



Bayer/Monsanto given final greenlight

Malina McLennan
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Bayer has set 7 June as the closing date for its purchase of Monsanto, after clearing the final regulatory hurdle yesterday when Mexico's competition watchdog approved the deal subject to divestments.

Mexico's Federal Economic Competition Commission yesterday said the deal would not harm competition in the country as long as Bayer sold its genetically modified cotton seed, vegetable seed, and non-selective herbicides businesses to rival German agrochemical company BASF. The Mexican enforcer said the deal is one of the largest it has ever reviewed.

The divestments resolve the potentially anticompetitive significant market shares the new company would gain in Mexico's onion, cucumber, tomato, watermelon, melon, and lettuce crop markets, as well as its non-selective herbicide market.

Fernando Carreño, a partner at Von Wobeser y Sierra in Mexico City, said the conditions imposed by Mexico's antitrust agency on Bayer's purchase of Monsanto appear "broader" than conditions set out in the Mexican enforcer's clearance of past agrochemical deals [Dow/Dupont](#) and [ChemChina/Syngenta](#) in 2017.

"Notwithstanding the clearance of these three deals, the agrochemical industry remains a highly dynamic market in which technology and investments will allow consumers to see vigorous competition," Carreño said.

German agrochemical company Bayer's acquisition of US seed producer Monsanto has survived considerable scrutiny from antitrust agencies around the world, coming in the midst of controversial consolidation in the agricultural technology industry.

The deal's value is now estimated at US\$63 billion (€54 billion) by Bayer as of 28 February. Bayer first [stated](#) its intention to purchase Monsanto for US\$62 billion (€53 billion) in September 2016, offering a reverse termination fee of US\$2 billion (€1.8 billion).

In a statement yesterday, Bayer said the "largest acquisition" in the company's history will double the size of its agriculture business. Bayer's divestments will be sold for a total of €7.6 billion to German chemical producer BASF and rivals in other jurisdictions. Together, Bayer and Monsanto generated €2.2 billion in sales in 2017.

Most of the world's antitrust agencies cleared the deal subject to Bayer divesting sections of its seed, pesticides, and trait businesses, though some agencies opted for different conditions.

The European Commission, in which 30% of Bayer's global sales are made, [said](#) in March the company must divest €6 billion in assets – divestments which the US agencies also adopted in their clearance of the deal in May, [adding](#) the remedy that Bayer divest its sales of seed treatment and digital farming assets to BASF.

In April, Russia's Federal Antimonopoly Service [conditioned](#) its clearance on Bayer's promise to turn over patented technology to local rivals. The Russian enforcer stipulated that Bayer grant the local rivals "non-discriminatory access" to its data and digital farming platforms, as well as access to its molecular breeding technologies relevant to certain crops such as corn, rapeseed and soybean.

In South Africa, the deal's antitrust clearance was [conditioned](#) on the companies' promise to divest its cotton seed business and not cut jobs. Global approvals for the deal took six months longer than the companies had originally estimated. The US Department of Justice has required the divestiture to BASF to be completed before Bayer can

integrate Monsanto, which Bayer said it expects to do in the next two months. The company also has said it will discontinue Monsanto as a company name.

Counsel to Bayer in Mexico
Hogan Lovells

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