

### **Building a Digital Business**

Jim Swanson, Chief Information Officer March 22, 2016



### Monsanto: A Sustainable Agriculture Company

- Bringing a broad range of solutions to help nourish our growing world
- Collaborating to help tackle some of the world's biggest challenges
- >20,000 employees in 66 countries
- >50% employees based outside of the United States
- One of the 25 World's Best Multinational Workplaces by Great Place to Work Institute





















## Our systems approach integrates technology platforms to maximize farmer effectiveness.

#### **Biologicals**

- Weed Control
- Insect Control
- Virus Control
- Plant Health

#### **Breeding**

- Stress Tolerance
- Disease Control
- Yield
- · Vegetables, corn, cotton, soybeans, wheat, canola



#### **Biotechnology**

- Weed Control
- Insect Control
- Stress Tolerance
- Yield / Yield Protection
- Nutrients

#### **Data Science**

- Planting Script Creator
- Increased production
- Efficient water use
- Efficient nutrient use





#### **Crop Protection**

- Weed Control (Roundup<sup>®</sup>
   Branded Agricultural Herbicides)
- Insect Control
- Disease Control



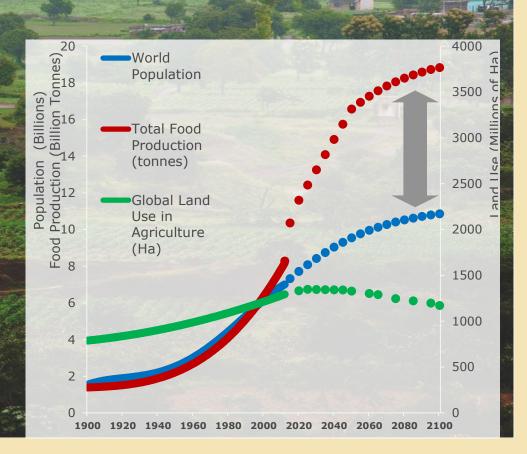
### We can help meet the needs of the future.

## Sustainably Supporting Demand and Preserving Natural Landscapes

- ✓ Reduce the footprint of farming
- ✓ Increase crop yields
- ✓ Improve efficiency
- ✓ Reduce waste
- **✓ Improve diets**

By 2060: 160M hectares can be restored to nature

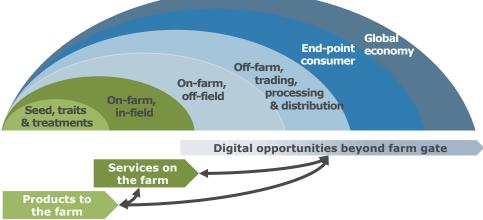
Source: National Geographic, Feeding the World, 2014
Source: UN FAO, 2014, Monsanto internal calculations; Ausubel, et al., Peak Farmland and the Prospect for Land
Sparing Population and Development Review Volume, 38: 221–242



### Our strategy for unlocking digital yield enables us to lead in digital agriculture.

**Create broader ecosystem value:** Horizon 3 Shape the market Extend the value network Growth **Expand beyond our core business:** Prescriptive farming using all data Horizon 2 Grower insights inform prod development Integrated products and services greater value **Enhance core business value (digital productivity):** Seamless customer touch points: NPS, share Horizon 1 Connected supply chain: COGS reduction, perfect order Predictive pipeline: new products, speed to market Simplified operation: efficiency & effectiveness Modernization

MONSANTO INFORMATION TECHNOLOGY Digital capabilities can be leveraged to increase efficiency and improve outcomes across agriculture.



Key Insights:

Agriculture is a system of systems that will be activated by connectivity.

Optimizing an acre can translate to an optimized agriculture.

Value exchange and experiences create engagement.

Data has broader utility.

Analytics unlocks the value of data.

Products and services will become connected and smart.

Only digital companies can participate.



# Our digital journey is driving corporate value in four key areas.

- Shareowner Value
- **Employee Productivity**
- Societal Impact
- Customer Value







### We are embracing the opportunity to deliver shareowner value.

#### Revenue Lift Across the Platform

Tailoring our products to Precision Ag and to fit our customers' fields





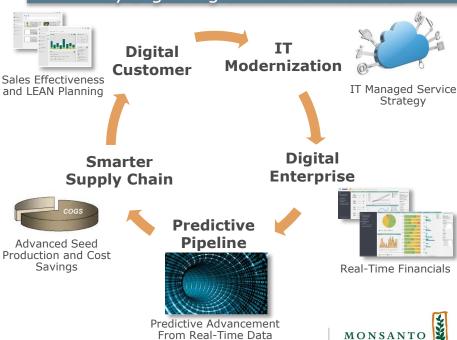
Best customer opportunities with right partners offered with the right pitch at the right price

POD enables technology introductions



### Cost Efficiencies and Enhanced Productivity By Digitizing Business Processes

INFORMATION TECHNOLOGY



## Adoption of modernization and digital tools enable employee productivity.

Employees work productively as our company scales in size and by geography.



**Updated device strategy** delivers great experiences and access to apps on the go or in the office.



**Network transformation** keeps our employees connected enabling our Hub and COE strategies.



**Video conferencing** supports anytime F2F interactions while saving travel costs.



**Mobilization** enables anywhere productivity and flexible collaboration.

Advanced analytics and data enhances the value of our employees.



**Big data** shifts to analysis and insight by eliminating repetitive and manual data management.



**Prescriptive analytics** automates routine decisions, for example reducing product advancement time.



**Simulation** ensures our employees carry out optimum processes.









# Digital can quantify sustainability efforts and build societal value. Progress as

**22% reduction** in greenhouse gas emissions from operations (2020)

73%

of 2015

**25% increase** in efficiency of irrigation water application across seed production operations (2020)

35%

**Double yields** in corn cotton, canola and soybeans (2030)

13-37%

 Help farmers use <u>1/3 fewer key</u> <u>resources</u> per unit of output

18-67%

Digital also opens up new ways for our employees to connect with society through programs like Hackathons, Open Source, STEM and LaunchCode.



Source: Monsanto 2015 Sustainability Report

### We are already creating unique and valuable experiences for our customers.



# Farmers make decisions throughout the production cycle:

- Planning
- Pre-planting
- Planting
- In-season
- Harvest



# The "Farmers First" platform provides agronomy advice, commodity pricing and access to credit providers.

Smallholder farmers own small plots of land on which they grow subsistence crops and one or two cash crops, relying almost exclusively on family labor.



NEED	SOLUTION	SUCCESS
500M small- holder farmers globally	Agronomy advice in native language on Mobile Platform	Launched in India, Burkina Faso and Philippines
100M in India 70% dependent on ag for livelihood	Customized data using analytics for weather, agronomic practices, commodity pricing	4M subscribers since 2014 Positive changes
78% with phone access	Cloud-base, social components	in farming practices attributed to the service

Sources: United Nation Environment Programme, "Smallholder Farmers Key to Lifting Over One Billion People Out of Poverty", UNEP (2013). AC Nielsen field research in Maharashtra and Karnataka, completed Oct. 2015



## The platform supports our customers throughout the growing season.

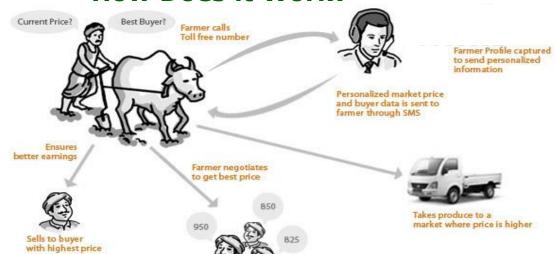
Agronomic advice as a service

Sources: Intuit Report, fasal.intuit.com

Weather as a service

Commodity Prices as a Service India, Burkina Faso & Philippines Reaching out to 1M farmers every day

#### **How Does it Work?**





# Creating wealth for farmers: Registered users make upwards of Rs 15000 selling their produce, 20% more than what they were earning prior to registering for the service.



Through science and digital solutions, we can help feed a growing planet.

- Grow the right amount of food on less land
- Use resources efficiently to preserve natural ecosystems, address water scarcity & climate change
- Improve farmer livelihoods
- Benefit society











### Thank You

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