

Monsanto Shares Slip on Bug-Resistant Corn Woes

the Associated Press



NEW YORK (AP) — Shares of farm chemical and seed maker Monsanto Co. tumbled nearly 4 percent early Monday on a published report about rootworms that are developing resistance to a natural pesticide the company makes.

Monsanto has been working for years to shift its business focus away from farm chemicals and into genetically altered seeds that double as pesticides.

The Wall Street Journal reported Monday that an Iowa State University entomologist has discovered that western corn rootworms in four Iowa fields have evolved and can resist a natural pesticide made by plants grown from Monsanto's genetically altered corn seeds. The scientist said the cases were isolated, but he did not know how widespread the problem could become.

The paper said entomologist Aaron Gassmann's discovery could cause farmers to switch to insect-resistant seeds sold by competitors, and it could lead them to resume spraying fields with insecticides.

Monsanto spokesman Lee Quarles said farmers are required by the U.S. Environmental Protection Agency to plant conventional seeds on part of their crops to ensure insects that develop a resistance to genetically engineered crops mate with others that haven't done so and produce offspring without the resistance.

Quarles also said the company's corn seed gives farmers "tremendous performance" against the rootworms in greater than 99 percent of the acres on which it's planted. He said it's too early to tell if Gassmann's discovery will have implications in the field.

The Journal said Monsanto, starting in 2003, was the first company to sell rootworm-

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resistant corn seed.

Monsanto is locked in a competition for farmers' dollars with seed developers like Dupont, which owns the seed company Pioneer Hi-Bred. Monsanto is trying to convince farmers to pay a premium for seeds that include many genetically altered traits, rather than choose a cheaper version with just one or two traits.

Monsanto said its total seeds and traits revenue rose to \$2.65 billion from \$2.36 billion last year. Corn seed sales jumped 10 percent from last year to \$1.12 billion.

The St. Louis company's shares fell 27 cents to \$70.41 in midday trading Monday.

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