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For further information:
MFU Communications, 612-288-4068, or
amandav@mfu.org

Minnesota & National Farmers Union Release Statement on Syngenta Merger with ChemChina

St. Paul, MN. (February 4, 2016) – In response to the merger announced today between Syngenta AG and China National Chemical Corporation, National Farmers Union (NFU) and Minnesota Farmers Union (MFU) have released their statements on the merger.

“Today’s announcement is cause for concern among everyone in U.S. agriculture, especially farmers. NFU will pay particularly close attention to the alarming trend of Chinese government-owned entities purchasing U.S. and other agricultural companies.” stated NFU President Roger Johnson, *“In this case, Syngenta would be owned by a company controlled by the Chinese government. For an increasingly consolidated sector of agriculture, this is of particular concern since state-owned businesses frequently do not act in economically rational or predictable ways. As a result, more uncertainty often surrounds their businesses, and consequently, other competing businesses may be adversely affected.*

China National Chemical Corp. and Syngenta AG made a merger agreement to for about 43.7 billion francs (\$42.8 billion) in what would be the biggest-ever acquisition by a Chinese firm. ChemChina has started 2016 off with multiple business moves including buying a German machinery maker and acquiring 12 percent of Swiss commodity trading company. The company has announced more than \$15 billion of deals in the past decade, excluding Syngenta, according to data compiled by Bloomberg.

Monsanto, who also offered a merger with Syngenta prior to ChemChina, is thought to counter the offer by ChemChina per reports found on Agweb.com. The impact that this merger will have on American farmers and consumers has yet to be reported.

“We are pleased that Syngenta will maintain its North American presence for the sake of competition in the marketplace, we will need to keep an eye on the impact this deal may have on the competitiveness in U.S. agriculture. There is concern that yet another merger will trigger additional mergers of the remaining seed and crop protection companies, the impact that this will have on family farmers is very concerning to us” states MFU President Doug Peterson, *“we, along with NFU, urge the Committee on Foreign Investment in the United States (CFIUS) to review this transaction to the fullest capacity of its jurisdiction for its impact on national security.”*

Minnesota Farmers Union—Standing for Agriculture, Fighting for Farmers (www.mfu.org).

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