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For immediate release

VKB and Sensako join forces

On the 1st of January 2017, VKB Agriculture, well-known agricultural business in South-Africa, and Sensako, cultivator of distinguished grain cultivars for years, has joined forces to take the supply of grain seed to the next level. This new joint venture will be known as Senseed and shares in Senseed will be held in equal parts by Sensako and VKB. For almost 100 years the VKB Agriculture Group has been involved in the supply of agricultural inputs to agricultural producers. VKB strives to supply all inputs to its clients. The main inputs that determine the profitability of an agricultural producer are seed, fertiliser, fuel, financing, mechanisation services, chemicals, forage and packaging materials. Thus, these are the focus areas in which VKB wants to add value for its clients.

In turn Sensako (established in 1958) has for the past almost 50 years been building a strong reputation with the cultivation and development of crops and genetic programmes to improve crops. Since its relaunch in 2008, when Sensako primarily focussed on wheat, the company has invested much of its time and energy to expand its product portfolio to include oats, barley, rye and corn but with a specific focus on oilseeds – soya and sunflower. Today Sensako is ready to go commercial with a number of products with many more soon to be released. Because of VKB's mission to add value to its agricultural clients, there was a need to have stronger ties with the cultivators of genetics. Although a lot of energy is invested by the private sector in the cultivating of seeds for hybrid crops, the cultivation of self-pollinating crops in future will be driven to a larger extent by its users because it is less profitable than hybrids.

Senseed offers VKB the opportunity to join forces with an experienced genetics cultivator. Sensako has the intellectual capital and a proven record in the cultivation of excellent genetics. For years now VKB has been involved in the cultivation, processing, supply and financing of seed to agricultural producers and the company has a large existing client base of producers in the Free State, Limpopo, KwaZulu-Natal and Mpumalanga, which has a vast extent of synergy with Sensako. If the two forces are combined, a better platform is formed to serve the producers in the High Veld region.

Through Senseed VKB is able to deliver a better service and Senseed has the capacity to serve a larger geographical area than just VKB. VKB will continue to finance seed sales to its clients who buy from Senseed as well as other seed suppliers. Senseed will be operated independently with the focus on the supply of agronomical seed for crops in the summer rainfall region.

Together, VKB and Sensako are able to exploit synergies by leveraging Sensako's core competencies in research and seed productions with VKB's logistics, client financing and input supply. This will be to the benefit of all stakeholders. "We look forward to a long, sustainable and mutually beneficial relationship with Senseed, VKB, producers and the agricultural sector at large," says Patrick Graham, Sensako's Commercial Director.

"VKB believes there is a place in the market for Senseed and trusts that this venture will soon establish itself as a strong contender in the seed market," says Koos van Rensburg, managing director of the VKB Group.

- The end -

Issued on behalf of VKB

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