

GROWERTALKS

GT in Brief

2/26/2016

Syngenta Flowers to Become China-Owned?

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That's the way it's looking, as news hits all the financial pages that state-owned China National Chemical Corp.—better known as ChemChina—is offering \$43 billion for Syngenta. The deal will make ChemChina the world's largest maker of pesticides and agrichemicals.

That's big news in the ag chemical world, certainly, but what's important to our sector is that Syngenta has announced that they are NOT going to sell their vegetable and flower seed divisions after all, as they had previously said they would.

“The insights we have gained as we worked through the process of separating these businesses showed that their potential is best realized within Syngenta, and they will operate as dedicated business units within the company,” said interim CEO John Ramsey.

Syngenta shareholders and the U.S. and Europe regulators still need to give approval for the deal to go through.

According to Reuters, the deal is about food security for China, which has degraded land and poisoned water supplies through years of intensive farming. China wants to modernize the country's agricultural system.

What does China ownership mean?

When you think about China's state-owned companies, it's easy to picture red flags and portraits of Chairman Mao, but that's not necessarily the case, according to something we gleaned from a CNBC report quoting Syngenta Chairman Michel Demaré.

“This is absolutely not a China nationalization. ChemChina has a fantastic track record of having not only bought companies outside of China, but also having kept investing in them and developing them and keeping the culture and values in place, and I'm absolutely convinced that the same will happen here.”

In case you're wondering what other companies ChemChina owns that you may recognize, how about Pirelli? Last fall, ChemChina announced an agreement to acquire the Italian tire maker. **GT**