DATE: October 28, 2025
FROM: FGS Global
RE: Senate Judiciary Committee Hearing: "Pressure Cooker: Competition Issues in the Seed & Fertilizer Industries"

OVERVIEW

On Oct. 28, the Senate Judiciary Committee held a hearing titled, "Pressure Cooker: Competition Issues in the Seed & Fertilizer Industries." Committee Chair Chuck Grassley (R-IA) and Ranking Member Dick Durbin (D-IL) agreed that extreme market consolidation has left farmers without choice or fair prices in these two sectors. Key topics included: the state of seed and fertilizer consolidation; restrictive rebate programs and bundled seed-pesticide systems eliminating choice for farmers; tariff impacts on soybean markets; patent abuse; regulatory barriers preventing innovation; and national security risks from concentrated supply chains. There was broad agreement that the current level of consolidation threatens family farms, and bipartisan support was expressed for enhanced price transparency through Grassley's *Fertilizer Research Act*, stronger antitrust enforcement efforts, and fair dealing requirements.

MEMBERS PRESENT

Republican
Chair Chuck Grassley (R-IA)
Mike Lee (R-UT)
Katie Britt (R-AL)
Ashley Moody (R-FL)

Democratic
Ranking Member Dick Durbin (D-IL)
Cory Booker (D-NJ)
Amy Klobuchar (D-MN)
Peter Welch (D-VT)

WITNESSES

- Noah Coppess, Farmer, Coppess Family Farms
- John Latham, President, Latham Quality Inc.
- Caleb Ragland, President, American Soybean Association
- Corey Rosenbusch, CEO, The Fertilizer Institute
- Andrew LaVigne, President & CEO, American Seed Association
- Diana Moss, Vice President and Director of Competition Policy, Progressive Policy Institute

OPENING STATEMENTS

Chair Grassley (R-IA) highlighted that farmers lack real choice or fair prices for seeds and fertilizer with input costs notably higher than in past years. He noted that a few big companies now sell integrated packages of seeds, pesticides, and digital tools that lock farmers into proprietary systems. Grassley identified loyalty rebates, most favored clauses, and early order calendars as practices that trap farmers in contracts and eliminate choice. He proposed four solutions: pricing transparency, farmer data portability, fair dealing to prevent exclusive arrangements, and merger lookbacks for accountability. Grassley promoted his *Fertilizer Research Act*, which requires a USDA study and regular public reporting on fertilizer costs. He also urged the Trump administration to eliminate Biden-era duties on Moroccan phosphate.

Ranking Member Durbin (D-IL) stated that President Trump's tariffs on China have helped Brazilian and Argentinian farmers by increasing their market share in China while harming American farmers. He criticized the administration for opposing the bipartisan year-round E15 ethanol bill, targeting immigrant farmworkers, forcing out USDA employees, and planning to close DOJ's Chicago field office specializing in agricultural antitrust. Durbin emphasized that Illinois farmers face increasing input costs due to market concentration with strict contracts, pressure tactics, and a lack of transparency on farming data collection. He argued that no amount of financial relief can replace lost markets, especially if payments flow from farmers to a handful of consolidated seed and fertilizer companies.

Sen. Lee (R-UT) talked about how farmers caught in a consolidation bottleneck. He argued that federal regulations create anti-competitive “moats” by imposing compliance costs small operators cannot afford. He expressed his support for the *PRIME Act* to let states set inspection standards for intrastate meat processing. Lee praised President Trump's Agricultural Competition Task Force for investigating price fixing, collusion, predatory pricing, patent abuses, and conducting merger lookbacks. He emphasized that when competition breaks down, costs climb while innovation stalls.

Sen. Booker (D-NJ) noted that concentration has allowed Bayer, Corteva, and Syngenta to dominate every step of the supply chain and dictate what crops farmers grow. He argued that farmers are being taken advantage of by corporate greed through sweeping utility patents, with companies bundling genetically modified seeds with their own pesticides to trap farmers in expensive systems they may not want. He raised concerns that farmers are being forced to buy Dicamba-resistant seeds or risk crop destruction from pesticide drift, calling this "coercion through chemistry, not a free market." Booker emphasized that public research institutions serve Bayer and Corteva's interests rather than farmers, blocking independent seeds from market and resulting in fewer varieties and weaker resilience. He called for urgent action including reinforcing antitrust laws, placing a moratorium on new big ag mergers, protecting farmers' rights to save seeds, continuing the Dicamba ban, and investing in public research that serves farmers not corporations.

WITNESS TESTIMONY

Noah Coppess (written testimony) discussed industry consolidation, price volatility, and limited bargaining power in both input and equipment markets. He highlighted how fertilizer and seed markets are controlled by a few large companies, leading to higher costs, fewer choices, and difficulties for smaller operations to access products or negotiate fair terms. Coppess also raised concerns about data ownership and technology fees imposed by equipment manufacturers, as well as limited genetic options in seeds due to consolidation. Coppess called on lawmakers to examine how consolidation affects farmers’ bargaining strength and urged a balance between efficiency, fairness, and long-term viability in agriculture.

John Latham (written testimony) described how massive consolidation in the seed industry has driven up technology royalty costs and threatened the survival of independent companies. He detailed predatory practices by dominant firms, including steep price increases, restrictive licensing, and rebate structures that force independent companies to rely on their largest competitors. Latham noted that even off-patent seed technologies are subject to rising royalties, burdening both independent companies and farmers with higher costs. He warned that reduced competition limits breeding innovation and poses a national security risk due to decreased genetic diversity. Latham called for oversight and policy changes to restore fairness and competitive opportunity in the seed industry.

Caleb Ragland (written testimony) highlighted the negative consequences of the loss of the Chinese export market for soybeans. He detailed that in the past five years, farmers have seen double-digit increases in the costs of seed, fertilizer, pesticides, and machinery, with unpredictable fertilizer prices and tariffs adding further burdens. Ragland noted that while consolidation in agribusiness is a concern, the American Soybean Association has not specifically analyzed its impact on input costs but emphasized that tariffs and global market volatility are major contributors. He called for immediate removal of International Emergency Economic Powers Act (IEEPA) tariffs on key inputs, finalization of tax credits and biofuel policies to drive investment, and targeted farm assistance to offset trade-related losses. Ragland urged Congress to act swiftly to stabilize farm profitability and support soybean growers facing these unprecedented challenges.

Corey Rosenbusch (written testimony) explained that while the U.S. produces significant nitrogen and phosphate fertilizers, it relies on imports for potash, and that global events such as export restrictions from China, conflicts in the Middle East, and sanctions on Russia have created major supply disruptions. Rosenbusch emphasized the volatility of fertilizer prices, which poses challenges for both farmers and the fertilizer industry. He highlighted that domestic fertilizer production is capital-intensive and urged policymakers to support efforts to bolster U.S. supply to help mitigate the impact of global shocks.

Andrew LaVigne (written testimony) stated that the U.S. seed industry faces mounting pressures from regulatory costs, non-tariff trade barriers, and escalating tariffs. He explained that developing new seed varieties, especially biotech traits, requires years of research and millions of dollars in investment. LaVigne emphasized that international trade is essential for efficient seed development, yet repeated tariffs on seeds crossing borders drive up costs for producers and farmers. He called for science-based regulatory reform and increased public and private investment in agricultural research to support innovation and address the challenges facing both seed companies and farmers.

Diana Moss (written testimony) discussed the current state of consolidation and explained that consolidation and strategic business practices have significantly driven up input costs and genetically modified seed prices, while commodity prices have lagged far behind, squeezing farm margins and ultimately raising food prices for consumers. Moss argued that inadequate antitrust enforcement has allowed excessive consolidation, delayed the entry of generic seeds, and created bundled systems that exclude smaller innovators. She called for stronger antitrust action, improved policy coordination among federal agencies, and potentially expanded USDA authority to address supply chain risks.

QUESTION AND ANSWER

Chair Grassley (R-IA) promoted his *Fertilizer Research Act* to address fertilizer reporting gaps and asked what measures are in place to ensure price transparency. Rosenbusch expressed support for the bill and advocated reinstating the USDA position focused on fertilizer pricing and transparency. When asked about public reporting for fertilizer market transparency, Moss recommended increasing price collection databases and reporting. Grassley asked Latham and Coppess about the impact of consolidation on their business. Latham noted the significant increase in seed royalties with no innovation, and Coppess discussed the lack of any price bargaining. Grassley asked about trademark owners conditioning access to raise rivals' costs. Moss agreed that this is a significant issue where large ag-biotech mergers have created enormously vertically integrated platforms that make it difficult for small seed companies to enter the market.

In a second round of questions, Grassley asked about contractual or technical barriers preventing independent seed companies from stacking competitors' traits. Latham discussed restrictive rebates for independent seed companies. Grassley asked Lavigne about seed company members' disagreement on antitrust and IP laws and Lavigne emphasized that members choose their own licensing and patent processes. Grassley and the witnesses discussed the national security risks of foreign ownership for large companies in the agricultural market. Grassley asked Rosenbusch what safeguards TFI supports to prevent a de facto domestic monopoly in the case of a foreign supplier cutting off its supply. Rosenbusch replied that they do not have an official policy on the trade remedy cases. Grassley asked Moss about the line between licensing that speeds innovation versus walls off rivals, and she responded that while IP laws provide important incentives, firms use IP rights to control competition, particularly through standard-setting organizations dominated by large biotech companies. Grassley and the witnesses discussed why generic insect-resistant traits have not emerged despite patent expirations.

Ranking Member Durbin (D-IL) criticized DOGE for closing a federal seed bank where China now operates the last one, warning that China far outpaces U.S. agricultural research. He asked if antitrust enforcers at the DOJ should have blocked recent seed and fertilizer mergers. Moss agreed and argued that these mergers created higher prices and stifled innovation, arguing that the justification that mergers spur more innovation proved incorrect. Durbin asked how the FTC and DOJ should increase antitrust enforcement. Moss suggested giving USDA more authority to enforce issues that are harder to enforce, such as bottleneck supply chains, loss of resiliency and delay of generic entry. Rosenbusch stated that the FTC carefully reviews mergers and attributed price pressures to global supply and demand rather than consolidation. Durbin noted his constituent farmers complain that fertilizer companies are "killing them."

Sen. Lee (R-UT) asked Latham about barriers independent seed companies face in licensing or stacking patented traits. Latham identified restrictive rebates as stifling competition and explained that companies stack products with new traits solely to extend patents beyond their original terms. Lee asked how consolidation influences R&D strategy, and Latham said it is very difficult for any new innovator to enter the market. Lee noted that diminished competition always leads to higher prices or diminished quality. Ragland stated that dependence on imported potash and nitrogen requires extensive planning with limited purchasing options, noting that fertilizer prices have remained high following the Russia-Ukraine war.

Sen. Klobuchar (D-MN) described current conditions as a "perfect storm of ugly," noting consolidation-driven input costs, labor shortages, and IEEPA tariffs that are not just affecting China. Latham stated that eliminating restrictive rebates and enabling broad licensing would result in a flood of new breeding companies and gene editing innovations currently blocked by consolidation. Klobuchar asked how consolidation affects agricultural resiliency. Moss added that consolidation creates market power bottlenecks, making supply chains susceptible to instability during global shocks. She expressed support for antitrust reforms. Klobuchar asked about non-China export markets and Ragland emphasized that while these markets remain fairly strong, they provide limited demand compared to the "gaping hole" left by China's absence.

Sen. Britt (R-AL) noted that Alabama farmers are experiencing record yields yet losing hundreds of dollars per acre. Britt asked about outside pressures preventing the crop input industry from achieving economies at scale. LaVigne explained that regulatory compliance costs for biotech products have increased dramatically, restricting innovation to only large companies that can afford the regulatory process. Britt asked how federal regulation impacts bringing new innovation to market. Rosenbusch replied that environmental permitting needs to be streamlined and regulatory uncertainty around new products like biostimulants and nitrogen efficiency tools creates barriers. He added that clarity on EPA versus state-level regulation is critical for giving farmers additional tools.

Sen. Booker (D-NJ) asked Latham about the EPA's proposal to re-authorize Dicamba despite two court bans. Latham said the technology is needed for weed resistance but should not be approved for over-the-top use. Booker asked if Latham's company would have discretion not to sell Dicamba-tolerant seeds, and Latham replied they would have to sell it to make their rebates. Booker announced plans to introduce legislation placing a moratorium on new big ag mergers and requiring DOJ to conduct lookbacks and potentially unwind the biggest recent mergers that have caused harm to the sector. Moss expressed support for this bill, adding that structural presumptions against concentration were not enforced in Dow-DuPont and Bayer-Monsanto mergers. Booker and Coppess discussed the lack of flexibility for farmers to buy from companies outside the “big four.” Booker called the current state of consolidation "un-American" and a "perversion of the free market."

Sen. Moody (R-FL) highlighted the importance of the food supply chain for our national security and discussed Florida's leadership in phosphate production. Rosenbusch noted that there is an opportunity to expand phosphate production if regulatory burdens on mining and manufacturing are removed. Moody noted China and Russia lead in phosphate reserves. Rosenbusch added that China has restricted exports to invest in lithium battery production, warning that without domestic production support, the U.S. will become more reliant on adversarial trading partners.

Sen. Welch (D-VT) emphasized that farmers are losing money on every bushel of soybeans and have seen significant market loss to China due to tariffs. Welch noted that USDA plans to use tariff funds to pay farmers. The witnesses emphasized that farmers prefer to earn income through fair markets rather than government handouts. Welch discussed the need for a "right to repair" for farm equipment and announced potential legislation on the issue. Welch raised the possibility of USDA purchasing surplus soybeans to help drought-stricken Vermont dairy farmers, which Coppess supported. Welch and Coppess agreed on concerns about rising phosphate costs.