

<p style="text-align: center;">SURVEY ON AREA PLANTED TO GM MAIZE IN SOUTH AFRICA</p>
--

**INTERIM REPORT ON ANTICIPATED AREA TO BE PLANTED:
PLANTING YEAR 2005, HARVESTING YEAR 2006
(21 October 2005)**

All stakeholders in the maize industry agree that the South African production scenario is presently unpredictable. Factors that impact on farmers' decisions to plant include

- Grain prices as quoted on the SAFEX grain exchange and which are subject to some speculative trading
- Influence of Rand/US Dollar exchange rate which determines the import parity tariff
- Surplus of several million tons carry-over grain from 2003/2004
- Bumper 2004/2005 crop and uncertainty of crop estimate of 12 million tons against actual deliveries to date of just under 10 million tons and lack of accurate data on how much grain is being stored or used on-farm
- Surplus carry-over not yet depleted by exports into Africa
- Farmers in the West are watching maize plantings that start earlier in the Eastern region, before they make a final decision
- Some farmers in irrigation areas are expected to switch to cotton
- Perhaps the most important factor is crop financing. Banks and agricultural coops/companies have placed a ceiling on credit available to many maize farmers

The information below does not represent a consensus opinion of parties consulted but rather a rough average of views expressed. Significant changes may occur over the next two months. Anticipated breakdown between white and yellow maize is not the same as that given by the National Crop Estimates Committee, but is based on views of parties consulted, seed orders and recent trends. Estimates of total maize area to be planted ranged from 1,4 million to 2,2 million hectares and most parties agreed that the official figure of 1,7 million hectares is probably a good average at this stage. This represents a reduction of 42 per cent from 2004/2005. Production and market situations, and the envisaged plants for processing ethanol from maize grain, should provide a boost for production in 2006/2007.

WHITE MAIZE:

White maize is anticipated to comprise 60 per cent of area, i.e. 950 000 ha which will be down by 49 per cent compared to the previous season. The percentage GM will increase slightly from 8 to 9 per cent, i.e., 85 500 ha. This reduction in GM area amounts to 42 per cent less than in the past season. Herbicide tolerant RR maize will

remain around 3 per cent with insect resistant Bt making up the rest. Application has been made for stacked gene maize (RR and Bt) and regulatory approval will change the scenario in forthcoming years.

YELLOW MAIZE

Yellow maize is expected to make up 40 per cent of the total, namely 750 000 ha which represents a 31 per cent decline. The GM share will increase slightly from 24 to 26 per cent amounting to 195 000 ha, with insect resistant Bt comprising 95 per cent of yellow GM. The yellow GM area will be down by 26 per cent from the previous season.

TOTAL MAIZE

The total GM maize area is expected to be around 280 500 ha, down by 32 per cent or 129 500 ha from last season.

NOTE: These figures are somewhat speculative as planting has just started in a few areas and will continue until early January. A survey based on more precise information will be released by mid December 2004, and a final survey based on audited seed sales data by early April 2006.

=====

Data are based on telephonic interviews with senior seed company officials and results of a survey of crop planting expectations by the National Crop Estimates Committee.

=====

Wynand J. van der Walt
Senior partner: Agricultural biotechnologies, FoodNCropBio
wynandjvdw@telkomsa.net, Tel (+27)12-347-6334 / 083-468-3471

Pretoria, South Africa, 21 October 2005

=====

This survey is financially supported by the South African Maize Trust

=====