

US Biotech Giant Monsanto Buys Brazilian Hybrid Corn Producer

Contributed by Newsroom
Wednesday, 12 September 2007

US-headquartered biotechnology multinational Monsanto announced that it has acquired Agroeste Sementes, a leading Brazilian corn seed company, for slightly more than US\$ 100 million. Agroeste focuses on hybrid corn seed production and serves farmers throughout Brazil, the world's third largest corn production area.

Under the terms of the agreement, Monsanto acquired ownership of 100 percent of Agroeste's businesses including its corn seed brands. Monsanto paid cash for the acquisition.

"Agroeste will serve as an important complement to our existing national brand approach in Brazil," said Brett Begemann, Monsanto's Executive Vice President of Global Commercial.

"The acquisition will allow our companies to provide new and innovative higher yielding seed offerings through multiple brands and will bolster our genetics platform for the introduction of our trait technologies longer term," Begemann said.

Brazilian farmers planted approximately 30 million acres of corn in the 2006-2007 growing season. Today, Monsanto estimates that the Brazilian hybrid corn seed market is 23 million acres.

Monsanto says that the acquisition will enhance the company's existing corn germplasm portfolio, enabling the company to deliver new higher-yielding seed offerings to Brazilian corn farmers.

Agroeste's corn seed products are currently used on approximately 10% of Brazil corn acres. Monsanto's corn seed products, sold locally through the Dekalb and Agrocere seed brands, are currently used on approximately 30% of corn acres in Brazil.

Monsanto noted that the combination of each company's germplasm portfolios is also expected to support the introduction of biotech trait offerings in Brazil longer term.

Last month, the Brazilian National Biosafety Technical Committee's (CTNBio) approved Monsanto's MON 810 insect protection event, known in the United States as YieldGard Corn Borer, for future commercial use in corn in Brazil.

The CTNBio approval may be followed by a review from the National Biosafety Council (CNBS) to examine social and

economic factors.

Following a favorable review by CNBS, and approvals of the individual MON 810 events in specific hybrid varieties, farmers will be able to plant these higher-yielding seeds.