

'We'll use part of our €2.6-bn R&D spend on digital farming in India'

Global biotech and agriculture major Bayer Ag is bullish on India on several fronts. In an interview, **RODRIGO SANTOS**, president of Bayer's crop science division and member of its board of management, tells Sanjeeb Mukherjee that when it comes to agriculture, digital farming will be a key driver of the company's growth in India in the years ahead. Edited excerpts:

What is the way forward for Bayer in India? Where does Bayer fit in, in sustainable agriculture and producing food?

Well, there is a lot if I think about Indian agriculture right now — you're dealing with a labour shortage, right? You have also been impacted by the digital transformation. So, when you think about that, what we see is the farmers in this country will need innovation, technology and mechanisation.

I will share a good example of rice. From the way it has been grown for so many years to what I think will be transformational for the country is direct seeded rice, where you're going to have the opportunity to produce the same amount or even more rice, but at the same time dramatically reduce the use of water and gas emissions. You can even demonstrate sequestering of carbon on that soil.

So, that's a good example of the transformation that India will go through and how we at Bayer can support it.

Because at the end of the day, this is a company that invests about €2.6 billion every year on R&D (research and development). We have 8,000 scientists globally working in innovation for agriculture.

That's what we do every day, and we see that in future you will need to produce more and conserve more. So we are excited about the opportunity.

So, in terms of investments, what is your outlook for India? The company as a whole has a lot of businesses here.

I'll give one — just one example. We have a site in India at Vapi (Gujarat). It is our only active integrated manufacturing site in Asia. On that site, we have invested more than €300 million over the last few years.

Also, our sourcing from India grew from 11 per cent to more than 23 per cent over the last few years.

So, it is not only that part of the chain where we were talking about producing food. When I go to the other part of the chain on our input, our suppliers have significant relevance.

When we are designing more resilient supply chains, India is a key element.



especially if I'm talking about chemistry, right? Chemicals, and the site at Vapi, are a great example of that.

If I go to seed, India today is one of the key producers of seed for fruits and veggies for our products, not only for use here but also for exports to other Asian countries. Again, we have a lot of investments coming in digital agriculture for India.

So, you will invest in digital farming. How much do you put in now, and how much do you see it growing?

Well, it is within the €2.6 billion that I mentioned. €2.6 billion is our budget on R&D globally.

What proportion of that is in India?

We don't have that breakdown because a lot of the things that we develop are global. Some will be in active ingredients and some digital platforms.

So, you're saying €2.6 billion is your R&D spends on agriculture. Of that a portion will be on digital agriculture, and of that a significant portion will be in India.

Yes. And not only digital, we also have five other platforms. We are investing in genetics, it's basically hybrids of corn or rice or soybean or cotton. You have biotechnology, you have crop protection products, you have biologics and you have also the digital platforms — these are the five platforms.

So, in India, what kind of digital interventions are you looking at?

Well, there is still a lot of work to be done. That's probably one of the areas that will grow more. From agronomics, I'll give you an example of "FieldView" as one of our platforms.

This is a platform in which we use a lot of corn. Through this for example, we can monitor the planting and the harvest, and of any application if we have the equipment installed.

Today, "FieldView" is in 23 countries.

I will give you an example. Let's say you are a corn farmer. You have a tractor and a combine. We have equipment that you can put on the tractor or the harvesting combine, and then we can get all the information on planting, and of the harvest data.

We have other digital platforms like FarmRise through which we can provide recommendations to farmers.

Globally, there is a problem with agriculture on the inflation front and prices are falling very sharply after moving up. The FAO World Food Index has declined for 11 consecutive months. Will these developments hurt your businesses anywhere?

I've been working in this industry for 28 years now. You're going to have cycles in which prices of commodities will be higher either because you have a challenge in terms of weather in some countries, or you have something that disrupted the chain like the war in Ukraine. Sometimes you're going to have a perfect combination of harvesting everything.

This is part of the agriculture cycle. And we have to manage it. I think it's important for us that, being an innovation company, we always bring innovation to the farmers.

This is our engine. I will give you one number.

Every year, we are globally launching 500 new hybrid varieties of corn, soybean and cotton, and 250 registration of crop protection.... This is the engine that brings value to the farmers, brings value for us, and that will drive the sales growth.



RODRIGO SANTOS
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