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United States Senate

CHARLES E. GRASSLEY

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August 16, 2016

VIA ELECTRONIC TRANSMISSION

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Ms. Renata Hesse
Principal Deputy Assistant Attorney General, Antitrust Division
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Chairwoman Ramirez and Ms. Hesse:

I write regarding the proposed transactions occurring in the agriculture biotechnology and seed industry. As you know, the Department of Justice has been tasked with reviewing the Dow Chemical Co. and DuPont Co. merger, while the Federal Trade Commission has been charged with reviewing the acquisition of Syngenta AG by China National Chemical Corp. (ChemChina). Because these transactions involve the same underlying market, I urge that the Department of Justice and the Federal Trade Commission work together, as appropriate, in their analysis of the state of the agricultural biotechnology and seed industry, so as to ensure that the multiple proposed transactions under consideration do not substantially lessen competition and aggravate an already concentrated industry. Further, I urge the Department of Justice and the Federal Trade Commission to seek input from the Department of Agriculture on this complex and dynamic industry.

Committee Assignments:

CHAIRMAN,
JUDICIARY

AGRICULTURE
BUDGET
FINANCE

CO-CHAIRMAN,
INTERNATIONAL NARCOTICS
CONTROL CAUCUS

Because this agriculture sector has been the subject of a number of waves of consolidation in recent years, I am concerned that the convergence of these proposed transactions – as well as others currently being discussed – will have an enhanced adverse impact on competition in the industry and raise barriers to entry for smaller companies by altering the industry structure for seeds and chemicals. I am concerned that vertical integration of traits, seed and chemicals will make it more difficult for smaller biotechnology companies, independent producers and independent crop input companies to compete.

I also am concerned that further concentration in the industry will impact the price and choice of chemicals and seed for farmers, which ultimately will impact choice and costs for consumers. Finally, I am concerned that further consolidation will diminish critical research and development initiatives, which drive innovation and technological advances in the industry.

Because of the complex nature of this industry, it is important that these transactions not be reviewed in isolation. As such, I urge the Department of Justice and the Federal Trade Commission to collaborate, as appropriate, with input from the Department of Agriculture, in their analysis of the agricultural biotechnology and seed industry and the impact of these proposed transactions to ensure that adequate competition is preserved in this important sector of our economy.

I appreciate your attention to this matter. I look forward to hearing from you soon.

Sincerely,


Charles E. Grassley
United States Senator