



BASF agricultural solutions posts Q3 loss as weather disrupts sales across key markets

30 October 2026 | News

AgBiTech acquisition provides a positive portfolio contribution, but weaker volumes, lower prices and currency pressures weigh on the segment's performance



BASF's Agricultural Solutions division came under significant pressure in the third quarter of 2026, as adverse weather conditions, lower sales volumes and pricing weakness across several regions eroded revenue and profitability. The inclusion of AgBiTech, acquired in March, provided a positive portfolio contribution but was insufficient to offset the broader decline. The segment's EBITDA before special items fell to a loss of €48 million in Q3 2026, compared with earnings of €80 million in the corresponding quarter of 2025. Segment cash flow also declined, dropping to €294 million from €465 million a year earlier.

BASF attributed the weaker performance primarily to a substantial contraction in sales volumes, accompanied by a slight decline in prices. Lower sales in South America, Africa and the Middle East, alongside weather-related disruptions in Europe and Asia Pacific, were among the key factors affecting the quarter.

Weather and regional pressures weigh on sales

Europe recorded a substantial decline in sales, largely reflecting lower volumes caused by unfavourable weather conditions. Prices also edged down, adding to the pressure on the region's performance. North America reported a relatively modest decline. Reduced volumes in herbicides, fungicides and seed treatment were partly compensated by stronger sales of field crop seeds. Currency movements, particularly involving the US dollar and Canadian dollar, provided some support.

Asia Pacific experienced a considerable contraction, with herbicide volumes particularly affected by adverse weather associated with El Niño conditions. Lower prices and unfavourable foreign exchange movements, especially the depreciation of the Indian rupee, further weakened regional sales. In South America, Africa and the Middle East, sales fell significantly compared with the year-ago quarter. BASF linked much of the volume decline to sales being brought forward into the second quarter to support the migration to a new enterprise resource planning (ERP) system. Lower prices also contributed to the decline, although slightly favourable currency effects offered a partial offset.

AgBiTech acquisition adds to portfolio contribution

Despite the challenging operating environment, BASF recorded a positive portfolio effect following the integration of AgBiTech, the Brisbane-based biological crop protection company acquired on March 31, 2026. The acquisition expands BASF's agricultural solutions portfolio, although its contribution during the quarter was not enough to counter the impact of weaker demand, weather-related disruptions and lower sales volumes across major markets.

Lower earnings and inventory buildup affect cash flow

The sharp decline in EBITDA before special items reflected lower sales and a modest deterioration in margins, particularly as prices weakened in some regions. Cost reductions helped cushion the impact, but lower fixed costs were insufficient to compensate for the fall in revenue and margins.

Special items in EBITDA amounted to a negative €30 million, primarily associated with the legal separation of the division and the transition to the new ERP system. Segment cash flow declined substantially year on year, reflecting weaker operating earnings and higher inventory accumulation. The combination of lower EBITDA and increased working capital requirements placed additional pressure on cash generation during the quarter.

BASF's third-quarter performance highlights the vulnerability of agricultural input suppliers to weather volatility, regional planting conditions, currency movements and shifts in distributor purchasing patterns. While acquisitions such as AgBiTech can strengthen portfolio breadth, the latest results underline that portfolio expansion alone cannot insulate the business from cyclical and operational pressures across global agricultural markets.