



# Bayer Successfully Obtains Approval from Canadian Competition Bureau for Highly Anticipated Acquisition of Monsanto

June 29, 2018

The Competition Bureau has given the green light to Bayer AG, paving the way for its approximate US\$63 billion acquisition of the Monsanto Company after nearly two years of review by various antitrust authorities globally. It is among the longest merger reviews ever undertaken in Canada, owing to the number and complexity of inter-related products and services, and the sheer size of the required divestitures (the largest in Canadian and U.S. history). The transaction closed on June 7, 2018.

Bayer and the Bureau entered into a [Consent Agreement](#) on May 29<sup>th</sup>, 2018 that remedied the Bureau's competition concerns, including a requirement to divest certain assets to BASF or another purchaser, in either case subject to Bureau approval. The Bayer/Monsanto transaction also received approval from the U.S. Department of Justice, the European Commission and a number of other jurisdictions. The Competition Bureau subsequently entered into a registered consent agreement with BASF on June 27, 2018 to remedy its competition concerns with the soon to be acquired Bayer assets.

The transaction involved an extensive review by the Bureau in coordination with the U.S. Department of Justice and the European Commission. The transaction was highly complex as it involved complicated product offerings and research and development plans in an innovation-intensive industry. Adding to the context of the review was the fact that the transaction followed several other mergers in the agriculture industry, in particular [Dow/DuPont](#) and [Syngenta/ChemChina](#).

The Bureau was particularly focused on the potential domestic impact of the merger on competition for canola seeds and traits and related herbicide products. Comprising over 20 million acres and growing, canola is the most important crop in Western Canada. The Consent Agreement requires divestiture of Bayer's canola seed and trait business and certain related herbicide products including its Liberty herbicide, as well as the divestiture of Bayer's soybean seed and traits businesses, carrot seed business and a seed treatment business.

The integration of Monsanto into Bayer can take place as soon as all required divestments to BASF or another purchaser have been completed.

Stikeman Elliott LLP acted for Bayer as Canadian competition counsel, led by Susan Hutton and Paul Collins, both known for their deep expertise and strategic advice on complex transactions, and supported by the strength and experience of Jeffrey Brown, Ashley Piotrowski and Michael Rosenstock.

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