

Monsanto lifts 2013 outlook as corn sales surge

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Monsanto raised its 2013 earnings outlook as first-quarter corn seed and traits results pushed profits far above Wall Street expectations. The company posted net income of \$339 million (62 cts/share) for the quarter ended 30 November, up from \$126 million in the year-ago period, on "significant contribution from the corn seed and traits business, led by the corn opportunity acceleration in Latin America and strong shipments in the United States," Monsanto says. Analysts had expected 37 cts/share according to Thomson Reuters (New York). Net sales increased 21%, to \$2.9 billion.

Monsanto raised its 2013 earnings guidance from \$4.18–4.32/share to \$4.30–4.40/share, although the revised forecast still misses analysts' consensus estimate of \$4.43/share.

"We've achieved a successful start to the year, with contributions from multiple areas that speak to the strength of our global business and provides confidence in our ability to realize a third consecutive year of significant growth," says Hugh Grant, chairman and CEO for Monsanto. "The momentum in our business is also seen in our record research and development progress. Through continued innovation in our integrated yield pipeline, we remain committed to delivering cutting-edge solutions that will bring additional value to our customers."

Seeds and genomics gross profit increased 12%, to \$1 billion, on sales 14% higher, to \$1.8 billion. Corn seed and traits net sales increased 27%, to \$1.1 billion, driven in part by the business strength in Brazil, Argentina, and Mexico, Monsanto says. In Brazil, farmers continue to upgrade from single trait corn products to the first double stack, VT PRO 2. In Argentina, the company says it has seen strong adoption of its Genuity VT Triple PRO triple-stack corn seed, which is on track to be 40% of the company's Argentine corn portfolio in just its second year on the market. In the US market, seed orders point to growth in 2013, the company adds.

Crop protection sales increased 21%, to \$1.2 billion, and segment gross profit more than doubled, to \$372 million. Monsanto says the strong performance reflects near-term supply and demand imbalance and higher prices for generic glyphosate.

Source *Chemical Week*