Dow-Dupont merger creates agricultural giant

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U.S. chemical titans Dow and DuPont have <u>agreed</u> to a \$130 billion merger. Once combined, DowDuPont (as it will be known) intends to split into three parts, including one devoted solely to agriculture. The announcement likely triggered corner office gasps in Basel, Switzerland, and in St. Louis, Missouri — hometowns of the globe's two-largest pesticide and seed companies, Syngenta and Monsanto. That's because Dow and DuPont are both sprawling conglomerates that contain massive ag divisions. Combining them into a "leading global pure-play Agriculture company" (as the companies' <u>press release</u> puts it) will create a gargantuan new rival for those market-leading agribusiness titans. . .

Earlier this year, Monsanto made a <u>bold</u>, <u>sustained push to buy out its rival Syngenta</u>. The combined company would have been truly enormous, controlling something approaching a third of both the seed and pesticide markets (see charts <u>here</u>). Syngenta's management <u>ultimately fought off the bid in August</u>, but rumors of coming mergers and buyouts in the agribiz sector have swirled ever since. With the Dow-DuPont deal, those prophecies have proven thunderously true. The new firm will mash up DuPont's seed heft with Dow's fat share of the pesticide market. Let's call it DowDuPont Agri. . . .

The GMO seed industry once vowed to wean industrial agriculture off its reliance on pesticides. But as I <u>wrote</u> in May, when the globe's biggest seed company (Monsanto) was hotly pursuing marriage with the globe's biggest pesticide maker (Syngenta), the industry now appears to be betting big on a pesticide-soaked future.

And the new company will likely — unless antitrust authorities make it sell off overlapping business segments — emerge as a bigger seed and agrichemical player than the two that currently stand atop the market.

Read full, original post: <u>Move Over, Monsanto: The Pesticide and GMO Seed Industry Just Spawned a</u> New Behemoth