an environmentally friendly manner.
- Efficient weed management in addition to savings in time, manual labour and costs makes Roundup™ the most preferred herbicide brand of the Indian farmer.