WEEKLY NEWS ARTICLE UPDATE

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November 23, 2015

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Export Sales Highlights

This summary is based on reports from exporters for the period November 6-12, 2015.

Soybeans: Net sales of 1,797,600 MT for 2015/2016 were up 39 percent from the previous week and 23 percent from the prior 4-week average. Increases were reported for China (1,644,400 MT, including 607,100 MT switched from unknown destinations and decreases of 16,300 MT), the Netherlands (90,400 MT, including 70,000 MT switched from unknown destinations and decreases of 500 MT), Spain (72,700 MT, including 65,000 MT switched from unknown destinations), Taiwan (68,600 MT, including 50,000 MT switched from unknown destinations), Egypt (66,000 MT), and Portugal (60,600 MT, including 31,500 MT switched from unknown destinations and 29,100 MT switched from Canada). Reductions were reported for unknown destinations (352,100 MT) and Canada (29,000 MT). Net sales of 500 MT for 2016/2017 were reported for Japan. Exports of 2,271,000 MT were down 9 percent from the previous week and 5 percent from the prior 4-week average. The primary destinations were China (1,747,800 MT), the Netherlands (90,400 MT), Taiwan (78,500 MT), Spain (72,700 MT), and Bangladesh (53,800 MT).

Optional Origin Sales: For 2015/2016, decreases in optional origin sales totaling 60,000 MT were reported for unknown destinations. Outstanding optional origin sales total 295,000 MT and are for China (175,000 MT), Pakistan (60,000 MT), and unknown destinations (60,000 MT).

Exports for Own Account: New exports for own account totaling 21,500 MT were reported to Canada. Decreases totaling 66,000 MT were reported to Canada. The current outstanding balance is 54,100 MT, all Canada.

Export Adjustments: Accumulated exports to the Netherlands were adjusted down 20,860 MT for week ending October 22nd. The correct destination is Germany. Accumulated exports to Canada were adjusted down 20,914 MT for week ending October 22nd. The correct destination is the Netherlands. These corrections are included in this week's report.

Soybean Cake and Meal: Net sales of 224,100 MT for 2015/2016 were up 8 percent from the previous week, but down 4 percent from the prior 4-week average. Increases were reported for Ecuador (62,300 MT), Mexico (37,800 MT), Egypt (25,000 MT), Peru (24,000 MT), Guatemala (22,900 MT, including 7,500 MT switched from unknown destinations and 600 MT switched from El Salvador), and the Dominican Republic (9,200 MT). Reductions were reported for the French West Indies (4,200 MT) and El Salvador (1,000 MT). Net sales of 23,200 MT for 2016/2017 were for Ecuador (21,100 MT), Guatemala (1,600 MT), Canada (300 MT) and Mexico (200 MT). Exports of 206,400 MT were down 5 percent from the previous week, but up 1 percent from the prior 4-week average. Increases were primarily to the Philippines (49,600 MT), Mexico (47,000 MT), Thailand (29,700 MT), Guatemala (25,200 MT), and Algeria (16,500 MT).

Optional Origin Sales: Outstanding optional origin sales total 99,000 MT, all unknown destinations.

Soybean Oil: Net sales of 37,700 MT for 2015/2016 were up 30 percent from the previous week, but down 12 percent from the prior 4-week average. Increases were reported for Tunisia (14,200 MT switched from unknown destinations), South Korea (11,000 MT switched from unknown destinations), Algeria (5,800 MT switched from unknown destinations), Mexico (3,800 MT), and Peru (3,300 MT). Reductions were reported for unknown destinations (2,500 MT). Exports of 48,600 MT--a marketing-year high--were up 69 percent from the previous week and up noticeably from the prior 4-week average. Increases were primarily to Tunisia (14,200 MT), South Korea (11,000 MT), the Dominican Republic (10,500 MT), and Mexico (6,400 MT).

Argentine Cattle Breeder Seeks an End to Farm Export Taxes

By Pablo Gonzalez

(Bloomberg) -- Argentina's next president, to be elected this weekend, should scrap crop and beef export tariffs after existing farm policies erased $10 billion a year in foreign sales, said Jorge Brito, chairman of cattle producer Inversora Juramento SA.

"Slaughterhouses are working at 50 percent capacity because of bad government policies, while Argentina's herd has returned to a 1960s level," Brito, who is also president of Argentina's largest banking association and head of Banco Macro SA, said in an interview in Buenos Aires. "The agricultural policy has been a complete mistake."

Argentina’s beef sales abroad have tumbled more than two-thirds to a 14-year low since 2005 when then-President Nestor Kirchner introduced a 15 percent levy on beef exports. The world’s top beef exporter in the 1930s, Argentina is poised to end this year as ninth-largest behind neighboring Uruguay and Paraguay, according to data compiled by the U.S. Department of Agriculture.

“With this schizophrenic policy Argentina is losing $10 billion in exports and is instead getting a mere $400 million per year in export taxes,” Brito said, referring to sales of beef, corn and wheat.

Last year’s Argentine beef exports slid 72 percent to 215,047 tons from a 36-year high in 2005, according to data compiled by Argentina’s institute for the promotion of beef. In September, shipments dropped 33 percent from the average of 2001-2010.

Governmental Grip

Juramento is exporting premium cuts of the company’s herd to Europe but the lion’s share is sold domestically because “it is very hard to get an export permit, with delays of almost 30 days. Argentina has created obstacles for everything.” Brito is a majority shareholder in the company.

Kirchner’s successor in 2007, his wife Cristina Fernandez de Kirchner, increased the government’s grip on farmers by ratifying export taxes of 23 percent and 25 percent on wheat and corn, respectively. The soybean tax was set even higher at 35 percent.

Juramento sold shares in the local market in 2010 and is prepared to sell American depositary receipts on the New York Stock Exchange when the company sees a window of opportunity, according to a company regulatory filing. The stock has climbed 30 percent to a record 6.30 pesos Monday in Buenos Aires since Oct. 25 when an unexpectedly close presidential vote prompted a Nov. 22 runoff between Maurico Macri and Daniel Scioli. Macri and Scioli have both pledged to abandon taxes for beef, corn and wheat.

China’s Hunger to Join GMO Club Revealed in Syngenta Move

By Jack Kaskey

(Bloomberg) -- To understand what could be the largest-ever takeover by a Chinese company, look no further than the changes in the nation’s diet.

A successful bid by state-owned China National Chemical Corp., or ChemChina, to buy Syngenta AG, a Swiss producer of pesticides and engineered seeds, could help China combat weeds and insects with less labor as farm workers are increasingly turning to higher-paying city jobs, and after the amount of arable land has declined. At the same time, China's growing middle class has increased its meat consumption, boosting feed-grain demands.

While ChemChina's initial $42 billion bid for Syngenta was rejected, people with knowledge of the matter said Thursday, the rationale remains strong. Such a deal would also transform ChemChina into a developer of genetically modified organisms, or GMOs, vaulting it into direct competition with market leader Monsanto Co.

For more than a year, President Xi Jinping has urged his country to take the lead in developing genetically modified crops. China's nascent seed industry, he said a speech last year, should "boldly research and innovate" in GMOs and prevent foreign companies from dominating the market. Biotech for crops was highlighted in China's most recent draft Five-Year Plan.

Industry Upheaval

"What ChemChina is really interested in is the seed research," Jonas Oxgaard, a New York-based analyst at Sanford C. Bernstein & Co., said by phone Friday. "It's arguably the main strategic rationale for the deal."

Switzerland's Syngenta, the world's largest producer of pesticides, is also one of a handful of non-Chinese companies that dominate the production of GMO crops -- others include Dow Chemical Co., DuPont Co. and Bayer AG. Even before ChemChina's interest, the GMO industry was already facing upheaval. Monsanto made an unsuccessful takeover offer for Syngenta earlier this year and says it's still looking for acquisitions, while both Dow and DuPont have acknowledged they're in talks to potentially sell or add to their agriculture-input businesses.

Syngenta shares rose as much as 2.4 percent and were trading 7.80 francs higher at 370.20 francs at 10:50 a.m. in Zurich.

Dow Talks?

ChemChina is joining the fray so it doesn't get shut out from any consolidation, and it's probably negotiating with Dow about acquiring the U.S. company's Dow AgroSciences unit, according to Oxgaard. Dow AgroSciences has developed popular seed traits and it may be had for one-third the price of Syngenta, he said. ChemChina made a bid for Dow AgroSciences when it was for sale in 2009, the South China Morning Post reported at the time.

"It's inconceivable they would bid for Syngenta and not for Dow," Oxgaard said. A spokesman for Dow declined to comment on the speculation. No one immediately responded to phone calls and an e-mail to ChemChina seeking comment.

Despite its mammoth size -- ChemChina had 160,000 employees at the end of 2013, according to data compiled by Bloomberg -- just 12 percent of its revenues come from agriculture. Gaining seed technology would allow it to skip the expensive, years-long process of developing its own GMOs and move the company beyond the generic pesticides produced by its Israel-based unit, Adama Agricultural Solutions Ltd, which it acquired in 2011.

Regulatory Know-How

Syngenta has one of the broadest seeds portfolio in the industry, including 6,800 varieties of its own proprietary genetics. Seeds accounted for about a quarter of sales last year and most of its GMO research takes place at Research Triangle Park in North Carolina.

Buying Syngenta would also give ChemChina the know-how to win regulatory approvals for future technologies, London-based analysts at Deutsche Bank AG said in a note Friday. Syngenta also has global reach with sites across the U.S., Europe, South America and China.

Executives at a different China-based agriculture company were so desperate to acquire GMO technology they allegedly stole seeds from Monsanto and DuPont corn fields in 2012. Mo Hailong, director of international business for Beijing Dabeinong Technology Group Co., also known as DBN Group, faces trial Feb. 6 in the criminal trade-secrets case. Mo is among six Chinese nationals accused of stealing 250 pounds of seeds from fields in Iowa and Illinois in order to ship them to Kings Nower Seed, a unit of DBN Group. Mo has pleaded not guilty.

Monsanto Expects to See Low Single-Digit Corn Seed Price Increase in 2016

CHICAGO, Nov 17 (Reuters) - Monsanto expects to see corn seed prices increase by low single digits in local currencies for its corn seeds sold for the 2016 planting season, company president Brett Begemman said Tuesday.

The pricing increase will be similar to the increase the company rolled out for the 2015 planting season, Begemman told reporters at the company's headquarters.

Monsanto has not yet issued pricing guidance for its soybean seeds for next year, Begemman said.

EU, Brazil Seek WTO Deal to Ban Agricultural Export Subsidies
By Tom Miles
GENEVA, Nov 17 (Reuters) - The European Union, Brazil and four other countries are proposing the World Trade Organization agree an end to agricultural export subsidies at a meeting next month, a diplomat familiar with the plan said on Tuesday.

The December ministerial meeting in Nairobi is at risk of having little to offer in terms of major trade agreements, and the proposal's backers, which also include Argentina, Uruguay, Paraguay and New Zealand, hope the WTO's 161 members will see it as a chance to chalk up a negotiating victory.

That in turn might help the stuttering momentum of global trade talks, which has prompted the United States and other countries to press ahead with regional deals such as the Trans-Pacific Partnership.

The proposal was circulated to WTO members on Monday and will be presented by Brazil and the EU at a WTO meeting on Wednesday, the diplomat said.

"It's a historic move for this organisation because 30 years ago we decided to ban export subsidies for industrial products, and 30 years later we are going to do the same for agriculture."

The proposal revives a previous plan that was rejected at the end of 2008, while aiming to overcome U.S. objections which were the main stumbling block at the time, the diplomat said.

But other potential opponents could be India, which uses export subsidies for sugar, and Switzerland, which gives subsidies under its chocolate law. Others may feel it doesn't go far enough.

The proposal would ban subsidies within 11 years and introduce new rules and transparency requirements for state trading enterprises, non-emergency food aid, and export credits, guarantees and insurance.

The 11 year transition period comprises 3 years for developed countries, an additional 3 years for developing countries, and a further 5 years for subsidies related to transport and marketing of crops. The 2008 draft had an initial 5 year period for developed countries, making 13 years in total.

"Had (the 2008 proposal) gone through, the developed countries would already have banned export subsidies," the diplomat said.

Export credit repayment periods would be limited to 6 months, as in the 2008 version, but conditionally extended to 9 months.

The United States had objected to changes to export credit rules because of the need to change U.S. law, but the new proposal exploits the terms of a 2014 out-of-court settlement in a dispute between the United States and Brazil over cotton.

"They could multilateralise that ... you don't need to change the law. That was precisely why we thought this was a fairly astute way in which you could get a compromise," the diplomat said.

Genetically Engineered Salmon Approved for Consumption
By ANDREW POLLACKNOV. 19, 2015

nytimes.com | Nov. 19, 2015

Federal regulators on Thursday approved a genetically engineered salmon as fit for consumption, clearing the last major obstacle for the first genetically altered animal to reach American supermarkets and dinner tables.

The approval by the Food and Drug Administration caps a long struggle for AquaBounty Technologies, the small company that first applied for approval in the 1990s. The agency made its initial determination that the fish would be safe to eat and for the environment more than five years ago.

The approval of the salmon has been fiercely opposed by some consumer and environmental groups, which have argued that the safety studies were inadequate and that wild salmon populations might be affected if the genetically engineered fish were to escape into the oceans and rivers.

Within hours of the agency's decision, one consumer advocacy group, the Center for Food Safety, said it and other organizations would file a lawsuit to try to rescind the approval.

"This unfortunate, historic decision disregards the vast majority of consumers, many independent scientists, numerous members of Congress and salmon growers around the world, who have voiced strong opposition," Wenonah Hauter, executive director of the group Food and Water Watch, said in a statement Thursday.

The AquAdvantage salmon, as it is known, is an Atlantic salmon that has been genetically modified so that it grows to market size faster than a conventionally farmed salmon.

"The F.D.A. has thoroughly analyzed and evaluated the data and information submitted by AquaBounty regarding the AquAdvantage salmon and determined that they have met the regulatory requirements for approval, including that food from the fish is safe to eat," Bernadette Dunham, director of the agency's Center for Veterinary Medicine, said in a statement.

F.D.A. officials said Thursday that the process took so long because it was the first approval of its kind. People involved in the application suspect the Obama administration delayed approval because it was wary of a political backlash.

The officials said the fish would not have to be labeled as being genetically engineered, a policy consistent with its stance on foods made from genetically engineered crops. However, it issued draft guidance as to wording that companies could use to voluntarily label the salmon as genetically engineered or to label other salmon as not genetically engineered.

Ronald Stotish, the chief executive of AquaBounty, which is majority owned by Intrexon Corporation, said he was delighted and somewhat surprised by the approval after all this time.

"We have been in this process for a very long time, working constructively and patiently wait for approval,'' he said in an interview. "Now, we are ready to get on with our business.''

However, Mr. Stotish declined to say what the plans were for bringing the fish to market, other than that the salmon would not be in stores immediately because it would take about two years for even these fast-growing salmon to reach market size. It is also not likely there will be much of the salmon on the market because the approved production facilities, which are in Panama, has the capacity to produce only about 100 tons of fish a year, a tiny amount compared with the roughly 300,000 tons of Atlantic salmon the United States imports each year, he said.

Mr. Stotish said he did not know if approval was still needed from Panama to export the fish. "I have not asked that question, but I will, now that I have U.S. approval,'' he said.

It is not clear how well the salmon will sell. Some leading supermarkets have already said, in response to environmentalists, that they have no plans to sell the salmon.

The F.D.A. does not require labels for genetically engineered foods. If genetic engineering results in a material change in a food — such as altering its nutrient content — the altered nutrition would be mentioned on the label, but not the fact that genetic engineering was used. In the case of the salmon, agency officials said, there were no meaningful differences between the engineered salmon and its conventional counterpart.

Certain consumer groups and organic food companies have been seeking in Washington and in state legislatures to require labeling of genetically engineered foods, and the approval of the salmon could galvanize their efforts. In addition to its draft guidance for voluntarily labeling salmon, the F.D.A. on Thursday released final guidance, years in the making, for how to voluntarily label food as to whether it was made from genetically engineered crops.

The fish are supposed to be raised inland, in contained tanks, to lessen the chances that they will escape into the wild. AquaBounty says this will also be less stressful on the environment than using pens in the ocean. And it could eventually allow the fish to be raised in the United States, rather than being imported, as most farmed Atlantic salmon is. Mr. Stotish has said in the past that organizations in the United States were interested in doing so.

For now, however, the fish are being raised in Panama, from eggs produced in Prince Edward Island, Canada. Approval to breed or raise the salmon elsewhere, for marketing to Americans, would require separate approvals.

Mr. Stotish said AquaBounty had applied for approval to market the salmon in Canada and Panama and would consider trying to sell it in other countries as well.

The approval could help other efforts to develop genetically modified animals. Scientists and biotechnology industry executives have complained that the long, unexplained delay in approving the salmon was a deterrent to the field. Several other attempts to develop genetically engineered animals for consumption, like a pig whose manure would be less polluting, have fallen by the wayside.

Now, however, there has been a surge of interest in developing new genetically altered farm animals and pets because new techniques, including one known as Crispr-Cas9, allow scientists to edit animal genomes rather than add genes from other species. That has made it far easier to create altered animals.

Scientists in China, for instance, recently created goats with more muscle and longer hair. Researchers in Scotland used gene editing to create pigs resistant to African swine fever. It is not clear yet whether animals created this way would even fall under F.D.A. regulation.

The AquAdvantage salmon contains a growth hormone gene from the chinook salmon and a genetic switch from the ocean pout, an eel-like creature, that keeps the transplanted gene continuously active, whereas the salmon’s own growth hormone gene is active only parts of the year. The company has said the fish can grow to market weight in as little as half the time of a conventionally farmed salmon.

Opponents of the fish say that if the bigger fish were to escape, they could outcompete wild salmon for food or mates. Other scientists have dismissed these concerns. The F.D.A. said on Thursday that there were multiple physical barriers in the Canada and Panama facilities to prevent this. The salmon are also made sterile to prevent reproduction in the event they do escape, although the sterilization technique is not foolproof.

AquaBounty first applied for approval of the salmon in the 1990s, but it took years to determine what data would be needed and how the salmon would be regulated. In 2010, the F.D.A. tentatively concluded the fish would be safe for people and the environment. In September of that year, an advisory committee found some fault with the F.D.A.’s analysis but did not in general challenge the overall conclusions. Then in December 2012, the F.D.A. released a draft environmental assessment that also concluded that salmon would pose little risk to the environment.

The F.D.A. regulates genetically engineered animals as veterinary drugs, using the argument that the gene inserted into the animal meets the definition of a drug. Critics have branded this an inadequate solution intended to squeeze a new technology into an old regulatory framework. They say the F.D.A. is not as qualified as other government agencies to do environmental assessments. The White House is now reviewing the entire framework for regulating genetically engineered products.

The F.D.A. said that to approve the salmon, it determined that the fish was safe to eat, that the inserted genetic elements did not harm the fish itself, and that the company had adequately proved that the salmon grew faster.

AquaBounty, which is based in Maynard, Mass., has long struggled to raise enough money to stay in business. It is now majority owned by Intrexon, a company started by the biotechnology entrepreneur Randal J. Kirk to pursue synthetic biology, a term for sophisticated genetic engineering.

Intrexon has also acquired the company that developed a recently approved genetically modified apple resistant to browning and a British company working on genetically modified insects, such as mosquitoes that might be tested in the Florida Keys as a way to prevent dengue fever. Shares of Intexon were up 7 percent early Thursday afternoon.

Argentina Is Now Open for Business and Foreigners Are Piling In

Carolina Millan cmillanr

Bloomberg.com | 2015-11-13T02:00:00.002Z

For the first time in two decades, the U.S. Chamber of Commerce is bringing business leaders to Argentina. Global hedge funds are snapping up the country's assets. Farmers across the fertile pampas are getting ready to empty silo bags of corn and soybeans after years of withholding part of their crop in anger over tax policies.

Nine days before a closely-watched presidential election in Argentina, it would be hard to overstate the level of expectation in the business world. BRF SA, Brazil's largest food company, is expanding two factories and planning acquisitions. BayWa AG, the Munich-based grain trader, is building its first office in South America's second-largest economy. Arca Continental SAB, Latin America's No.2 Coca-Cola bottler, talks of "tremendous opportunity."

"There are many, many opportunities in that country," Chief Executive Officer Francisco Garza Egloff of Arca Continental said on a conference call with investors Oct. 23. "Well-located, well-positioned in terms of energy, commodity and so on, no debt. It's a tremendous opportunity to work with a well-educated and prepared population."

The turnaround in attitude is stark. For years, doing business in Argentina has been enormously frustrating, with 30 percent inflation, currency controls that make it costly to get money out of the country, sub-par economic growth and unpredictable government policies. The reward has never seemed closer for foreign companies that stuck it out, betting a country that's home to an educated workforce, the world's second-largest shale gas reserves and the third-largest source of soybean exports would eventually normalize. On Nov. 22, Argentines will choose between two presidential candidates who have promised change from the past dozen years of leftist populism led by the Kirchner family.

"We're getting the right overtures right now that this election may represent a renewed relationship with the U.S. and the U.S. business community," said Jodi Hanson Bond, the vice president for the Americas at the U.S. Chamber of Commerce.

The optimistic notes from foreign companies follow moves by hedge funds and other investors who say the departure of President Cristina Fernandez de Kirchner will bring a windfall.

Hedge-fund firms including Soros Fund Management LLC, Third Point LLC and Perry Capital LLC have seen their investments soar amid speculation the next government will settle a lawsuit with creditors, return to international capital markets and undertake reforms designed to bolster growth.

Unacknowledged in all the enthusiasm is that the turnaround may not be swift or easy in Argentina, and there’s no shortage of pessimism on the region as a whole with several European banks shrinking their operations in Latin America.

Argentina is engaged in an epic legal battle with hedge funds fighting for full repayment on debt the country stopped paying in 2001. Its economic data is viewed with skepticism by the International Monetary Fund. Its currency is so overvalued, and limits on buying and selling the dollar are so strict, that the country has developed several parallel exchange rates used by individuals and businesses when they can’t get dollars through official channels.

Both leading presidential candidates advocate the need for change, even if they have different approaches. The opposition’s Mauricio Macri has promised to lift capital controls and let the peso float, while Daniel Scioli of the ruling party vows to make gradual reforms while initially preserving currency controls.

Either way, the change of government will have repercussions for more than 70 companies listed in the S&P 500 Index that have currency exposure in Argentina, according to data compiled by Bloomberg. The country also hosts some of the world’s largest energy producers, including BP Plc, Total SA and Petroleo Brasileiro SA.

“In terms of opportunities going forward, Argentina would be at the top into 2016,” James Harbilas, the chief executive officer of Calgary-based Enerflex Ltd., said when asked by an investor where he saw the biggest opportunity in Latin America for the oil and gas field services provider.

The upbeat tone has been especially widespread among companies with ties to agriculture, one of the sectors hardest hit by Fernandez’s tax policies. Argentine farmers have protested what they consider unfair treatment for several years, in part by holding back crops and storing them in bags that can be seen dotted along rural roads, as they wait for a new government and policy.

Both Scioli and Macri have pledged to scrap the 23 percent levy on corn exports and to reduce the 35 percent tax on soybean exports.

That’s good news to Soren Schroder, the chief executive officer of White Plains, New York-based Bunge Ltd., the world’s largest oilseed processor. He told analysts and investors on Oct. 29 that after years of isolation, he sees Argentina opening up no matter who wins the elections.

“We all believe that starting some time in the first quarter, the Argentine farmer will start letting loose on some of the soybeans that are accumulating,” Schroder said. “They’ll be sitting on over 10 million tons of beans as it looks right now as we move into the new crop, and some of that should come out in the first quarter prior to their new crop harvest.”

Archer-Daniels-Midland Co., the world's largest corn processor said on a conference call last week that it expects more exports out of Argentina, while BayWa executives told analysts and investors on Nov. 5 that they found the Argentine soy industry to be "very impressive."

Jorge Becerra, a managing director for Latin America at the Boston Consulting Group, said businesses are seeing opportunities to bolster investments in Argentina no matter who wins the election. Companies focused on infrastructure, energy and financial services are among those looking for opportunities in the country, according to Becerra.

"There's a renewed interest in understanding how to harness, monetize and promote growth in the country," Becerra said from Santiago.

Monsanto Says It's Evaluating Another Takeover Bid for Syngenta

Jack Kaskey jackkaskey

Bloomberg.com | 2015-11-17

Monsanto Co. is considering whether to begin another attempt to acquire Syngenta AG after state-owned China National Chemical Corp. made a bid for the world's largest pesticide maker.

Monsanto is discussing internally the merits of a new offer as well as opportunities to acquire crop-chemical assets from other companies, Chief Operating Officer Brett Begemann told reporters in St. Louis Tuesday ahead of the company's investor day presentations. Syngenta shares jumped as much as 2.4 percent in Zurich.

In August, Monsanto withdrew a $46.6 billion proposed takeover after Syngenta rebuffed its approach. Syngenta is in talks to be acquired by ChemChina, as the Chinese company is also known, after spurning a $42 billion all-cash offer, people with knowledge of the matter said Thursday. Begemann said that has spawned internal company discussions.

"If you are asking me are we having conversations inside of Monsanto, well of course we are," Begemann said. "Talking and doing is two different things."

A spokesman for Syngenta declined to comment. The Swiss maker of pesticides and seeds traded 2.3 percent higher at 383.7 francs as of 9:02 a.m.

Everybody Is Talking

DuPont Co. and Dow Chemical Co. both said last month they are in discussions for deals on their respective agriculture units.

"I can tell you there are lots of conversations in the industry," Begemann said. "We are discussing every possibility just like every company out there."

The crop chemicals industry is bound to consolidate because target companies are spending too much on research and development for new products, he said. Still, Monsanto doesn't need a big acquisition to reach its goal of doubling earnings to more than $10 a share by 2019, according to Begemann. Profit growth will exceed 20 percent a year following a forecast contraction in the fiscal year begun Sept. 1, he said.

Begemann also said that while Bayer AG isn’t interested in selling its pesticide business, Monsanto could still pursue licensing deals with the German company. He declined to disclose specific deal talks the company has had.

"Everybody is talking now," Begemann said. "We are going to deliver our plans regardless of whether or not there is consolidation. If there is, we would be interested in participating where it makes sense."
Declining Profit

In fiscal 2016, earnings per share will drop to $5.10 to $5.60 a share, excluding restructuring costs and other items, Monsanto said in a statement Tuesday, reiterating a prior forecast. The average of 24 analysts’ estimates compiled by Bloomberg was for profit of $5.42 a share.

Consolidation is likely given the pressures on the industry, Chairman and Chief Executive Officer Hugh Grant said during a presentation to investors.

“We are best placed here at Monsanto in being a leading consolidator or being a partner in an industry that is changing,” Grant said.

The company previously announced plans to eliminate 12 percent of its workforce to save as much as $500 million a year by 2018 as depressed prices for corn and soybeans erode farmers’ spending.

In addition to the restructuring, profit growth after the current fiscal year will be aided by corn prices rising to $4.50 a bushel in 2017 and sales of new products such as Intacta insect-resistant soybeans, reformulated dicamba herbicide and dicamba-tolerant crops, Begemann said.

The end of declining prices for glyphosate, sold by Monsanto as Roundup, and moderating currency effects also will benefit earnings, he said.