

Bayer Crop Science researches, develops, manufactures, and sells a broad range of innovative crop science products for the crop protection, biotechnology, and seed markets; the turf and ornamental and professional pest management markets; and the consumer lawn and garden markets. The U.S. business headquarters for Bayer CropScience is in Research Triangle Park, NC, employing approximately 400 people in the state.

The success of Bayer Crop Science is directly linked to the economic health of U.S. agriculture and the producer community. Our business is reliant upon the ultimate users of our products and technology and, beyond our own workforce, is partnered with the distribution and retail businesses that sell, service, and help to steward what we develop and manufacture.

The crop protection/production industry is affected by the crop acreage under production. A drop in acreage represents a reduction in the potential market for that crop. Additionally, the value of the crop to the grower also affects the producers' input purchasing decisions.

In a simple analysis, if a market or other factors reduce crop acreage and/or the value of the crop declines, then our industry experiences reduced sales for that market. The impact is also felt within the broader agribusiness community. For the agricultural industry, the basic manufacturers of crop protection products, the wholesalers, and the retailers of input products and technology are the components most directly affected.

The long-term economic viability of the producer community will ultimately affect the continued and future markets for agrichemicals and related businesses. For tobacco, acreages have declined over 40% since the late 1990's. According to North Carolina State University, each lost acre no longer receives chemical inputs worth hundreds of dollars per acre. A continued decline in acreage and/or the potential loss of producers would adversely affect crop protection/production sales but could affect the viability of distribution and retail locations in the areas of such losses. The bottom line of national suppliers would also be affected.

For our industry and the economic health of the region, it is important that legislation support agribusiness by supporting the producer community. Without that support, many producers may leave farming altogether. Clearly, the loss of producers would negatively

affect the crop protection/production industry.