

August 28, 2017

Missouri Attorney General Josh Hawley  
Supreme Court Building  
207 W. High St.  
P.O. Box 899  
Jefferson City, MO 65102

Dear Attorney General Hawley,

We would like to thank you for your principled voice in the past for practical antitrust enforcement. Today, we are writing to urge you to join the U.S. Department of Justice's (DOJ) investigation of the proposed merger between Bayer AG and Monsanto Co., and to conduct a public joint investigation.

As constituents, we are very alarmed by the current proposed Bayer-Monsanto merger because it is happening in the midst of several other mergers in the agricultural sector. This merger threatens the future of innovation in our food system, compromises our food security and endangers farmers and farmworkers. Farmers can barely make a living now and this merger will make a bad situation even worse by increasing the prices they pay for seeds and other inputs. If this merger goes through, it is projected that the price of cotton seed could rise over 18% as a result of the mergers, according to a study from Texas A&M University, and a combined Bayer-Monsanto would control 70% of the southeast cottonseed market.

If Monsanto and Bayer, Dow and DuPont and Syngenta and ChemChina form their respective proposed partnerships, the three resulting corporations will control nearly 70% of the world's pesticide market, more than 61% of commercial seed sales and 80% of the U.S. corn-seed market.

Your involvement in merger investigations is imperative for many reasons. There is a very strong antitrust argument that must be made; these mergers are inherently anti-competitive. Allowing these companies to merge will directly eliminate what's left of head-to-head competition. It will become harder for new companies to enter the market and independent seed companies will suffer when licensing costs increase. Input prices will also rise for farmers, who will have a hard time affording seeds when crop prices are already reaching record lows. Farmers are already being hurt by Monsanto with the strict rules associated with use of the company's seed traits.

Further, research and development will be substantially reduced. DuPont plans to cut ten percent of its R&D budget for 2016 while cutting spending by 20%. Hundreds of jobs have already been lost in Delaware.

The overwhelming majority of this \$66 billion-dollar deal is being financed by debt. The only way this debt can be retired is by slashing R&D, firing employees and by raising prices of seeds and chemicals on the backs of family farmers.

On August 22, 2017, the EU, out of fears of increased prices, fewer choices, lower quality and less innovation in the markets, announced it will do an in-depth investigation of the Bayer-Monsanto merger.

It is our understanding that to date, seven U.S. state attorneys general have joined the federal antitrust investigation between the DuPont and Dow Chemical merger and a separate group of state attorneys general are expected to join the investigation between Bayer and Monsanto. It is imperative that our state join these investigations to increase scrutiny of the deals.

Sincerely,

Matthew Kost,  
Cultivate KC

Richard Oswald,  
Missouri Farmers Union

Wes Shoemyer,  
Missouri's Food for America

Joe Maxwell,  
Organization for Competitive Markets