

**WELCOME
MR GOODWILLS MASIMIREMBWA
AND NIPC TEAM**



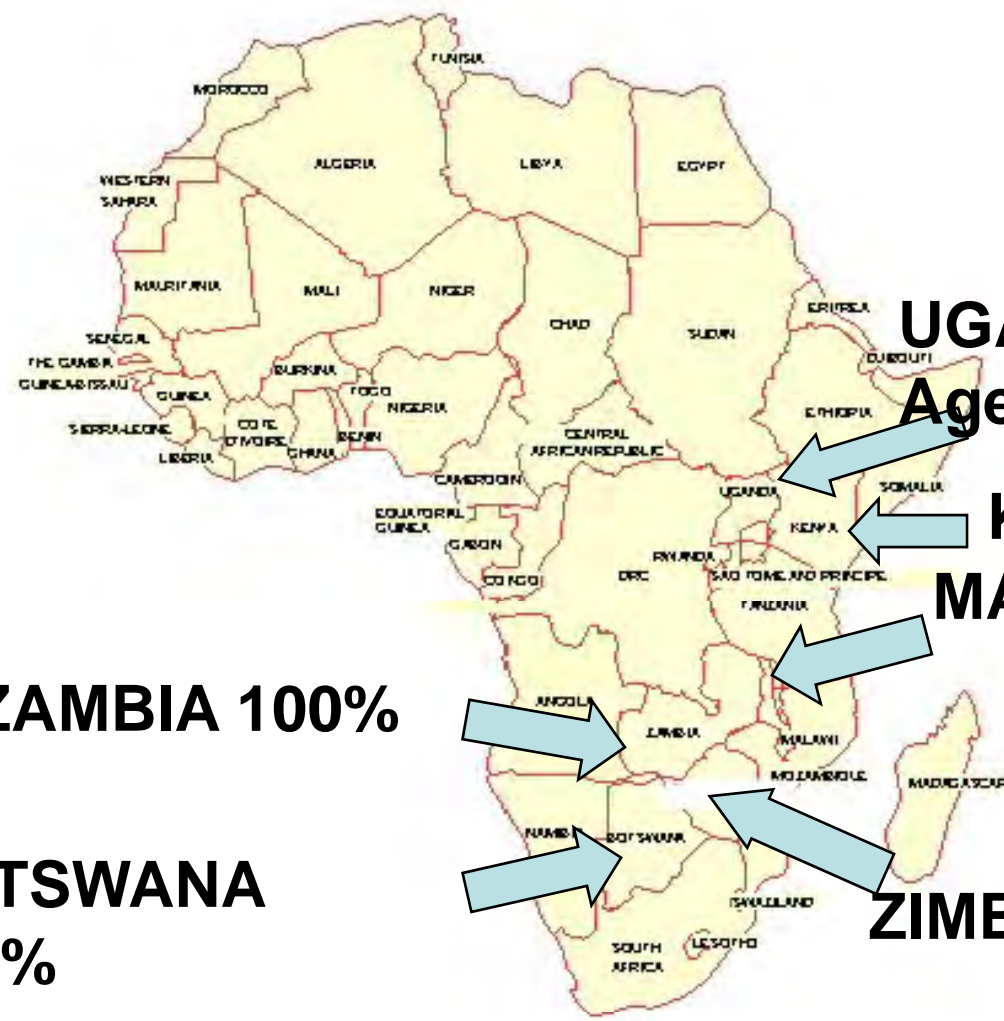
SEEDING AFRICA TO FEED AFRICA



**SEED CO LTD is a public company
quoted on the Zimbabwe Stock
Exchange**



REGIONAL PRESENCE



**UGANDA-
Agency**

KENYA 100%

MALAWI 100%

ZAMBIA 100%

**BOTSWANA
100%**

ZIMBABWE 100%



OUR PRODUCTS



Seeding Zimbabwe to feed Zimbabwe

Maize, wheat, soyabeans, sorghum, groundnuts, sugarbeans, and cowpeas

RESEARCH

2 Research Stations: Rattray Arnold
Kadoma

BREEDING OBJECTIVES

- ✓ INCREASED YIELDS- more food on less area
- ✓ IMPROVED DISEASE TOLERANCE- save on chemical imports
- ✓ GREATER PRODUCT ADAPTABILITY- eg drought tolerance
- ✓ INNOVATIVE PRODUCTS – e.g. SC Edamame 1, Sahai

RESEARCH: RELEASED PRODUCTS/SERVICES

- ✓ Release of 30 + hybrid maize varieties
- ✓ Release of 16 + soyabean varieties
- ✓ Release of 16 + wheat varieties
- ✓ Release of a first rain fed wheat variety – Sahai
- ✓ Introduction of vegetable soyabean variety – SC Edamame1
- ✓ Farmer education to enhance productivity

CONTRIBUTION TO ZIMBABWEAN ECONOMY

MAIZE - Grey Leaf Spot, maize streak & mottle viruses resistant varieties.

National annual savings of over US\$100 million in chemical imports

SOYABEANS

Red leaf blotch, frogeye resistant varieties

National annual savings of over US\$24 million in chemical imports

WHEAT - Leaf & stem rust, powdery mildew tolerant varieties

National annual savings of over US\$12 million in chemical imports

PRODUCTION

**HYBRID SEED MAIZE PRODUCTION
THROUGH 200 EXPERIENCED SEED
GROWERS IN ZIMBABWE,
OWN FARM - FRASCATI**

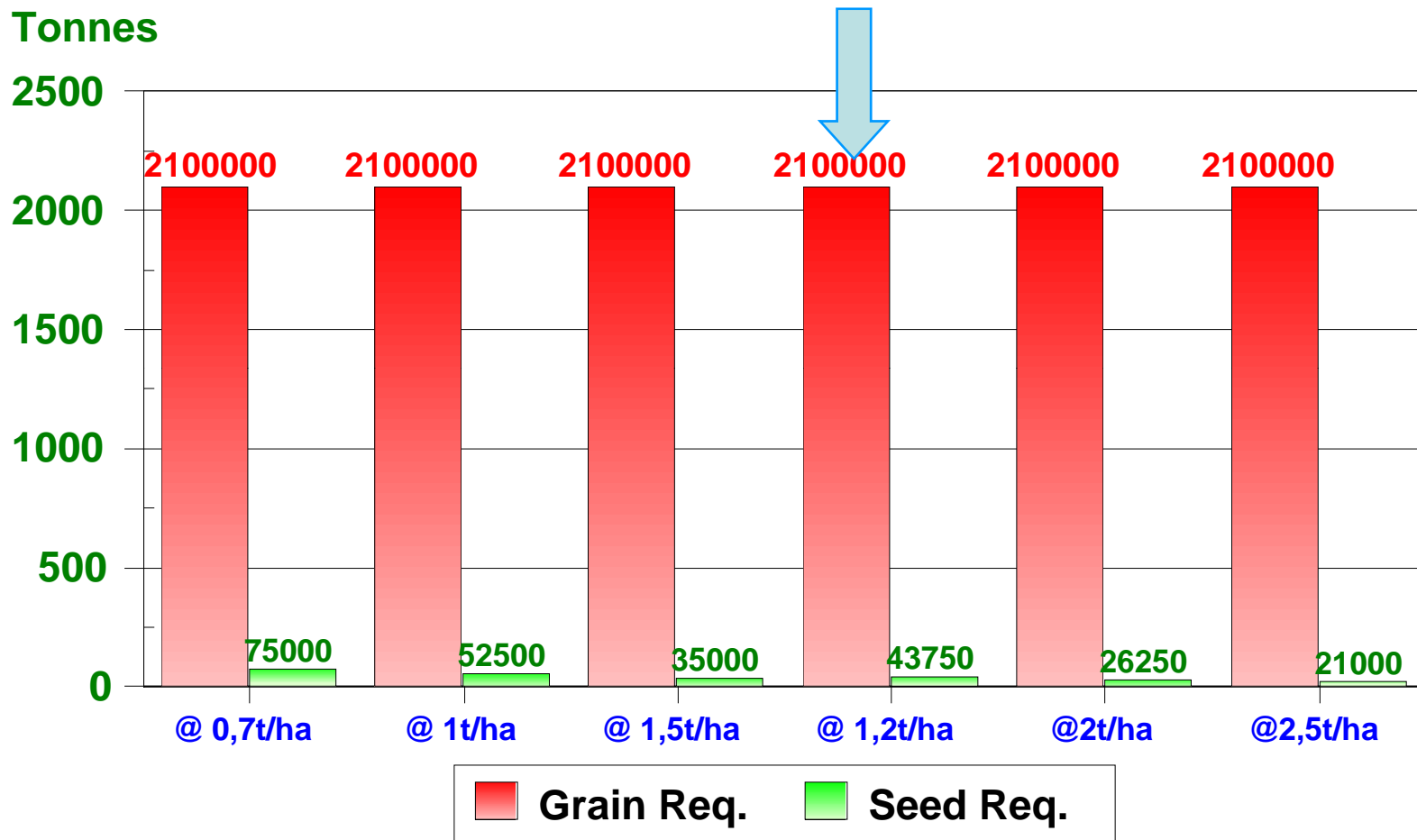


NATIONAL COMMODITY MAIZE REQUIREMENTS



FOOD Human	1 575 000 (87,5%)
<u>Livestock</u>	<u>225 000 (12,5%)</u>
TOTAL	1 800 000
STRATEGIC RESERVE	<u>300 000</u>
<u>ANNUAL REQUIREMENT</u>	<u>2 100 000 mt</u>

GRAIN & SEED REQUIREMENTS WITH FARMER YIELD INCREASES



NATIONAL SEED SUPPLY 2008

Company	2008 Production (t)		National rqmt (t)	Shortfall (tonnes)
	Plan Oct 2007	Forecast April 2008		
Seed Co	20 000	9 200		
Pannar	10 000	3 000		
Pioneer	4 500	1 800		
NTS	500	500		
Agpy	6000	1 000		
Agriseeds	4 000	1 100		
Arda	3 500	700		
Pristine	500	300		
Progene	500	200		
Prime Seeds	500	200		
Total	50 000	18 000	50 000	32 000

SEED CO PRODUCTION HISTORY

YEAR	CROP		
	MAIZE	SOYA	WHEAT
2000	35 740	5 917	6 450
2001	17 725	4 743	6 002
2002	14 963	4 767	7 767
2003	23 734	3 967	4 513
2004	14 540	4 900	6 488
2005	21 910	7 173	9 800
2006	20 378	8 370	10 000
2007	17 158	8 042	5 715
2008	9 200	4 500	7 000

COMPARATIVE MAIZE SEED PRICING

ZIMBABWE S. AFRICA ZAMBIA IMPORTED
(LANDED
COST)

	<u>ZIMBABWE</u>	<u>S. AFRICA</u>	<u>ZAMBIA</u>	<u>IMPORTED</u> (LANDED COST)
HYBRID SEED MAIZE US\$/tonne	220	+5000	3300	+2350

GROWER SEED CROP PRICES IN COMPARISON WITH OTHER COMMERCIAL CROP PRICES

Crop	Price	Date
Seed Wheat (SP)	Z\$75 billion / Ton	June 2008
Bread price	Z\$45 billion / Loaf	July 2008
Commercial maize (GMB)	\$82 billion / Ton	July
Commercial Maize (Mbare)	Z\$36 trillion / Ton	15 July
Black Market (US)	Z\$100 trillion / Ton	15 July
Grower Price	Z\$60 trillion / Ton	15 July

BUSINESS FUNDING

Crop	2007 Volume (tonnes)	2007 Sales Z\$b	2008 EST Deliveries	2008 Funding Required Z\$qd
Wheat	7700	24 900	5 000	
Maize seed	21 500	3 700	9 300	650
Soyabean seed	6 800	10 600	5 000	550
Total	36 000	39 000	19 300	1 200

BUSINESS FUNDING

- Long cash flow cycles a reality of seed business – once off income against long streak of work in progress
- Marginal cost pricing impossible during inflation
- No funding received from RBZ so far this year
- Borrowings have been 100% market
- Last year's turnover can now only purchase less than a tonne of seed due to hyper inflation
- No dividends to shareholders for over 4 years running now

KEY SEED CO CHALLENGES

- Seed production viability
- Shift to non controlled crops by growers
- Pricing challenges and emergence of black market and transfer of value to 'dealers'
- Transfer of business focus from production to price negotiations with growers and government
- Funding challenges, exacerbated by long cash flow cycles
- Input shortages, diesel. Zesa, fertilisers and chemicals
- Equipment inadequacy
- Grower drop outs
- All leading to low seed volumes and the necessity to import.

KEY REQUESTS TO THE NIPC CHAIRMAN

- ✓ SUPPORT FOR VIABLE PRICING FOR SEED GROWERS to kick start agriculture
- ✓ Viable pricing for seed houses
- ✓ Need to shift pricing from cost build up to replacement costing and now to import parity or regional price benchmarking
- ✓ Have a system which allows automatic reviews using agreed benchmarks
- ✓ Guarantee viable retail prices so that we can pay our growers seed prices that are above commodity prices in the informal markets. This will deter seed growers from side marketing critical national seed stocks.



**SEED CO WANTS TO HELP ZIMBABWE ENSURE A
SUCCESSFUL LAND REFORM PROGRAM
THROUGH PROVIDING ADEQUATE AND QUALITY
SEEDS TO THE NATION**

Seeding Zimbabwe to feed Zimbabwe