

Monsanto and AgraQuest to Collaborate on Development of New Seed Treatments

Research to Focus on Controlling Nematodes, Insects and Disease

St. Louis and Davis, Calif. (September 13, 2010) - Monsanto Company (NYSE:MON) and AgraQuest, Inc. have entered into a collaboration to evaluate the potential use of AgraQuest's pipeline of biopesticide leads to develop seed treatments for Monsanto's core crops and vegetables.

The three-year deal is aimed at developing seed treatment products to control nematodes, disease and insects, and embrace plant growth and yield, using AgraQuest's collection of microbes. This technology could help Monsanto researchers develop additional modes of action for insect, nematode, and disease control.

"We are excited to partner with a proven leader in agriculture like Monsanto," said AgraQuest's CEO, Marcus Meadows-Smith. "We believe our research in the field of biopesticide alternatives for pest and stress management will complement Monsanto's work in helping farmers protect the yield potential of their farms by offering them better pest-control and plant health options."

Seed treatments protect seeds from pests such as nematodes, diseases and insects, and can help plants manage stress conditions, thus helping to maximize yield potential. Any commercial product developed from this collaboration will complement Monsanto's Acceleron[®] seed treatment product portfolio. Monsanto currently offers Acceleron[®] seed treatment products for corn and soybeans and a seed treatment for cotton is expected in 2011.

Used in conjunction with Monsanto traits in the company's elite germplasm, such seed treatment technologies could mean greater pest and stress management choices that are more effective and durable, which could help farmers increase on-farm yields.

"Working with other innovative companies in the industry is a key part of Monsanto's approach to research and development in the field of agriculture," said Rob Fraley, chief technology officer for Monsanto. "AgraQuest has demonstrated success in developing and applying environmentally sound on-farm pest control options. This collaboration will further boost Monsanto's commitment to greater agricultural sustainability and could help us meet our stated goal of helping farmers double crop yields by 2030 while conserving natural resources."

Monsanto will have exclusive rights to the technology for seed treatments in its core crops and vegetables. AgraQuest will retain all rights to the technology for foliar - to be sprayed on top of plants - and soil application uses, and for use as seed treatments for all other crops. Under the agreement AgraQuest will receive an upfront payment and research funding, as well as performance-based payments and royalties. Additional details about the agreement were not disclosed.

Monsanto also will have access to AgraQuest's library of *Bt* proteins for potential use as insecticides in biotech crops.

About Monsanto

Monsanto Company is a leading global leader of technology-based solutions and agricultural products that improve farm productivity and food quality. Monsanto remains focused on enabling both small-holder and large-scale farmers to produce more from their land while conserving more of our world's natural resources such as water and energy. To learn more about our business and our commitments, please visit: www.monsanto.com. Follow our business on Twitter® at www.twitter.com/MonsantoCo, on the company blog, Beyond the Rows at www.monsantoblog.com, or subscribe to our [News Release RSS Feed](#).

About AgraQuest, Inc.

AgraQuest is a biotechnology company focused on discovering, manufacturing and making highly effective pest management products for agricultural, institutional and home markets. The company holds a large portfolio of its own proprietary products, as well as actively in-licenses technology that fits into its low chem portfolio. As a leader in green agriculture and the emerging low chem sector, AgraQuest works to provide growers with solutions that offer best-in-class control while reducing the chemical load on the environment and creating sustainable agriculture opportunities. The Agrochemical division of AgraQuest offers a global portfolio of products - recognized as safer to beneficials, workers and the environment - that includes SERENADE®, SERENADE® Garden, SERENADE SOIL™, RHAPSODY®, SONATA®, and BALLAD® fungicides, and REQUIEM® insecticide. AgraQuest's BioInnovations division provides the company an avenue to take biological and low-chemical technology created for the agriculture industry and discover innovative uses for it in related markets. AgraQuest has received several environmental awards including the Presidential Green Chemistry Award from the U.S. EPA for the discovery and commercialization of SERENADE. It also received the prestigious Global Frost & Sullivan Growth Leadership Award in 2009 for the biopesticides market. For more information visit www.agraquest.com.