

FORBES WAS WRONG ON MONSANTO – REALLY WRONG¹

ROBERT LANGRETH[©]

Forbes made Monsanto the company of the year last year in *The Planet Versus Monsanto*. I know because I wrote the article. Since then everything that could have gone wrong for the genetically engineered seed company...has gone wrong. Super-weeds that are resistant to its RoundUp weed killer are emerging, even as weed killer sales are being hit by cheap Chinese generics. An expensive new bioengineered corn seed with eight new genes does not look impressive in its first harvest. And the Justice Department is investigating over antitrust issues. All this has led to massive share declines. Other publications are making fun of our cover story.

Forbes senior editor Matt Herper (co-author on the original story) and I argue over whether Monsanto stock has a shot at making a comeback. Matt argues that if the company opens up its research, and comes up with some new hits that appeal to consumers (not just farmers), it has a chance at making a comeback. It is working on a new soybean seed, for example, that has naturally high levels of omega-3 fatty acids. That could appeal to health-conscious consumers.

But I'm worried that the situation is more like the one when Forbes made Pfizer company of the year in 1998. The company had just introduced Viagra to worldwide acclaim and it seemed like nothing could go wrong. Then everything did. Since then it has been all downhill. Despite a series of mergers, buying Warner-Lambert, then Pharmacia, then Wyeth, and now King Pharmaceuticals, the company is struggling to deal with looming patent expirations and pipeline drugs that keep blowing up. Like Pfizer in its field, Monsanto is destined to remain the dominant bioengineered seed company for some time to come. But unless it comes up with a hot new product, its growth years could all be behind it.

¹ Forbes, October 12, 2010