

MONSANTO CO /NEW/
Form DEFR14A
December 20, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant X
Filed by a Party other than the Registrant O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement**
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule §240.14a-12

MONSANTO COMPANY

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(3) Filing Party:

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Explanatory Note

The sole purpose of this revision to the original Definitive Proxy Statement filed December 14, 2005 is to correct technical errors in Appendix C (Audit and Finance Committee Audit and Non-Audit Services Pre-Approval Policy) of the previous filing. There are no other revisions or amendments to any other parts of the Definitive Proxy Statement previously filed.

December 14, 2005

Dear Shareowner:

You are cordially invited to attend the Company's Annual Meeting of Shareowners on January 17, 2006. We will hold the meeting at 2:30 p.m. Central Standard Time in K Building at the Company's Creve Coeur Campus, 800 North Lindbergh Boulevard, St. Louis County, Missouri. A map with directions to the Company's Creve Coeur Campus can be found near the back of the proxy statement which accompanies this letter.

In connection with the meeting, we enclose a notice of the meeting, a proxy statement and a proxy card. Detailed information relating to the Company's activities and operating performance is contained in our 2005 Annual Report to Shareowners, which is also enclosed.

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If you hold your shares directly in your name as a shareowner of record, an admission ticket is attached to your proxy card. If you plan to attend the annual meeting, please vote your proxy but keep the admission ticket and bring it with you to the meeting. If your shares are held in the name of a bank, broker or other holder of record, you must present proof of your ownership, such as a bank or brokerage account statement, to be admitted to the meeting. Shareowners must also present a form of personal identification in order to be admitted to the meeting.

Whether or not you plan to attend the Annual Meeting of Shareowners, we encourage you to vote your shares. You may vote via Internet, by telephone, by mail or in person at the meeting. Please note that if you have elected to receive shareowner communications and submit voting instructions via the Internet, you will not receive a proxy card.

The Company will make available an alphabetical list of shareowners entitled to vote at the meeting, for examination by any shareowner during ordinary business hours, at the Company's Shareowner Services Department, located in E Building at the Creve Coeur Campus, from January 6, 2006, until the meeting.

On behalf of the entire board, we look forward to seeing you at the meeting.

Sincerely,

Hugh Grant
Chairman of the Board of Directors,
President and Chief Executive Officer

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***NOTICE OF
ANNUAL MEETING OF SHAREOWNERS
JANUARY 17, 2006***

The Annual Meeting of Shareowners of Monsanto Company will be held in K Building at the Company's Creve Coeur Campus, 800 North Lindbergh Boulevard, St. Louis County, Missouri, on Tuesday, January 17, 2006, at 2:30 p.m. Central Standard Time for the following purposes:

1. To elect three directors to serve until our 2009 annual meeting;
2. To ratify the appointment of Deloitte & Touche LLP as principal independent registered public accounting firm for the year 2006;
3. To approve the performance goal under §162(m) of the Internal Revenue Code;
4. To vote on a shareowner proposal requesting a report on corporate political spending;
5. To vote on a shareowner proposal requesting a policy of separating the roles of Chairman and Chief Executive Officer; and
6. To transact such other business as may properly come before the meeting.

By Order of the Board of Directors,
MONSANTO COMPANY

CHARLES W. BURSON
Secretary
St. Louis, Missouri
December 14, 2005

IMPORTANT NOTICE
Please Vote Your Shares Promptly

Questions and Answers

Q. When and where is the annual meeting?

We will hold the annual meeting of shareowners on Tuesday, January 17, 2006, at 2:30 p.m. Central Standard Time in K Building at the Company's Creve Coeur Campus, 800 North Lindbergh Boulevard, St. Louis, Missouri 63167. A map with directions to the meeting can be found near the back of the proxy statement.

Q. Who is entitled to vote at the meeting?

You are entitled to vote at the meeting if you owned shares as of the close of business on November 18, 2005, the record date for the meeting.

Q. What am I being asked to vote on at the meeting?

We are asking our shareowners to elect directors, to ratify the appointment of our independent registered public accounting firm, to approve the performance goal under §162(m) of the Internal Revenue Code and to vote on two shareowner proposals.

Q. What vote of the shareowners is needed?

Each share of our common stock is entitled to one vote with respect to each matter on which it is entitled to vote. Our directors are elected by a plurality of votes, which means that the nominees who receive the greatest number of votes will be elected. Under our by-laws, a majority of the shares present at the meeting in person or by proxy is required for approval of all other items.

Q. Can I vote by telephone or over the Internet?

Most shareowners have a choice of voting in one of four ways: via Internet, telephone, mail or in person at the meeting. Please read the instructions attached to the proxy card or the information sent by your broker or bank.

Q. Where can I get additional copies of the proxy materials?

To get additional copies of proxy materials, please feel free to call (314) 694-3155.

Q. How can I get assistance in voting my shares?

To get help in voting your shares, please contact Morrow & Co., Inc. at (800) 607-0088.

Q. What do I do if my shares of common stock are held in street name at a bank or brokerage firm?

If your shares are held in street name by a bank or brokerage firm as your nominee, your bank or broker will send you a separate package describing the procedure for voting your shares. You should follow the instructions provided by your bank or brokerage firm.

Q. What happens if I return my signed proxy card but forget to indicate how I want my shares of common stock voted?

If you sign, date and return your proxy and do not mark how you want to vote, your proxy will be counted as a vote FOR all of the nominees for directors, FOR the ratification of our independent registered public accounting firm, FOR the approval of the performance goal under §162(m) of the Internal Revenue Code and AGAINST the two shareowner proposals.

Q. What happens if I do not instruct my broker how to vote or if I mark abstain on the proxy?

Under our by-laws, if you mark your proxy abstain, your vote will have the same effect as a vote against the proposal. If you do not instruct your broker how to vote, your broker will vote your shares for you at his or her discretion on routine matters such as the election of directors or ratification of independent registered public accounting firms. Broker non-votes have the same effect as votes cast against a particular proposal.

Q. Can I change my voting instructions before the meeting?

Except with respect to voting instructions for shares held in the Company's Savings and Investment Plan, you can revoke your proxy at any time before it is exercised by timely delivery of a properly executed, later-dated proxy (including an Internet or telephone vote), by delivering a written revocation of your proxy to the Secretary of Monsanto, or by voting at the meeting. The method by which you vote by a proxy will in no way limit your right to vote at the meeting if you decide to attend in person. If your shares are held in the name of a bank or brokerage firm, you must obtain a proxy, executed in your favor, from the bank or broker, to be able to vote at the meeting.

Voting instructions with respect to shares held in the Company's Savings and Investment Plan cannot be revoked or changed after 10:00 p.m. Central Standard Time on January 11, 2006.

Q. Will I have access to the proxy statement over the Internet?

Yes. In addition to receiving paper copies of the proxy statement and annual report in the mail, you can view these documents over the Internet by accessing our website at <http://www.monsanto.com> and clicking on the Investor Information tab at the top of the page. Information on our website does not constitute part of this proxy statement. You can choose to view future proxy statements and annual reports over the Internet instead of receiving paper copies by mail. Please read the enclosure accompanying this proxy statement for detailed information regarding these procedures.

Q. What do I need to do if I plan to attend the meeting in person?

If you plan to attend the annual meeting and you hold your shares directly in your name, please vote your proxy but keep the admission ticket attached to your proxy card and bring it with you to the meeting. If your shares are held in the name of a bank, broker or other holder of record, you must present proof of your ownership, such as a bank or brokerage account statement, to be admitted to the meeting. In addition, if your shares are held in the name of a bank or brokerage firm, you must obtain a proxy, executed in your favor, from the bank or broker, to be able to vote at the meeting. Shareowners must also present a form of personal identification in order to be admitted to the meeting.

PROXY STATEMENT

The board of directors of Monsanto Company is soliciting proxies from its shareowners in connection with the Company's Annual Meeting of Shareowners to be held on Tuesday, January 17, 2006, and at any and all adjournments thereof. The meeting will be held at 2:30 p.m. Central Standard Time in K Building at the Company's Creve Coeur Campus, 800 N. Lindbergh Boulevard, St. Louis County, Missouri.

If you plan to attend the meeting in person and you hold your shares directly in your name as a shareowner of record, an admission ticket is attached to your proxy card. Please vote your proxy but keep the admission ticket and bring it with you to the meeting. If your shares are held in the name of a bank, broker or other holder of record, you must present proof of your ownership, such as a bank or brokerage account statement, to be admitted to the meeting. In addition, if your shares are held in the name of a bank or brokerage firm, you must obtain a proxy, executed in your favor, from the bank or broker, to be able to vote at the meeting. Shareowners must also present a form of personal identification in order to be admitted to the meeting.

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We first began delivering to all shareowners of record this proxy statement, the accompanying form of proxy and the Company's 2005 Annual Report to Shareowners on December 14, 2005.

Information Regarding Our Formation

Prior to September 1, 1997, a corporation that was then known as Monsanto Company (Former Monsanto or old Monsanto) operated an agricultural products business (the Ag Business), pharmaceuticals and nutrition business (the Pharmaceuticals Business) and a chemical products business (the Chemicals Business). Former Monsanto is today known as Pharmacia Corporation (Pharmacia). Pharmacia is now a wholly owned subsidiary of Pfizer, Inc., which together with its subsidiaries operates the Pharmaceuticals Business. Our business consists of the operations, assets and liabilities that were previously the Ag Business. Solutia Inc. (Solutia) comprises the operations, assets and liabilities that were previously the Chemicals Business. The table provided in Appendix A sets forth a chronology of events that resulted in the formation of Monsanto, Pharmacia and Solutia as three separate and distinct corporations.

Information Regarding Our Fiscal Year

In July 2003, we changed from a calendar year end to a fiscal year ending August 31. Consequently, the Company had an eight-month transition period from January 1, 2003 through August 31, 2003. The information in this proxy statement covers the full 12-month period beginning September 1, 2004 and ending August 31, 2005 (which we refer to in this proxy statement as our 2005 fiscal year).

Shareowners Entitled To Vote

You are entitled to vote (in person or by proxy) at the annual meeting if you were a shareowner of record at the close of business on November 18, 2005. On November 18, 2005, 268,901,698 shares of our common stock were outstanding and entitled to vote and no shares of our preferred stock were outstanding. There is no cumulative voting with respect to the election of directors. Shareowners of record are entitled to one vote per share on all matters.

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Proxies and Voting Procedures

Most shareowners have a choice of voting by completing a proxy/voting instruction card and mailing it in the postage-paid envelope provided, by using a toll-free telephone number, by voting over the Internet or in person at the meeting. Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. The telephone and Internet voting facilities for the shareowners of record of all shares, other than those held in the Company's Savings and Investment Plan, will close at 11:59 p.m. Eastern Standard Time on January 16, 2006. The Internet and telephone voting procedures are designed to authenticate shareowners by use of a control number and to allow you to confirm that your instructions have been properly recorded. If you hold your shares in street name through a bank or broker, your bank or broker will send you a separate package describing the procedures and options for voting your shares.

If you participate in a Monsanto Stock Fund under the Company's Savings and Investment Plan and had shares of the Company's common stock credited to your account on November 18, 2005, you will receive a single proxy/voting instruction card with respect to all shares registered in the same name, whether inside or outside of the plan. If your accounts inside and outside of the plan are not registered in the same name, you will receive a separate proxy/voting instruction card with respect to the shares credited to your Savings and Investment Plan account. Voting instructions regarding plan shares must be received by 10:00 p.m. Central Standard Time on January 11, 2006, and all telephone and Internet voting facilities with respect to plan shares will close at that time.

Shares of common stock in the Company's Savings and Investment Plan will be voted by The Northern Trust Company (Northern) as trustee of the plan. Plan participants in a Monsanto Stock Fund should indicate their voting instructions to Northern for each action to be taken under proxy by completing and returning the proxy/voting instruction card, by using the toll-free telephone number or by indicating their instructions over the Internet. All voting instructions from plan participants will be kept confidential. If a participant fails to sign or to timely return the proxy/voting instruction card or otherwise timely indicate his or her instructions by telephone or over the Internet, the shares allocated to such participant, together with unallocated shares, will be voted in accordance with the pro rata vote of the participants who did provide instructions.

Except with respect to voting instructions for shares held in the Company's Savings and Investment Plan, you can revoke your proxy at any time before it is exercised by timely delivery of a properly executed, later-dated proxy (including an Internet or telephone vote), by delivering a written revocation of your proxy to our Secretary or by voting at the meeting. You can revoke your voting instructions with respect to shares held in the Company's Savings and Investment Plan at any time prior to 10:00 p.m. Central Standard Time on January 11, 2006 by timely delivery of a properly executed, later-dated voting instruction card (or an Internet or telephone vote), or by delivering a written revocation of

your voting instructions to Northern. The method by which you vote will in no way limit your right to vote at the meeting if you decide to attend in person. If your shares are held in the name of a bank or brokerage firm, you must obtain a proxy, executed in your favor, from the bank or broker to be able to vote at the meeting.

Your properly completed proxy/voting instruction card will appoint Hugh Grant and Charles W. Burson as proxy holders or your representatives, or Northern as trustee of the Company's Saving and Investment Plan, as the case may be, to vote your shares in the manner directed therein by you. Mr. Grant is the chairman of the board, president and chief executive officer of the Company. Mr. Burson is an executive vice president of the Company and our secretary and general counsel. Your proxy permits you to direct the proxy holders or to instruct Northern, as the trustee of the Company's Saving and Investment Plan, as the case may be, to: (i) vote for or withhold your votes from particular nominees for director; (ii) vote for, against or abstain from the ratification of the appointment of Deloitte & Touche LLP as the Company's principal independent registered public accounting firm for the year 2006; (iii) vote for, against or abstain from the approval of the performance goal under §162(m) of the Internal Revenue Code; (iv) vote for, against or abstain from shareowner proposal one; and (v) vote for, against, or abstain from shareowner proposal two.

All shares entitled to vote and represented by properly completed proxy/voting instruction cards received prior to the meeting and not revoked will be voted at the meeting in accordance with your instructions. If you do not indicate how your shares are to be voted on a matter, the shares represented by your properly completed

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proxy/voting instruction card will be voted FOR the nominees for director, FOR the ratification of the appointment of Deloitte & Touche LLP, FOR the approval of the performance goal under §162(m) of the Internal Revenue Code, and AGAINST the two shareowner proposals.

As far as the Company knows, the only matters to be brought before the annual meeting are those referred to in this proxy statement. As to any other matters presented at the annual meeting, the persons named as proxies may vote your shares in their discretion.

Required Vote

No business can be conducted at the annual meeting unless a majority of all outstanding shares entitled to vote are either present in person or represented by proxy at the meeting. A plurality of the shares present at the meeting in person or by proxy is required for the election of directors. Under our by-laws, the affirmative vote of a majority of the shares present at the meeting in person or by proxy is required for all other items. For this purpose, abstentions and votes withheld by brokers in the absence of instructions from street-name holders (broker non-votes) have the same effect as votes cast against a particular proposal.

Electronic Access to Proxy Materials and Annual Report

Shareowners may view this proxy statement and our 2005 Annual Report to Shareowners over the Internet by accessing our website at <http://www.monsanto.com> and clicking on the Investor Information tab at the top of the page. Information on our website does not constitute part of this proxy statement.

In addition, most shareowners can elect to receive future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail. If you are a shareowner of record, you can choose this option and save the Company the cost of producing and mailing these documents by marking the appropriate box on your proxy card or by following the instructions provided if you vote over the Internet or by telephone. Please read the enclosure accompanying this proxy statement for detailed information regarding these procedures. If you hold your shares through a bank or broker, please refer to the information provided by that entity for instructions on how to elect to receive future proxy statements and annual reports over the Internet.

Information Regarding Board of Directors and Committees

Composition of Board of Directors

Under the Company's amended and restated certificate of incorporation, generally the number of directors of the Company is fixed, and may be increased or decreased from time to time by resolution of the board of directors. Currently, the board has fixed the number of directors at ten members. There is one vacancy to the board at this time and we are searching for a qualified individual to fill this vacancy. The board of directors is divided into three classes, with terms expiring at successive annual meetings. In the case of an appointment of a director or if there is

a change in the number of directors, the number of directors in each class shall be apportioned as nearly equally as possible. The board has nominated three directors to be elected at the 2006 annual meeting to serve for a three-year term ending with the annual meeting to be held in 2009, until a successor is elected and has qualified, or until his earlier death, resignation or removal. Each nominee is currently a director of the Company.

The ages, principal occupations, directorships held and any other information with respect to our nominees and directors, and the classes into which they have been divided, are shown below as of December 1, 2005 except as otherwise noted. We expect one vacancy to remain after the annual meeting in the class whose term expires in 2009.

Nominees for Directors Whose Terms Expire at the 2009 Annual Meeting

| | |
|---------------------------|--|
| <i>Hugh Grant</i> | <p>Principal Occupation: Chairman of the Board, President and Chief Executive Officer, Monsanto Company First Became Director: May 2003 Age: 47</p> <p>Chairman of the Board of Monsanto Company since October 2003; President and Chief Executive Officer of Monsanto Company since May 2003; Executive Vice President and Chief Operating Officer, Monsanto Company, 2000-2003; Co-President, Agricultural Sector, old Monsanto Company, 1998-2000. Director: PPG, Inc.</p> |
| <i>C. Steven McMillan</i> | <p>Principal Occupation: Retired Chairman and Chief Executive Officer, Sara Lee Corporation First Became Director: June 2000 Age: 59</p> <p>Chairman of the Board of Sara Lee Corporation, a global consumer packaged goods company, October 2001-October 2005, Chief Executive Officer of Sara Lee Corporation, July 2000-February 2005; President of Sara Lee Corporation 2000-2004; President and Chief Operating Officer, Sara Lee Corporation, 1997-2000.</p> |
| <i>Robert J. Stevens</i> | <p>Principal Occupation: Chairman of the Board, President and Chief Executive Officer, Lockheed Martin Corporation First Became Director: August 2002 Age: 54</p> <p>Chairman of the Board of Lockheed Martin Corporation, a high technology aerospace and defense company, since April 2005; President and Chief Executive Officer of Lockheed Martin Corporation since August 2004; President and Chief Operating Officer of Lockheed Martin, October 2000-August 2004; Chief Financial Officer of Lockheed Martin Corporation, 1999-2001; Vice President Strategic Development of Lockheed Martin Corporation, 1998-1999; President and Chief Operating Officer of the former Lockheed Martin Energy and Environmental Sector, 1998-1999; Director: Lockheed Martin Corporation.</p> |

Directors Whose Terms Expire at the 2007 Annual Meeting

| | |
|---------------------------|---|
| <i>Frank V. AtLee III</i> | <p>Principal Occupation: Retired President, American Cyanamid Company First Became Director: June 2000 Age: 65</p> |
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Chairman of the Board of Monsanto Company, 2000 2003; Interim president and chief executive officer, Monsanto Company, December 2002 May 2003; Chair, Advisory Committee, Arizona Biodesign Institute, Arizona State University, 2002 2004; President of American Cyanamid Company, a major pharmaceutical company, 1993 January 1995; chairman of Cyanamid International, 1993 January 1995. Director: Antigenetics Inc. (Lead) and Nereus Pharmaceuticals, Inc.

Gwendolyn S. King

**Principal Occupation: President, Podium Prose First Became Director: February 2001
Age: 65**

President, Podium Prose, a speaker's bureau and speechwriting service founded in 2000; Founding Partner, The Directors' Council, a corporate board search firm, from October 2003 to May 2005; Senior Vice President, Corporate and Public Affairs, PECO Energy Company (formerly Philadelphia Electric Company), a diversified utility company, 1992 1998; Commissioner, Social Security Administration, 1989 1992. Director: Lockheed Martin Corporation and Marsh & McLennan Companies, Inc.

Sharon R. Long, Ph.D.

**Principal Occupation: Professor of Biological Sciences and Dean of the School of Humanities and Sciences, Stanford University
First Became Director: February 2002
Age: 54**

Professor of Biological Sciences, Stanford University, since 1992; Dean of the School of Humanities and Sciences, Stanford University, since September 2001; Investigator of the Howard Hughes Medical Institute, conducting research at Stanford University, 1994 2001.

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Directors Whose Terms Expire at the 2008 Annual Meeting

John W. Bachmann

**Principal Occupation: Senior Partner, Edward Jones
First Became Director: May 2004
Age: 67**

Senior Partner of Edward Jones, a major financial firm, since 2004; Managing Partner, Edward Jones, 1980 2004. Director: AMR Corporation.

William U. Parfet

**Principal Occupation: Chairman and Chief Executive Officer, MPI Research, Inc.
First Became Director: June 2000
Age: 59**

Chairman and Chief Executive Officer of MPI Research, Inc., a pre-clinical toxicology research laboratory, since 1999; Co-Chairman of MPI Research, LLC, 1995 1999. Director: PAREXEL International Corporation, Stryker Corporation and Taubman Centers, Inc.

George H. Poste, Ph.D., D.V.M.

**Principal Occupation: Chief Executive, Health Technology Networks and Director, Arizona Biodesign Institute
First Became Director: February 2003
Age: 61**

Chief Executive of Health Technology Networks, a consulting group specializing in the application of genomics technologies and computing in healthcare, since 1999; Director of the Arizona Biodesign Institute, a combination of research groups at Arizona State University, since May 2003; Chief Science and Technology Officer and Director, SmithKline Beecham, 1992 1999. Director: Exelixis, Inc. and Orchid Cellmark, Inc.

Presiding Director

The board of directors charter and corporate governance guidelines establishes the role of presiding director to be automatically filled by the chairman of the nominating and corporate governance committee. Mr. Stevens is chairman of the nominating and corporate governance committee and therefore also serves as the presiding director. The board charter directs the non-management directors to meet in executive session following or in conjunction with each regular board meeting without the chairman and chief executive officer being present. In his role as presiding director, Mr. Stevens presides over these sessions. Additionally, the presiding director serves as a member of the executive committee, is available to consult with the chairman and chief executive officer about concerns of the board and is available for consultations with any of the senior executives of the Company as to any concerns such executives may have. Shareowners and other interested persons may contact Mr. Stevens directly by mail at the Office of the Presiding Director, Monsanto Company, 800 North Lindbergh Boulevard, Mail Stop A3NA, St. Louis, Missouri 63167.

Shareowner Communication with the Board of Directors

The board of directors has adopted a policy that provides a process for shareowners to send communications to the board. Shareowners may contact the board of directors through our website at <http://www.monsanto.com> or they may send correspondence to the board of directors at 800 North Lindbergh

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Boulevard, Mail Stop A3NA, St. Louis, Missouri 63167, c/o Charles W. Burson, our secretary and general counsel.

Board Meetings and Committees

During the 2005 fiscal year, the board of directors met seven times and took one action by unanimous written consent. All incumbent directors attended 75% or more of the aggregate meetings of the board and of the board committees on which they served during the period in which they held office during the 2005 fiscal year.

The board charter formally encourages directors to attend the annual meeting of shareowners. Last year all of the directors attended the annual meeting of shareowners.

Our board of directors has the following seven committees: (1) executive; (2) people and compensation; (3) audit and finance; (4) nominating and corporate governance; (5) public policy and corporate responsibility; (6) science and technology; and (7) restricted stock grant.

Executive Committee

Members: Messrs. Grant (Chair), Parfet and Stevens

Our executive committee has the powers of our board of directors in directing the management of our business and affairs in the intervals between meetings of our board of directors (except for certain matters otherwise delegated by our board of directors or which by statute, our amended and restated certificate of incorporation or our by-laws are reserved for our entire board of directors). Actions of the executive committee are reported at the next regular meeting of our board of directors. The executive committee met two times during the 2005 fiscal year and took two actions by unanimous written consent.

People and Compensation Committee

Members: Messrs. McMillan (Chair), Bachmann and Parfet and Ms. King

Our people and compensation committee is responsible for (i) establishing and reviewing our compensation policy for senior management and ensuring that our senior management is compensated in a manner consistent with that compensation policy; (ii) establishing and reviewing our overall compensation policy for all our employees and employees of our subsidiaries, other than senior management; (iii) monitoring our management succession plan; (iv) reviewing and monitoring our performance as it affects our employees and overall compensation policies for employees other than senior management; (v) establishing and reviewing our compensation policy for non-employee directors; (vi) performing or delegating, reviewing and monitoring all of our settlor functions with respect to each employee pension or welfare benefit plan sponsored by us or any of our subsidiaries; and (vii) producing an annual report on executive compensation for inclusion in our proxy statement. Pursuant to its charter, our people and compensation committee must be comprised of at least three members of the board of directors who, in the opinion of the board of directors, meet the independence requirements of the NYSE, are non-employee directors pursuant to Securities and Exchange

Commission (SEC) Rule 16b-3 and are outside directors for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). We believe all members of the people and compensation committee meet the independence requirements of the listing standards of the NYSE and are outside directors for purposes of Section 162(m) of the Code. A copy of the people and compensation committee s written charter is available on our website at <http://www.monsanto.com>.

Our people and compensation committee delegated to a committee composed of senior management authority to administer and interpret our long-term incentive plans, make grants and awards (other than awards of restricted stock) under the incentive plans, and approve and administer other compensation plans for all employees except those employees subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934 or any officer to whom compensation paid by the Company is subject to the deduction limitations of Section 162(m) of the Code (we refer to these officers and employees collectively as executive officers). The people and compensation committee met five times and took two actions by unanimous written consent during the 2005 fiscal year.

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Audit and Finance Committee

Members: Messrs. Parfet (Chair), Bachmann, McMillan and Stevens

The audit and finance committee assists the Company s board of directors in fulfilling its responsibility to oversee (i) the integrity of the Company s financial statements; (ii) the qualifications and independence of our independent registered public accounting firm; (iii) the performance of our independent registered public accounting firm and internal audit staff; and (iv) the compliance by the Company with legal and regulatory requirements. A complete description of the committee s responsibilities is set forth in the audit and finance committee s written charter. A copy of this written charter is attached hereto as Appendix B. Pursuant to its charter, the audit and finance committee has the sole authority to appoint or replace the Company s independent registered public accounting firm, is required to approve all audit and non-audit engagements and services that are to be performed by the independent registered public accounting firm and has the authority to retain special legal, accounting or other consultants to advise it. The charter also directs the audit and finance committee to ensure the rotation of audit partners of the independent registered public accounting firm as required by law. The audit and finance committee met 10 times during the 2005 fiscal year and took one action by unanimous written consent.

One of the requirements contained in the audit and finance committee charter is that all committee members meet the independence and experience requirements of the listing standards of the NYSE. We believe all members of the audit and finance committee meet the current listing standards of the NYSE pertaining to the independence and experience requirements of members of a company s audit committee. Our board of directors has also determined that each of the members of the audit and finance committee is an audit committee financial expert for purposes of the rules of the SEC and is independent, as that term is used in Schedule 14A, Item 7(d)(3)(iv) under the Securities Exchange Act of 1934, as amended. In addition, under our audit and finance committee s charter, no director may serve as a member of the audit and finance committee if he or she serves on the audit committees of more than two other public companies unless the board of directors determines that such simultaneous service would not impair his or her ability to serve effectively on our committee.

Nominating and Corporate Governance Committee

Members: Messrs. Stevens (Chair) and McMillan and Ms. King

Our nominating and corporate governance committee identifies and recommends individuals to our board of directors for nomination as members of the board and its committees. Our nominating and corporate governance committee also leads the board of directors in its annual review of the board s performance, and develops and recommends to the board of directors a set of corporate governance principles for the Company. A complete description of the committee s responsibilities is set forth in the nominating and corporate governance committee s written charter. A copy of the charter is available on our website at <http://www.monsanto.com>.

The nominating and corporate governance committee will consider nominees recommended by shareowners for election to the board provided the names of such nominees, accompanied by relevant biographical information, are submitted in writing to the Secretary of the Company. When evaluating potential director candidates, the committee will take into consideration the qualifications set forth on Attachment B to the board of directors charter and corporate governance guidelines, which is attached as Appendix E hereto. The committee will also consider whether potential director candidates will likely satisfy the applicable independence standards for the board, the audit and finance committee, the people and compensation committee and this committee, as set forth in Attachment A to the corporate governance guidelines, which is attached hereto as Appendix D. The committee seeks input from other board members and senior management to identify and evaluate nominees for director and may hire a search firm or other consultant to assist in the process. A third-party search firm has been engaged to assist in identifying and evaluating potential candidates for our board of directors.

Pursuant to its charter, all three members of the nominating and corporate governance committee must meet the independence requirements contained in the listing standards of the NYSE. We believe all members of the nominating and corporate governance committee meet the current listing standards of the NYSE pertaining to

independence. In addition, the chairman of the nominating and corporate governance committee serves as the presiding director of the board and presides over executive sessions of non-management directors. The nominating and corporate governance committee met five times during the 2005 fiscal year and did not take any actions by unanimous written consent.

Public Policy and Corporate Responsibility Committee

Members: Ms. King (Chair), Dr. Poste, Dr. Long and Mr. AtLee

Our public policy and corporate responsibility committee reviews and monitors our performance as it affects communities, customers, other key stakeholders and the environment. This committee also reviews issues affecting the acceptance of our products in the marketplace, including issues of agricultural biotechnology and identifies and investigates significant emerging issues. The public policy and corporate responsibility committee met four times during the 2005 fiscal year and did not take any actions by written consent.

Science and Technology Committee

Members: Dr. Long (Chair), Dr. Poste and Mr. AtLee

Our science and technology committee reviews and monitors our science and technology initiatives in areas such as technological programs, research, agricultural biotechnology and information technology. Our science and technology committee also identifies and investigates significant emerging science and technology issues. The science and technology committee met five times during the 2005 fiscal year and did not take any actions by written consent.

Restricted Stock Grant Committee

Member: Mr. McMillan

Our restricted stock grant committee has the authority to award grants of restricted stock to all employees except executive officers. The committee determines the awards based upon recommendations by management. The restricted stock grant committee did not meet during our 2005 fiscal year, but took five actions by unanimous written consent.

Corporate Governance

We maintain a corporate governance page on our website which includes key information about our corporate governance initiatives, including our Board of Directors Charter and Corporate Governance Guidelines, our Code of Business Conduct, our Code of Ethics for the Chief Executive Officer and Senior Financial Officers and charters for the standing committees of the board of directors. The corporate governance page can be found at <http://www.monsanto.com>, by clicking on Our Pledge, and then Corporate Governance. Copies of these policies and codes can be obtained by any shareowner upon request by contacting the Office of the General Counsel, Monsanto Company, 800 North Lindbergh Boulevard, St. Louis, Missouri 63167.

Our policies and practices reflect corporate governance initiatives that comply with the listing requirements of the NYSE and the corporate governance requirements of the Sarbanes-Oxley Act of 2002, including:

Our board of directors has adopted clear corporate governance policies;

The charters of the board committees clearly establish their respective roles and responsibilities;

We have adopted categorical independence standards for determining director independence;

All members of the audit and finance committee, the people and compensation and committee, and the nominating and corporate governance committee are independent;

The non-management members of the board of directors meet regularly without the presence of management;

We have a clear code of business conduct and corporate governance applicable to our directors and employees that is monitored by our ethics office and is annually affirmed by our employees;

We have adopted a code of ethics that applies to our chief executive officer and the senior leadership of our finance department, including our chief financial officer and our controller;

Our internal audit function maintains critical oversight over the key areas of our business and financial processes and controls, and reports regularly to our audit and finance committee;

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We have established a Global Business Conduct Office with working groups and facilitators in all parts of the world. Our code of business conduct has been translated into over 20 languages and distributed to our employees;

We have an outsourced guidance line and website available worldwide for the receipt of complaints regarding accounting, internal controls and auditing matters, and have in place procedures for the anonymous submission of employee concerns regarding questionable accounting or auditing matters; and

We have instituted the following methods under which an employee may submit a complaint or question: private post office box; internal toll-free telephone number; and special e-mail mailbox dedicated to business conduct matters.

The board charter requires that not more than two members of the board will fail to meet the criteria for independence established by the NYSE. Based on the board's categorical independence standards which are attached as Appendix D hereto, the following directors, which constitute a majority of the board, are independent pursuant to the rules of the NYSE: John W. Bachmann, Gwendolyn S. King; Sharon R. Long; C. Steven McMillan; William U. Parfet, George M. Poste; and Robert J. Stevens.

Compensation of Directors Non-Employee Director Equity Compensation Plan

From September 1, 2004, the first day of our 2005 fiscal year, until May 1, 2005, the effective date of the amendment to our Non-Employee Director Equity Compensation Plan described below (which we refer to in this proxy statement as the Directors' Plan), each of our non-employee directors earned a base retainer, pursuant to the Directors' Plan, having an annualized value of \$130,000. Additional retainers were also earned during this period having the following annualized values: (i) \$40,000 by any non-employee chairman of our board of directors; (ii) \$25,000 by each of the chairs of the audit and finance committee, the people and compensation committee and the nominating and corporate governance committee (who is also our presiding director); (iii) \$10,000 by each of the chairs of all other committees; and (iv) \$5,000 by each member of the audit and finance committee (other than the chair of that committee). On April 19, 2005, our board of directors amended the Directors' Plan effective as of May 1, 2005. Pursuant to the amendment, the annualized value of the base retainer payable to each non-employee director was raised to \$150,000, the annualized value of the additional retainers for each of the chair of the science and technology committee and the chair of the public policy and corporate responsibility committee was raised to \$15,000, and the annualized value of the additional retainers to each member of the audit and finance committee (other than the chair of that committee) was raised to \$10,000. Half of the aggregate retainer for each director is payable in deferred common stock. The remainder is payable, at the election of each director, in the form of deferred common stock, restricted common stock, current cash and/or deferred cash. The Directors' Plan provides that a non-employee director will receive a grant of 3,000 shares of restricted stock upon his or her commencement of service as a member of our board of directors.

Deferred Common Stock. Deferred common stock means shares of our common stock that are delivered at a specified time in the future. Under the Directors' Plan, half of the aggregate annual retainer for each non-employee director is automatically paid in the form of deferred common stock. Earned shares of deferred common stock are credited in the form of hypothetical shares to a stock unit account at the beginning of each plan year and vests in installments as of the last day of each calendar month during the plan year, but only if a director remains a member of the board on that day. Hypothetical shares in each director's account are credited with dividend equivalents. No director has voting or investment power over any deferred shares until distributed in accordance with the terms of the Directors' Plan, generally upon termination of service.

Restricted Stock. Restricted stock means shares of our common stock that vest in accordance with specified terms after they are granted. Dividends and other distributions are held in escrow to be delivered with the restricted stock as it vests. Any portions of a non-employee director's aggregate annual retainer payable in the form of restricted stock vests in installments on the last day of each calendar month during a plan year, but only if the director remains a member of the board on that day. Any restricted stock granted to a non-employee director entitles the director to all rights of a shareowner with respect to common stock for all such shares issued in his or her name, including the right to vote the shares and to receive dividends or other distributions paid or made with respect to any such shares.

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Cash/Deferred Cash. Under the Directors' Plan, any portion of a non-employee director's aggregate annual retainer not paid in the form of deferred stock or restricted stock will be paid in cash, either monthly during the term or on a deferred basis, as elected by the director. Any deferred cash is credited to a cash account that accrues interest at the average Moody's Baa Bond Index Rate, as in effect from time to time.

In addition to the compensation described above, non-employee directors, and from time to time, their spouses or guests, are reimbursed for expenses incurred in connection with the non-employee directors' attendance at board, committee and shareowners meetings, including cost of travel, lodging, food and related expenses. Non-employee directors generally use commercial aircraft or their own transportation, but may on occasion travel on Company aircraft for such meetings. Non-employee directors are also reimbursed for reasonable expenses associated with other business activities related to their service on the board, such as participation in director education programs.

Compensation Committee Interlocks and Insider Participation

None of the members of the people and compensation committee is or has been an officer or employee of the Company or any of its subsidiaries. In addition, none of the members of the people and compensation committee had any relationships with the Company or any other entity that require disclosure under the proxy rules and regulations promulgated by the SEC. Mr. Parfet is a member of the compensation committee of Stryker Corporation and also served on the compensation committee of CMS Energy Corporation until May 2005. Ms. King is a member the management development and compensation committee and the stock option subcommittee at Lockheed Martin.

Election of Directors (Proxy Item No. 1)

The shareowners are being asked to elect Messrs. Grant, McMillan and Stevens to terms ending with the annual meeting to be held in 2009, until a successor is elected and qualified or until his earlier death, resignation or removal. The board nominated Messrs. Grant, McMillan and Stevens for election at the 2006 Meeting of Shareowners upon the recommendation of the nominating and corporate governance committee. Each nominee is currently a director of the Company. For more information regarding the nominees for director, see Information Regarding Board of Directors and Committees beginning at page 3.

We are also searching for a qualified person to add to our board of directors to fill a vacancy. Because this person was not known at the time this proxy statement was delivered to shareowners, our board of directors has determined to leave this seat vacant until an appropriate individual has been found. Proxies cannot be voted for a greater number of persons than the number of nominees named.

The board does not contemplate that any of the nominees will be unable to stand for election, but should any nominee become unable to serve or for good cause will not serve, all proxies (except proxies marked to the contrary) will be voted for the election of a substitute nominee nominated by the board.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR
ALL OF THE NOMINEES FOR DIRECTOR.***

Ratification of Independent Registered Public Accounting Firm (Proxy Item No. 2)

Our audit and finance committee, pursuant to its charter, has appointed Deloitte & Touche LLP as the Company's principal independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries and Monsanto management's assessment of internal controls over financial reporting for our 2006 fiscal year.

While the audit and finance committee is responsible for the appointment, compensation, retention, termination and oversight of the independent registered public accounting firm, the audit and finance committee and our board are requesting, as a matter of policy, that the shareowners

ratify the appointment of Deloitte & Touche LLP as the Company's principal independent registered public accounting firm. The audit

and finance committee is not required to take any action as a result of the outcome of the vote on this proposal. However, if the shareowners do not ratify the appointment, the audit and finance committee may investigate the reasons for shareowner rejection and may consider whether to retain Deloitte & Touche LLP or to appoint another auditor. Furthermore, even if the appointment is ratified, the audit and finance committee in their discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of the Company and its shareowners.

A formal statement by representatives of Deloitte & Touche LLP is not planned for the annual meeting. However, Deloitte & Touche LLP representatives are expected to be present at the meeting and available to respond to appropriate questions. For a detailed listing of the fees expected to be billed to us by Deloitte & Touche LLP for professional services in the 2005 fiscal year, see Committee Reports Report of the Audit and Finance Committee at page 32.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION
OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S PRINCIPAL
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR OUR 2006 FISCAL YEAR.***

Approval of Performance Goal Under §162(m) of the Internal Revenue Code (Proxy Item No. 3)

The shareowners are asked to consider and reapprove the material terms of the performance goal used for determining awards to certain executive officers under the Code Section 162(m) Annual Incentive Plan for Covered Executives established by the people and compensation committee. The performance goal was previously approved by shareowners at our 2001 Annual Meeting.

Under Code Section 162(m), shareowner approval of the material terms of the performance goal used for determining awards to certain executive officers under the Company's Annual Incentive Plan is required to enable the Company to obtain a deduction for awards paid under the Annual Incentive Plan to any executive officer of the Company named in the Summary Compensation Table for a given year, whose compensation for the taxable year is in excess of \$1 million. If the material terms of the performance goal used for determining awards under the Code Section 162(m) Annual Incentive Plan for certain executive officers are reapproved by shareowners, they will go into effect for fiscal year 2007. If approved, and unless the material terms of the performance goal are subsequently changed, the material terms of the performance goal used for determining awards to certain executive officers under the Code Section 162(m) Annual Incentive Plan established for Code Section 162(m) purposes will meet the shareowner requirements of Section 162(m) until 2012.

Code Section 162(m) Annual Incentive Plan