

STATEMENT OF

**MR. JIM BLOME
PRESIDENT & CEO
BAYER CROPSOURCE LP**

BEFORE THE

**COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE**

HEARING TITLED

“CONSOLIDATION AND COMPETITION IN THE U.S. SEED AND AGROCHEMICAL INDUSTRY”

SEPTEMBER 20, 2016

Thank you, Chairman Grassley and Members of the Committee.

My name is Jim Blome and I am President and CEO of Bayer CropScience LP, the operating company in the United States for Bayer’s agricultural business.

Bayer is a Life Science company with a more than 150-year history in the United States, and core competencies in the areas of health care and agriculture. In addition to our Crop Science division, Bayer works in pharmaceuticals, consumer health and animal health. In the United States, we have facilities in 25 different states and employ more than 12,000 people.

Since 1924 Bayer has been working to bring solutions to the farmers who grow the food we eat and the fiber that we wear.

Today we are focused on supporting both small- and large-crop farmers in the United States and around the world. Farmers have told us loud and clear: Keep innovating. Keep providing tools to improve efficiency and expand yields in a sustainable manner.

Farmers face new challenges every day as they strive to produce enough food to feed a global population projected to grow by an additional 3 billion people by mid-century. They know crop yields must increase by about 60%. This will not happen without continued investment in new technologies that enable farmers to meet these challenges.

In order to help meet farmers’ demands for better solutions, last week Bayer and Monsanto agreed to combine their agriculture businesses. The merger agreement has been approved unanimously

by the boards of both companies and is conditioned on the receipt of governmental approvals and on the approval of Monsanto shareholders.

We at Bayer are very excited about the opportunities that this business combination presents.

Monsanto is a perfect match to Bayer's agricultural business – combining complementary skills with limited geographic overlap:

- Bayer is a leader in Crop Protection, with historically a greater presence outside North America (approximately 70% of 2015 revenue).
- Monsanto is a leader in Seeds and Traits, with historically a greater presence inside North America (approximately 70% of 2015 revenue).

We expect to advance our Digital Farming capabilities and strengthen our focus on new product development across seeds, traits and crop protection. Jointly we will be better able to develop new customized tools to address farmers' future needs.

Let me close by saying that as a native Iowan and farmer, I am highly optimistic for the future. By combining with Monsanto we will be well positioned to deliver on the innovation that farmers demand.

Most importantly, this transaction brings together creative minds from two complementary segments of the industry to address the challenges farmers face today and in the future.

Thank you and I look forward to your questions.