ST. LOUIS POST-DISPATCH SATURDAY, SEPTEMBER 21, 1991

Monsanto Co. Sells Bonds To Improve Sewage Plant

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Monsanto Co. has sold $8.6 million in bonds to help build and improve sewage pre-treatment facilities at its W.G. Krummrich Plant in Sauget.

The bonds were issued through the Southwestern Illinois Development Authority, an agency that promotes economic development in Madison and St. Clair counties.

The bonds, whose sale was completed Tuesday, are exempt from federal taxes and mature in 2015. The bonds pay annual interest of 7.321 percent.

Moody's Investors Service Inc., a bond rating agency, gave the bonds an A-1 rating, which the firm says is an "upper medium grade."

Tuesday's bond issue is the second stage of Monsanto's using SWIDA to finance bonds for pollution control efforts at the Krummrich plant.

Monsanto issued $12.8 million in federally tax-exempt bonds through SWIDA in December 1989. These bonds pay annual interest of 7.25 percent.

The bonds will cover most of the $25 million in environmental work at the plant, a Monsanto spokeswoman said. The rest of the money will come from the company.

The pre-treatment facilities will enable Monsanto to remove or recycle many of the toxic chemicals the Krummrich plant discharges into waste water that is treated by the American Bottoms sewer plant in Sauget.

Monsanto Stock Off $3 A Share

Monsanto Co.'s stock dropped $3 a share Friday to $66.12½ after several analysts lowered their estimates for the third quarter and full year.

Nearly 1.7 million shares were traded — four times the average daily volume. The stock dropped $1.25 a share Thursday on volume that was double the daily average. In two days, the stock lost 6 percent of its value.

A company spokeswoman said several analysts — she did not know the precise number — cut their earnings estimates after talking to Monsanto's investor relations officials.

Analysts' estimates for third-quarter profits of 85 cents to $1.10 a share are in an "acceptable" range, she said. The quarter ends Sept. 30. Results are scheduled to be published in the third week of October.

Monsanto earned 59 cents a share in the third quarter of 1990, when droughts in the U.S. and Europe damaged herbicide sales and rising oil prices raised the costs of chemical feedstocks. Monsanto earned 94 cents a share for its 1989 third quarter.

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