

FILED MAR 23 1999

SENATE CONCURRENT RESOLUTION NO. 15

BY BARTZ

1 A Senate Concurrent Resolution to urge that the  
 2 United States Congress and the United States  
 3 Department of Justice take all actions necessary  
 4 in order to prevent the merger of Cargill Inc.  
 5 and the grain unit of Continental Grain Co.  
 6 WHEREAS, agricultural producers are facing  
 7 financial hardship caused by low commodity prices  
 8 offered by processors and exporters who are  
 9 increasingly moving to consolidate business operations  
 10 in a manner that reduces competition in the  
 11 marketplace; and  
 12 WHEREAS, Cargill Inc. and Continental Grain Co. are  
 13 the two largest grain exporters in the United States,  
 14 and two of the country's largest privately held  
 15 companies; and  
 16 WHEREAS, Cargill Inc. is in the process of  
 17 acquiring the grain unit of Continental Grain Co. that  
 18 analysts estimate may be purchased for more than \$300  
 19 million; and  
 20 WHEREAS, under the proposal, Cargill Inc. will  
 21 acquire the grain storage, transportation, export, and  
 22 trading operations of Continental Grain Co. in North  
 23 America, Europe, Latin America, and Asia; and  
 24 WHEREAS, the two companies together control more  
 25 than 40 percent of all United States corn exports, 34  
 26 percent of soybean exports, and 20 percent of wheat  
 27 exports; and  
 28 WHEREAS, the acquisition of the interest in  
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1 Continental Grain Co. by Cargill Inc. will provide  
2 anticompetitive control of export grain sales, grain  
3 storage facilities, barge capacity, and some rail  
4 service; and

5 WHEREAS, the combined company will stifle or drive  
6 out competition in local markets and at key  
7 distribution points, including along the Mississippi  
8 River; and

9 WHEREAS, United States Secretary of Agriculture Dan  
10 Glickman has expressed concerns about the far-reaching  
11 implications of a proposed merger of the nation's two  
12 largest grain exporters; and

13 WHEREAS, the United States Department of Justice  
14 must approve the acquisition; NOW THEREFORE,

15 BE IT RESOLVED BY THE SENATE, THE HOUSE OF  
16 REPRESENTATIVES CONCURRING, That the United States  
17 Congress enact measures to ensure that competition in  
18 the grain industry is not stifled by companies that  
19 seek monopolistic control of the market; and

20 BE IT FURTHER RESOLVED, That the United States  
21 Department of Justice resist the proposed merger of  
22 Cargill Inc. and the grain unit of Continental Grain  
23 Co.; and

24 BE IT FURTHER RESOLVED, That the Secretary of the  
25 Senate mail copies of this resolution to the President  
26 of the United States; the United States Secretary of  
27 Agriculture; United States Attorney General; the  
28 President of the Senate of the United States; the  
29 Speaker of the House of Representatives of the United  
30 States; the chairman of the United States Senate

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1 Committee on Agriculture, Nutrition, and Forestry; the  
2 chairman of the United States House of Representatives  
3 Committee on Agriculture; and members of Iowa's  
4 congressional delegation.

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