



April 24, 2012, Basel, Switzerland

Annual General Meeting Syngenta AG

Chairman's speech

Martin Taylor, Chairman of the Board

Dear shareholders,
Ladies and gentlemen,

Since I last addressed you a great deal has happened in the world. On the economic front, there were hopes that the nascent recovery in Europe and North America in early 2011 would mark an end to the anxiety engendered by the financial crisis of 2008. However, the financial health of governments and the banking sector deteriorated throughout the year which created a sombre backdrop to economic activity. In the markets of Asia and Latin America growth was more robust but failed to maintain the pace seen in previous years as the global economic slowdown affected export markets.

Perhaps the most significant global development was, however, demographic. In the autumn of 2011 the number of people on this planet passed the 7 billion mark. Now this may sound rather abstract but let me give you some context so that you may better appreciate the ramifications. The world's population reached its first billion in the early nineteenth century. In the subsequent two hundred years the population has thus grown by a staggering 6 billion and is predicted to reach 9 billion by 2050.

The rapid growth in recent years has had a significant impact upon commodity prices, including oil, the price of which has quadrupled in a decade. Even more relevant for food security, the prices of commodity food crops have also risen significantly. In 1999 when the population reached 6 billion, a bushel of wheat cost around two dollars. As I stand here today the price is more than three times that level. And in real, inflation-adjusted terms the last decade saw an increase in food prices for the first time since the 1970s. So prices are higher on world markets and in supermarkets.



This price escalation has caused policy makers to focus on the challenge of food security to a greater extent than ever before, but they now also realize that there is no silver bullet, no easy solution. There is however a simple truth: that if the population continues to grow as expected then farm productivity needs to make a further step-change. Yield per acre must increase but we must also go beyond yield and deliver sustainable yield: sustainable for the land which is farmed and sustainable for the communities which live and work on the land. So, in turn, the agricultural products of the future will need to increase yield, be beneficial to the land and also improve the lives of rural communities. This is a formidable challenge and it comes with a number of important tensions and trade-offs.

Firstly, the balance between those living in rural and urban areas has shifted dramatically. In 1900, only thirteen per cent of the planet's population lived in cities; now over half are urban dwellers and it is predicted to continue to rise. More people in the cities means bigger cities, less farmland and fewer people to work the land.

The second major tension is between growth and resources. We need to grow yield and productivity in farming but the planet only has finite resources and we only have one planet. This tension is particularly acute in the case of water on which agriculture and food production depends. Society usually associates water shortages with a lack of drinking water, and indeed more than 2 billion people do not have access to clean water or sanitation. But water shortage also has a critical impact on food security. Only about 1% of all water on the planet is fresh water. About 70% of all freshwater withdrawals are used in agriculture. Water is the biggest limiting factor in the world's ability to feed a growing population.

Linked to this, is the trade-off between input and output. Greater output is needed, as I have highlighted, but it is unacceptable from an environmental perspective to achieve this extra output through unsustainably high input levels. Higher output must only come in future from lower overall inputs, otherwise the environment will be unable to cope and productivity, in the long-term, will decline.



Finally, the history of farming shows that the increases in productivity achieved in the twentieth century came largely through increasing the efficiency of large-scale growers. Agriculture in the twenty-first century needs to help both large and small growers sustainably increase yield. There are some 450 million smallholders in the world, mostly in Asia and Africa, and the increases in yield that can be achieved in these markets are quite remarkable, sometimes reaching seven or eight times over a period of years if they get access to the right technologies and solutions.

So how should the world address these tensions and what contribution can Syngenta make? Well, the essence of our contribution is encapsulated in the simple phrase “grow more from less”: finding innovative ways to produce more food in a sustainable way using fewer inputs and utilizing less natural resources, all the time seeking to have a positive impact on rural communities. This sounds like a tall order. And it is. But we believe that it is possible with the right, integrated technologies and partnerships and we are already making a contribution as some examples from three different crops in three different regions will I hope demonstrate.

Starting in Latin America and potatoes. Every year, the potato farmers in Colombia’s Cundinamarca region lose around 20 tons of soil per hectare – and they lose yield and income along with it. This erosion, due to the continual cultivation of the fields and the deep seedbeds that weaken the soil structure, jeopardizes the livelihoods of thousands of families dependent on potatoes.

To increase productivity sustainably, Syngenta in cooperation with local authorities, developed Conservando Mi Tierrita (“Preserving my land”). This program provides training to smallholder potato farmers in soil conservation techniques like minimum tillage, as well as in the responsible and efficient use of water and crop protection products. Since its launch in 2005, more than 8,400 growers have been trained, resulting in average yield increases of between twenty five and thirty percent. As you may have read in the Annual Report, one of these farmers, Miguel Gil, moved from producing 400 bags per hectare to 600, a fifty per cent increase.

Moving to Asia and coffee, a major source of income for Vietnamese farmers. Even though Vietnam is the world’s second largest coffee producer after Brazil, the poor quality of the beans has limited their marketability, and therefore the price the farmers can obtain.



To help farmers increase quality and yield, meet export standards and better integrate them into the value chain, Syngenta, along with other organizations from the private and public sector and the Vietnamese government, founded the PPP Coffee Task Force. On its demonstration farms, the initiative will provide training and technology to thousands of coffee growers, enabling them to see and experience how sustainable practices will improve the condition of their trees and the soil, compared to farms using traditional practice.

Finally, to the heartland of the United States and corn, a crop where global consumption is rising faster than yield. Corn is also more susceptible to water stress than many other crops, and declining water tables pose a major challenge to growers. Syngenta, in cooperation with Lindsay, a manufacturer of crop irrigation equipment in the USA, has developed a unique, integrated solution combining irrigation, crop protection and seeds to help growers maximize productivity with minimal water input. So the grower gets more output with less input and less impact on natural resources.

These are just three examples where your company is making a real, positive difference not only to farm productivity but also to the environment and rural communities. Moreover, the company's new strategy places us in an excellent position to discover and develop integrated, crop and grower-focused solutions for the future.

2011 was the first full year of our integrated approach, about which Mike will talk more shortly. From a commercial and financial perspective the year was a resounding success, meeting or exceeding all our targets, and on behalf of the Board, I should like to thank all Syngenta's employees for delivering such good results whilst, at the same time successfully implementing a new strategy – this is a significant achievement.

Record results also enabled the Board to recommend a further significant increase in the dividend. The success of the company over the last decade has meant that the dividend has increased nearly tenfold from 85 Rappen in 2002 to 8 francs per share today. Moreover, the Board has been able steadily to increase the dividend whilst also overseeing significant investment in the business to drive long-term growth and ensuring that a strong balance sheet is maintained. Thus your company in 2012 is in very good financial health.



2012 marks the twelfth anniversary of the creation of Syngenta. As you will have seen from your AGM invitation, two of the founding directors, Pierre Landolt and Rolf Watter, are stepping down from the Board at today's meeting. I should like to thank them for their significant contribution to the success of the company since their appointment in 2000. The AGM in 2013 will see the retirement of the remaining founding Directors, including me, as the articles of association stipulate.

The gradual and careful reconstruction of the Board began some years ago and will be largely completed by next year. I am confident that the changes will result in a Board of Directors whose members fully reflect the richness and diversity of the business and its people. As such, I am pleased to say that three new members are today standing for election for the first time, Vinita Bali, Gunnar Brock and Michel Demaré, all of whom bring a great depth and breadth of experience. Continuity is also extremely important in periods of change and, with that in mind, I am also pleased to say that four current Directors, Stefan Borgas, Peggy Bruzelius, David Lawrence, and Jürg Witmer are all standing for re-election at today's meeting.

The new Directors will join a company with over a decade of success behind it and an even brighter future ahead. The new strategy has enjoyed a highly successful first year and is poised to deliver many exciting innovations in the coming years. I am confident that the company will enjoy further financial success and also that its already significant contribution to society and the environment will be further enhanced. The challenge of discovering the integrated technologies of the future to help achieve global food security in a sustainable way is immense; helping to solve it is what inspires Syngenta's more than 26,000 employees around the world.!

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