

# Attorney General Ellison sues pesticides manufacturers for increasing costs for farmers

*Files federal lawsuit with FTC and bipartisan coalition of 10 AGs against Syngenta and Corteva for anticompetitive 'loyalty programs' that reduce competition, increase prices*

**September 30, 2022 (SAINT PAUL)** — Minnesota Attorney General Keith Ellison has joined the [Federal Trade Commission](#) and a bipartisan coalition of 10 attorneys general in filing a [federal lawsuit against pesticide makers Syngenta and Corteva](#), alleging anti-competitive practices that have harmed farmers.

The [complaint](#), filed in U.S. District Court in the Middle District of North Carolina, accuses the defendants of using “loyalty programs” with pesticide distributors to exclude generic competitors from the market. The programs reward distributors for selling Syngenta and Corteva products long after their patent and other protections have expired, thus stifling competition and inflating prices. “These unlawful business practices have cost farmers many millions of dollars a year,” the complaint alleges.

“It’s my job to protect Minnesotans’ wallets and pocketbooks from unfair and illegal practices. One of the main reasons Minnesotans’ cost of living is so high is corporate profiteering, and one way corporations keep profits high at consumers’ expense is by creating unfair markets where there’s no meaningful competition,” Attorney General Ellison said. “This is especially true in agriculture, where farms and farming communities face artificially high prices and struggle to afford their lives because anticompetitive behavior by Big Ag corporations deliberately leaves them with few choices.

“That’s happening here. By creating anticompetitive so-called ‘loyalty programs,’ these corporations have artificially inflated expenses for Minnesota farmers — while lining their own pockets with more profit. Higher costs for our farmers and their families don’t just hurt them: they hurt Greater Minnesota communities and every Minnesotan, who are hit with higher prices for food while corporate CEOs get richer,” Attorney General Ellison concluded.

The lawsuit accuses Syngenta and Corteva of violating state and federal laws, including the FTC Act and the Clayton Act. The FTC and state attorneys general ask the court to end the loyalty programs, and grant equitable monetary relief and attorney fees, among other remedies. The relief would include restitution for farmers in Minnesota based on Syngenta’s and Corteva’s ill-gotten profits.

Syngenta — based in Basel, Switzerland, and a subsidiary of Sinochem Holdings Corp. of China — and Corteva, based in Indianapolis, are among the largest makers of crop-protection products in the United States. The companies’ products are used on a wide range of grains, vegetables, fruits, and other crops, helping improve yields and food security.

To encourage innovation, companies such as Syngenta and Corteva can initially develop, patent, and register active ingredients in their products and exploit their commercial potential for several years. After those protections expire, generic manufacturers may enter the market with products with the same active ingredients and relying on the same toxicology and environmental impact studies. This competition ordinarily leads to dramatic price reductions, benefiting farmers and consumers.

The complaint accuses Syngenta and Corteva of undermining this system by paying incentive payments, or “rebates,” to distributors on one condition: The distributor must keep its purchases of comparable generic products below a low threshold. Corteva and Syngenta have entered into loyalty-program agreements with substantially all leading distributors in the United States. In turn, the distributors sell the products containing the branded ingredients to retail outlets.

These loyalty programs enable the defendants to maintain high prices and dominant market positions years after exclusivity for an active ingredient has expired. They also have forced generic manufacturers out of the market, the lawsuit alleges.

Joining Attorney General Ellison and the FTC in the lawsuit are the bipartisan attorneys general of California, Colorado, Illinois, Indiana, Iowa, Nebraska, Oregon, Texas, and Wisconsin.