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November 1, 2016

VIA ELECTRONIC TRANSMISSION

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

Dear Ms. Hesse:

I write to urge the Antitrust Division to conduct a robust analysis of Bayer's proposed acquisition of Monsanto. Similar to other recent proposed transactions in the agricultural biotechnology and seed industry, I am concerned that the \$66 billion Bayer-Monsanto deal will substantially lessen competition in an already highly concentrated sector of our economy and result in less choice and higher prices for farmers and consumers.

Monsanto is the largest seed company in the world with revenues of \$14.9 billion for the year ending August 31, 2015. Bayer is also a major player in the seed and agrochemical industry with 2015 revenues of €10.4 billion. Together, the new company would have an estimated 36% market share of the U.S. seed corn market and an estimated 34% market share of the global herbicide market. A combined Bayer-Monsanto would be substantially larger than its peers in the industry.

I am concerned that the proposed Bayer-Monsanto transaction will detrimentally impact agricultural input markets for seeds and chemicals. I have heard concerns that a combined Bayer-Monsanto will vertically integrate traits, seed and chemicals, and raise barriers to entry in the market for smaller companies. I am concerned that the merger will curtail chemical and seed choices, and raise prices for farmers and the American consumer. In addition, I am concerned that the proposed deal will harm research, development and innovation.

Because of the convergence of multiple deals in the agricultural biotechnology and seed industry, it is imperative that the Antitrust Division carefully scrutinize the proposed Bayer-Monsanto acquisition to ensure that a competitive market in this critical sector of our nation's economy is not impacted in an adverse way. I also renew my request that the Antitrust Division collaborate, as appropriate, with the Federal Trade Commission and the Department of Agriculture as it conducts its analysis of this proposal.

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

Sincerely,


Charles E. Grassley
United States Senator