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**From:** Jennifer Holdgreve [mailto:Holdgreve@dc.ncga.com]

**Sent:** Tuesday, December 29, 2009 10:22 AM

**To:** ATR-Agricultural Workshops

**Subject:** National Corn Growers Association Comments

Attached are the National Corn Growers Association Comments regarding competition in agriculture. Two additional copies will be delivered via overnight mail tomorrow. Thank you and if you have any problems opening the attachment please contact me as soon as possible.

*Jennifer Holdgreve*

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December 29, 2009

Legal Policy Section, Antitrust Division  
United States Department of Justice  
450 5th Street NW, Suite 11700  
Washington, DC 20001

To whom it may concern:

I am writing today on behalf of the 36,000 members of the National Corn Growers Association (NCGA), the country's leading representative of corn producers and America's largest agricultural crop. In addition to our dues paying members, we also represent the interest of over 300,000 corn checkoff paying farmers throughout the Nation.

Our comments are in no way meant as an endorsement of, or basis for investigation or litigation against any specific company.

NCGA supports competitive marketplaces. Agriculture is unique as producers are price takers. Price taking impacts farmers on the inputs we purchase such as seed, fertilizer, and fuel, as well as the price we receive for our crops. As growers are exposed on both sides of the production equation, we are very attuned to the need for competition within these markets.

I would like to comment in general on several of these markets. Our growers have eagerly greeted the introduction of biotechnology. This relatively new technology has allowed farmers to increase yields, reduce inputs, and lower our environmental impacts while producing abundant food, feed, and fuel for the world. U.S. producers rely on a dynamic seed industry, including both large multi-national companies as well as numerous small local and regional seed producers. Since biotechnology has become an integral part of our production, we support the vibrant research and development goals of the major market players and encourage all participants to continue to bring products to market.

World agriculture is reliant upon plant nutrients to sustain crop productivity. In recent years, there has been a significant decline in the domestic production of nitrogenous fertilizers. Although there has been some market consolidation, the majority of this decline has occurred for economic reasons. The end result is American agriculture has become more reliant on foreign sources of fertilizer, exposing farmers to additional global drivers. We encourage the Department of Justice to analyze any future consolidation in this industry with a focus not only upon market share but increased reliance upon foreign sources of fertilizers.

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America's corn producers rely upon a strong, healthy, and vibrant livestock industry. Domestic livestock are the leading market for corn. In addition, many of the country's corn producers also have livestock operations. Realizing vertical integration and economies of scale will continue to impact the livestock sectors, it is important that we maintain a competitive livestock industry.

The majority of corn producers belong to at least one farmer-owned cooperative. Farmer cooperatives handle, process and market almost every type of agricultural commodity, furnish farm supplies, and provide credit and related financial services to their farmer members. The *limited* antitrust immunity provided by the Capper-Volstead Act and other federal statutes enables farmers to join together to seek economies of scale and negotiate lower costs for inputs as well as receive competitive prices for our products. However, this does not result in granting cooperatives monopolistic powers.

Finally, many corn producers are located in areas where there is limited competition in the transportation industry. Many areas with corn farmers are served by only one railroad. NCGA has reached out to both the railroad companies and grain elevator industry to find market-based solutions to transportation issues. In the future, it is important that the Surface Transportation Board continue the evolution of their regulatory rules and analytical procedures to ensure that rate and service disputes can be handled in a timely and economical fashion.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrin Ihnen", with a long horizontal flourish extending to the right.

Darrin Ihnen  
President

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