

**Statement of Senator Patrick Leahy (D-Vt.),
Ranking Member, Senate Judiciary Committee,
Senate Judiciary Committee Hearing on “Consolidation and Competition in the U.S. Seed
and Agrochemical Industry,”
September 20, 2016**

Since our nation’s founding, farmers have been the bedrock of our economic and social progress. Every American family depends upon them; when farmers thrive, our country thrives. In recent years, however, escalating consolidation across the agricultural sector has eroded competition. This consolidation has led to increased prices for independent farmers and a wide range of negative effects.

In my home state of Vermont, years of aggressive acquisitions by corporate dairy processors and their long-term vertical alliances with retailers and cooperatives have led to dominance of the fluid milk market by a small number of companies. The lack of competition has driven down the price paid to Vermont dairy farmers to unsustainable levels and has driven many out of business. In short, the consolidation in the dairy industry has been devastating for Vermont family farms.

While we are focused on the agricultural sector today, the trend toward consolidation has spread to virtually every corner of our economy. In many markets across our economy the biggest corporations have systematically acquired small and medium-size businesses. As a result, many industries are defined by a small number of dominant firms and a shrinking number of small and medium-size competitors.

The industries we are talking about today have experienced exactly that type of escalating concentration over the past few decades. As biotechnology has steadily grown in its prevalence in the agricultural economy, there has simultaneously been tremendous consolidation in the markets for seed and the chemical inputs farmers use to grow crops. Today, the “Big Six” of Monsanto, Syngenta, Bayer, DuPont, Dow, and BASF together dominate the markets for seed, biotechnology seed traits, and other agricultural chemical inputs. Now we are faced with five of these six companies further consolidating, widening the gap between the largest corporations and their smaller rivals.

These mega-mergers raise questions about competition, our food supply, nutrition, and the livelihood of our farm economy. A number of voices have expressed significant concerns that the proposed mergers would eliminate head-to-head competition, dampen innovation, reduce choices for farmers, increase prices for both farmers and their customers, and threaten our national security. The Judiciary Committee is doing important work today in reviewing these transactions and evaluating their potential impact on American farmers and consumers. I look forward to hearing from our witnesses about the impact the proposed transactions might have on our nation’s farmers and the American families who depend upon them.

I urge our antitrust authorities to study closely the lessons we have learned from consolidation where it has taken place. The dairy industry in Vermont – a pillar of my state’s economy and culture – offers just one among many cautionary tales about the anti-competitive consequences of concentration. Our antitrust laws exist not just to protect consumers, but also competition between producers who make the goods they consume. The mergers before us might affect the ability of farmers to put food on our tables, and that is a topic that concerns us all. Keeping

American agriculture strong and vibrant for both farmers and consumers must remain a top priority for all of us as we review these proposed mergers.

#####