Monsanto Reports 4Q Loss, Will Restate Earnings

CHRISTOPHER LEONARD,AP Agribusiness Writer

ST. LOUIS (AP) — Monsanto's fourth-quarter results beat Wall Street expectations. But the company says it has to restate the last two year's earnings because of a federal investigation into its herbicide sales.

The world's biggest seed company on Wednesday said a U.S. Securities and Exchange Commission probe will prompt it to restate earnings due to incentives it paid dealers of its Roundup Herbicide. Monsanto had previously announced the investigation, which centers on cash incentives the company paid to boost Roundup's position in an increasingly competitive market. The herbicide was once a mainstay of Monsanto's profits, but is now under pressure from generic versions made in China and elsewhere.

The SEC investigation clouded what was an otherwise bright earnings report. Monsanto said sales of its corn and soybean seeds has been strong, as farmers are willing to pony up more money for Monsanto's newer, more expensive lines of genetically altered seeds that contain several patented traits.

The St. Louis company said it had a net loss of $112 million, or 21 cents per share, for the quarter ended Aug. 31. Monsanto Co. said that adjusted for one-time items, the loss was 22 cents per share. Revenue amounted to $2.25 billion.

Analysts surveyed by FactSet had expected an adjusted loss of 27 cents per share on revenue of $1.91 billion.

Monsanto's stock rose $1.55, or 2.5 percent, to $64.50 in premarket trading.

Monsanto said fourth-quarter sales in its seeds and genomics division jumped 39 percent compared to last year, hitting $1.4 billion. Monsanto said the earnings restatement will not affect its seeds and genomic division.

After reviewing its records in light of the SEC investigation, Monsanto will restate portions of its earnings statements from the fourth quarter of fiscal year 2009 through the third quarter of fiscal year 2011.

The company said the restatements could reduce its reported net income in the fiscal year 2009 by between 10 cents or 5 cents per share. The impact on earnings for fiscal year 2010 could be in the range of a loss of 02 cents a share to a gain of 3 cents a share.

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http://www.chem.info/news/2011/10/monsanto-reports-4q-loss-will-restate-earnings