

European Commission
Directorate-General for Competition
Merger Registry
1049 Bruxelles/Brussel
BELGIQUE/BELGIE

July 12, 2024

Dear Mr. Lorient

The Institute for Agriculture and Trade Policy welcomes the opportunity to comment on the impact of the proposed Bunge-Viterra merger on European farmers and agriculture. IATP is a 38-year-old organization working for fair and sustainable food, farm and trade systems, with offices in Germany and the U.S.

IATP writes to express concerns about the Bunge-Viterra merger, a deal that has European and global implications, in particular for international grain markets and the farmers that sell into those markets. We believe the scope of this deal, and its potential implications for farmers and agriculture markets, warrant further investigation by the European Commission.

Bunge is the world's fifth-largest grain company and operates in 40 countries with over \$USD 57 billion annual revenues.¹ Bunge is the world's largest oilseed processor, globally dominant in soybeans, canola and corn. Viterra is owned by global mining giant Glencore, with investments in Canada, Australia, the U.S., Brazil and Argentina, among other countries. Viterra now operates in 38 countries with revenues of \$USD 53 billion in 2023. It is dominant in wheat.

Together, the deal would create a global grain giant to rival Cargill and Archer Daniels Midland.² The top five grain giants have profited enormously in recent years, particularly in the wake of the Russian invasion of Ukraine.³ This merger would further consolidate market power within global grain markets and increase the vulnerability of buyers around the world, including in Europe.

Bunge and Viterra operate in approximately 40 countries, and both have particularly large footprints in South America. Multinationals can source grain from different countries, own massive storage facilities, and have access to increasingly sophisticated production data and market intelligence. When European farmers sell grain, they may be choosing between a handful of elevators in their region, but at the same time, they are selling into global markets with global prices set by global grain traders. The power imbalance between

¹ https://www.etcgroup.org/files/files/06_agricultural_commodity.pdf

² [Bunge-Viterra Deal Would Create \\$25 Billion Rival to Cargill - Bloomberg](#)

³ <https://www.somo.nl/hungry-for-profits/>

companies like Bunge and Viterra compared with farmers is already extreme, an imbalance that could be made worse by this merger.

Canada's Competition Bureau studied the Bunge-Viterra merger and on April 23, 2024 reported that it "is likely to result in substantial anti-competitive effects and a significant loss of rivalry between Viterra and Bunge in agricultural markets in Canada."⁴ The Canadian government noted that Bunge already holds a 25% minority interest in another Canadian grain company, G3, which has "significant grain elevator and terminal elevator assets in Canada." The Canadian Competition Bureau report also cited reduced competition for farmers selling into canola markets in Western Canada. Another report by three agriculture economists in Canada concluded that the proposed merger would reduce farmers' incomes by \$700 million per year, and farmers would also lose \$200 to \$325 million dollars annually when selling canola.⁵

Farmers and buyers in other countries also believe further investigation into the implications of this merger is needed. U.S. farm and consumer groups have expressed concern about how the deal will impact prices at the farmgate and in the supermarket.⁶ China, a major global grain buyer, has yet to approve this deal because of similar concerns.⁷

We believe the scope of this deal, and its potential implications for farmers, agriculture markets, and food security, demand further investigation by the European Commission.

We thank the Commission for considering these comments.

Sincerely,

Claire Stockwell

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Director of European Strategies, IATP

⁴ <https://competition-bureau.canada.ca/how-we-foster-competition/education-and-outreach/report-minister-transport-and-parties-transaction-pursuant-subsection-5322-canada-transportation-act>

⁵ <https://saskwheat.ca/wp-content/uploads/2024/05/PreliminaryAssessmentBVMerger-USASK-FINALReportforRelease.pdf>

⁶ <https://www.wsj.com/articles/farmers-worry-8-2-billion-agriculture-deal-will-diminish-competition-24c6089f>

⁷ https://finance.yahoo.com/news/bunge-8-billion-deal-viterra-171910693.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAACvZ7A2ZX5beaxNMtkp5q0B-zYiVfpuxrFTe9STpwrPcltVKy2V84Rz7HIGuD-P6MZ4-E7QgiMeXlNoMPiA0P_fGUcrrcSm2oq1rzVpot_J85NplmWpvBLWe5jdLZ_yUTAoWmnVmT7ZE08tAVc dt0Bb-GBIJDekjbHukc8-sFt0