Monsanto Profit Balloons on Latin American Sales

WASHINGTON (AP) — Agricultural products giant Monsanto reported Tuesday that its profit nearly tripled in the first fiscal quarter as sales of its biotech corn seeds expanded in Latin America.

The company raised its earnings guidance for the year, briefly lifting its shares to its highest level in more than four years.

The company's sales grew 21 percent to $2.9 billion in the quarter, with most of increase coming from the company's corn seed business.

The St. Louis company earned $339 million, or 63 cents per share in the three months ended November 30. That compares to earnings of $126 million, or 23 cents per share, in last year's quarter.

Monsanto's results easily trumped analyst predictions of 36 cents per share on sales of $2.6 billion in revenue, according to FactSet.

The company's first fiscal period is usually not very profitable, as farming operations slow during the fall months in the U.S. and Europe. But increased sales in Argentina, Brazil, Mexico and other Latin American countries helped drive earnings from September through November.

Monsanto told investors last year that it expects to benefit more from the growing season in the Southern hemisphere. Monsanto predicts that international sales will account for half of its growth in seeds for fiscal 2013, which ends in August.

Sales of the company's largest unit, seeds and genomics, grew 27 percent to $1.1 billion, on demand from farmers in Brazil and Argentina.

Monsanto's corn and soybean seeds have genetically engineered traits meant to produce more crops and repel bugs. The company says these benefit farmers enough that they come out ahead, even though the seeds cost more than conventional seeds.

For all of fiscal 2013, the company expects profit of $4.30 to $4.40 per share.

Analysts predicted profit of $4.39 per share.

Shares added $2.39, or 2.5 percent, to $98.33 in midday trading Tuesday after rising as high as $99.99 earlier in the session. That was the highest price for Monsanto shares since October 2008.

Source URL (retrieved on *12/01/2015 - 8:39pm*):
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