

SPECIAL ORDER OF BUSINESS: Market Competition

Adopted at the 2016 IFU Convention on December 2, 2016

WHEREAS

The top six agricultural input companies already control 63 percent of the global seed market, 75 percent of the agricultural chemical market, and 95 percent of trait acres for U.S. corn, soybeans, and cotton;

The top four meat processors in each sector of the market slaughter 85 percent of cattle, 74 percent of hogs, and 54 percent of chickens;

Mergers proposed in 2016 between Dow–DuPont, Monsanto–Bayer, and ChemChina–Syngenta would further reduce the list of agricultural input suppliers and leave farmers with fewer choices and fewer competing products on the market;

The merger between Syngenta and ChemChina – a company controlled by the Chinese government – raises concerns over whether a major supplier of U.S. farmers could exempt itself from U.S. law under foreign sovereign immunity;

Contrary to industry claims, previous agribusiness consolidation has led to increased input costs for farmers, rural job losses, decreased private sector innovation and research, and less choice and higher prices for food consumers;

With 2016 commodity prices falling well below the cost of production, farmers cannot afford another cycle of intensified consolidation and decreased competition among agricultural input suppliers and processors; and

Federal antitrust enforcement has failed farmers, rural economies, and consumers in the current wave of consolidation happening across the industry.

THEREFORE

The members of the Iowa Farmers Union ask Congress, the U.S. Department of Justice, and the U.S. Department of Agriculture to work together to exercise greater oversight of antitrust matters that impact farmers and the U.S. food system;

Aggressively review pending mergers with a goal of maintaining fairness, transparency, and competition for U.S. farmers in the marketplace;

Prevent consolidation that would result in the virtual monopoly of a small number of firms controlling the overwhelming majority of a given sector; and

Give heightened scrutiny to any antitrust review involving the U.S. food system where one of companies to a proposed merger is controlled by a foreign government.