

## **Monsanto Said to Seek Crop Chemicals Deals with BASF, Bayer**

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After losing the battle for Syngenta AG, Monsanto Co. has explored possible deals with BASF SE and Bayer AG of Germany as the U.S. seed company seeks to bolster its position amid industry consolidation, according to people familiar with the matter.

Monsanto approached its preferred partner BASF about buying its crop-science business as well as forging partnerships, said the people, who asked not to be identified because deliberations are private. No agreement was reached with the Ludwigshafen, Germany-based firm, one of the people said.

Monsanto's exchanges with drug-maker Bayer were about asset purchases or joint ventures and executives recently met in Chicago, the people said. The talks were focused on the U.S. firm buying two crop-science units from Bayer, including for cotton crops, one of the people said. The discussions are ongoing, the people said, and may be expanded to the purchase of Bayer's entire crop-science business, one of them said. Reuters previously reported the talks with Bayer.

Bayer shares surged as much as 5.4 percent, the most since Aug. 25, and were trading 4.2 percent higher at 103.45 euros at 10:35 a.m. in Frankfurt. BASF rose 1.1 percent to 67.20 euros.

### **Consolidation Role**

Monsanto's discussions with Bayer, which is based in Leverkusen, Germany, would increase its chances of playing a role in consolidation of the industry as well as putting pressure on BASF for negotiations, the people said.

Representatives for Monsanto, Bayer and BASF declined to comment.

Monsanto, along with the German chemicals companies, was left on the sidelines after U.S. competitors Dow Chemical Co. and DuPont Co. announced a \$130 billion merger in December and China National Chemical Corp. agreed to buy Switzerland's Syngenta for more than \$43 billion in February. St. Louis-based Monsanto's unsuccessful approach for Syngenta last year sent ripples through the industry as the other top suppliers of herbicides, genetically-modified seeds and other products raced to calculate the implications of such a tie-up.

Monsanto is in "a relatively weak position and are looking at everything that is still available," Landesbank Baden-Wuerttemberg analyst Ulle Woerner said by telephone. Monsanto has been cooperating with BASF in some areas for years "so they know them quite well."

Before Syngenta's tie up with state-owned ChemChina, BASF also discussed various options including a full and partial acquisition of its Swiss peer, including potentially teaming up with Monsanto, people familiar with the matter have said previously.

Weaker currencies are hurting Monsanto's revenues in foreign markets while the decline in agricultural commodities such as corn and soybeans has reduced profits for farmers, spurring them to cut spending. Bayer, known for inventing aspirin more

than a century ago, reported earnings in February that missed estimates on a decline at the agricultural division.