

MONSANTO



HUGH GRANT

CHAIRMAN, PRESIDENT
AND CHIEF EXECUTIVE OFFICER

MORGAN STANLEY
BASIC MATERIALS CONFERENCE

Feb. 21, 2006

Forward-Looking Statements

Certain statements contained in this release are "forward-looking statements," such as statements concerning the company's anticipated financial results, current and future product performance, regulatory approvals, business and financial plans and other non-historical facts. These statements are based on current expectations and currently available information. However, since these statements are based on factors that involve risks and uncertainties, the company's actual performance and results may differ materially from those described or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, among others: continued competition in seeds, traits and agricultural chemicals; the company's exposure to various contingencies, including those related to intellectual property protection, regulatory compliance and the speed with which approvals are received, and public acceptance of biotechnology products; the success of the company's research and development activities; the outcomes of major lawsuits, including proceedings related to Solutia Inc.; developments related to foreign currencies and economies; successful completion and operation of recent and proposed acquisitions; fluctuations in commodity prices; compliance with regulations affecting our manufacturing; the accuracy of the company's estimates related to distribution inventory levels; the company's ability to fund its short-term financing needs and to obtain payment for the products that it sells; the effect of weather conditions, natural disasters and accidents on the agriculture business or the company's facilities; and other risks and factors detailed in the company's filings with the SEC. Undue reliance should not be placed on these forward-looking statements, which are current only as of the date of this release. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results.

Non-GAAP Financial Information

This presentation may use the non-GAAP financial measures of “free cash flow,” earnings per share (EPS) on an ongoing basis, and Return on Capital (ROC). We define free cash flow as the total of cash flows from operating activities and investing activities. A non-GAAP EPS financial measure, which we refer to as on-going EPS, excludes certain after-tax items that we do not consider part of ongoing operations, which are identified in the reconciliation. ROC means net income (without the effect of certain items) exclusive of after-tax interest expenses, divided by the average of the beginning year and ending year net capital employed, as defined in the reconciliation. Our presentation of non-GAAP financial measures is intended to supplement investors’ understanding of our operating performance. These non-GAAP financial measures are not intended to replace net income (loss), cash flows, financial position, or comprehensive income (loss), as determined in accordance with accounting principles generally accepted in the United States. Furthermore, these non-GAAP financial measures may not be comparable to similar measures used by other companies. The non-GAAP financial measures used in this presentation are reconciled to the most directly comparable financial measures calculated and presented in accordance with GAAP, which can be found at the end of this presentation.

Fiscal Year

In this presentation, unless otherwise specified, references to Monsanto’s fiscal years refer to the 12-month period ending August 31.

Trademarks

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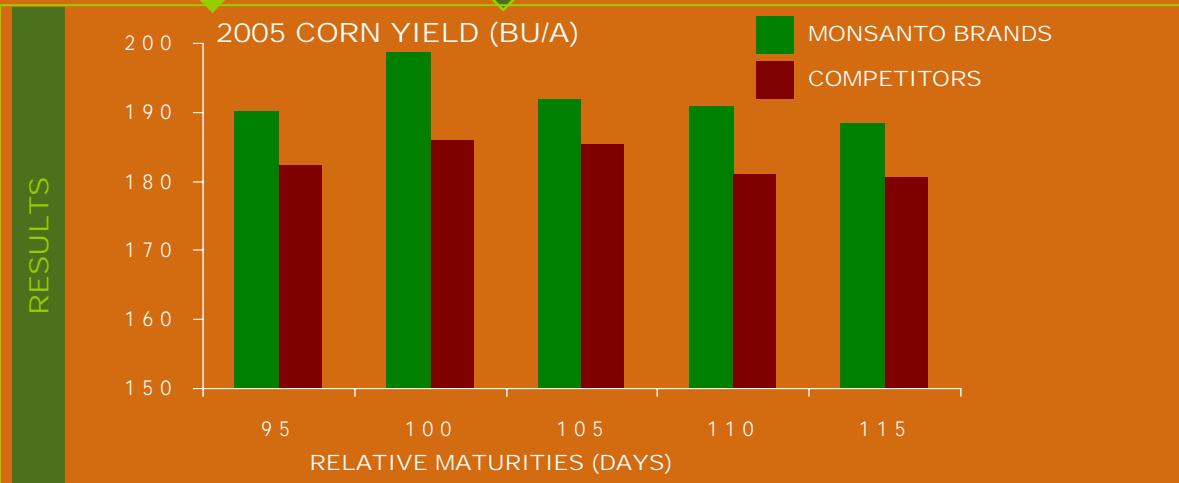
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Monsanto Is On Track Or Exceeding Expectations, Setting Stage for Strong Growth

FY2006 AND FY2007 TARGETS			
	2006 COMMITMENT	2006 UPDATE	2007 COMMITMENT
EARNINGS PER SHARE	\$2.35-\$2.50 UP TO 20% GROWTH FROM 2005	\$2.35-\$2.50 TOWARD UPPER END OF RANGE	\$2.82-\$3.00 20% GROWTH FROM 2006 PROJECTION
FREE CASH FLOW	\$825M - \$900M	\$825M - \$900M	\$875-\$950M
KEY COMMERCIAL COMMITMENTS			
US CORN SHARE	1 - 2 pts	1 - 2pts	
US RR CORN	30M ACRES	34M ACRES	
US YGRW	8M ACRES	10M ACRES	
US COTTON SHARE	1 - 2 POINTS	1 - 2 POINTS	
US RR FLEX	2 - 3M ACRES	2 - 3M ACRES	
AUSTRALIA COTTON TRAITS	80% - 85% penetration	90% penetration	
BRAZIL RR EARNINGS CONTRIBUTION	5 - 10 cents per share	5 - 10 cents per share	

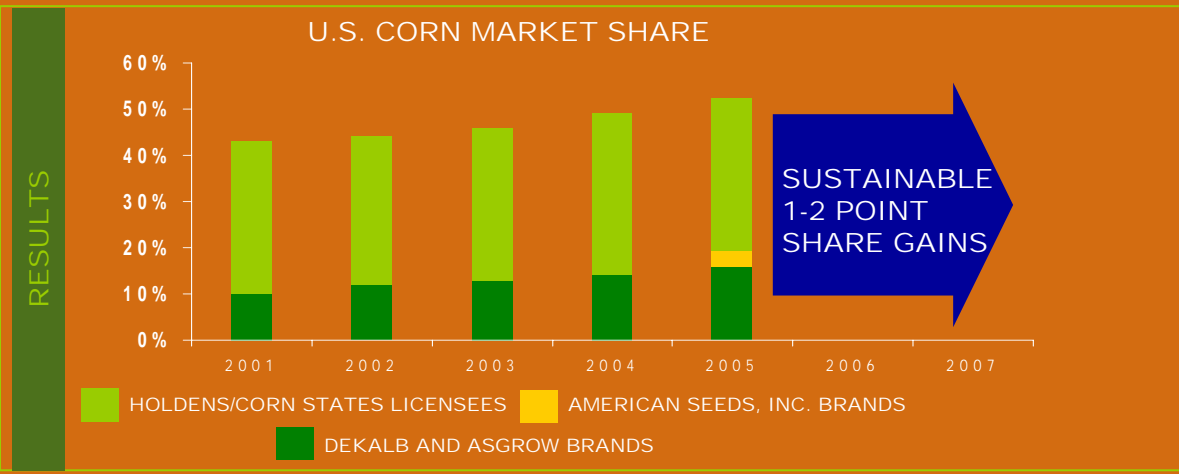
Corn Germplasm Improvements Are Tightly Linked to Market Share Gains

KEY MARKET ACRES	U.S.		
	BRAND	LICENSED	ASI
AVAILABLE MARKET	80M		
PERCENT PENETRATED	16%	32%	3%



Average yield differential is better by 33% in 2005 compared with 2004 testing

Strong yield advantages are consistent across maturity zones and outperform best competitive commercial material sold in 2005



Branded share on pace for 1 – 2 points for the fifth straight year

Drought Pressure in 2005 in Central Corn Belt Demonstrated Performance Value of *YieldGard* Rootworm

2006 STATUS

YieldGard
Rootworm Corn

KEY MARKET ACRES	U.S.	BRAZIL	ARGENTINA
AVAILABLE MARKET	25-30M	5M	1M
PERCENT PENETRATED	16%	0%	0%

YIELDGARD
ROOTWORM

- In 2005, approximately one-quarter of growers in U.S. drought areas have experienced >30 bu/acre advantage over soil-applied insecticides
- *Yieldgard* Rootworm corn is expected to be in the range of 8 – 10 million acres in 2006

MIDWEST DROUGHT OBSERVATIONS

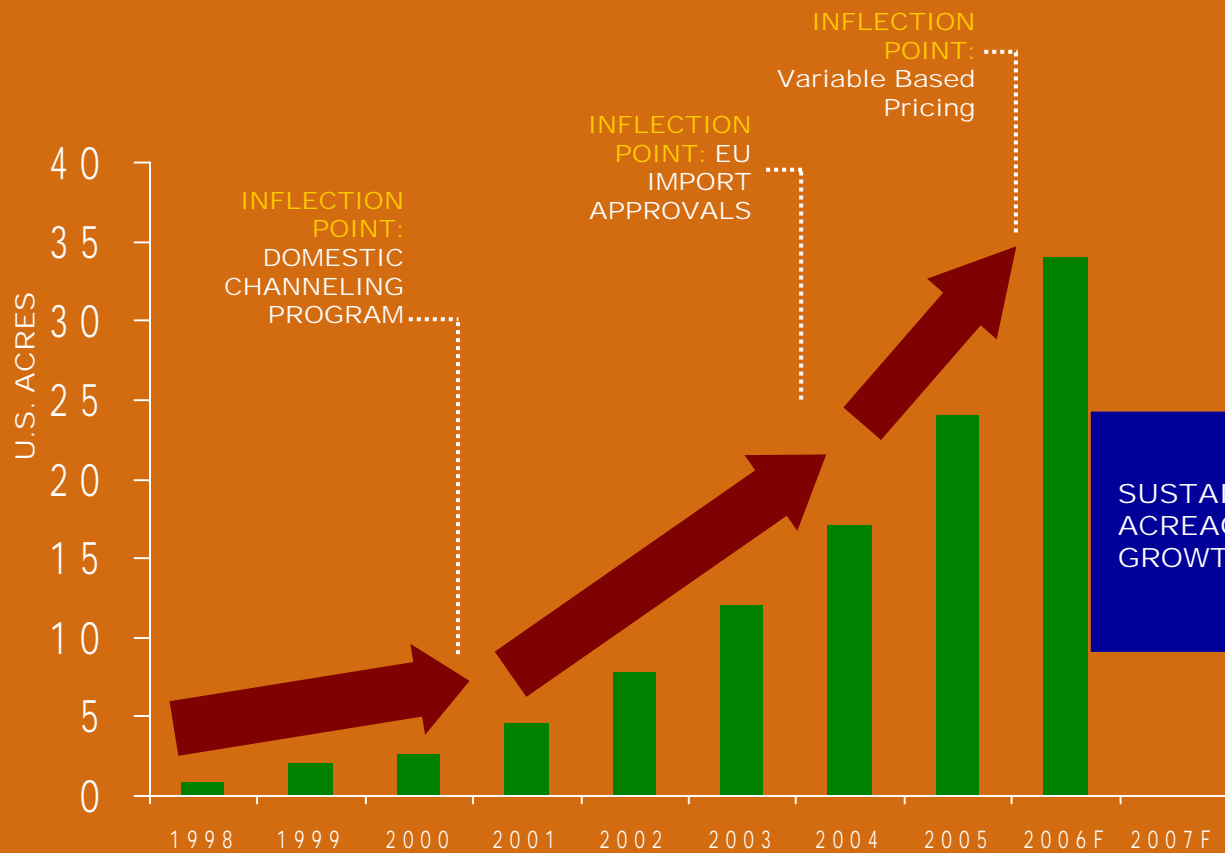


YieldGard Rootworm's protection allows for heartier roots that can tap what moisture exists

The difference between *YieldGard* Rootworm plants and conventional ones is visible



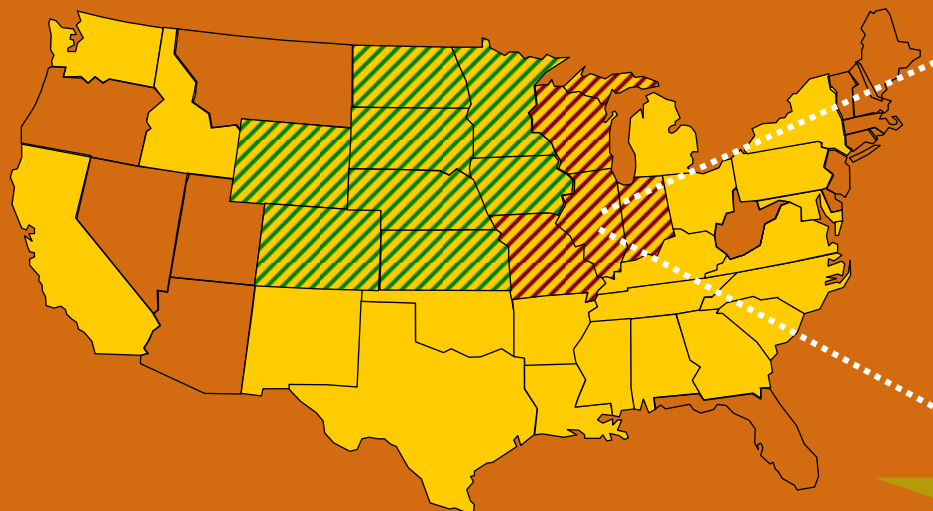
Market Opportunity for *Roundup Ready* Corn on Track for 60M Acres Longer Term



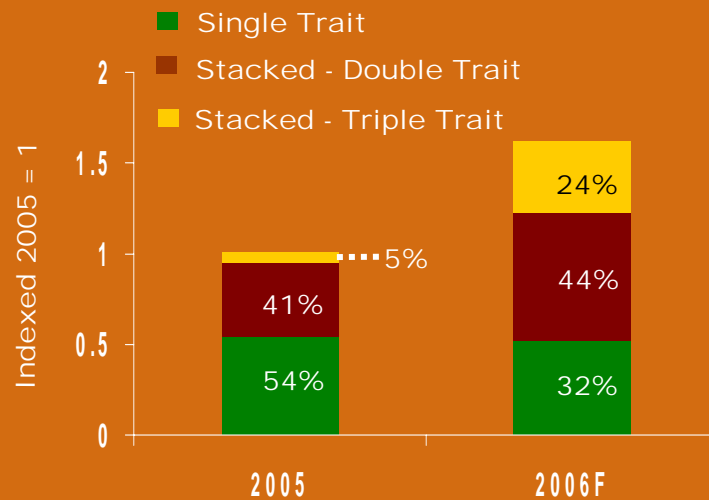
OPPORTUNITY

- *Roundup Ready* corn is on pace for 50M acres by 2008 in the U.S.
- Supply now available to sell 15% more acres of *Roundup Ready* corn than forecast in November

Variable-Based Pricing Leverages *Roundup Ready* Corn Base and Expands Market for Stacked Traits



- STATES WITH WEED CONTROL NEEDS, SPORADIC CORN BORER AND ROOTWORM
- ▨ STATES WITH CONSISTENT NEED FOR WEED CONTROL, CORN-BORER CONTROL AND ROOTWORM CONTROL
- ▨ STATES WITH CONSISTENT NEED FOR WEED CONTROL, ROOTWORM CONTROL AND SPORADIC CORN-BORER CONTROL

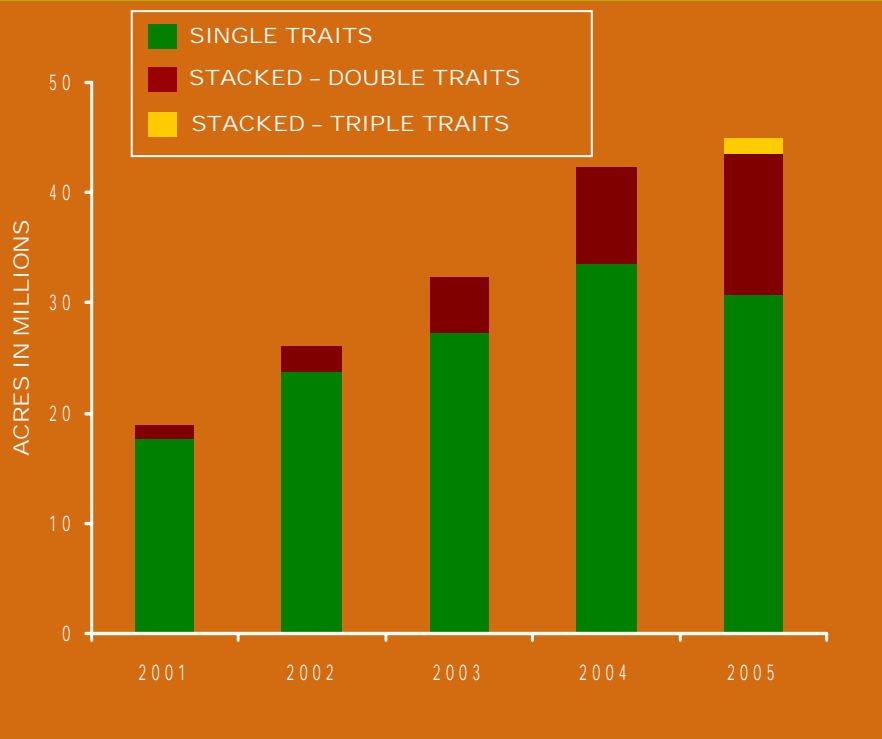


Significant Incremental Demand For Stacked Combinations of *Roundup Ready* and *YieldGard* in DeKalb / Asgrow Brands in Illinois and Indiana

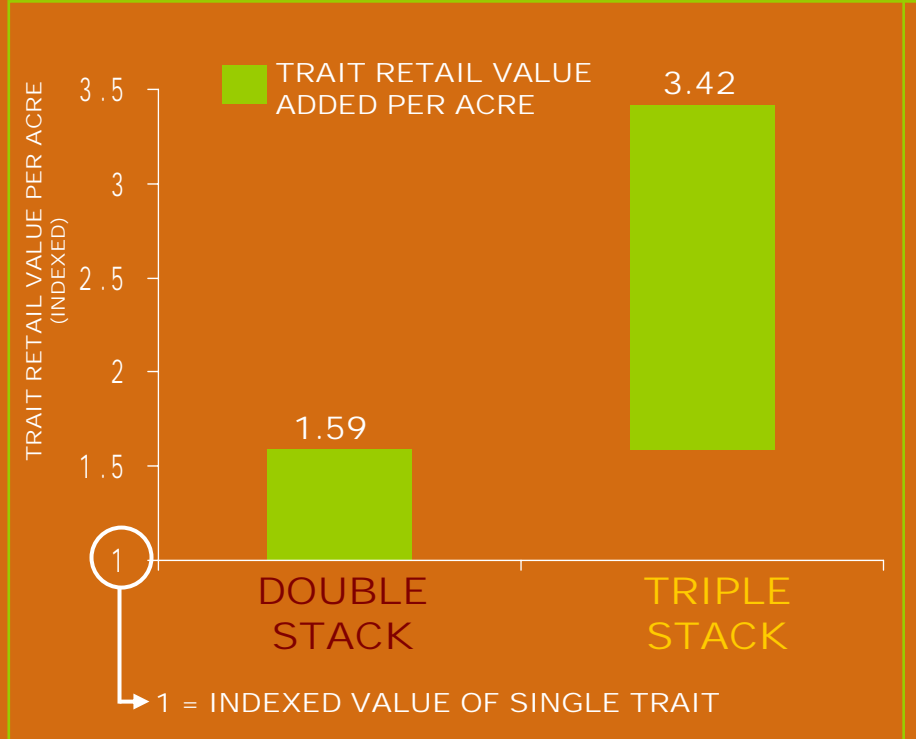
1. Seed includes one or more traits

Stacking Shifts Value Opportunity to the More Profitable Acre

U.S. CORN TRAIT ACRES

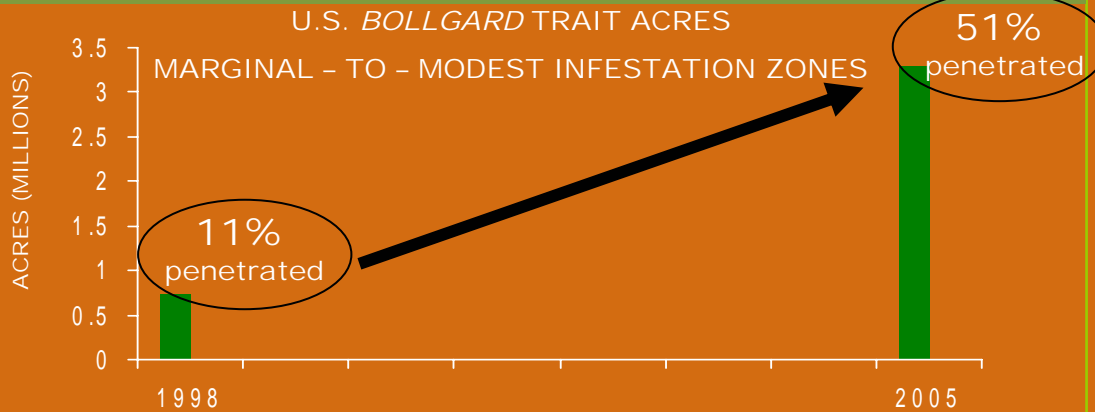


AVERAGE U.S. RETAIL VALUE ADDED WITH STACKED TRAITS



Success in Variable-Based Pricing in Cotton Is Bellwether for Zone-Based Royalties in Corn

COTTON EXAMPLE Driving Trait Penetration in Marginal to Modest Insect-Infestation Zones



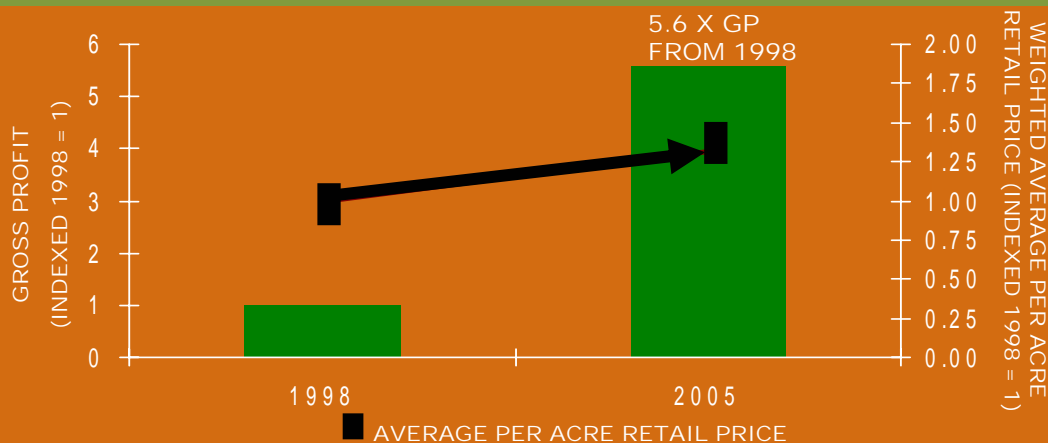
STEP 1

- Differential pricing allowed Monsanto to earn an acre that otherwise would not have used *Bollgard* technology, driving trait penetration on marginally-to modestly-infested acres

STEP 2

- Experience shows the farmer recognizes the value and convenience of the trait package and embraces more value-added technology, largely through stacked traits

COTTON EXAMPLE Increasing Monsanto's Value per Acre in Marginal to Modest Insect-Infestation Zones



STEP 3

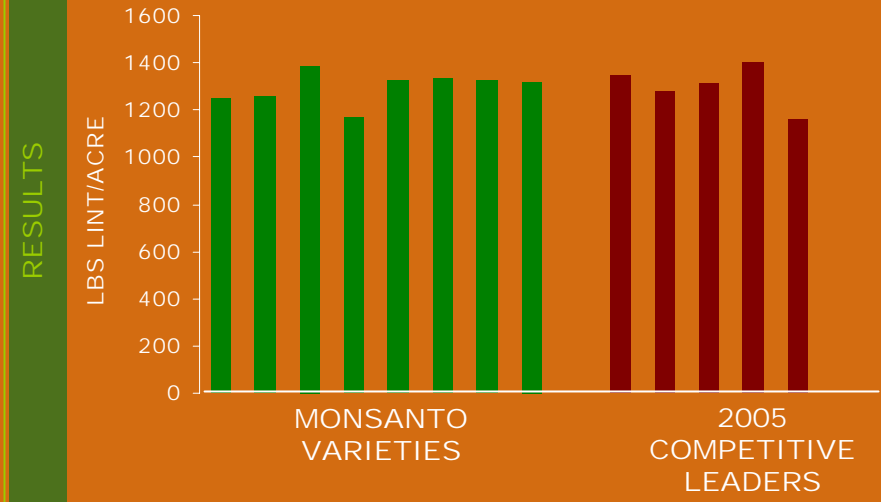
- Because of the increased penetration and movement toward stacked-traits, the total value per acre captured by Monsanto increases
- With more trait acres and more value generated per acre, overall gross profit increases

New Branded Business and Expanding Licensee Base Showcases Strong Cotton Germplasm

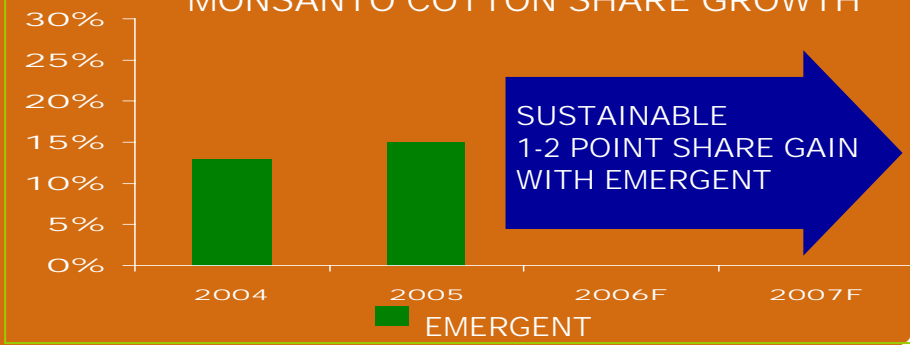
	U.S.	
KEY MARKET ACRES	STONEVILLE	COTTON STATES
AVAILABLE MARKET	14M	
PERCENT PENETRATED	14%	0%

- Monsanto varieties competitive with current market leaders and heavily penetrated with *Roundup Ready Flex* stacked with *Bollgard II*
- Stoneville will offer 9 varieties either with the *Roundup Ready Flex* trait or with *Roundup Ready Flex* stacked with *Bollgard II*
- Cotton States will have 5 licensees in 2006

2005 COTTON GERmplasm PERFORMANCE (19 LOCATIONS)



MONSANTO COTTON SHARE GROWTH



Roundup Ready Flex Launch To Be Most Significant in 10-Year History of Biotech Traits

2006 STATUS

Roundup Ready Flex Cotton

KEY MARKET ACRES	U.S.	INDIA	AUSTRALIA
AVAILABLE MARKET	10-15M	10-15M	0.5-0.8M
PERCENT PENETRATED	0%	0%	0%

ROUNDUP READY FLEX COTTON

- Pricing at a premium of \$6-\$11 an acre over the first-generation of Roundup Ready cotton

- Anticipated largest trait launch of 2-3 million acres in U.S. in 2006 through 10 cotton seed companies
- Roundup Ready Flex will only be stacked with *Bollgard II* at approximately 70 – 80% of mix
- Introductory acres planted in Australia; full launch set for 2007
- Trait in initial breeding phase with licensees in India in preparation for filing for regulatory field trials



The Roundup Ready Flex cotton trait will be coupled with our Stoneville brand and our Cotton States licensing as a showcase of Monsanto's cotton business ▶



DISCOVERY

PHASE I
Proof of Concept

PHASE II
Early Development

PHASE III
Adv. Development

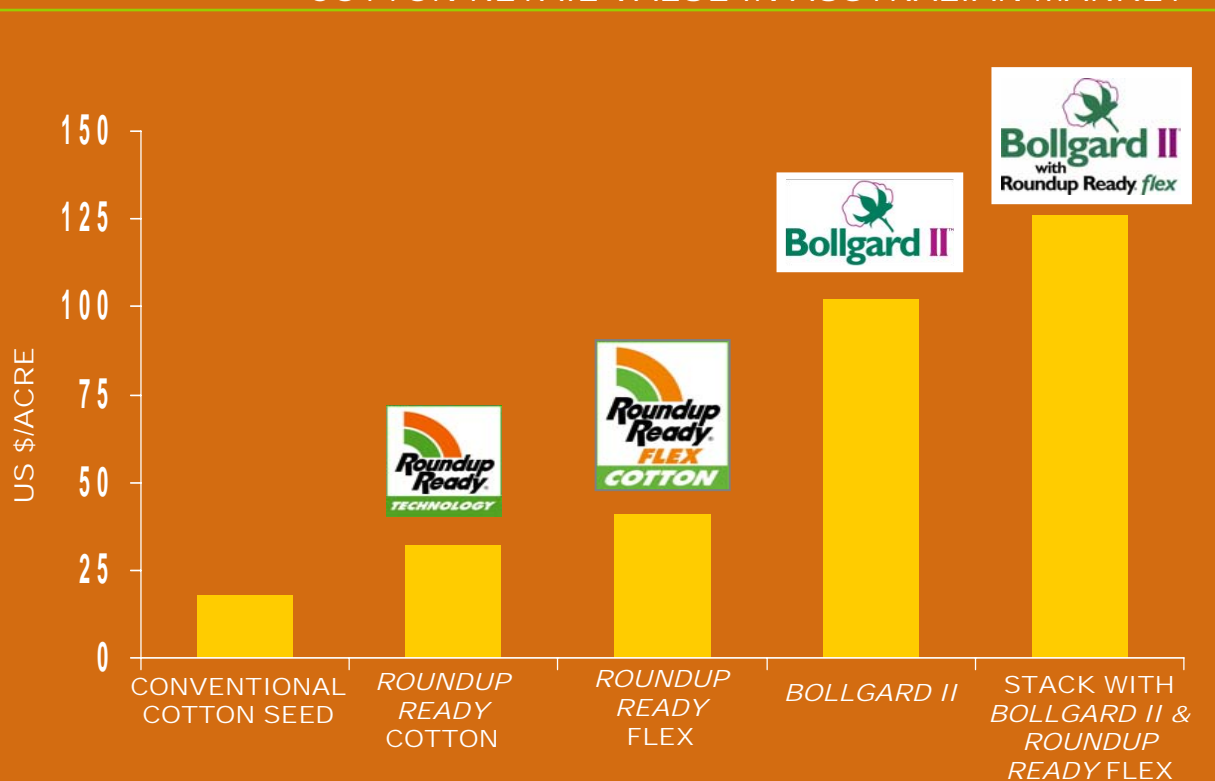
PHASE IV
Pre-Launch

LAUNCH

Multiple Margin Opportunities Accelerate with Second-Generation Launches Australia

Second-Generation Traits

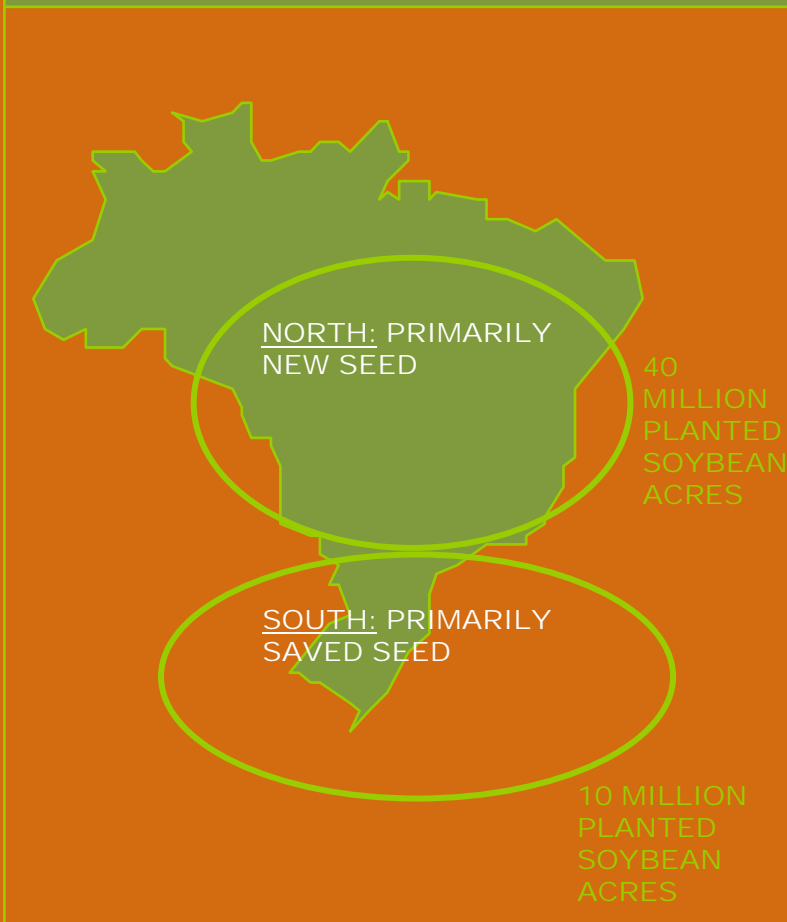
COTTON RETAIL VALUE IN AUSTRALIAN MARKET



- 90% of all cotton acres have at least one trait
- 65% of all acres with at least one trait are a stack vs. 44% last year
- Success of *Bollgard II / Roundup Ready* sets stage for full launch of *Bollgard III / Roundup Ready Flex* starting in 2007

Brazil Is the Most Significant New Market Potential for Roundup Ready Soybeans

MARKET UPDATE:



ROUNDUP READY SOYBEANS IN BRAZIL

CURRENT MARKET CONDITIONS

- Planted soybean acres down roughly 5 percent for 2006 season

VALUE CAPTURE

NEW SEED SALES	<ul style="list-style-type: none"> ■ New seed sales at mid to upper end of 4 – 5M acre range ■ Value: ~\$9/acre retail value shared significantly with partners
SAVED SEED	<ul style="list-style-type: none"> ■ Saved seed estimated at ~15M acres ■ Value: ~\$4.50/acre retail value shared significantly with partners

EARNINGS

- Expected 5-10 cents per share contribution for FY2006
- Revenue recognized primarily in Q3 and Q4

Capitalizing on Our First Mover Advantage Lays Foundation for Long-Term Leadership

2008

2009

2010

**LEAD**

- Accelerate the Current Commercial Platform
 - Expanded long-term opportunity for corn traits, reflecting opportunity in licensing, stacking and price-to-value strategies
- Expand in New Markets
 - Penetration of new markets in Asia, Europe and South America with existing traits
 - New opportunity in the high-margin Seminis business
- Discover New Opportunities Through Research
 - Refreshing of first-generation trait portfolio
 - Breeding programs expand our genetic footprint
- Translate Growth to Value
 - Gross profit mix reflects higher-margin seeds and traits

Market Potential for Biotech Traits Highlights Continued Growth Opportunity

MARKET OPPORTUNITY: KEY MARKETS	SOYBEANS	COTTON		CORN		
	<i>ROUNDUP READY</i>	<i>ROUNDUP READY FLEX</i>	<i>BOLLGARD I AND II</i>	<i>ROUNDUP READY</i>	<i>YIELDGARD CORN BORER</i>	<i>YIELDGARD ROOTWORM</i>
UNITED STATES	70M	10-15M	6-8M	60M	50-60M	25-30M
BRAZIL	50M	3M	2M	20M	15M	5M
ARGENTINA	35M	-	-	5M	4M	1M
INDIA	-	10-15M	10-15M	3 - 5M	3 - 5M	-
EUROPE	1M	-	-	24M	8M	5M
AFRICA	0.2M	11M	10M	6M	4M	-
AUSTRALIA	-	0.5M-0.8M	0.5M-0.8M	-	-	-
TOTAL KEY MARKETS	156.2M	34.5-44.8M	28.5-35.8M	118-125M	84-96M	36-41M

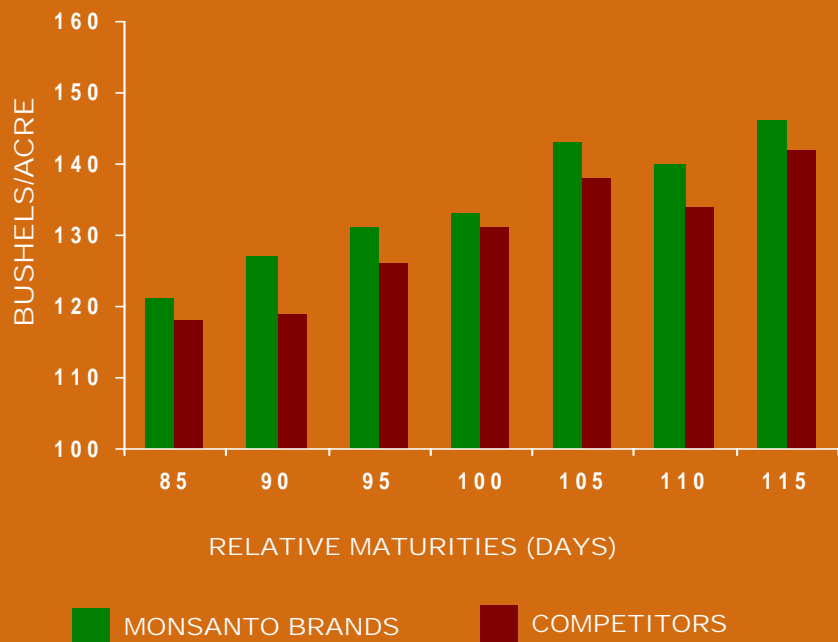
■ BIOTECH ACRES PLANTED 2005
■ REMAINING AVAILABLE MARKET



Europe Is Next Opportunity for a Multiple Channel Approach Because of Strong Germplasm Foundation

European Corn Channel Strategy

2005 COMPETITIVE CORN YIELD COMPARISON



1

Channel: Owned
Outlet: Retail
Target reach: National

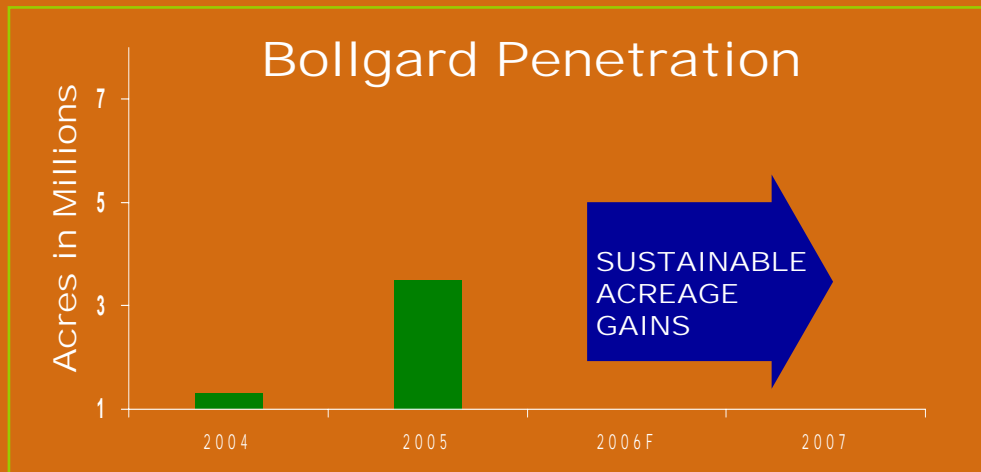


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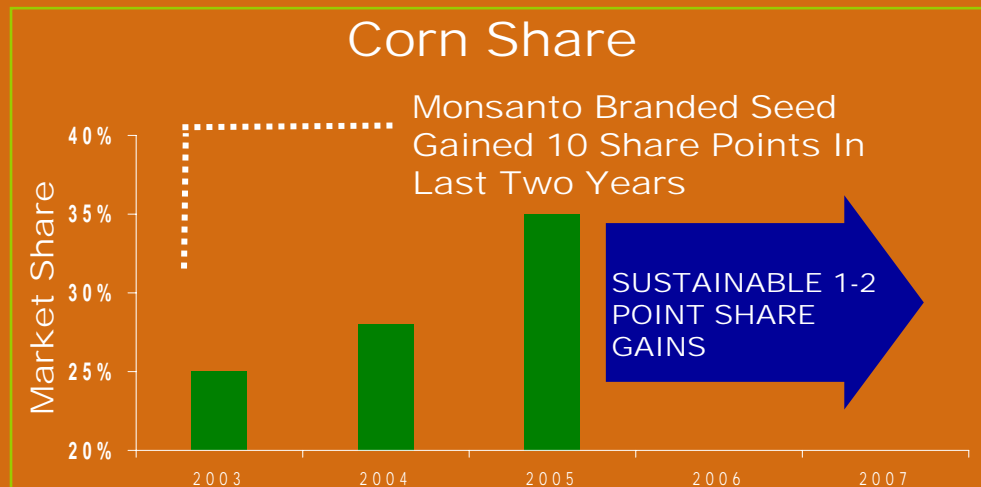
Channel: Licensed, non-exclusive
Outlet: Retail, Regional
Target reach: Europe-Africa

In India, Markets Emerge As Technology Provides Value to Farmers, the Economy and the Environment

KEY MARKET ACRES	CORN	COTTON
AVAILABLE MARKET	5-7M	10-15M
PERCENT PENETRATED	0%	20%



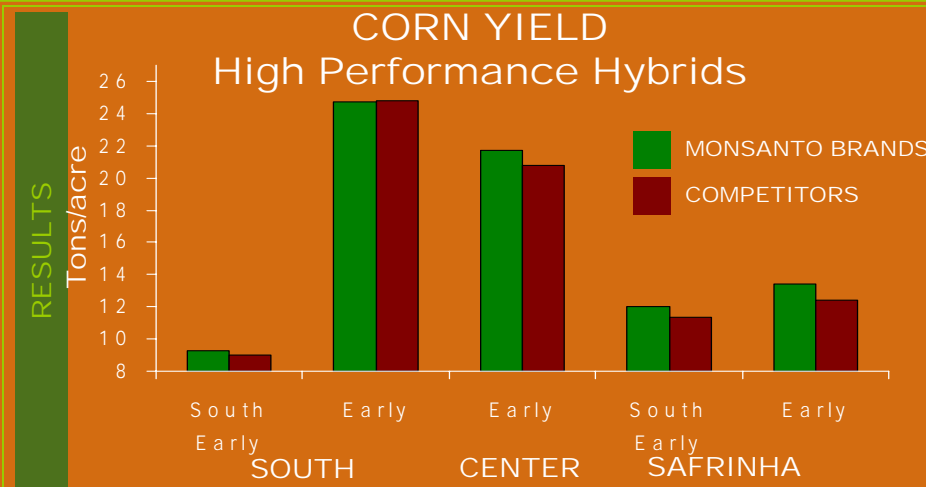
- **Biotech cotton adoption reflects economic and environmental benefits**
 - Yield Increase 58%
 - Pesticide Reduction (50%)
 - Farmer Net Return 163%
- ***Bollgard II* will launch on small acres in 2006 and *Roundup Ready Flex* longer term.**



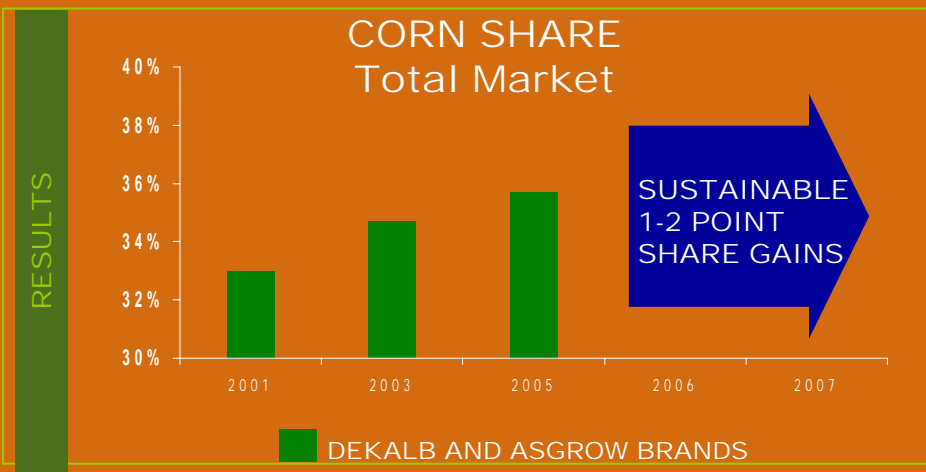
- **Conversion of open pollinated to hybridization expands market potential**
- **Breeding program introducing new higher yielding hybrids with superior fit fueling market expansion**
- ***Roundup Ready* and *YieldGard* corn-borer corn submitted for regulatory approval**

Corn Market Share Growth in Brazil Sets Foundation for Ultimate Value in Traits

KEY MARKET ACRES	CORN
AVAILABLE MARKET	20M
PERCENT PENETRATED	0%

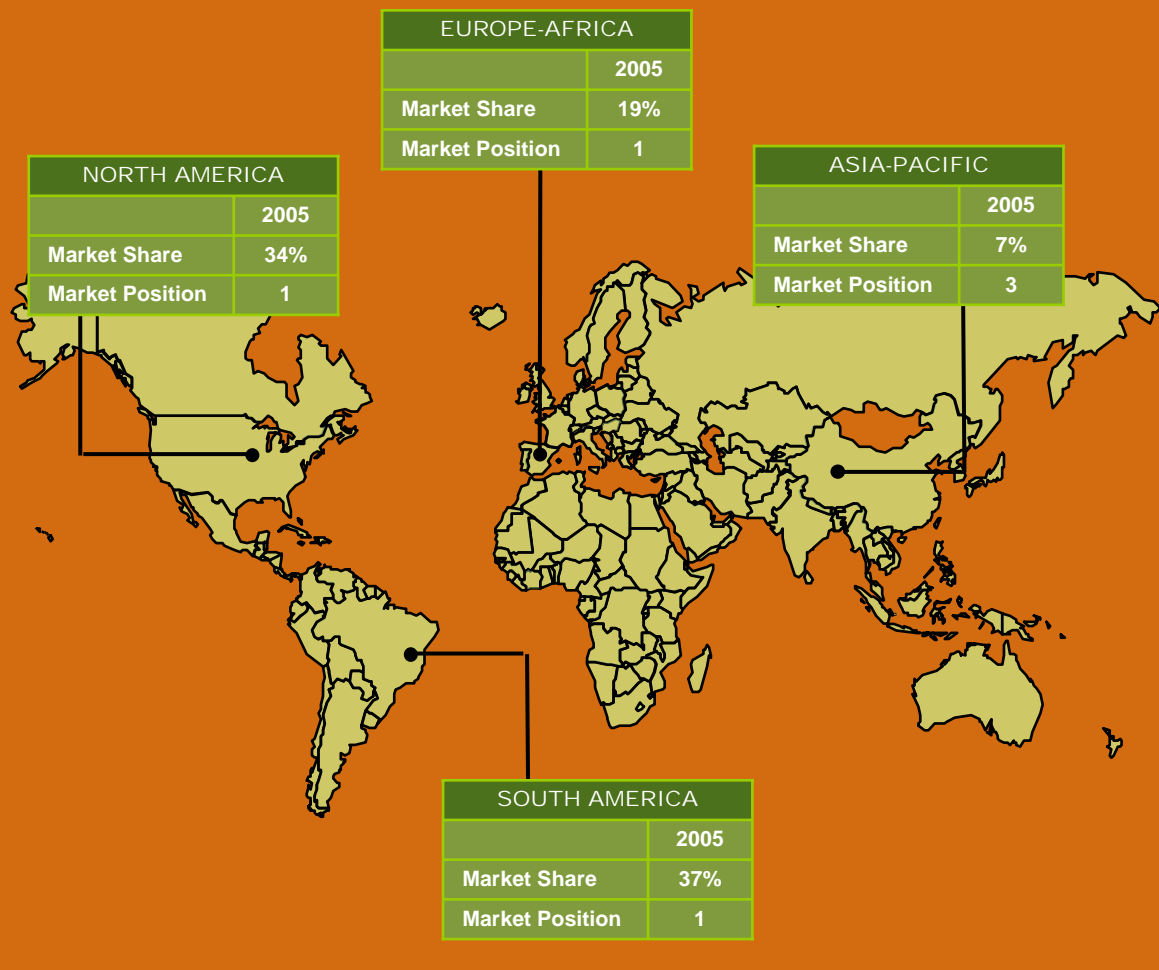


- Strong yield advantages are consistent across maturity zones and outperform best competitive commercial material sold in 2005
- New incremental investments in molecular breeding specific for tropical germplasm



- Branded share on pace for 1 – 2 points
- Solid share growth despite successive price increases
- Portfolio restructured, 50% of sales are from high performance hybrids
- Licensee agreements signed with regional Brazilian companies

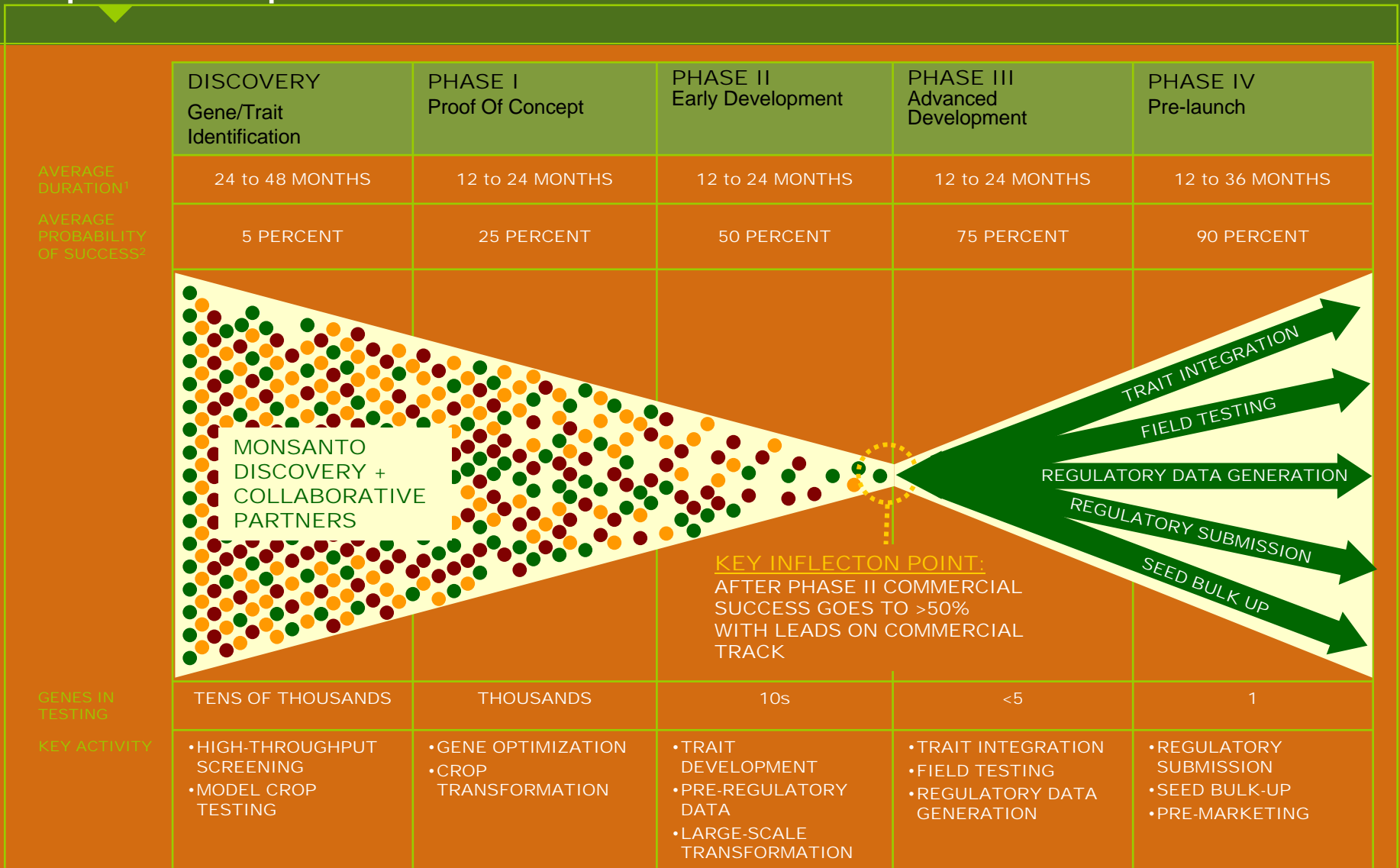
Seminis Addition to Monsanto Quickly Contributes to Growth And Opens New Business and Research Opportunities



OPPORTUNITY

- Fruit & vegetable seeds only represent approx. 3.6% of farmgate value (corn: 13.2%; soybeans: 11.4%)
- Significant growth opportunities in hybrid creation
- Seminis has the largest global vegetable germplasm library; Molecular breeding tools honed in row crops will be applied to vegetables

Efficient Discovery Program Is in Full Gear, Fueling Pipeline Expansion and Performance

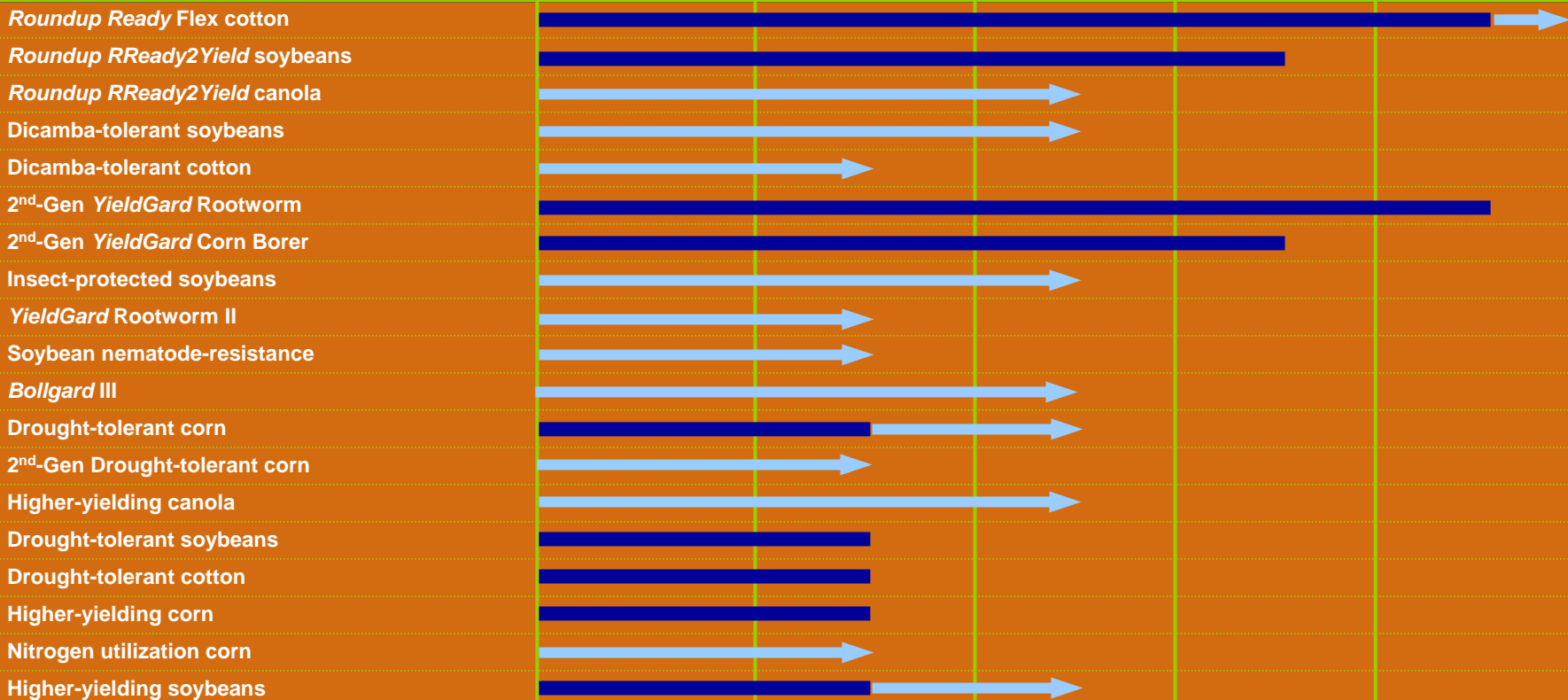


1. Time estimates are based on our experience; they can overlap. Total development time for any particular product may be shorter or longer than the time estimated here.
 2. This is the estimated average probability that the traits will ultimately become commercial products, based on our experience. These probabilities may change over time.

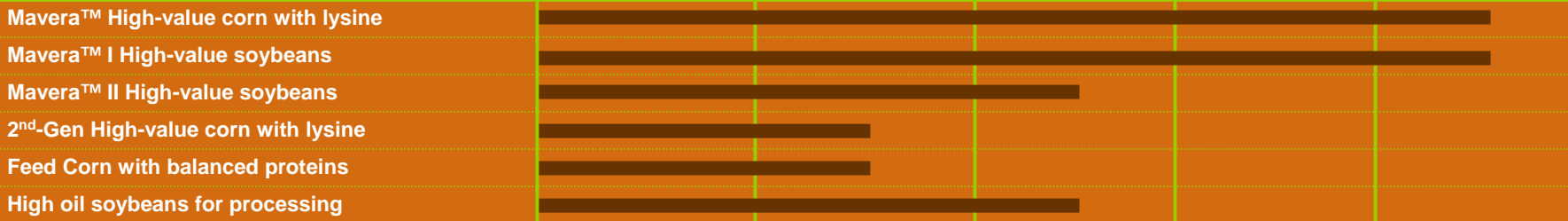
2006 Pipeline
AS OF JANUARY 1, 2006

DISCOVERY Gene/Trait Identification	PHASE I Proof Of Concept	PHASE II Early Development	PHASE III Advanced Development	PHASE IV Pre-launch
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FARMER



PROCESSOR

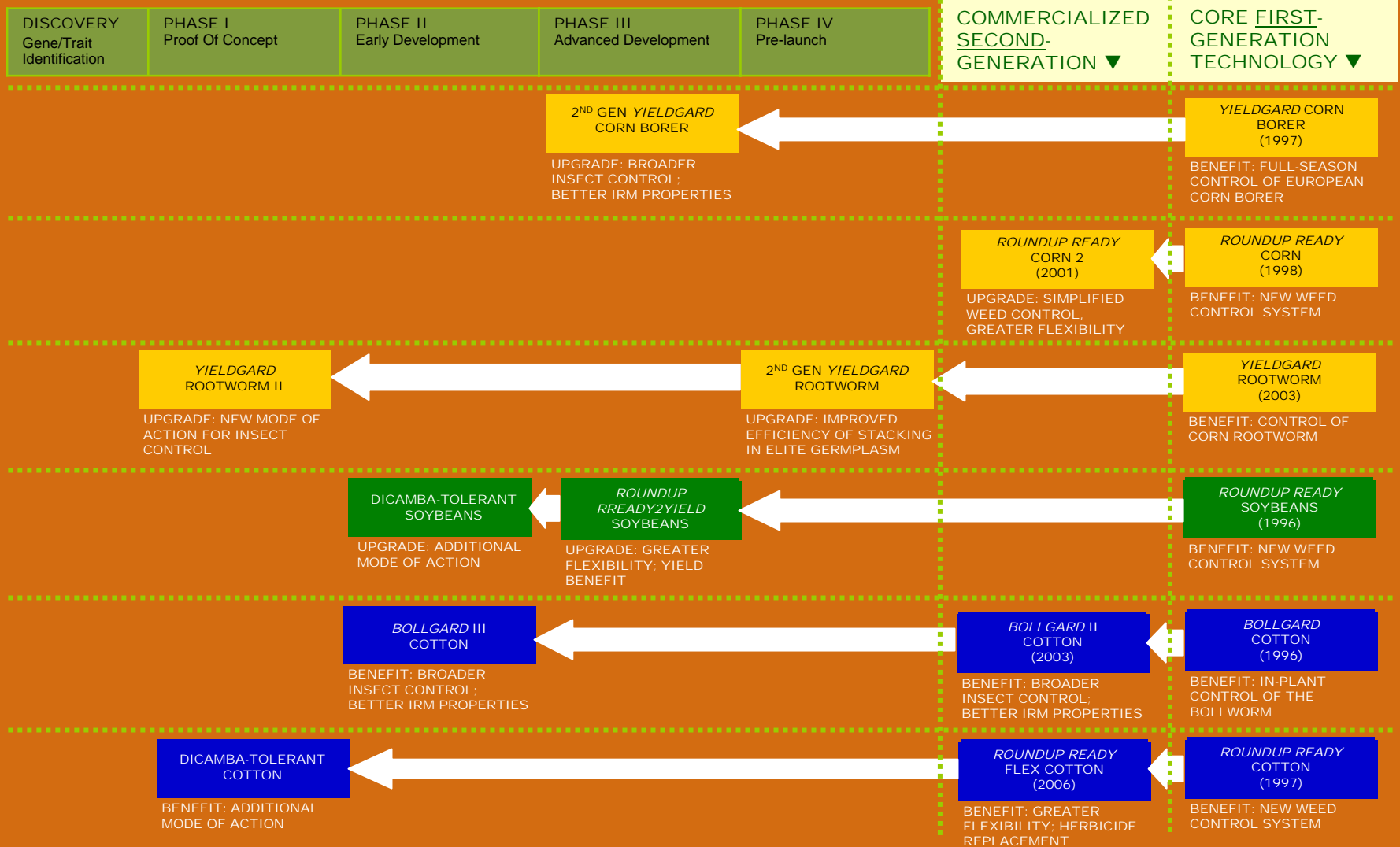


CONSUMER



Monsanto Is Upgrading the Entire Commercial Trait Portfolio to Second- and Third-Generation Traits

TECHNOLOGY UPGRADES IN THE PIPELINE ▼



Drought-Tolerant Corn Advances to Phase II Based on Second-Year Field Test Results

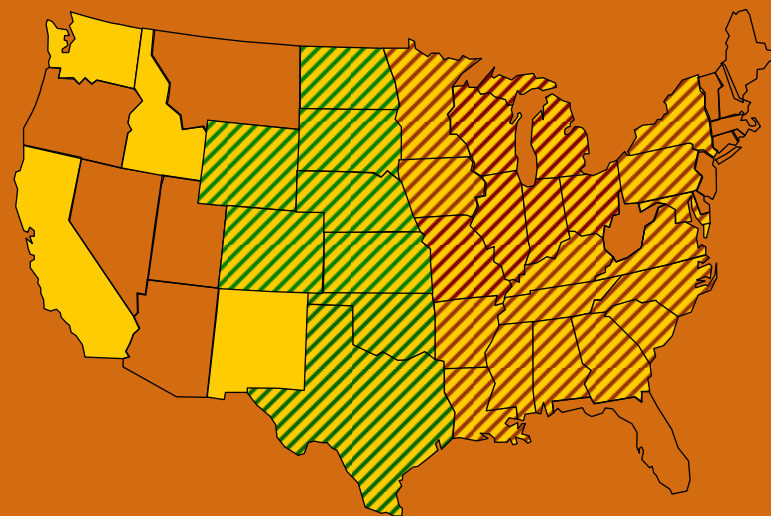
KEY MARKET ACRES	U.S.	BRAZIL	ARGENTINA
AVAILABLE MARKET	80M	30M	6M
PERCENT PENETRATED	0%	0%	0%

RESULTS



▲ Drought tolerance established through plant physiology (performance) over three years

SEGMENTED VALUE OPPORTUNITY



- BROAD ACRE WATER USE EFFICIENCY
- ▨ STATES WITH CONSISTENT DROUGHT STRESS AND IRRIGATION REQUIREMENTS
- ▨ STATES WITH INCONSISTENT DROUGHT STRESS

DISCOVERY

PHASE I
Proof of Concept

PHASE II
Early Development

PHASE III
Adv. Development

PHASE IV
Pre-Launch

LAUNCH

Drivers of Growth in Mid-Term and Long-Term Horizons Are On Track

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AUSTRALIA COTTON TRAITS	80-85% penetration	90% penetration		
BRAZIL RR EARNINGS CONTRIBUTION	5 - 10 cents per share	5 - 10 cents per share		

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Free Cash Flow

\$ Millions	Fiscal Year 2006 Target	Fiscal Year 2007 Target
Net Cash Provided by Operations	\$1,300 - \$1,375	\$1,375 - \$1,450
Net Cash Provided (Required) by Investing Activities	\$(475)	\$(500)
Free Cash Flow	\$825 - \$900	\$875-\$950
Net Cash Provided (Required) by Financing Activities	N/A	N/A
Net Increase in Cash and Cash Equivalents	N/A	N/A