



Organization for
Competitive Markets

Stop the Bayer-Monsanto Merger Campaign Toolkit

There is a merger wave currently underway among the world's agricultural giants that produce the seeds and chemicals our family farmers need. The mergers will create the "Big 3" companies when just two years ago, there were six major rivals, and it will spell disaster for American farmers and consumers who will see food costs go up and innovation decline.

The Bayer-Monsanto merger in particular will have devastating impacts. Once the Bayer-Monsanto merger goes through, the economics of food, farming, and the environment will be radically altered. It will be impossible to undo.

There is a strong collaborative effort underway to stop the Bayer-Monsanto merger, but we need all hands on deck. There are three very important actions we are asking individuals and organizations to take to help stop the merger. Please scroll down for the details, and don't hesitate to contact us if you have any questions or if you'd like to get more involved. Scroll to the bottom of this page for a list of talking points on the merger.

- Urge Your State Attorney General to Join the Federal Investigation
- Urge Your Members of Congress to Oppose the Merger
- Share Your Concerns with the U.S. Department of Justice

Contact Your State Attorney General

State Attorneys General have the authority to investigate acquisitions and mergers and to join in with the U.S. Department of Justice. Please call, email, or meet with your state Attorney General and ask that they join the federal investigation by the Department of Justice into the Bayer+Monsanto merger. Let them know why you are concerned about this merger. Your state Attorney General's contact information should be available on their webpage.

Sample phone script:

Hi, my name is _____, and I'm a resident of (your state).

I'm calling to ask our Attorney General to join the federal investigation by the Department of Justice into the Bayer+Monsanto merger, which would allow one company to dominate US food production.

This merger would spell disaster for American farmers and consumers who will see food costs go up and innovation decline.

Again, I'm calling ask our Attorney General to join the investigation into the Bayer and Monsanto merger.

Thank you!

Sample email or letter:

Dear _____,

I would like to thank you for your principled voice in the past for practical anti-trust enforcement. Today, I am writing to urge you to join the Department of Justice's (DOJ) investigation of the Bayer-Monsanto merger, and to conduct a public joint investigation.

As a constituent, I am 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 percent of the world's pesticide market, more than 61 percent of commercial seed sales and 80 percent 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 their 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 \$60 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 my 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,

Contact Your Members of Congress

Please contact your U.S. Senators and Representative and urge them to take an aggressive stance against concentrated corporate powers and monopolies and oppose the Bayer+Monsanto merger. While the Department of Justice will make the final decision, members of Congress are key influencers. Their opinion matters.

Sample phone script:

Hi, my name is _____, and I'm a constituent of (Representative or Senator) _____.

I'm calling to ask him/her to oppose the Bayer and Monsanto merger, which would allow one company to dominate US food production.

This merger would spell disaster for American farmers and consumers who will see food costs go up and innovation decline.

Again, I'm calling ask him/her to oppose the Bayer and Monsanto merger.

Thank you!

Type in your address below to look up the contact information for your Senators and Representative.

Contact the U.S. Department of Justice

Unless the U.S. Department of Justice (DOJ) takes action, the merger of Bayer and Monsanto will be cleared by the U.S. Please call the DOJ Comment Line at 202-353-1555 and share your concerns about the merger.

Talking Points

Below are some key issues around the Bayer+Monsanto merger, compiled by Friends of the Earth and Sum of Us:

When this merger is over, here's where we'll be:

- Only four companies will control all our seed and agricultural chemicals business – and really two (Monsanto+Bayer and Dow-DuPont) of them will be behemoths with another two much smaller players (Chem-China-Syngenta and BASF).

Monsanto + Bayer in particular will be:

- The world's largest vegetable seed company, with a virtual lock on broccoli, carrots, and onions.
- The world's largest cotton seed company, responsible for the seed for about 70% of all the cotton grown in the US.
- Along with another company (Dow-DuPont) will produce 77% of all the seed corn in the US.
- The world's largest manufacturer and seller of herbicides.
- The world's largest owner of the intellectual property/patents for herbicide tolerance seed traits: 69% of all herbicide tolerance traits approved for use in the US for alfalfa, canola, cotton, corn, soybean, and wheat. (An herbicide tolerance trait is the gene that is inserted into the seed that allows the crop to withstand the use of the herbicide, e.g. Roundup).
- Input prices for farmers will go up, just as input options go down.
- There will be more herbicide use and hormone injections on fields and farms.
- In short: Monsanto+Bayer will dominate US food production and other major agricultural industries.
- Meanwhile, Congress will have done pretty much nothing on this: one hearing where the merger was discussed among several others and then several letters sent to DOJ.

The public is alarmed about this merger.

Friends of the Earth conducted a nationwide poll with more than 1,500 responses and here's what we learned:

- 90% of the public is seriously concerned about the merger. (69% said they were very seriously concerned).
- Their biggest particular concerns: impact on farm communities and independent farmers (71% very concerned and 90% concerned) and impact on food safety/chemical contamination (69% very concerned and 85% concerned).
- People think Washington is going way too easy on merging companies and don't care about consumers – 72% – and 83% of them say how Washington approaches this issue will be a factor in how they vote in 2018. (51% say it will be a major factor).
- 92% of Americans believe it is important that the Trump administration take an aggressive stance toward concentrated corporate powers and monopolies.
- There was no partisan divide on this: Republicans and Democrats care almost equally.

On its face, this merger is not good. But let me tell you a little more about why it frightens me:

- We are putting the future of all food innovation into the hands of a very limited number of companies.
- Farmers do **not** see the benefit of technological innovation. Both the U.S. Department of Agriculture and the National Academy of Sciences have studied innovation and prices and have shown that the prices farmers pay for agricultural goods from Monsanto and Bayer have exceeded the benefits promised from the innovation. Diana Moss of the American Antitrust Institute's testimony last year stated that "[S]eed price increases have outpaced yield increases over time—the very problem that biotechnology is purportedly designed to solve."
- Less innovation means these companies will double down on biotechnology and reinforce their profitable lines, while fewer alternative or truly innovative options become available to farmers and consumers.
- Overall research & development (R&D) will be reduced if the merger is approved. History shows us this will be the case.
 - A USDA study on agriculture mergers found that they did not increase R&D, despite claims to the contrary.
 - The pharmaceutical sector is a prime example. A Nature article in 2011 argued that mergers and acquisitions in that sector had had a "devastating" effect on R&D. By reducing the number of companies in a sector, deals can result in elimination of research funding and massive layoffs. Between 2009 and 2014, the pharmaceutical industry cut 156,000 jobs, many as a result of mergers and acquisitions, and many at research sites.
- Prices are going to go up: A Texas A&M study predicted an 18% increase in cotton seed prices, 2.3% increase for corn, and 1.9% for soybeans.
- Bad Practices: Monsanto is widely known for its anticompetitive business practices. It often engages in predatory practices such as when it used its patents for herbicide tolerance to drive competitors out of the market. Less than a decade ago, DOJ investigated seed and herbicide practices and came close to suing Monsanto. Instead, Monsanto agreed to voluntarily change some of its behavior. A merged Bayer+Monsanto is simply another way to drive out competition that the DOJ must address.
- Platform Effects: When companies combine multiple business lines, they can create what is known as a platform effect: think how printer companies combine printing machines with ink and lock consumers in. Monsanto has gained its massive presence in the market through the production of materials that work together (such as Round-Up Ready seeds and Round-Up). Merging with Bayer provides even more opportunities for the company to combine chemical products with gene traits to further concentrate the market, increase patents and leave farmers with fewer options.

Consumers, Farmers and Farmworkers Will Be Hit Hardest by This Merger

- The farming community is in trouble. Farmer profit margins are dropping precipitously. The prices they pay for inputs are increasing. They have no power to negotiate against monolith companies like Monsanto-Bayer will be.
- Consumers have even less power. Price increases are passed on to them.