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### **IN CASE YOU MISSED IT!**

## **The Bayer-Monsanto Merger Will Stifle Innovation And Harm Research & Development for The Agriculture Sector**

**Washington D.C.** – The merger between Bayer AG and Monsanto Company will stifle innovation, strangle competition and eliminate American jobs. Farmers and experts agree that the merger will lead to an overwhelming concentration of innovative crop and seed technologies that dissuades smaller firms from competing to research and develop cheap, consumer-friendly products for American farmers and ranchers. With this merger, farmers will be forced to rely on a limited variety of trait technologies that will ultimately prove costly and detrimental to crop health.

**A White Paper Released By Farmers And Families First, Inc. In December: “As R&D Budgets Are Merged, There Is A Documented Tendency Among Larger Firms To Focus Innovations On The Narrow Range Of Crops And Technologies With The Highest Commercial Returns”:**

**“As agricultural R&D becomes concentrated into a handful of large firms there is a greater incentive for large market players to focus their efforts on boosting sales of existing technologies rather than actively pursuing promising new avenues.”** (A Monsanto-Bayer Merger Will Raise the Price of Agricultural Inputs, Reduce Seed Choices and Increase Costs for U.S. Farmers, [Farmers and Families First, Inc.](#), 12/2017)

**Daniel Oliver, Former Chairman Of The Federal Trade Commission And General Counsel Of The Department Of Agriculture Under Ronald Reagan: Competition Encourages “Innovation”:**

**“Competition also encourages innovation — and farming today is a highly innovative, high tech enterprise, dependent on advanced chemistry, genetics, robotics, big-data, and even climate science... Competition, however, can be stifled when two big competitors merge, as Bayer and Monsanto are planning to do now.”** (Daniel Oliver, Farming is going digital. Can

antitrust law keep up?, [Washington Examiner](#), 12/20/2017)

**John Tucker, A Cotton Farmer And Former South Carolina State House Representative: Innovation, Research And Development Will “Suffer” Under Merger:**

**“In a free enterprise market like America’s, competition is all that matters. Without it, innovation, research and development all suffer. We need more, not less options for our farmers. It’s estimated that a merged Bayer/Monsanto would control 77 percent of corn seed and 90 percent of soybean and cotton traits; the two biggest crops in America.”** (John Tucker, Letter to the editor: Farmers need our support, [Greenville News](#), 12/24/2017)

**A Study Released By Texas A&M University: “Historically The Seed-Biotechnology Companies Have Been Dependent On Small And Medium Scale Companies As Major Sources Of Innovation”:**

**“Historically the seed-biotechnology companies have been dependent on small and medium scale companies as major sources of innovation. The new small and medium-sized enterprises were specializing in developments of genetic traits, new research, or a combination of both...By 2010, there were less than 30 active small and medium-sized enterprises that were specializing in crop biotechnology. The main reason of disappearance of these companies was acquisition by larger firms.”** (Effects of Proposed Mergers and Acquisitions Among Biotechnology Firms on Seed Prices, [Texas A&M University](#), 9/2016)

**James C. Miller, Former Chairman Of The U.S. Federal Trade Commission Under President Reagan: Barriers To New Innovations Would “Simply Allow The Biggest Dog To Dominate The Rest”:**

**“But the antitrust issues don’t stop there. Computers and the internet are among the least regulated spaces in our economy. GMOs and crop protection are among the most... Much innovation never sees the light of day because the barriers to entry are so massive...Taking a hands-off approach now would simply allow the biggest dog to dominate the rest.”** (James C. Miller III, The Bayer-Monsanto merger kills innovation and must be stopped, [The Hill](#), 12/2/2017)

**James C. Miller: The Bayer-Monsanto Merger “Would Give The Company Power To Require Farmers To Plant Only Its Seeds Designed To Use Only Its Crop Protection”:**

**“A new “Baysanto” would have a dominant “platform” in seeds and crop protection. As with the Microsoft browser and the internet, its massive lead in digital farming would allow it to control future developments on the farm...It would give the company power to require farmers to plant only its seeds designed to use only its crop protection. Like Microsoft in the 1990s, Monsanto is well known for its aggressiveness in “bundling” by leveraging its dominance in one product line to force purchases in**

**another.”** (James C. Miller III, The Bayer-Monsanto merger kills innovation and must be stopped, [The Hill](#), 12/2/2017)

**A White Paper Released By Farmers And Families First, Inc. In December:**

**A merger would only increase R&D funding by \$800,000 a year:**

**“Bayer claims that a merger with Monsanto would lead to shared intellectual property and expand both companies’ research and development (R&D) activities. But, even using the companies’ own projections, the combined increase in R&D funding amounts to less than \$800,000 a year for the first six years of the merger, out of a combined annual R&D budget close to \$7 billion.”** (A Monsanto-Bayer Merger Will Raise the Price of Agricultural Inputs, Reduce Seed Choices and Increase Costs for U.S. Farmers, [Farmers and Families First, Inc.](#), 12/2017)

**Roger Johnson, National Farmers Union President: Reducing The Development Of New Trait Varieties Would Lead Farmers And Ranchers To “Bear The Brunt Of Consolidation Across The Supply Chain”:**

**“It is easier to fix prices when there are fewer market participants...Dominant firms are reducing the availability of non-transgenic varieties and increasing the price of the remaining non-transgenic varieties to discourage the use of those varieties. In Illinois, a survey found that 40 percent of farmers did not have access to any non-transgenic high yielding seed corn.”** (Brad Plumer, Why the debate over the Bayer-Monsanto deal is so important for the future of farming, [Vox](#), 9/20/2016)

**A White Paper Released By Farmers And Families First, Inc. In December:**

**“New Competitors Would Be Required To Pay Monsanto-Bayer A License Fee To Stack Their Traits Within Existing Seed Strains”:**

**“Moreover, the costs of cross-licensing restrictions imposed by a merged Monsanto-Bayer would make the cost of market entry prohibitively high for potential competitors because, in addition to all the research and development costs associated with bringing a rival seed trait to market, any new competitors would be required to pay Monsanto-Bayer a license fee to stack their traits within existing seed strains.”** (A Monsanto-Bayer Merger Will Raise the Price of Agricultural Inputs, Reduce Seed Choices and Increase Costs for U.S. Farmers, [Farmers and Families First, Inc.](#), 12/2017)

**Robert Lawrence, A Professor At Johns Hopkins School Of Medicine: “It would be like GM buying Ford and then we would only have one car to choose from:**

**“The consolidation and driving out of smaller competitors, and controlling the marketplace and raising prices of seeds and pesticides for farmers worldwide is going to be a real shock to the food system... It would be like GM buying Ford and then we would only have one car to choose from.”** (George Jared, Arkansas farmers oppose mega merger between Bayer and

Monsanto, [Talk Business & Politics](#), 12/27/2017)

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