

From: Satbir Bal [mailto:sat@nmaonline.org]
Sent: Wednesday, December 30, 2009 6:39 PM
To: ATR-Agricultural Workshops
Cc: Barry Carpenter; Ken Mastracchio; Rosemary Mucklow
Subject: Competition Workshop Comments

Hello,

My name is Satbir Bal, and I am a Regulatory Analyst at the National Meat Association (NMA). Attached are our comments.

Thank you and take care,

Satbir Bal



NATIONAL MEAT ASSOCIATION

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December 31, 2009

Legal Policy Section,
Antitrust Division,
U.S. Department of Justice
450 5th Street, N.W., Suite 11700,
Washington, D.C. 20001.

Re: U.S. Department of Justice and
U.S. Department of Agriculture
Competition Workshops

Gentlemen:

On behalf of the members of National Meat Association (NMA), we respectfully submit the following comments in response to the U.S. Department of Justice and USDA Competition Workshops.

Organized in 1946, the National Meat Association (NMA) represents packers and processors of meat and meat food products. NMA's packer members include small, medium-sized and large firms, which slaughter cattle, hogs and sheep. NMA and its members are extremely interested in maintaining a healthy, competitive market for livestock and for meat products.

NMA is pleased to comment on the upcoming Competition Workshops being sponsored by the United States Department of Justice and the United States Department of Agriculture. NMA appreciates the willingness of both agencies to receive input for these Workshops.

NMA believes it is very important that the panels, which will be part of the Competition Workshops, include producers and packers of all sizes. Producer and packer representatives should include individuals who have expertise in the full range of livestock and meat marketing and contracting practices. These practices differ significantly among different species, and panelists should be competent to discuss individual experiences with different types of marketing arrangements. In this connection, NMA supports producers that will be recommended by the National Pork Producers Council and the National Cattlemen Beef Association. Further, at a later date NMA will recommend packer panelists for the Livestock Industry Workshop in Colorado in August.

The panels also need to include bankers and retailers. It is important to include one or more bankers, who can speak to credit issues, because the need for financial credit very typically determines the type of contract entered into between a packer and a producer. Retailer panel

members should be able to address the value and quality issues which drive their purchasing decisions, and which thereby control both the types of livestock which packers purchase and supply and demand for different breeds and classes of animals.

The panels should address how best to make free markets work most freely and most efficiently. Because burdens of increased regulation have historically increased capital requirements for small and medium-sized slaughter firms and led to increased packer concentration, when they are unable to find necessary funding, proposals for additional regulatory activity should be a last resort to be used only where it is otherwise impossible to maintain free markets.

NMA, on behalf of its diverse membership, is greatly interested in this issue. We respectfully request to be informed at each step of the process, so we can share this information with our members through our publications.

Thank you for providing this opportunity to comment.

A handwritten signature in cursive script that reads "Barry L. Carpenter".

Barry Carpenter
CEO

Ken Mastracchio
Associate Director Regulatory

Satbir Bal
Regulatory Analyst