Congress of the United States
Washington, DC 20515

December 21, 2017

Attorney General Sessions
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General Sessions:

We are writing to urge the Antitrust Division of the U.S. Department of Justice to carefully consider the proposed merger between Bayer and Monsanto. We are concerned about the potential effects of the merger on both farmers and consumers, especially following last week's reports that the European Commission has issued formal objections to the merger. Multiple analyses by farm and consumer groups have also raised concerns over the last year. In particular, the potential restrictions on innovation, limitation of options for farmers, and increased prices raise questions about whether this merger is in the best interest of farmers.

The proposed merger between Bayer and Monsanto continues the trend of consolidation in the agrichemical industry, which most recently includes DowDuPont and ChemChina-Syngenta. If approved, it is estimated that Bayer-Monsanto would control about a quarter of the globe's seed and pesticide markets. While Bayer and Monsanto have contended that they do not directly compete and that their assets are complementary, they have also identified expected annual synergies of about $1.5 billion after three years, should the merger be approved.

One of those areas of synergy—research and development—is touted by Bayer and Monsanto as a benefit of the merger, and we understand the importance of a strong research and development sector. Our concern is that the combining of the companies' research efforts is unlikely to be in the best interest of farmers. Indeed, according to an USDA Economic Research Service report from April 2017, consolidation does not automatically result in increased innovation; rather, there is reason to believe that reducing research competition can reduce companies' incentives to invest in research and development. We share concerns that the merger may stifle innovation in the agriculture industry, particularly in developing seeds that are catered to specific climates and regions.

Consequently, we are concerned that the merger would limit farmers' options, particularly when it comes to choosing seeds. In particular, based on the companies' previous acquisitions, the merger could result in the discontinuation of seed lines. Combining Bayer and Monsanto's investments in digital agriculture may further reduce farmers' options. Bayer-Monsanto would have access to a significant amount of farm data across the globe, with which it could offer farmers selected recommendations that may or not be in farmers' best interests but would likely result in additional revenue for the company.

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Lastly, we worry that farmers, and ultimately consumers, will be faced with higher prices as a result of the merger. It is completely plausible that the merger would substantially consolidate the markets for certain crop traits, and this lack of competition would likely drive up prices for seeds with these traits. During these difficult times for farmers, increased input prices would be detrimental to the farm economy.

Thank you for your attention to our concerns about this significant merger and its impact on American farmers, and we look forward to your reply.

Sincerely,

Chellie Pingree
Member of Congress

Tulsi Gabbard
Member of Congress

Jared Huffman
Member of Congress

Richard M. Nolan
Member of Congress

Mark Pocan
Member of Congress

Peter Welch
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