

**David Bly**  
State Representative

District 20B  
Le Sueur and Rice Counties



# Minnesota House of Representatives

September 19, 2016

Dear Governor Dayton and Attorney General Swanson:

As you know, Minnesota's family farmers are enduring another year of low commodity prices and the attendant economic strain and anxiety. Commodity prices have fallen below break-even levels without a commensurate reduction in the cost for inputs such as seed and fertilizer. This not only stresses farm family income, but also dampens economic vitality in our state's rural regions and communities.

At the same time, a troubling trend continues apace in the industries that sell the seed, fertilizer, and equipment that farmers require. For example, between 1994 and 2009 the market share of the four largest firms in the crop seed and biotechnology industry increased from 21 to 54 percent of the global market.<sup>1</sup> Industry consolidation could increase further if Bayer's recently-announced acquisition of Monsanto is allowed to proceed. This acquisition, along with the potential merger of Dupont and Dow Chemical and several other recently-announced mergers and acquisitions, threatens to further decrease competition, limit choice, and increase costs for Minnesota farmers already struggling with low commodity prices.

Consolidation is not limited to the seed and biotechnology industry. Proposed mergers in the fertilizer, meat processing, and farm equipment industries also threaten to negatively impact farmer choice and financial viability. Excessive consolidation has the potential to stifle innovation, create barriers to entry for smaller companies, and lead to higher prices and limited choices for farmers and consumers. These forces threaten to drive family farmers out of business for good, exacerbating the consolidation of farmland ownership and triggering additional population loss in our rural areas.

As you know, the Antitrust Division of the United States Department of Justice is charged with enforcing section 7 of the federal Clayton Act. The Antitrust Division accomplishes this, in part, by prohibiting mergers that would substantially decrease market competition.

As Constitutional Officers with considerable legal and moral clout, I urge you to do everything in your power to encourage the Antitrust Division to carefully scrutinize any proposed merger or buyout involving major agriculture input suppliers.

---

<sup>1</sup> Fuglie, Keith and others. December 3, 2012. "Rising Concentration in Agricultural Input Industries Influences New Farm Technologies." United States Department of Agriculture – Economic Research Service. [www.ers.usda.gov/amber-waves/2012-december/rising-concentration-in-agricultural-input-industries-influences-new-technologies.aspx#.V9q5y3nof8Z](http://www.ers.usda.gov/amber-waves/2012-december/rising-concentration-in-agricultural-input-industries-influences-new-technologies.aspx#.V9q5y3nof8Z)



If federal officials cannot or will not act to protect our farmers, I ask that you fully enforce the state's antitrust statutes (Minn. Stat. ch. 325D) to protect Minnesota farmers and consumers from excessive consolidation and supplier power in the markets for seed, fertilizer, and other agricultural inputs.

Sincerely,

A handwritten signature in black ink that reads "David Bly". The signature is written in a cursive style with a long, sweeping tail on the "y".

State Representative David Bly, District 20B

A handwritten signature in black ink that reads "Jack Considine". The signature is written in a cursive style with a long, sweeping tail on the "e".

State Representative Jack Considine, District 19B

A handwritten signature in black ink that reads "Rick Hansen". The signature is written in a cursive style with a long, sweeping tail on the "n".

State Representative Rick Hansen, District 52A

A handwritten signature in black ink that reads "Clark Johnson". The signature is written in a cursive style with a long, sweeping tail on the "n".

State Representative Clark Johnson, District 19A

A handwritten signature in black ink that reads "Jennifer Schultz". The signature is written in a cursive style with a long, sweeping tail on the "z".

State Representative Jennifer Schultz, District 7A

A handwritten signature in black ink that reads "Mike Sundin". The signature is written in a cursive style with a long, sweeping tail on the "n".

State Representative Mike Sundin, District 11A