

FORM 10-Q**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

(Mark One)

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 1993

OR

**[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**Commission file number 1-2516**MONSANTO COMPANY**

(Exact name of registrant as specified in its charter)

DELAWARE(State or other jurisdiction of
incorporation or organization)**43-0420020**(I.R.S. Employer
Identification No.)**800 NORTH LINDBERGH BLVD., ST. LOUIS, MISSOURI 63167**(Address of principal executive offices)
(Zip Code)**(314) 694-1000**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

ClassOutstanding at
June 30, 1993Common Stock, \$2 par value119,838,097 shares

MAR 2242.01

LAM018394

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

The Statement of Consolidated Income of Monsanto Company and subsidiaries for the three months and six months ended June 30, 1993 and 1992, the Statement of Consolidated Financial Position as of June 30, 1993 and December 31, 1992, the Statement of Consolidated Cash Flow for the six months ended June 30, 1993 and 1992 and related Notes to Financial Statements follow. In the opinion of management, these unaudited consolidated financial statements contain all adjustments necessary to present a fair statement of the results for the interim periods reported.

Unless otherwise indicated by the context, "Monsanto" means Monsanto Company and consolidated subsidiaries, and "the Company" means Monsanto Company only.

MONSANTO COMPANY AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED INCOME

(Dollars in millions, except per share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1993	1992	1993	1992
Net Sales	\$2,230	\$2,045	\$4,171	\$4,018
Cost of Goods Sold	1,271	1,214	2,377	2,334
Gross Profit	959	831	1,794	1,684
Marketing Expenses	326	296	620	554
Administrative Expenses	121	115	250	231
Technological Expenses	167	177	330	338
Amortization of Intangible Assets	19	58	37	117
Operating Income	326	185	557	444
Interest Expense	(34)	(46)	(66)	(89)
Interest Income	10	11	18	19
Other Income (Expense)—Net	13	(3)	16	(4)
Income from Continuing Operations Before Income Taxes	315	147	525	370
Income Taxes	115	52	184	129
Income from Continuing Operations	200	95	341	241
Income from Discontinued Operations (net of applicable income taxes of \$6 and \$9, respectively, in 1992)		10		16
Income Before Accounting Changes	200	105	341	257
Cumulative Effect of Accounting Changes:				
Postretirement Benefits Other Than Pensions				(658)
Income Taxes				118
Net Income (Loss)	\$ 200	\$ 105	\$ 341	\$ (283)
Earnings per Share:				
Income from Continuing Operations	\$ 1.66	\$ 0.78	\$ 2.83	\$ 1.95
Discontinued Operations		0.08		0.13
Accounting Changes				(4.38)
Net Income (Loss)	\$ 1.66	\$ 0.86	\$ 2.83	\$ (2.30)
Dividends per Share	\$ 0.58	\$ 0.56	\$ 1.14	\$ 1.08
Weighted Average Number of Common and Common Equivalent Shares (in millions)			120.8	124.7

Amounts for 1992 have been restated from those previously reported in Item 1 of Form 10-Q for the quarter ended June 30, 1992, for the effects of (a) retroactive adoption of accounting changes related to postretirement benefits other than pensions and to income taxes and (b) reclassification of Fisher Controls as discontinued operations.

MONSANTO COMPANY AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED FINANCIAL POSITION
(Dollars in millions, except per share)

ASSETS	June 30, 1993	December 31, 1992
Current Assets:		
Cash and cash equivalents	\$ 187	\$ 729
Receivables, net of allowances of \$31 in 1993 and \$33 in 1992.....	1,920	1,405
Miscellaneous receivables and prepaid expenses	311	375
Deferred income tax benefit.....	335	395
Inventories	1,191	1,156
Total Current Assets	3,944	4,060
Property, Plant and Equipment	7,647	7,602
Less Accumulated Depreciation	4,684	4,597
Net Property, Plant and Equipment	2,963	3,005
Investments in Affiliates	277	248
Intangible Assets, net of accumulated amortization of \$420 in 1993 and \$383 in 1992	1,229	1,066
Other Assets	725	706
Total Assets.....	\$ 9,138	\$ 9,085
 LIABILITIES AND SHAREOWNERS' EQUITY		
Current Liabilities:		
Accounts payable.....	\$ 534	\$ 525
Accrued liabilities	1,489	1,766
Short-term debt	522	257
Total Current Liabilities.....	2,545	2,548
Long-Term Debt.....	1,430	1,423
Deferred Income Taxes.....	44	65
Postretirement Liabilities	1,266	1,252
Other Liabilities	693	792
Shareowners' Equity:		
Common stock (authorized, 200,000,000 shares, par value \$2)		
Issued, 164,394,194 shares in 1993 and 1992	329	329
Additional contributed capital.....	821	820
Treasury stock, at cost (44,556,097 shares in 1993 and 43,929,827 shares in 1992).....	(2,064)	(2,029)
Reserve for ESOP debt retirement	(225)	(233)
Accumulated currency adjustment.....	(8)	15
Reinvested earnings	4,307	4,103
Total Shareowners' Equity	3,160	3,005
Total Liabilities and Shareowners' Equity.....	\$ 9,138	\$ 9,085

MONSANTO COMPANY AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED CASH FLOW
(Dollars in millions)

	Six Months Ended June 30,	
	<u>1993</u>	<u>1992</u>
Increase (Decrease) in Cash and Cash Equivalents		
Operating Activities:		
Income from continuing operations	\$ 341	\$ 241
Add income taxes—continuing operations	184	129
Income from continuing operations before income taxes	525	370
Adjustments to reconcile to Cash Provided by Continuing Operations:		
Income tax payments	(130)	(117)
Items that did not use (provide) cash:		
Depreciation and amortization	281	363
Incremental SFAS No. 106 expenses	23	24
Other	(15)	(19)
Working capital changes that provided (used) cash:		
Accounts receivable	(411)	(243)
Inventories	59	(13)
Accounts payable and accrued liabilities	(63)	(20)
Other	13	(45)
Other items	(80)	15
Cash Provided by Continuing Operations	202	315
Cash Provided by (Used in) Discontinued Operations	(291)	43
Total Cash Provided by (Used in) Operations	(89)	358
Investing Activities:		
Property, plant and equipment purchases	(199)	(275)
Acquisition and investment payments	(457)	(59)
Investment and property disposal proceeds	99	16
Discontinued operations	—	(26)
Cash Used in Investing Activities	(557)	(344)
Financing Activities:		
Net change in short-term financing	268	272
Long-term debt proceeds	216	4
Long-term debt reductions	(208)	(114)
Treasury stock purchases	(48)	(283)
Dividend payments	(137)	(134)
Common stock issued to ESOP	—	250
Other financing activities	13	10
Cash Provided by Financing Activities	104	5
Increase (Decrease) in Cash and Cash Equivalents	(542)	19
Cash and Cash Equivalents:		
Beginning of year	729	189
End of period	<u>\$ 187</u>	<u>\$ 208</u>

The effect of exchange rate changes on cash and cash equivalents was not material.

Cash payments for interest (net of amounts capitalized) were \$67 million in 1993 and \$91 million in 1992.

Amounts for 1992 have been restated from those previously reported in Item 1 of Form 10-Q for the quarter ended June 30, 1992, for the effects of (a) retroactive adoption of accounting changes related to postretirement benefits other than pensions and to income taxes and (b) reclassification of Fisher Controls as discontinued operations.

MONSANTO COMPANY AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

(Dollars in millions)

1. In October 1992, Monsanto sold the worldwide business of Fisher Controls. Previously reported amounts have been reclassified to present Fisher Controls as discontinued operations. Net sales of Fisher Controls for the three months and six months ended June 30, 1992 were \$235 million and \$450 million, respectively.

Monsanto adopted Statement of Financial Accounting Standards (SFAS) No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 109, "Accounting for Income Taxes," in the fourth quarter of 1992, effective as of January 1, 1992. Accordingly, previously reported amounts for the three months and six months ended June 30, 1992 have been restated for the effects of these retroactive adoptions.

In May 1993, Monsanto acquired the assets, including a seasonally high amount of working capital, of the Ortho Consumer Products division of the Chevron Chemical Company for approximately \$400 million. This business had annual sales of approximately \$250 million, with a concentration of sales in the first half of the year. Because the acquisition was completed after much of the early-season sales activity, the business is expected to have a dilutive effect on full-year 1993 net income.

2. Earnings per share were computed using the weighted average number of common shares and common share equivalents outstanding each period (120,825,866 and 124,679,117 in 1993 and 1992, respectively). Common share equivalents (805,214 and 1,338,880 in 1993 and 1992, respectively) consist of common stock issuable upon exercise of outstanding stock options. Earnings per share assuming full dilution were not significantly different from the primary amounts.

3. Components of inventories at June 30, 1993 and December 31, 1992 were as follows:

	June 30, 1993	December 31, 1992
Finished goods.....	\$ 746	\$ 743
Goods in process	291	298
Raw materials and supplies	470	426
Inventories, at FIFO cost	1,507	1,467
Excess of FIFO over LIFO cost	(316)	(311)
Total.....	<u>\$1,191</u>	<u>\$1,156</u>

4. Monsanto is a party to a number of lawsuits and claims, which it is vigorously defending. Such matters arise out of the normal course of business and relate to product liability, government regulation, including environmental issues, and other issues. Certain of the lawsuits and claims seek damages in very large amounts. While the results of litigation cannot be predicted with certainty, management believes, based upon the advice of Company counsel, that the final outcome of such litigation will not have a material adverse effect on Monsanto's consolidated financial position.

MONSANTO COMPANY AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (Continued)

5. Operating unit segment data for the three months and six months ended June 30, 1993 and 1992 were as follows:

	Three Months Ended June 30,			
	1993		1992	
	Net Sales	Operating Income (Loss)	Net Sales	Operating Income (Loss)
Operating Unit:				
The Agricultural Group	\$ 743	\$258	\$ 532	\$144
The Chemical Group	933	75	967	59
NutraSweet	186	42	232	48
Pharmaceuticals	368	(37)	314	(53)
Corporate		(12)		(13)
Total	<u>\$2,230</u>	<u>\$326</u>	<u>\$2,045</u>	<u>\$185</u>
Six Months Ended June 30,				
	1993		1992	
	Net Sales	Operating Income (Loss)	Net Sales	Operating Income (Loss)
Operating Unit:				
The Agricultural Group	\$1,255	\$443	\$1,047	\$290
The Chemical Group	1,831	125	1,863	138
NutraSweet	356	76	431	85
Pharmaceuticals	729	(64)	677	(43)
Corporate		(23)		(26)
Total	<u>\$4,171</u>	<u>\$557</u>	<u>\$4,018</u>	<u>\$444</u>

Amounts for 1992 have been restated from those previously reported for the effects of reclassification of research expenses related to biotechnology product discovery, which in 1993 are being charged to the respective business units to more closely align commercialization efforts with basic research.

Financial information for the first six months of 1993 should not be annualized. Monsanto's sales and operating income are historically higher during the first half of the year, primarily because of the concentration of generally more profitable sales of The Agricultural Group in the first half of the year.

6. Monsanto intends to issue \$150 million of intermediate-term notes in August 1993. The net proceeds from the sale of the notes will be used for general corporate purposes, including the acquisition of Monsanto common shares to fund a grantor trust. The trust is to be established to hold shares of Monsanto common stock to be used to satisfy compensation and benefit arrangements and obligations, including issuance of shares upon the exercise of performance stock options.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Note 5 of the Notes to Financial Statements indicates operating results by operating unit, including the concentration of the generally more profitable sales of The Agricultural Group in the first half of the year.

Results of Operations—Second Quarter 1993 Compared with the Second Quarter 1992

Net income for the second quarter of 1993 was \$200 million, or \$1.66 per share, compared with net income of \$105 million, or \$0.86 per share, in the second quarter of last year. Net sales of \$2,230 million were

9 percent higher than the comparable figure in 1992. Income from continuing operations in the second quarter of 1993 was \$200 million, or \$1.66 per share, compared with \$95 million, or \$0.78 per share, in the same period last year.

Net sales for The Agricultural Group were 40 percent higher compared with the second quarter of 1992, and operating income increased \$114 million, or 79 percent. Net sales for the quarter included sales from the acquisition of the Ortho business of \$39 million. Worldwide sales volume for Roundup® herbicide improved 51 percent over the same period last year, reflecting strong demand in most key worldwide markets. Contributing to this sales volume increase has been the rapid adoption of minimum tillage techniques by farmers. Sales volume also improved as unusually wet weather during March 1993 in several U.S. markets delayed the onset of the peak agricultural season into the second quarter. The year-to-year comparison in operating income is also affected by unusual items occurring in 1992. Costs associated with a process rupture at a manufacturing site of a raw material for Roundup herbicide and other nonrecurring factors decreased operating income in the second quarter of 1992 by \$19 million. Operating income, excluding the effects of these unusual items, would have been 58 percent higher than the comparable period in 1992.

Net sales of The Chemical Group were 4 percent lower than the same period last year. Operating income increased \$16 million, or 27 percent, compared with the same period in 1992. However, excluding \$41 million in pretax expense from settling certain litigation related to the Brio Superfund site in the second quarter of 1992, operating income in 1993 would have declined 25 percent compared with the prior year. The continuing effects of the recessionary climate in Europe and Japan severely constricted demand for chemical products. Particularly strong demand for nylon carpet fibers helped mitigate the negative effect of these depressed economies. In addition, sales volumes to the U.S. automotive sector improved somewhat, but selling prices to this market continued to be weak.

NutraSweet net sales and operating income decreased 20 percent and 13 percent, respectively, compared with the amounts for the second quarter of 1992. Sales volumes for the quarter increased 5 percent compared with those of last year's second quarter, but average selling prices of NutraSweet® brand sweetener were lower than the prior year as a result of planned post-patent price reductions for that product. NutraSweet operating income benefited from lower amortization expense in 1993 as the U.S. aspartame use patent was fully amortized in 1992. Lower operating expenses also benefited 1993 operating results.

Pharmaceuticals net sales for the second quarter of 1993 were 17 percent higher compared with last year. The sales growth was driven primarily by several recent new product introductions including Maxaquin®, a once-daily quinolone anti-infective agent in the United States; Daypro®, a once-daily arthritis treatment in the United States; Ambien®, a short-term treatment for insomnia in the United States; and Arthrotec®, a combination of Cytotec®, an ulcer preventive drug, with the nonsteroidal anti-inflammatory drug diclofenac in the United Kingdom and Canada. In total, these and other recently introduced products contributed \$48 million to the second-quarter 1993 sales increase. Sales of Calan® brand calcium channel blocker declined 13 percent, reflecting primarily the effect of generic competition in the United States. The 1993 improvement in operating results was largely due to sales of new products.

For Monsanto, total marketing expenses in the second quarter of 1993 increased, in part, because of Pharmaceuticals expenses incurred to support the new product launches. Amortization of intangible assets declined due to the expiration of NutraSweet's major U.S. aspartame use patent in December 1992. Interest expense in 1993 declined 26 percent, principally due to lower debt levels. A portion of the proceeds from the sale of Fisher Controls in the fourth quarter of 1992 was used to reduce debt. Other income increased, primarily due to higher income from equity affiliates.

Results of Operations—First Six Months 1993 Compared with First Six Months 1992

Net income for the first six months of 1993 was \$341 million, or \$2.83 per share, compared with a net loss of \$283 million, or \$2.30 per share, in the first six months of last year. The 1992 net loss figure reflects the cumulative effect of adopting accounting changes related to postretirement benefits other than pensions and to deferred income taxes in the first quarter of 1992. Those accounting changes resulted in a one-time net charge of \$540 million, or \$4.38 per share. Net sales of \$4,171 million were 4 percent higher than the comparable figure in 1992. Income from continuing operations in the first quarter of 1993 was \$341 million, or \$2.83 per share, compared with \$241 million, or \$1.95 per share, in the same period last year.

Net sales for The Agricultural Group were 20 percent higher compared with the first half of 1992, while operating income increased \$153 million, or 53 percent. The increase in operating income was affected by unusual items occurring in both 1993 and 1992. Costs associated with a process rupture at a manufacturing site of a raw material for Roundup® herbicide and other nonrecurring factors decreased operating income in the first six months of 1992 by \$33 million. Additionally, operating income in the first quarter of 1993 included a \$35 million pretax gain for settlement with insurance carriers for reimbursement of various costs associated with the damage, which had been expensed in 1992 pending resolution of the claim. Operating income, excluding the effects of these unusual items, would have been 26 percent higher than the comparable period in 1992. Worldwide sales volume for Roundup herbicide improved 29 percent over the same period last year, reflecting strong demand in most key worldwide markets.

Net sales of The Chemical Group were slightly lower than the same period last year. Operating income declined 30 percent compared with the same period in 1992, excluding the \$41 million pretax 1992 costs related to settling the Brio lawsuits. The decline was due to the recessionary climate in Europe and Japan, which severely constricted demand in the automotive-linked businesses. Particularly strong demand for nylon carpet fibers helped mitigate the negative effect of these depressed economies.

NutraSweet net sales and operating income decreased 17 percent and 11 percent, respectively, compared with the amounts for the first half of 1992. Sales volumes for the six months increased 7 percent compared with the same period in 1992. The reduced operating income in 1993 resulted from lower average selling prices, as expected. The effect of these lower selling prices more than offset reduced operating and amortization expenses.

Pharmaceuticals net sales were 8 percent higher compared with those of last year. New product introductions contributed \$92 million to the 1993 sales increase. Sales of Calan® brand calcium channel blocker declined 27 percent from the same period last year, reflecting primarily the effect of generic competition in the United States. The decline in earnings was attributed principally to substantial new-product introduction costs and the effect of generic competition on Calan, offset by sales of new products.

For Monsanto, total marketing expenses in the first six months of 1993 increased principally because of Pharmaceuticals expenses incurred to support the new product launches. Amortization of intangible assets declined due to the expiration of NutraSweet's major U.S. aspartame use patent in December 1992. Interest expense in 1993 declined 26 percent, principally due to lower debt levels. Other income increased, primarily due to higher income from equity affiliates.

Changes in Financial Condition—June 30, 1993 Compared With December 31, 1992

Working capital at June 30, 1993 decreased to \$1,399 million from the level at December 31, 1992 due primarily to income tax payments related to the sale of Fisher Controls, partially offset by an increase in trade receivables of The Agricultural Group. The current ratio was 1.5 at June 30, 1993 and 1.6 at year-end 1992. The percent of total debt to total capitalization increased to 38 percent at quarter-end compared with 36 percent at year-end 1992, primarily because of an increase in short-term borrowings to finance higher working capital levels for The Agricultural Group.

Operating activities from continuing operations provided a net \$202 million of cash in 1993, compared with \$315 million of cash provided in 1992. This decline in cash from continuing operations resulted primarily from higher working capital levels for The Agricultural Group and lower selling prices for NutraSweet® brand sweetener. Cash used in discontinued operations was for income tax payments related to the sale of Fisher Controls. Investing activities in 1993 used a net \$557 million of cash, principally for the Ortho acquisition and property, plant and equipment purchases, offset by the proceeds of certain investment and property disposals. Throughout the first six months of 1993, the Company purchased in the market 0.9 million shares of its stock for \$48 million, the market value on the date of the purchases.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company's Report on Form 10-K for the year ended December 31, 1992, and the Company's Report on Form 10-Q for the quarter ended March 31, 1993, described a number of lawsuits resulting from alleged exposure to substances present at or emanating from the Brio Superfund site near Houston, Texas. Developments have occurred in the following cases: (a) The Company is one of a number of defendants in 12 cases brought in Harris County District Court on behalf of 471 plaintiffs who own homes or live in the Southbend or Sageglen subdivisions, attended school in the Southbend subdivision, or used nearby recreational baseball facilities. (b) The Company was served on June 8, 1993, as one of a number of defendants in an action brought in Harris County District Court on behalf of a dental practice group and its three partners. Plaintiffs allege damage to their business as well as personal injuries and seek compensatory and punitive damages in an unspecified amount.

The Company's Report on Form 10-K for the year ended December 31, 1992, described a Complaint and Compliance Order issued by the EPA relating to the identification, storage, and disposal of certain wastes at The NutraSweet Company's facility in Augusta, Georgia. On May 11, 1993, the EPA issued a Final Order approving a Consent Agreement entered into by the agency and The NutraSweet Company in settlement of the Complaint and Compliance Order. Without admitting liability, The NutraSweet Company agreed to pay a settlement of \$80,000.

The Company's Report on Form 10-K for the year ended December 31, 1992, described a Complaint issued by the EPA relating to the identification, storage, and transportation of certain wastes at the Company's facility in Springfield, Massachusetts. On June 22, 1993, the EPA issued an Order approving a Consent Agreement entered into by the agency and the Company in settlement of the Complaint. As part of settlement, without admitting liability, the Company has agreed to pay \$26,750.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's Annual Meeting of stockholders on April 23, 1993, two matters were submitted to a vote of stockholders. In the absence of instructions from street-name holders, brokers were permitted to vote on the election of directors and ratification of auditors; therefore, broker non-votes did not occur.

1. The following directors were elected, each to hold office until the next Annual Meeting or until a successor is elected and has qualified or until his or her earlier death, resignation, or removal. Votes were cast as follows:

<u>Name</u>	<u>Votes "For"</u>	<u>Votes "Withhold Authority"</u>
Joan T. Bok.....	95,721,706	1,727,655
Earle H. Harbison, Jr.	95,641,574	1,807,787
Robert M. Heyssel.....	95,715,019	1,734,342
Philip Leder.....	95,712,136	1,737,225
Howard M. Love.....	95,676,519	1,772,842
Richard J. Mahoney.....	95,274,726	2,174,635
Frank A. Metz, Jr.	95,615,828	1,833,533
Buck Mickel.....	95,691,230	1,758,131
Jacobus F. M. Peters.....	95,734,245	1,715,116
Nicholas L. Reding.....	95,738,820	1,710,541
John S. Reed.....	95,757,434	1,691,927
William D. Ruckelshaus.....	95,739,823	1,709,538
Robert B. Shapiro.....	95,651,646	1,797,715
John B. Slaughter.....	95,709,057	1,740,304
Stansfield Turner.....	95,447,216	2,002,145

2. The appointment by the Board of Directors of Deloitte & Touche as principal independent auditors for the year 1993 was ratified by the stockholders. A total of 96,298,037 votes were cast in favor of ratification, a total of 691,785 votes were cast against it, and a total of 459,539 votes were counted as abstentions.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits—See the Exhibit Index at page 10 of this report.
(b) No reports on Form 8-K were filed by the Company during the quarter ended June 30, 1993.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MONSANTO COMPANY

(Registrant)

BRUCE R. SENTS

Bruce R. Sents
Vice President and Controller
(On behalf of the Registrant and
as Principal Accounting Officer)

Date: July 23, 1993

EXHIBIT INDEX

These Exhibits are numbered in accordance with the Exhibit Table of Item 601 of Regulation S-K.

<u>Exhibit Number</u>	<u>Description</u>
2	Omitted—Inapplicable
4	Omitted—Inapplicable
10	1. G. D. Searle & Co. Deferred Compensation Plan, as amended in 1993 2. Acquisition Agreement dated as of September 11, 1992, between Emerson Electric Co. and Monsanto Company relating to the purchase and sale of Fisher Controls International, Inc. and related businesses, plus identification of contents of omitted schedules and agreement to furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request (incorporated herein by reference to Form 8-K dated as of October 1, 1992 and filed on October 9, 1992)
11	Omitted—Inapplicable; see Note 2 of Notes to Financial Statements on page 4
12	Statement re Computation of the Ratio of Earnings to Fixed Charges—See Exhibit 99 below
15	Omitted—Inapplicable
18	Omitted—Inapplicable
19	Omitted—Inapplicable
22	Omitted—Inapplicable
23	Consent of Company Counsel
24	Omitted—Inapplicable
27	Not required
99	Computation of the Ratio of Earnings to Fixed Charges for Monsanto Company and Subsidiaries

CONSENT OF COMPANY COUNSEL

I hereby consent to the incorporation by reference in Monsanto Company's Registration Statements on Form S-8 (Nos. 2-36636, 2-53152, 2-61107, 2-76696, 2-90152, 33-13197, 33-21030, 33-39704, 33-39705, 33-39706, 33-39707, and 33-49717) and on Form S-3 (No. 33-46845) of the reference to Company counsel in Note 4 to the Notes to Financial Statements in the Company's Form 10-Q Report for the quarter ended June 30, 1993. In giving this consent I do not thereby admit that I am within the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

RICHARD W. DUESENBERG
General Counsel
Monsanto Company

Saint Louis, Missouri
July 23, 1993

MAR 2242.12

LAM018405

MONSANTO COMPANY AND SUBSIDIARIES

COMPUTATION OF THE RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in millions)

	Six Months Ended June 30,		Year Ended December 31,				
	1993	1992	1992	1991	1990	1989	1988
Income from continuing operations before income taxes	\$525*	\$370*	\$(174)*	\$354*	\$716	\$ 954	\$ 855
Add							
Fixed charges	95	120	231	233	248	233	217
Less capitalized interest	(6)	(8)	(16)	(24)	(29)	(22)	(19)
Dividends from affiliated companies ...	—	4	5	5	6	7	13
Less equity income (add equity loss) of affiliated companies	(14)	(5)	(1)	(3)	11	(1)	5
Income as adjusted	<u>\$600</u>	<u>\$481</u>	<u>\$ 45</u>	<u>\$565</u>	<u>\$952</u>	<u>\$1,171</u>	<u>\$1,071</u>
Fixed charges							
Interest expense	\$ 66	\$ 89	\$ 169	\$166	\$176	\$ 176	\$ 164
Capitalized interest	6	8	16	24	29	22	19
Portion of rents representative of interest factor	<u>23</u>	<u>23</u>	<u>46</u>	<u>43</u>	<u>43</u>	<u>35</u>	<u>34</u>
Fixed charges	<u>\$ 95</u>	<u>\$120</u>	<u>\$ 231</u>	<u>\$233</u>	<u>\$248</u>	<u>\$ 233</u>	<u>\$ 217</u>
Ratio of earnings to fixed charges	<u>6.32</u>	<u>4.01</u>	<u>0.19</u>	<u>2.42</u>	<u>3.84</u>	<u>5.03</u>	<u>4.94</u>

*Includes unusual gain of \$35 million and unusual expense of \$74 million for the first six months 1993 and 1992, respectively, and restructuring expense and other unusual items of \$699 million and \$457 million for the full-year 1992 and 1991, respectively. Excluding these items, the ratio of earnings to fixed charges would have been 5.95 and 4.63 for the six months ended June 30, 1993 and 1992, respectively, and 3.22 and 4.39 for the full-year 1992 and 1991, respectively.

MAR 2242.13

LAM018406