

DowDuPont Inc. NYSE:DWDP

Company Conference Presentation

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Presentation

Steve Byrne
BofA Merrill Lynch, Research Division

Welcome back. My name is Steve Byrne, it's my pleasure to host the presentation from DowDuPont. We have representing the company here Jim Collins, Chief Operating Officer of the Ag division. Jim has been with DuPont since 1984. I wouldn't say he looks like it, but he has been there for a long time. But he also has the members of his team that run his 2 divisions: Tim Glenn that runs the seed division; Rajan Gajaria runs the crop chemical division, those guys are here. We also have Greg Friedman and Lori Koch from Investor Relations. So glad to have you here. All yours, Jim.

James C. Collins
Chief Operating Officer of Agriculture Division

So good afternoon, everybody, or good morning, I guess -- it still is officially, and thanks for the opportunity to present a little bit and talk a little bit about DowDuPont and, as you all heard the other day, now Corteva. So we'll talk a little bit about that.

So good morning to those in the room and also greetings -- I know we have some folks joining via webcast today. I'm pleased to be here to share an update on what I believe is tremendous progress that we've made on our journey towards standing up the Ag division of DowDuPont.

Now this past year, we grew our top and bottom lines, drove successful new product launches, closed the merger and began preparations for our spin, all a demonstration of our ability to deliver on our commitments.

Now the Ag division of DowDuPont is more than $14 billion in sales with products that address more than 70 crops in more than 130 countries, representing a product depth and a geographic scale that is hard to beat. Today, I will share our strategic vision, including a view into our enhanced technology.

So turning to Slide 2. I'll remind you that in the course of the presentation, I will make forward-looking statements, all statements that address expectations about the future are forward-looking. Although they reflect our current expectations, these statements are not guarantees of future performance, but involve a number of risks and assumptions. Please review DowDuPont's SEC filings for a discussion of some of the factors that could cause actual results to differ materially.

Turning to Slide 3. As a key agriculture industry player, we are a solutions provider for farmers, delivering products and services that will continue to move the industry forward. We've seen the positive impact of Ag technologies through record production, which has been required to keep pace with the record consumption that we're also seeing.

As we look ahead, the need for these technologies will only increase, as farmers look to further improve productivity of their farming operations, substantially growing more food while utilizing fewer resources. Now we will help farmers to deliver around the globe what they need most by connecting the dots across the value chains and collaborating with all participants, while also designing and providing targeted solutions to enable increased productivity, with an ongoing commitment to responsible stewardship, food safety and security.

So turning to Slide 4. Today, we are a market share leader in the majority of our key segments within the $100 billion production Ag industry, and we will leverage this strong position to continue to drive value for all of our stakeholders. The newly combined capabilities will continue to enable this balanced engine of growth and provide the necessary scale to continue to win amidst the challenging Ag market conditions. And we are identifying opportunities in the near- and long-term to further expand our scale and reach in all geographies. We'll continue to unlock value and future efficiencies from our significant cost synergies, while opening new sources of value through our growth synergies. The latter will carry us into the future through an ever-expanding innovation pipeline, enabling us to capture the unique opportunity that I believe is in front of us.

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So on Chart 5, the industry-leading innovation pipelines we're bringing together have robust offerings today with our expert scientists making critical headway in important areas such as targeted breeding and digital agriculture, all while delivering advanced biotechnology, crop protection and agronomic solutions that farmers need. Separately, our integrated portfolios have enabled our R&D organization to shorten the development time and increase the genetic gains of our products by approximately 2x over our historical rate. And we are excited by the opportunity to drive these metrics even harder as the combined organization.

Together, the combination of these superior technologies, capabilities and expertise and balanced focus will result in an increasingly powerful near-term product pipeline and complete solutions that will offer farmers much greater choice and value immediately.

This robust pipeline will be a fundamental sustainable source of forward momentum in each phase of our journey ahead. To chart this path, we have developed milestones that will guide our journey, which are illustrated here on Chart -- Slide 6. These are improving margins through the completion of our $1.1 billion cost synergy program, driving top line growth through successful new product launches from our robust pipeline, capturing growth synergies enabled by the combination of our heritage businesses and by looking longer-term creating novel technologies that will continue to move the industry forward.

Now I'll share more on the transformation that we're driving over these 3 horizons, which serve internally as our guidepost, while at the same time, enabling us to provide you with the transparency into our transformation.

So turning to Slide 7. We are coming out of 2017 from a position of strength, with a strong pipeline and a playbook of cost and growth synergies that will enable us to continue to deliver earnings growth even with an uncertain market environment. One of the most important steps we took in this phase was to create the best-in-class organization. We established 2 leading business platforms, seed and crop protection, and integrated our sales organization, which further streamlined our cost structure to facilitate quicker decision making and drive a higher-level of accountability and an even closer connection to our customers. We have already initiated approximately 200 projects and given the progress we have made since the merge, we continue to expect to be on track to deliver 70% of our cost synergies on a run-rate basis by September this year. Contributing to this is our streamlined cost structure in addition to other actions such as the consolidation of our seed production facilities. We expect to deliver more than $300 million of cost synergies for the full year versus 2017.

On a pro forma basis, we improved our operating EBITDA margin by about 170 basis points to 18% year-over-year in 2017, which speaks clearly to the value derived from the near-term actions we've taken.

Looking at 2018, the progress we expect to make against our targets in this time frame will enable us to expand margins even further. We'll continue to drive growth from our pipeline and expect to deliver approximately $4.5 billion in peak sales from 2017 and 2018 new product launches. As we drive growth over this time frame, we are also taking a targeted approach in delivering these novel and needed technologies to our customers, doing so in a manner that recognizes the unique needs of our stakeholders and creates the highest value.

You saw an example of this recently with our first launch of our Brevant global seed brand in Brazil. Now this launch demonstrates that we are acting quickly to offset the impact from our required remedies and are excited about the possibilities that this brings.

In addition to the first steps just taken in Latin America, we are also refining our North American brand portfolio as well to ensure it is both efficient and strategic and provides the best model for serving our customers. We're currently conducting an evaluation of channels and brands to best serve our customers' needs, and we expect to have our review completed prior to the start of the 2018, '19 growing season. And in the background, we continue to make significant progress on our preparations to spin in 2019, including a very visible recent example of our progress with the announcement of the intended name, Corteva Agriscience, helping to further solidify our identity as the key Ag player and innovation leader in our industry.

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So looking at Slide 8. The value creation we are targeting within this near-term horizon and march up to spin will help fortify our financial position, while putting in place the framework needed to facilitate ongoing progress and maximize returns. Now we will rapidly accelerate this progress during the 2019, 2021 time frame in 2 other critical areas. First, accelerating the value of the integrated pipeline with product launches and novel technologies and continuing to advance our growth synergies.

So taking a closer look at those. We are targeting approximately $4.5 billion in peak sales from the 2019 through '21 product launches, increasing the growth opportunity from these launches by offering them through our enhanced route-to-market and optimized sales channels and in utilizing an enhanced product launch playbook.

To build on this point, another one of the growth synergies we are driving is enhancing our Mycogen retail brand with the power of our expanded germplasm library. This upgraded seed offering will enable us to more effectively compete in the retail channel and represents a critical component of our enhanced route-to-market strategy.

So turning to Slide 9. In this third phase, we will accelerate our market leadership position, capitalizing on the innovation, external collaborations and customer relationship building we have targeted in the previous 2 phases, leading to the creation of innovative products and services for the market, continuing to drive increases in our innovation pace resulting from industry collaborations and enhancements to our R&D capabilities.

Now our combined pipeline is robust, and the programs shown here are expected to deliver a peak sales figure of greater than $22 billion. We also have strength embedded deep into this pipeline, positioning us to continue accelerating our pace well into the future. Our focus on expanding digital agriculture will help to support and further drive this accelerated pace, enabling additional value delivery mechanisms for the customer and our business using the digital feedback loop to drive innovation and productivity in our own pipeline looking ahead.

Now I'll touch more on our digital strategy here in a few minutes. So on Chart 10. Pivoting to the seed platform, one of our 2 business platforms that I mentioned earlier and a critical enabler of our balanced engines for growth. Here, we are bringing together market-leading technologies that enable our #1 or #2 position in key market segments globally. 2017 results further reinforce the value of this position with full year pro forma net seed sales up 5% in a challenging Ag market.

As we look ahead, sales strength will be anchored by a strong North American presence, which will be enhanced by the full Enlist and Qrome launches and a strengthening global position, especially in Latin America as we ramp up Leptra and POWERCORE penetration as well as introducing Conkesta soybeans, which with the Conkesta E3 integrated solution will provide much-needed insect control as well as tolerance to multiple herbicides for improved weed management. These much needed launches represents key progress for our seeds platform.

Longer-term increased strength and depth across core insect and herbicide trait areas will enable this combined pipeline to deliver against the multigenerational needs for insect and weed control. So looking first at our breeding portfolio on Slide 11. We are expanding the strength of our digital breeding technology and utilizing innovative methods to drive productivity and shorten our time-to-market. In fact, we've taken 1 to 2 years off of our development cycles for delivering new genetics and transgenic traits.

For example, our A-Series soybean varieties are developed from the most extensive localized soybean breeding and product testing program in the industry, one which is focused on customizing varieties for local yield environments. By increasing our molecular marker throughput by over 20x, we have introduced 110 new A-Series varieties in the last 2 years. And our research pipeline is full with soybean lines that will help to continue to increase this yield potential.

With the merge pipeline, we now have even more opportunities than initially expected to leverage the geographic breadth of our combined expertise in advanced digital breeding. One such area that I'm particularly excited about -- our corn breeding portfolio in Latin America. We have made notable strides in

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strengthening our germplasm bank to enable solutions for this region, progress that has been accelerated by the power of the combined organization.

Now bringing together the 2 breeding organizations has significantly expanded the strength of our technology, expertise and infrastructure, enabling us to further strengthen our position in this core region.

Now turning to targeted breeding. We are rapidly adopting and deploying CRISPR-Cas technology to accelerate development of new trait concepts broadly across all crops. Early successes with waxy corn illustrate the technical validation and the potential for new trait concepts more broadly. Here, we are on track to start selling our next-generation waxy corn hybrids for first plantings in 2019. That's 1 year ahead of time, an outcome that represents a best case, reduced time-to-market by more than 50% or 3 to 4 years faster than our digital breeding methods.

Taken together, advantages and progress across our breeding portfolio are fueling overall increases in the scale and quality of our integrated pipeline and further support the solid investment profile of our seed platform.

I'll now talk about traits. Beginning with corn on Slide 12. We are developing technology that has the opportunity to boost margins, improve efficacy, renew our portfolio and create out-license opportunities. We are pursuing a balanced portfolio of proprietary and licensed-trait technologies. We are effectively managing the product lifecycle of each trait combination and have plans in place to ensure a seamless transition from old to new technologies.

In the short term, we continue to be excited about the value of our proprietary traits, as I mentioned earlier, while continuing to advance the longer-term pipeline, which together will result in an increased proprietary portfolio.

Turning to Chart 13. In soybeans, with our combined pipeline, we have the ability to transition to a more proprietary trait package offering. This transition would maximize our stack options, our new product concepts and increase our out-licensing opportunities. We are leveraging the strength of our geographic position to expand farmer access to much-needed technologies such as Roundup Ready 2 Xtend, Plenish, Enlist E3 and Conkesta E3.

We intend to offer these solutions to maximize customers' value over time, leveraging our Right Product, Right Acre approach with this expanded portfolio of products. In the coming years, we will grow our overall company position in Enlist E3 seeds to a market leadership position for this technology.

Now diving deeper into Enlist on Slide 14. The Enlist weed control system continues to offer an attractive solution for farmers dealing with complex resistance issues. Now we've made critical near-term progress across this integrated offering. For example, in 2017, we launched Enlist cotton, receiving very positive feedback from farmers and then we received full regulatory approval for Enlist corn, which is being launched in this current selling season.

Also in 2017, we rolled out a limited introduction of soybeans, enabling growers to purchase E3 from North America for the 2018 season. Additionally, Enlist herbicides are providing outstanding performance across the Americas, performance, which has exceeded farmers' expectations, including its use in burndown in Argentina and Brazil. Our proprietary Colex-D technology has been validated in-field with proven reductions in both drift and volatility. These proof points further support the value we expect this complete system to deliver for farmers.

So we're targeting approximately $2 billion of peak sales from the full system represented here. This full system is an important proof point of a unique strength and distinct advantage of our complete product portfolio. Today, our combined pipeline together with the targeted steps we are taking in the area of seed applied technologies positions the Ag division well to be the only company with the capabilities to innovate across both seed and crop protection platforms. I'll talk more about seed applied technology in a few moments as well.

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Turning to Slide 15. In addition to supporting a strong value case for cross-platform solutions such as Enlist, we are rapidly ramping up crop protection solutions that will build on our strengths and our positions in key market segments such as herbicides, where we hold the #1 position globally.

Additionally, we will continue to target higher-margin returns while maintaining a strict focus on strong portfolio discipline.

I'd like to highlight the portion of our crop protection portfolio targeting row crops. Coupling this with our expanded seed footprint creates significant opportunities for ongoing growth and competitive advantage that did not previously exist before the merger.

So looking ahead, we are targeting above-market growth for crop protection platform. To deliver this, we will focus on 3 core areas: top line growth; cost advantage and product portfolio discipline. Now we will quickly launch and ramp up new technologies, delivering our pipeline and driving expansion in key sectors. We expect more than $3.5 billion of peak sales from the existing pipeline programs in Stage 2 and beyond. At the same time, we are building competitive cost advantages across this platform, leveraging our strong market position, enhanced scale and right-sized operating model to make targeted margin improvements. A significant portion of this advantage in the near term will result from our ability to deliver our cost synergy commitments, which I touched on earlier.

Now as we look ahead, our disciplined approach to portfolio management will help to sustain this growth momentum and enable future cost advantages. In the near- to mid-term horizons, we will target strategic acquisitions that will further enable increased revenue growth in selected areas of our business platform. Also during this period, we will implement a best-owner strategy, divesting molecules that are no longer strategic to our product portfolio. This work will shape our total crop protection offering to better deliver value.

With our crop protection pipeline, we are building on successful launches, ramping up technologies that together compromise -- or comprise the broadest pipeline in the industry.

Turning to Slide 17. I will highlight a few of those examples. In our disease control product portfolio, we expect to launch Inatreq, a naturally derived product that will provide a timely and important solution to farmers in controlling diseases in cereals. We expect Inatreq to deliver approximately $350 million in peak sales. Rounding out our broad disease control portfolio or pipeline are Vessarya and Zorvec, both of which drove top line growth in 2017 and an additional 6 pipeline programs in the mid- to long-term horizon.

Turning to rice protection. Rinskor, which is expected to deliver more than $400 million in peak sales, expands our leadership position in the global rice herbicides market and adds a new mode of action allowing for the ability to expand beyond rice protection. Its favorable environmental profile reinforces our continued commitment to delivering sustainable products for our customers.

Like Rinskor, Pyraxalt's low use rate also contributes to a favorable environmental profile. Now this insect control technology targeted toward insect protection in rice and important to strengthening our position in Asia Pacific, is expected to deliver approximately $150 million in peak sales.

So taking a closer look at our insect portfolio on Slide 18. Here, with new technologies such as Pyraxalt and Isoclast, we are well positioned to drive growth. Gains from new molecules in this portfolio coupled with growth from existing products is expected to enable us to recapture share. In fact, we are well poised to achieve double-digit growth across these technologies in 2018. Spinetoram and Spinosad, for example, now offer the unconstrained supply needed to help us recapture loss share due to remedies, while also expanding into new spaces.

We expect more than half of our crop protection business growth in 2018 to come from gains across this portfolio, including those areas of seed applied technology.

So turning to Slide 19. As I mentioned earlier, in the intersections of crop protection and seed, we are delivering cross-platform solutions that customers want and need in bolstering the strength of our powerful pipeline. We expect to realize growth synergies from the benefit of this merged pipeline, expanding the application of seed applied technologies from the DuPont portfolio onto Dow AgroSciences'

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seed brands. The outcome? A larger footprint treated with technologies such as Lumivia and Lumiderm. Similarly, Lumisena, fungicide treatment, is bringing the next-generation Phytophthora protection. This product launched broadly on Pioneer brand soybeans for the 2018 plantings.

Now our robust offering of seed applied technologies continues to address the targeted challenges in insect control. In 2017, we drove growth in several markets such as Canada, Mexico and Brazil. Also in 2017, we launched Lumiposa in Europe, filling a crucial gap for customers in this region, bringing an important non-neonicotinoid insect solution to the market. In insect control, we expect to achieve peak sales of more than $400 million with our existing portfolio.

Now looking ahead, we see tremendous opportunity to improve grower productivity with our expanded portfolio of active ingredients. Additionally, we previously announced agreements with Arysta LifeSciences (sic) [Arysta LifeScience] To acquire rights to a broad spectrum fungicide and Sumitomo Chemical Company to collaborate on the development, registration and commercialization of seed applied technologies for use on key crops globally. These collaborations illustrate our market-driven approach to help improve early plant growth and yields and quickly delivering higher-performing technologies to our customers.

Now as we think about the future of our industry, increasing the speed at which we deliver technologies to customers will be instrumental. In addition to collaborations, our progress in the emerging digital agricultural space, shown here on Slide 20, will help to shape connections to customers and consumers in new and value-creating ways.

Our acquisition of Granular, for example, represents our latest step in this journey. Through this investment, we are creating new opportunities to partner with customers, expanding our suite of solutions to enable greater choice for farmers via an end-to-end operational management software. And as the first in our industry to deliver both an agronomy and a complete farm management solution, we are opening up new pathways of growth for the Ag industry.

Our most recent progress in the digital space underscores our belief that agronomy, business and land-related decisions should all be made hand-in-hand. Looking further ahead, our long-term vision is to create a portfolio of products and digital capabilities that work seamlessly together, all while ensuring data privacy.

So turning to Chart 21. As we build a holistic solution for our customers, we can leverage these digital capabilities to deliver value inside our organization as well. These capabilities are going to be instrumental in increasing our own productivity, maximizing the value we deliver to our stakeholders over time. By improving our access to accurate and timely data, we will further grow our ability to effectively sense and analyze customer needs, further reducing the time needed to bring innovations to our customers and enhancing the efficiency of the channels to get them there.

So on Slide 22. Together, these digital solutions and the digital expertise we are building across our business space, help to support a broader transition toward our goal of shaping a more connected and a more sustainable agricultural industry. By partnering with customers and consumers, we are focused on engaging in the conversation around the continuously evolving nutritional needs and preferences that are driving innovation and change across the food value chain, while at the same time, innovating with our customers and partnering with society to address the most pressing challenges facing our industry and those served by it. Here we remain focused on responsible stewardship, integrating sustainability criteria early in the product development phase to lower the environmental impact of our product portfolio over time, while also leveraging the power of digital to enhance the stewardship of these existing and emerging portfolios.

So summarizing on Slide 23. The strength of our combined product pipelines together with the industry-leading expertise embedded across the integrated organizations will enable us to continue to be a global leader in the $100 billion production Ag industry. We are committed to delivering on our 2018 priorities of meeting our financial commitments, rolling out our multi-brand and multichannel strategy and driving rapid and successful technology launches and then preparing for our intended spin. Importantly, we have the right people, tools and capabilities in place to meet these commitments.

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Our long-term vision is backed by a commitment to near-term execution, where our ongoing implementation of cost synergies and robust pipeline will be instrumental as we build on our competitive advantages in the new and innovative spaces to shape our industry looking ahead.

We have provided our pipelines in the appendix for your reference. We've made some distinct progress across several of these key programs in this past year, all geared towards leveraging our innovation solutions to improve grower productivity and benefiting all of our stakeholders.
So with that, I'll turn things back over to Steve.

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Question and Answer

Steve Byrne
BofA Merrill Lynch, Research Division

All right, very good. Tim, Rajan, you want to come up here? While they are on the way up here, Jim, tell us where you came up with this name Corteva.

James C. Collins
Chief Operating Officer of Agriculture Division

Thanks, Steve. Yes. It's a combination of 2 syllables or 2 words. It starts with the word core, which is a Latin root that kind of means "at the heart" or "at the center of." And then teva, which is actually a fairly ancient word that means "earth" or "nature." And when you put these 2 things together, you get a word that is really -- it stands for the kind of company that we are trying to build here in the industry, one that is at the heart of nature, sustainability, the core of the earth and really takes focusing on growers and their productivity at the absolute center of everything we do.

Steve Byrne
BofA Merrill Lynch, Research Division

Well, what's the ticker going to be? [CORE and TEVA] are both taken.

James C. Collins
Chief Operating Officer of Agriculture Division

To be announced. We're in the process of reserving the appropriate ticker symbols. But as we get closer to spin, that should be announced.

Steve Byrne
BofA Merrill Lynch, Research Division

All right. Rajan, what would you say is the size of the hole that you now have with the loss of Rynaxypyr and Cyazypyr as the divestitures of FMC?

Rajan Gajaria

I think it's a phenomenal opportunity, as Jim spoke about, the insecticide portfolio. I think the [indiscernible] is becoming supply unconstrained. I think we have a great opportunity of [indiscernible] some of business that we lost as a part of the remedy. So I think it's a great opportunity, and you will see that the growth, which we will deliver in 2018.

James C. Collins
Chief Operating Officer of Agriculture Division

I would add. It's providing tremendous focus for the organization as we have shared that portfolio. The team is very aligned. We know those markets. We have folks out there. And remember a lot of the logic of the remedy that was mandated by the authorities was because these portfolios overlapped. So we know these spaces. We got great chemistry to go into those markets. And as Rajan said, the fact that we have the supply now to go on the offensive is the news here.

Rajan Gajaria

We've got strategies by crop, by space, by geography to say how everyone will target the product. That does not even include the seed applied technology, but we still have access to the older technology. So all-in-all, it should be an exciting 2018.

Steve Byrne
BofA Merrill Lynch, Research Division

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And the seed treatment initiative that you have, is that more likely to drive market share gains for which one of you?

Rajan Gajaria

I think this is the beauty. It's right at the intersection -- the answer is yes. I think we're going to see an opportunity both on the crop protection and the seed side of the business. As the seed business grows for more reasons, that's an opportunity from a seed treatment to grow. And as the technology is coming, there is a technology that Jim spoke about, what we get from Sumitomo and other things, which are in our pipeline that should help the seed business to grow. So I think this is truly a growth synergy we're very excited about.

Timothy Glenn

Yes. I would just add, I think, it's a good problem to have for us to be our own largest customer as we introduce these new and exciting seed applied technologies. And as a seed business, we can help set the foundation for value as Rajan's team works with external partners to develop those markets outside of our own brand.

James C. Collins
Chief Operating Officer of Agriculture Division

And don't forget, we have a business not only to support our own seed business, but we sell seed applied technologies to other seed companies around the world. So we're building a branded seed applied technology chemistry business going forward as well.

Steve Byrne
BofA Merrill Lynch, Research Division

And will you keep the Mycogen brand from [Dow] on seeds and how big could you see that brand getting for you in the retail channel?

Timothy Glenn

Yes. We're going through the process now of evaluating all of our brands. So we have multiple brands in the U.S. and in different countries around the world as a few businesses have come together, and obviously Mycogen was the flagship brand from the heritage [indiscernible] organization. And so we're in the process of developing that strategy. Jim highlighted the retail opportunity with Mycogen, and as we think about markets where we have maybe from a DuPont side underserved over time, retail would be one of those. So we believe we've got a very strong opportunity to take multiple brands and serve multiple channels and Mycogen and our retail brand strategy is going to be critical.

James C. Collins
Chief Operating Officer of Agriculture Division

Steve, one of the questions that we get -- and we talked about Corteva a minute ago, and clearly Mycogen will be one of our seed brands that sits underneath our new company name going forward. The Pioneer brand is also in a similar situation. This is a very strong, very well recognized brand in the industry, and a lot of folks say, are you going to continue that? And matter of fact, not only continue it, we are going to reinforce it. And we've been -- we've had it as DuPont Pioneer. Going forward, we are going to focus this name as the premier flagship seed company globally that represents our direct, high-touch route to market everywhere in the world. And then bolster that, as Tim said, with strong retail brands, whether it's Mycogen in North America -- but we also launched the Brevant brand in Brazil a couple of weeks ago. This is a -- will be a strong retail brand in that market. And I think we did that 12 months ahead of anybody's expectation. So we're moving quickly.

Steve Byrne
BofA Merrill Lynch, Research Division

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And how important is it that you recently expanded your intellectual property in CRISPR? We had a gene editing panel discussion this morning and I mentioned that Pioneer scientist's presentation that I saw a couple of months ago where a gene edit created an ear of corn that was twice the size of a conventional corn. Where is the future of this technology in your platform? And is it rice and wheat driven or more for the crops that you're already big in?

Timothy Glenn

We're very excited about the expanded intellectual property rights that we have and also the fact that we are making great progress in terms of improving the technology as we develop new and better product. Now we talked about waxy corn, and it showed up on the pipeline chart as our first product that's on a commercial track and that's a combination to prove the technology and also to help set the regulatory framework as well as serving an important market where we have a strong historic base. The technology will be key to helping us to continue to drive productivity and, much as we've done for over 90 years, being able to improve the productivity of the products that we offer the markets critical, the exciting thing about the technology is that the applications are beyond just the corn or soy products and certainly the applications can go into many other crops, potentially wider -- or wheat or rice as you mentioned.

Steve Byrne
BofA Merrill Lynch, Research Division

Does anybody have a question out there?

Unknown Analyst

I have a quick question about your guys' digital Ag efforts. So congratulations on the acquisition of Granular and combining that with the end-to-end farm management solution. Our experience has been that the farmer is just generally confused right now because they're getting hit a million ways with all kinds of different digital Ag offerings, none of which are integrated. They are being promoted by certain people, so they wonder if there is an underlying agenda, et cetera. How can you guys fundamentally change that? And I think you called Granular a farm management system, but it's kind of more a financial system as opposed to full farm management system. So what's the endgame here? And how do you change this culture? And then maybe last question is, is the customer the farmer, so do they pay for this? Or is this part of just them buying other products from DowDuPont?

James C. Collins
Chief Operating Officer of Agriculture Division

It's a great question. When you think about why do we believe that our solution is unique, given all of the other noise out there? And we've approached it from, thinking about the farmer for a moment, there is a business to farming, right? I buy inputs; I pay my bills; I ship grain; I get an income. I invest in equipment and land. And at the end of the day, I make a profit. And what we've learned and what Granular has been the industry leader at is that most growers don't have a very good robust system to keep track of all of that. I was with a grower in Lancaster County the other day, who deployed Granular and he realized that every season he had been missing 2 trucks out of every harvest that just never showed up. He never got paid for those. And it was because the slips get lost or -- by going to a fully digital electronic marketing system with his local elevator, he picked up 2 truckloads of grain -- which more than paid for the digital software offering. So there is a business to farming and Granular helps dramatically improve the business of farming. But then we all know, there is the agronomy of farming. The decisions that a grower makes on what to plant, when to plant, how much fertility, what population density, all of that, and that was where Encirca was targeted. And that's the uniqueness that a DowDuPont Corteva really has going forward, is we've got 3,000 people on the ground in the heart of United States meeting with growers every single day and helping them with the agronomy decisions. Well, by putting all of that together now in a suite of products, we know that good business decisions are -- can shape the agronomic decisions and good agronomic decisions can shape the business results. And by seamlessly working together with all of those is the real product advantage that we think we bring. Others are usually focused on either/or. There's really nobody out there that's doing both.

Steve Byrne

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BofA Merrill Lynch, Research Division

I'm afraid, we're out of time, fellas. Please join me in thanking the Corteva team.

James C. Collins
Chief Operating Officer of Agriculture Division
Thank you.

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