January 22, 2024

The Honorable Lina Khan  
Chair  
Federal Trade Commission  
600 Pennsylvania Ave, NW  
Washington, D.C. 20580

The Honorable Jonathan S. Kanter  
Assistant Attorney General for the Antitrust Division  
U.S. Department of Justice, Antitrust Division  
950 Pennsylvania Avenue, NW  
Washington, D.C. 20530

Re: Koch Industries’ planned acquisition of OCI Global’s Iowa Fertilizer Company

Dear Chair Khan and Assistant Attorney General Kanter:

We urge the Federal Trade Commission (FTC) and Department of Justice (DOJ) to thoroughly investigate — and, if evidence warrants, to take action against — Koch Industries’ planned $3.6 billion-dollar acquisition of OCI Global’s Iowa Fertilizer Company (IFCO), a major nitrogen-enrichment facility in Wever, Iowa. IFCO was built with substantial local, state, and federal investment, with its proponents citing the opportunity to challenge Koch Industries’ dominance in fertilizer markets.¹ Should the acquisition be allowed to proceed, taxpayers will have effectively subsidized the expansion of Koch’s control over a critical and heavily concentrated sector of our agricultural economy.²

The IFCO plant currently employs more than 250 workers and produces approximately two million tons of fertilizer annually.³ Proposed in 2012, the IFCO plant was anticipated to decrease fertilizer costs for farmers by introducing competition into the highly consolidated fertilizer industry.⁴ The promise of jobs and a stable, domestic source for nitrogen enabled the plant to garner the largest tax incentive package in Iowa’s history:⁵ $133 million in local giveaways, another $112 million in state giveaways, and an estimated $300 million in federal tax giveaways.⁶ The unrestricted federal funds left the door open for Koch Industries to purchase the company just six years after the plant opened.

⁴ Swoboda, Rod. April 24, 2027. New $3 billion fertilizer plant opens in Iowa. Farm Futures. Available at https://www.farmprogress.com/business/new-3-billion-fertilizer-plant-opens-in-iowa
⁵ Ibid.
We note that FTC and DOJ’s recently updated merger guidelines contain language pertinent to this proposed acquisition: specifically Guideline 1, which states that “Mergers Raise a Presumption of Illegality When They Significantly Increase Concentration in a Highly Concentrated Market.” Guideline 6 states that “Mergers Can Violate the Law When They Entrench or Extend a Dominant Position.”

Fertilizer is one of the most highly consolidated sectors in American agriculture, with the top four firms collectively controlling 75% of fertilizer markets. Koch Industries is in fact one of these four fertilizer firms, in addition to being one of the largest privately held companies in the country.

While we would harbor grave concerns about any acquisition that further consolidates an agricultural sector as concentrated and as critical as fertilizer, those concerns are much more serious given this deal involves hundreds of millions in taxpayer dollars. To safeguard our economy and indeed our democracy, our enforcers must prevent dominant firms from capitalizing on investments made with public resources.

We urge your agencies to swiftly and thoroughly investigate this acquisition. If the investigation determines that this deal would further entrench Koch Industries’ already dominant position in the fertilizer sector, we call on your agencies to oppose it with the full weight of your respective authority.

Sincerely,

20/20 Vision
American Economic Liberties Project
American Grassfed Association
Campaign for Family Farms and the Environment
Family Farm Defenders
Farm Action
Farm and Ranch Freedom Alliance
Food & Water Watch
Iowa Citizens for Community Improvement
Institute for Agriculture and Trade Policy
Institute for Local Self-Reliance
National Family Farm Coalition
National Farmers Union
Open Markets Institute
R-CALF USA
Revolving Door Project
Sooner Food Group
Union of Concerned Scientists

8 Ibid.
10 Ibid.