

NETAFIM
Erez Meltzer

President & CEO

**Managing Fresh Water Shortages
with Advanced Agricultural
Technologies**

October 2002



The Challenge



The most common irrigation methods used by these farmers are:



Flooding



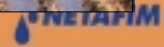
Over the Shoulder



Buckets



Furrows



As a result:

- Low yields.
- Poor quality produce.
- Inability to develop or expand.



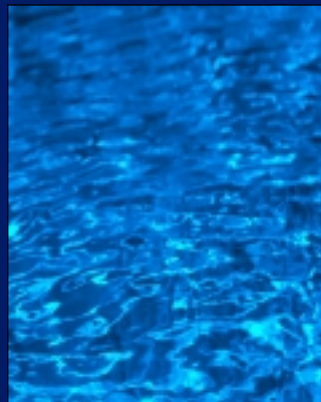
World Water Supplies

Water occupies about 75% of the earth.

97.5% of that is salt water.

Of the remaining 2.5%,
about 70% is ice.

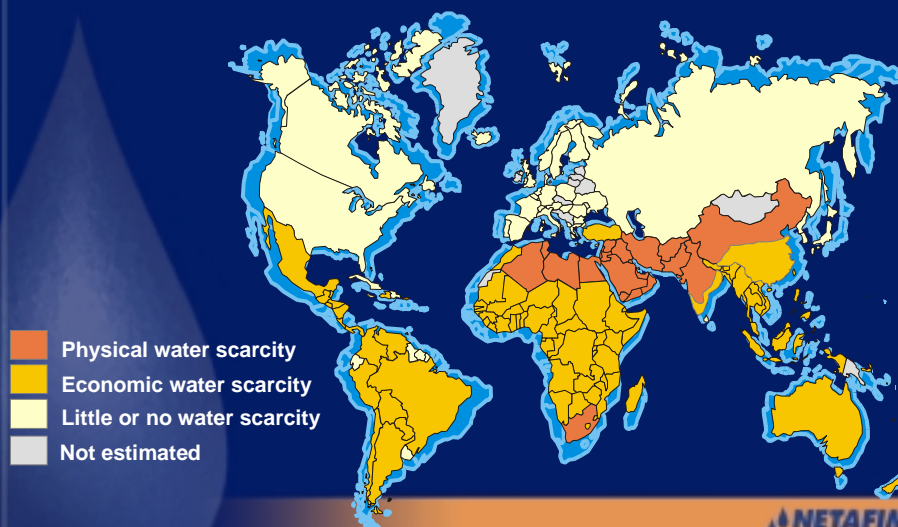
Only about 0.5% is available
as freshwater.



Source: 'New York Times'



Projected Water Scarcity in 2025



Seckler et al, 2002



Food Production – Realities

More than 50% of the world's population live in countries that:

- * Cannot produce enough to feed their people
- * Cannot afford to import their food requirements.

In these countries, future food production capacity is deteriorating because of water shortages, rapid population growth and soil degradation.

Source: ICID Congress, Montreal



Food Production - Realities

It is clear that the long-term ability to feed the world's growing population will increasingly depend on:

- An ever-shrinking land base
- Increased competition for limited water supplies

Source: ICID Congress, Montreal



The Mission



Doing More With Less
Developing Water Culture





Enable Nyako
a Fresh Cup of Water
Everyday

Bring New Agro Technology
To Yang



The Responsibility

Three Tiered Approach (Short, Mid, Long term)
in Managing Water Resources.

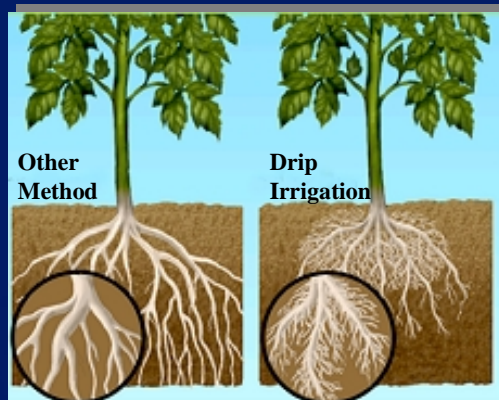


NETAFIM

- * Invented drip irrigation technologies in 1964 .
- * World leader in micro, low-volume drip irrigation technologies.
- * We operate in over 100 countries, with subsidiaries in 30 countries worldwide.
- * NETAFIM offers a unique mechanism that farmers need: the ability to control and reserve exact patterns of water distribution.



Irrigating the Plant Instead of Irrigating the Soil Since 1964



Some Interesting Facts

- * By 2001, over 45 billion NETAFIM drippers were in use worldwide in Netafim irrigation systems.
- * With the 10 billion meters of NETAFIM drip lines, one can roll 250 times around the earth's circumference or to go 20 times to the moon and back...



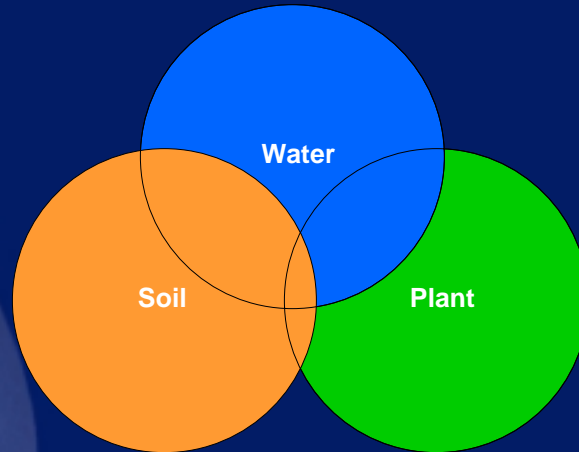
"Drip irrigation
tubing to deliver water
30 to 70 percent less

methods and increases crop yields to boot. The first drip systems were developed in 1960s, but even now they're used on less than one percent of irrigated land. Most governments subsidize irrigation water so heavily that farmers have little incentive to invest in drip systems or other water-saving methods."

National Geographic Magazine, Sept. 2002



Dealing with the Essentials of Life



 NETAFIM

The Netafim Spirit

NETAFIM, despite its extensive global growth and expansion, continues to preserve the unique spirit of a family business. This spirit embraces a sense of mutual cooperation, dedication, loyalty and constant support – both amongst ourselves, and towards our customers.

 NETAFIM

Managing Freshwater Shortages

Drip Irrigation is an effective tool in conserving scarce natural resources.



Irrigation Agriculture

Irrigation is recognized as the cornerstone of world food security.

Nations such as China, Egypt, India, Indonesia and Pakistan rely on irrigation to provide more than 50% of their domestic food production.

Without irrigation development in countries such as China, India, Egypt and the Western U.S., world grain production would drop by 33-50%.

By 2025, 80% of the additional food supplies required will be produced on irrigated land.



Drip Irrigation

- * The process of delivering precise amounts of water and nutrients directly to a plant's root zone.
- * Technology offers farmers exact irrigation control.
- * Enables efficient use of limited water resources.



Managing Freshwater Shortages: Conservation & Knowledge Sharing

Only 5% of the world's fresh water supply is accessible. NETAFIM believes that this precious resource must be respected and used wisely.



Ecological Awareness

NETAFIM is committed to the development of methods and tools to preserve water – one of the world's most precious resources. We will join forces to promote and increase global food production that will bring relief to many less privileged populations. We will support universal efforts towards improving the quality of the environment, and the beauty of our planet.



Knowledge Sharing

In NETAFIM we are committed to sharing our decades of experience, expertise, and innovative research and development – that have resulted in proven and lasting irrigation solutions for arid conditions - in all corners of the globe.

Our familiarity with diverse local growing cultures and methods, together with the deep roots we have established in many different countries, create the ideal foundation for future growth.



Quality Commitment

We are committed to exceptional standards of performance, productivity and uncompromising quality, as well as to dedicated customer service and cooperation. These mandatory requisites are the foundation upon which we build our long-term success.



Continuous Learning

Curiosity, creativity, and the will to embrace new ideas are the basic building blocks of NETAFIM's commitment to enhance the world's irrigation systems.

In order to turn hundreds of new ideas into reliable solutions, we are committed to the policy of organizational learning. To this end we not only provide ongoing training programs for our staff in all departments, but welcome in-put from every possible source - our customers, suppliers and colleagues.



Netafim Irrigation University

Technical & Agronomist Education

International Knowledge Sharing

Professional Studies Programs

- 1 day **local** hands on instruction.
- 3-7 days **territorial** professional seminars.
- 7-10 days **international** study expeditions.
- During exhibitions – short classroom studies.
- Study materials – professional booklets, presentations etc.



From The Middle East To The Middle West:

How Irrigation Can Help In The Fight To Alleviate Global Poverty.



NETAFIM believes that the fight against terrorism must address the worldwide scourge of poverty.

NETAFIM'S advanced irrigation systems can help transform age-old farming practices and bring many aspects of agriculture into the 21st century - thus feeding the world's hungry.



NETAFIM agrees with the UN that the lack of fresh water and sanitation is the greatest obstacle to sustainable development and the most visible symbol of the growing gap between the rich and the poor.



Water



Peace



Conclusions

“Banana growers in the Ivory Coast, Colombia and the Philippines. Greenhouse farmers in Poland and Kazakhstan. Vegetable farmers in India and sugar cane growers in Australia.”

These are just few of our customers who are benefiting from the use of drip irrigation worldwide.



**Using Drip Irrigation
We Can Do Much
More With Less.**

