

John Deere drops merger plan with Monsanto unit

WASHINGTON, US - US farm equipment giant John Deere has dropped plans to acquire a unit of Monsanto amid concerns the merger would be challenged by regulators.



Image Source: [John Deere](#)

Deere & Company had announced in November 2015 its plan to purchase Precision Planting LLC, a company owned by Climate Corporation, a subsidiary of Monsanto. But competition authorities filed a complaint against the acquisition last August, fearing it would reduce competition in the sector.

The proposed acquisition would have combined the only two significant US providers of high-speed precision planting systems, the Justice Department said in a statement late Monday. High-speed planting can allow farmers take the greatest advantage of the limited window for planting each year and achieve the highest crop yields.

"The companies' decision to abandon this transaction is a victory for American farmers and consumers," acting Assistant Attorney General Andrew Finch of the Justice Department's Antitrust Division, said in a statement.

"Had this acquisition gone forward, significant head-to-head competition between Deere and Monsanto's Precision Planting - competition that has led to lower prices and more innovative products - would have been lost."

A federal court in Chicago was due to hear the case on the merger in June.

Source: AFP

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