

MONSANTO

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February 9, 2009

Committee on Finance, Revenue and Bonding
Room 3700, Legislative Office Building
Hartford, CT 06106

Dear Members of the Committee:

My name is Jim O'Brien and I serve as the Operations Lead at the Monsanto Mystic Research Center in Mystic, Connecticut. Monsanto Mystic is an agricultural biotechnology facility focusing on gene discovery for biotech-improved crop products using genomics and enabling technologies. Our focus is corn biotechnology and we serve as one of the many research and product development sites of Monsanto Company. Monsanto is an agricultural company applying innovation and technology to help farmers around the world produce more while conserving more. We help farmers grow yield sustainably so they can be successful, produce healthier foods, better animal feeds and more fiber, while also reducing agriculture's impact on our environment. Monsanto Mystic plays a significant role in that goal.

The Mystic site is home to over 100 employees representing scientific disciplines in Genetics, Biochemistry, Cell Biology, Molecular Biology, Plant Science, and Plant Breeding. We are an OSHA Voluntary Protection Program site and several of our research programs are ISO 9001 certified.

Monsanto opposes many of the proposals before the Committee. Of significant interest is HB-6350, An Act Eliminating Exemptions from the Sales and Use Tax. The bill seeks to repeal the statutory exemptions for machinery, equipment, materials, tools, supplies and fuel used directly in the biotechnology industry. "Biotechnology" is defined as beginning when research activities are performed in the lab, and ends when the product is ready for commercial production. The elimination of this exemption could have a tremendous impact on our operations. We utilize sophisticated machinery technology which turns seed germplasm into superior seed products

for farmers. Robotics, for example, accelerates and automates tasks critical for DNA fingerprinting. This equipment is expensive and needs to be kept current requiring frequent acquisitions.

Monsanto Mystic would also be impacted by the loss of the research & development credit creating an overall higher cost of doing business at the Connecticut site. Monsanto Company as a whole invests two million dollars per day in research. R&D is one of Connecticut's fastest growing industries, resulting in thousands of jobs being created here. Eliminating R&D tax programs would have a detrimental effect on the sustained operations of Monsanto Mystic.

To move Connecticut forward to a stronger economy, business needs to remain competitive. Monsanto Mystic urges the Committee to reject the harmful tax bills before them. Stripping business of incentive would negatively impact research & development, slow Connecticut's economic recovery and do nothing to keep good jobs in the state.

I appreciate the opportunity to provide these comments. Thank you for your consideration.

Sincerely,

Jim O'Brien

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