

Bayer sells crop science units to ease Monsanto takeover

FRANKFURT, Germany - German chemicals and pharmaceuticals giant Bayer announced a multi-billion-euro deal Friday to sell parts of its agrichemical business to rival BASF, easing the path of its planned takeover of US seed maker Monsanto.



Bayer via [Wikimedia Commons](#)

The €5.9bn (\$7bn) deal includes Bayer's glufosinate ammonium herbicide business, "essentially all" of its crop seeds units, and related research and development activities and intellectual property, the company said in a statement.

Friday's transaction will only go ahead if Bayer's Monsanto merger is approved by competition authorities, and is itself subject to a competition probe.

"We are taking an active approach to address potential regulatory concerns, with the goal of facilitating a successful close of the Monsanto transaction," chief executive Werner Baumann said.

The European Commission said earlier this month it would put on hold its competition probe of Bayer's \$66bn mega-deal - the largest in German history - to take over controversial US seeds and pesticides maker Monsanto, allowing the companies time to offer new information.



EU pauses inquiry into Bayer-Monsanto takeover

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Too much power over the food chain feared

Environmentalists and politicians on both sides of the Atlantic fear that the deal, which would create a global seeds and pesticides behemoth with annual revenues of around €23bn and 140,000 employees, would give the combined firm too much power over the food chain.

As it opened an in-depth examination of the tie-up in August, the Commission expressed concern that Bayer produces one of the few alternatives to Monsanto's product glyphosate, the most sold non-selective herbicide in Europe. It also noted that both firms have large market shares in vegetable seeds and several field crops where their products compete against one another.

Friday's sale to BASF includes Bayer's cotton seeds, canola seeds and soybean seed activities. The units the Leverkusen-based group plans to sell generated around €1.3bn of revenue in 2016, the firm said.

More than 1,800 employees are affected by the move, mostly in the US, Germany, Brazil, Canada and Belgium, with BASF agreeing to guarantee their jobs for three years after the deal is inked.

The proceeds of the sale will go towards partially refinancing the Monsanto bid.

Bayer still hopes to close its Monsanto merger "by early 2018", although the Commission said in August that the deadline for a decision would be pushed back from the previous date of January 22 next year.

Source: AFP

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