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## Letters of ill repute

By **Rachel Melcer**

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Biotech crop giant Monsanto Co.'s proposed purchase of the nation's largest cottonseed company is alarming some farmers and agribusiness competitors — but Charles Martin isn't one of them.

Martin said he doesn't know how a letter opposing the deal, bearing his name, address and purported signature, was sent to a U.S. senator by a former congressional colleague as part of a lobbying campaign.

The letter identifies Martin as a longtime family farmer. "Somebody is using my name falsely," said Martin, a retired mechanical engineer from Hawkinsville, Ga. "I've never farmed. ... I can't even raise dust."

The letter is one part of varied efforts aimed at derailing Creve Coeur-based Monsanto's plan to buy Delta & Pine Land Co. of Scott, Miss., for \$1.5 billion. Opponents say the acquisition would give Monsanto too much control over American cotton.

Some opponents are pushing for congressional hearings on the deal, which Washington observers say are unlikely. Letter-writing campaigns are sparking interest among states' attorneys general; 32 have requested information from Monsanto. Staff at a Minneapolis public-relations firm are e-mailing appeals for an outcry in regions where no cotton is planted.

"There's a level at which this is just the way the game is played, by getting hearings and building pressure from stakeholders. ... [It's] political hardball," said Jarol Manheim, a professor of media and public affairs and of political science at George Washington University School of Media in Washington.

However, "the letters from people who didn't write them — if that happens, that's clearly unethical," Manheim said.

Thomas Susman, a lawyer who is chairman of the professional ethics and standards committee of the American League of Lobbyists, said doing so "is never a standard or usual practice — period. Certainly not for lobbyists, whose reputation is their stock [in] trade."

Monsanto already provides — and profits from — genetic traits that last year protected nearly 86 percent of the U.S. cotton crop from worms, herbicide or both, according to data from the Agriculture Department.

If Monsanto buys D&PL and fulfills a related promise to sell its own Stoneville cottonseed business, Monsanto's share of the U.S. cottonseed market will jump to nearly 50 percent, up from about 12 percent. In a half-dozen Southern states where D&PL is the preferred brand, that market share would top 85 percent.

The combined company would control both valuable parts of the cottonseed market — the natural germplasm, or inherited traits that make particular hybrid seeds valuable, plus the genetic traits that are added to protect those seeds from herbicide and pests.

The annual cotton crop is worth about \$4.7 billion to farmers, according to the National Cotton Council, a trade group.

Deal involves 'big players'

"There's a lot of money involved. There are some big players in this" and that is attracting attention, said Layne Lindebak, an assistant attorney general in the Farm Division of Iowa Attorney General Tom Miller's office.

Lindebak's division is coordinating a review of the deal's competitiveness on behalf of more than a dozen states' attorneys general — a role it has taken in other farm-related mergers due to its experience in agriculture and antitrust issues.

The Iowa attorney general generally is concerned with maintaining open agricultural markets, even when it comes to a crop unconnected with the state, such as cotton, Lindebak said. He said the interest of his office has nothing to do with the headquarters of agribusiness Pioneer Hi-Bred International Inc. in Des Moines.

"It's not like we play favorites for the neighborhood guy," he said. "They're obviously big enough to play on their own without our little help, if they want to. They've got more resources than we do."

Indeed, Pioneer is taking an active role. "We are telling our side of the story," said Doyle Karr, the company's spokesman.

The Monsanto—D&PL deal "is anti-competitive, and we have concerns about the impact it would have on farmers and the ag industry — and on consumers, ultimately," Karr said.

To make that point in Washington, Pioneer hired Tim Hutchinson, a former senator who is now a lobbyist. He is a Republican from Arkansas who is associated with Dickstein Shapiro LLP, a law firm in Washington with which Pioneer's parent, DuPont, has a long-term relationship.

Hutchinson declined to detail his efforts. But in an e-mail response to a request for an interview, he wrote: "Our client, DuPont, and others do not believe that Monsanto's proposed acquisition of Delta & Pine Land is conducive to fair competition and farmers' choice. We believe the acquisition should be rejected by federal and state regulators."

Letters to a senator

One federal official on the receiving end of Hutchinson's communication is Sen. Saxby Chambliss, R-Ga., who until this year was chairman of the Senate Agriculture Committee; he now is the ranking minority member.

Chambliss' office received an e-mail on Dec. 29 from Hutchinson containing seven letters apparently written by Georgia constituents in opposition to the Monsanto—D&PL deal, said the senator's spokeswoman, Erin Hamm. Two of those letters were addressed to Chambliss and the remainder to Georgia Attorney General Thurbert Baker; the latter group included the one purportedly written by Martin.

Baker's office could not confirm receiving any from that bundle, though it has received about a dozen others expressing concern about the Monsanto deal, said spokesman Russ Willard.

Of the seven letters e-mailed by Hutchinson, two others are suspect: One sent by Virginia Adams of Adams Farm, a self-pick strawberry-and-produce operation in Fayetteville, Ga., who said she has not written any letters about Monsanto; the other bore the purported signature of Georgia State Rep. Terry England.

When England learned of its existence, he fired off a letter on Jan. 3 to clear the air with Chambliss. "I received a copy of the letter on my House of

Representatives letterhead bearing a signature that is not mine, making charges that I do not agree with," he wrote. A stance against Monsanto's acquisition of D&PL "is not, nor has it ever been, my position."

In an interview, England said his district includes just one cotton farm of about 50 acres — and that farmer plants neither Monsanto nor D&PL seed.

"I don't really have a dog in that fight," England said. "It's free enterprise and a free market. If two companies want to get together they ought to be allowed to, so long as the consumers ... and farmers are protected from it being a complete monopoly."

England investigated the false letter and found that someone outside of his office, whom he would not identify, solicited it from a member of his staff, who mistakenly drafted it. "It was someone [here] doing what they thought I would want to be done, but obviously not," he said.

#### State legislator seeks letters

Among the genuine letters in the batch is one from Don Collins of Pike County, Ga., who raises pecans, not cotton. He said he is concerned about any business deal that limits competition. He said he wrote the letter at the request of a "good friend," Georgia state Sen. Ronnie Chance.

Douglas Dickens, a cotton farmer in Watkinsville, Ga., said he, too, sent a letter through Chance's office.

Chance "owns a public relations firm that's been working on this and 100 other things," said England. Chance had brought up the Monsanto deal with England while talking as a state legislative colleague, he said.

Chance did not return calls seeking comment. Hutchinson said in an e-mail that he does not know Chance and has not worked with him. Hutchinson did not respond to questions about the letters he sent to Chambliss.

Meanwhile, on another front, staff at ASI Communications, a public-relations firm based in Minneapolis, have e-mailed farmers and agriculture leaders with personal appeals urging that opposition letters be written to officials such as state attorneys general.

In one such missive, addressed to "Dear Illinois Corn Grower," ASI also asks for a copy so it can be compiled "in the likely case that Monsanto be taken to court."

ASI declined to comment or to disclose its client.

Daryn McBeth, executive director of the Minnesota Agri-Growth Council, a St. Paul-based agriculture trade group, said he received an e-mail from ASI that he found strange on several levels:

- Monsanto as well as its competitors are members of his council.
- Minnesota is not a cotton-growing state.
- "And it's odd that I was getting this from ASI and they were putting themselves in the shoes of being concerned about this," rather than disclosing the letters are being sent on behalf of someone in the industry, McBeth said.

#### Farmers are concerned

While some communications about the Monsanto—D&PL deal may be suspect, the subject is raising concerns among some cotton farmers.

Dickens plants Monsanto's Roundup Ready cotton and said it is a valuable tool. But he worries about the increasing cost of Monsanto's technology and the power the company will have as owner of D&PL.

It's important that regulators take a close look at the deal, he said. "I want to be sure that it's done properly because Monsanto could corner the market. ... I want to make sure research is continued into other kinds of chemicals and genetic traits."

The Arkansas Farm Bureau passed a resolution opposing the deal shortly after it was announced, and considered promoting a similar measure in January at the Beltwide Cotton Conference, a national meeting of the Cotton Council, said president Stanley Reed.

"We got [Monsanto's] attention," Reed said.

Monsanto representatives met with Arkansas farmers, as well as with others around the country, to listen to concerns and try to allay their fears. At the Beltwide conference, the company unveiled initiatives such as a crop-failure guarantee in certain states, funding for cotton research and more transparent pricing strategies.

As a result, the Arkansas Farm Bureau is less opposed to the Monsanto—D&PL deal, but still concerned about the need to ensure choices for farmers, Reed said.

Reed and his bureau have been lobbied by Monsanto competitors "and those companies have the same concerns that we have. But my response back to them is, 'If you don't like it, why don't you buy Delta & Pine Land?' Then we'd have more options and that's what we want. All they do is complain, but they don't want to rise to the occasion."

#### Efforts by Monsanto

Monsanto, like its competitors and nearly all corporations, employs lobbyists to promote its views among politicians and industry leaders. However, the company considers that a regular part of doing business and keeping open the lines of communication, regardless of any pending acquisition, said spokeswoman Lori Fisher.

"We feel like we've been addressing it from a business point of view, but some parties who are opposed to the deal seem to be politicizing the process," she said.

Monsanto has a lot at stake.

The company tried to buy D&PL once before, in 1998, but the acquisition fell apart when a Justice Department review dragged on.

Since then, the cotton industry has changed and become more competitive; D&PL's U.S. cottonseed market share has dropped to about half from 71 percent. If the deal again falls through, Monsanto stands to pay D&PL a fee of up to \$600 million.

"You just have to let the Department of Justice do their job," Fisher said. Monsanto hopes for a positive outcome and that the deal will close as soon as possible. In the meantime, the "noise level" being generated by opponents "is more disappointing and frustrating than anything," Fisher said.

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