

United States Senate

September 22, 2016

The Honorable Loretta E. Lynch, Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Attorney General Lynch:

I write to express my significant concerns with Bayer's proposed acquisition of Monsanto. On September 14, the German-based company Bayer announced a \$66 billion deal to purchase Monsanto. The proposed acquisition would result in Bayer possessing unprecedented and unfair market power over farm inputs. Bayer would control nearly 30 percent of the world's seeds and nearly 25 percent of its pesticides. I respectfully urge you to protect family farmers, small businesses and the integrity of our food supply by rejecting this proposed massive consolidation of the agricultural input industry.

Consolidation in agribusiness is the single greatest threat to family farms and to the prosperity of rural America. Farmers across Montana and the United States are currently dealing with record low prices across a wide range of commodities. However, despite the depressed commodity prices, the price of essential farm inputs continues to rise. This market condition puts incredible financial pressure on small family farms to survive and it makes it nearly impossible for new farmers to open a business in rural America. USDA recently reported that from 2010 to 2014 the overall population of rural America declined for the first recorded time in our history, a trend that this acquisition would likely only worsen.

This mega-merger would further undermine competition and lead to higher input prices, fewer choices and less innovation. When discussing the positive attributes of the acquisition, a Bayer investor at Euro Pacific Capital in New York, said "The combined company would control 30 percent of the overall seeds market, resulting in increased pricing power." Make no mistake, this assertion is both true and a warning sign of what awaits farmers if this acquisition were to be approved.

If corporate agribusiness is allowed to increase control over family farms by consolidating control of the inputs, consumers will also suffer. The significant pricing power that would result from this merger would drive up costs throughout the food production process, increase prices for consumers on the grocery shelf, reduce competition and undermine rural America.

It's critical that the Department of Justice exercise its authority to thoroughly scrutinize Bayer's acquisition of Monsanto. If the Department completes a sufficient review of the deal, the negative impacts on our food supply will be clear and the case to reject the acquisition will be strong. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon Tester", with a long horizontal flourish extending to the right.

Jon Tester
United States Senator