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**Ref: Film on maize seed production in Andhra Pradesh, India**

Dear Jens,

Thanks for your October 27 response to my letter of October 22.

An independent investigation has been completed into your central allegation that, through our contracted grower-organizers, Syngenta knowingly supports widespread money-lending at high interest rates to maize growers in Andhra Pradesh, India, for their cultivation of Syngenta seed.

The investigation was based on non-confrontational fact-finding interviews with Mohammed Sufi, Rathia and Nagendra and confirmed that your central allegation is indeed false. As I mentioned in my last letter, Mr Sufi is not a Syngenta grower-organizer and Nagendra is not a maize grower – we have been informed that he is an assistant to a Syngenta grower-organizer.

The investigation confirmed the following practice, which Syngenta supports:

- At the start of each season, Syngenta's grower-organizers approach growers to encourage them to engage in seed production. Each grower who agrees to produce corn for Syngenta is provided with seeds and chemicals free of charge.
- Through the grower-organizers, Syngenta also offers interest free advance payments to the growers to assist them with their cash-flow. Buy-back rates for the seed produced are pre-agreed and the amount of any advance payment is deducted from the final payment due to the grower at the end of the crop season.

The interviewees were aware that Syngenta provides, through its grower-organizers, such interest-free pre-payments for the services growers provide, which are deducted from the final purchase price for each grower's grain. They said they were unaware of money-lending or credit schemes at high interest rates for cultivation purposes offered by grower-organizers with Syngenta's support.

Sufi and Rathia said they preferred the current organizer model because, as small growers, they are not well suited to dealing directly with big companies. They confirmed that the purchase price for grain was commensurate with the market value and they could meet their daily needs through sales. They were, however, disappointed not to have contributed to the Syngenta production in 2014 due to lower production acreage.

A response to the first three questions in your October 27 email is below.

**1. When Mr. Sufi says that he on behalf of Syngenta – or on behalf of a Syngenta representative in the district - assists farmers in particular areas of land, while other persons with similar jobs does so in other areas, that he provides loans to Syngenta seed farmers, and that the company is aware of this, and that other people does the same, then, this is – according to Syngenta – something Mr. Sufi makes up or has misunderstood and it is incorrect?**

**2. When growers who work for Syngenta say they borrow money from Syngenta organizers (be it Mr. Sufi or someone else), then, this is - according to Syngenta - not happening and is incorrect?**

**3. When a renowned researcher, who has made 15 reports independently on Syngenta seed-growers, explains that 'Syngenta organizers doubling as money-lenders' is general phenomenon, then, according to Syngenta, this is something this researcher makes up or has misunderstood, and it is incorrect?**

- Mr Sufi is not a contracted Syngenta grower-organizer.
- Syngenta provides, through its grower-organizers, interest-free pre-payments for the services growers provide. These payments are deducted from the final purchase price for the growers' grain. This is to help growers' cash flow through the growing process.
- The interviewees, including Mr Sufi, made it clear to the independent investigation commissioned by us that they were unaware of money-lending or credit schemes at high interest rates for cultivation purposes offered by organizers with Syngenta's support.
- We greatly respect Dr Davuluri and his work and we are in frequent contact with him. We strongly refute the allegation that Syngenta knowingly supports and encourages widespread money-lending at high interest rates by our contracted grower-organizers to maize growers in Andhra Pradesh, India, for their cultivation of Syngenta seed. Pre-payments to growers made through our grower-organizers are interest-free and are deducted from the final purchase price.

In response to your last question:

**4. If someone says that the size of the amount paid by Syngenta to the growers for the crop poses an obstacle to the fulfillment of the FLA-code of conduct, then this is incorrect?**

In maize seed production in Andhra Pradesh – the subject of your film – many years of experience has shown us that our offer to growers is competitive and allows farmers to pay fair wages to their workers. This was confirmed by the independent investigation, and the FLA.

However, if you look across all crops, there are areas where further work is needed to achieve compliance with the FLA code of conduct on wages. These areas and corresponding action plans are publicly available, including a specific response to the 2012 "Wages of Inequality" study, which Dr Davuluri co-authored. In August 2014, Syngenta discussed with the FLA the adoption of a more rigid policy on wages.

Finally, there are no simple answers to India's labor challenges and we, and our partners, have much work to do. Alongside the FLA, we are helping to build a more ethical supply chain in India, while adding to the quality of life of growers, their families and communities.

Yours sincerely,



**Paul Barrett**  
Head of Media Relations  
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