

# Germany's Bayer in talks to buy crop seeds company Monsanto

May 19 2016

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The Oct. 2, 2013 file photo shows the logo of the chemical company Bayer at the Airport Berlin Brandenburg 'Willy Brandt', IATA code BER, in Schoenefeld, Germany. German drug and chemicals company Bayer AG confirmed Thursday, May 19, 2016 it has entered talks with the Monsanto Company about the possible acquisition of the U.S.-based specialist in genetically modified crop seeds. Leverkusen-based Bayer said in a short statement that its executives had met recently with their Monsanto counterparts "to privately discuss a negotiated acquisition of Monsanto Company." (AP Photo/Michael Sohn, file)

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The news sent Bayer shares tumbling 7.9 percent in early trading on Germany's DAX index to 88.81 euros (\$100.17). Monsanto shares jumped 8.9 percent to \$105.80 in pre-market trading in New York.

Bayer AG, whose farm business produces seeds as well as compounds to kill weeds, bugs and fungus, said the proposed acquisition would help it "create a leading integrated agriculture business."

St. Louis, Missouri-based Monsanto said late Wednesday that it was reviewing Bayer's proposal. Neither company gave other details.

The possible deal had been rumored for a week but it was the first comment from either company.

It follows a wave of consolidation in the chemicals industry: DuPont and Dow Chemical agreed to combine last year, and ChemChina agreed to buy Syngenta of Switzerland in March after Monsanto's own bid for its Basel-based rival failed.



In this Monday, Aug. 31, 2015 file photo, the Monsanto logo is seen at the Farm Progress Show in Decatur, Ill. German drug and chemicals company Bayer AG confirmed Thursday, May 19, 2016 it has entered talks with the Monsanto Company about the possible acquisition of the U.S.-based specialist in genetically modified crop seeds. Leverkusen-based Bayer said in a short statement that its executives had met recently with their Monsanto counterparts "to privately discuss a negotiated acquisition of Monsanto Company." (AP Photo/Seth Perlman)

Monsanto has some 20,000 employees and produces seeds for fruits, vegetables and other crops including corn, soybeans and cotton, as well as the popular weed-killer Roundup.

Its sales have suffered recently as falling crop prices have reduced farmers' spending on its genetically enhanced seeds. Meantime, the strong U.S. dollar has meant its products are more expensive overseas.

Bayer, which specializes in health care and agriculture, employs some 117,000 people worldwide and had sales last year of 46.3 billion euros (\$52.22 billion).



In this April 28, 2010 file photo a vessel passes by the plant of chemical giant Bayer AG at the river Rhine in Leverkusen, western Germany. German drug and chemicals company Bayer AG confirmed Thursday, May 19, 2016 it has entered talks with the Monsanto Company about the possible acquisition of the U.S.-based specialist in genetically modified crop seeds. Leverkusen-based Bayer said in a short statement that its executives had met recently with their Monsanto counterparts "to privately discuss a negotiated acquisition of Monsanto Company." (AP Photo/Frank Augstein)

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