

Monsanto would sell Syngenta's seed business in merger

NEW YORK: US agriculture and seed giant Monsanto said Wednesday that it would sell Syngenta's seeds and traits assets to address regulatory concerns if the Swiss company accepts its takeover offer...



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In a statement ahead of its annual investors conference, Monsanto outlined the strategy behind its unsolicited acquisition bid for Syngenta to create a company "redefining the future of agriculture."

A combined company would create a giant in global agricultural biotechnology: Monsanto is number one in seeds and Syngenta ranks third. Syngenta is the world leader in products to protect crops.

But Syngenta announced on 8 May that it had rejected Monsanto's offer of 449 Swiss francs per share, representing a 35% premium from the previous day's closing price in a deal valuing Syngenta at about 42 billion Swiss francs (\$44.8 billion).

Syngenta at the time said the Monsanto offer undervalued its prospects and underestimated the risks in concluding a deal, including regulatory scrutiny.

Brett Begemann, Monsanto's president and chief operating officer who is presenting the rationale to investors Wednesday, will highlight the benefit of "adding Syngenta's leading crop protection portfolio to Monsanto's leading seed footprint" to create new value for farmers, the US company said.

Monsanto expressed confidence in its ability to address regulatory concerns.

"This includes the company's commitment to divest all of Syngenta's seeds and traits assets and certain overlapping chemistry assets, making Monsanto better positioned than anyone in the industry to create a new company committed to integrated, value-added solutions and enabling continued choice in the seed industry," Monsanto said.

In addition, the proceeds from the planned divestitures will bolster the combined company's capital structure, it said.

Monsanto shares were down 0.6% at \$119.19 in early afternoon trade on the New York Stock Exchange.

Source: AFP

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