

Monsanto profit rises 22 percent in second quarter

April 3 2013, by Matthew Perrone

(AP)—Monsanto reported Wednesday that its income increased 22 percent in the agriculture products company's second quarter on strong sales of biotech seeds, particularly in Brazil and other emerging markets.

The company boosted its full-year earnings guidance, citing its strong performance in the first half of the year.

Its shares rose 2 percent in morning trading.

The St. Louis company said it earned \$1.48 billion, or \$2.74 per share in the three months ended Feb. 13, up from \$1.21 billion, or 2.24 per share, in the same quarter a year ago.

Monsanto Co.'s sales increased 15 percent to \$5.47 billion, led by genetically modified corn seeds, the company's best-selling product.

The company's results topped Wall Street predictions of \$2.56 per share on sales of \$5.27 billion, according to FactSet.

Monsanto executives raised their full-year earnings outlook to between \$4.40 and \$4.50 per share, up from \$4.30 to \$4.40. Analysts expect earnings of \$4.56 per share.

Monsanto has dominated the bioengineered-seed business for more than a decade. In recent years the company has focused on growing business in [emerging markets](#) like Argentina, Brazil and other Latin American

countries.

The company's corn, soybean, cotton and other seeds have genetically engineered traits that repel bugs, increase yield and make them resistant to weed-killer. The company says these benefit farmers enough that they come out ahead, even though the seeds cost more than conventional seeds. Monsanto's critics argue that the company has tried to use [patent law](#) to control the supply of seeds for soybeans, corn, cotton, [canola](#) and other agricultural [staples](#). Monsanto has a policy that prohibits farmers from saving or reusing the seeds once a crop is grown

Last month the Supreme Court heard a case between Monsanto and an Indiana farmer who replanted the company's herbicide-resistant soybeans after buying them second hand. The court appeared likely to side with Monsanto Co. in its claim that the farmer violated the company's patents on the [soybean](#) technology.

Sales of the company's seeds business increased more than 10 percent to \$4.3 billion in the second quarter. Sales of the company's agricultural productivity unit, which sells pesticides and herbicides, increased 36 percent to \$1.1 billion.

Monsanto historically made most of its money from chemicals, including the [herbicide](#) Roundup. But Roundup isn't as profitable as it used to be, in part because competition from generic products from China and other nations has dragged down the price Monsanto can charge.

Monsanto shares rose \$2.03, or 2 percent, to \$105.65 in morning trading. They are near the high end of the 52-week range of \$69.70 to \$106.61.

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