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Subject: Comments Regarding Agriculture and Antitrust Enforcement Issues in Our 21st Century Economy

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My name is Chris Pawelski and I am a 43 year old 4th generation onion farmer from Orange County, New York (which is about 1 hour north of New York City) (see: <http://blackdirtregion.blogspot.com/>).

In 1983, during my senior year of high school, I bought my first car, a used Chevy Chevette (I paid \$2,000 for it). At that Chevy dealership was a brand new 1983 Chevy Corvette, which at the time cost roughly \$18,000. Today, some 26 years later, a brand new 2007 Chevy Corvette costs roughly \$60,000.

In 1983 the average price my father received for a 50 lb. bag of yellow onions was \$6.00. Today, some 26 years later, the average price our farm receives for a 50lb. bag of yellow onions is still \$6.00. How can the average price we receive for a bag of onions is still the same, not adjusted for inflation but dollar for dollar still the same as 26 years ago? How can that be?

In the 26 years since 1983 the costs associated with onion production, our seed, fertilizer, pesticides, fuel, equipment, including repair costs, taxes, land rent rates, labor, have all risen, most of those costs have risen significantly and substantially. Yet, the average price our farm receives for a 50lb. bag of yellow onions is still \$6.00. How can that be?

In the 20 plus growing seasons since 1983 we have seen all sorts of weather events and crop yields, locally and nationwide. Since 1996 the onion growing region of Orange County, New York has suffered numerous devastating weather events, including county wide hailstorms in 1996 and 1998 as well as significant droughts in 1999 and 2005 and flooding conditions in 2000 and 2006. And though the local supply of onions were at record lows, our area has never seen a higher price for that reduced supply. Again, the average price our farm receives for a 50lb. bag of yellow onions is still \$6.00 (the only exception being the 2008 growing season when we received an average price of \$10.00 per 50lbs). How can that be?

The bulk of domestic onion production which competes with onions grown in New York State are grown in such states as California, Washington, Idaho, Oregon and Colorado. These competitor onions, grown thousands of miles away from the major markets found in the population based on the eastern seaboard, must be transported across the country. Most of these onions are transported via trucks. The cost of that freight in 1983 averaged roughly \$2.00 per 50lbs. Even as late as the mid 1990's the cost of that trucking freight was roughly \$3.00 per 50lbs. Today, thanks to the sharp increase of fuel costs the typical cost of shipping a 50lb. bag of onions from Washington or California to New York is \$6.00 to \$7.00. Yet, despite that added significant freight increase, which has greatly increased the cost of our competitor's onions, the average price our farm receives for a 50lb. bag of yellow onions is still \$6.00. How can that be?

How can all of the costs associated with the our production costs (as well as our cost of living) have risen since 1983, and how could we have experienced all sorts of production and yield variables, including in many years the dramatic reduction of

yields/local supply due to catastrophic weather events, yet the average price our farm receives for a 50lb. bag of yellow onions is still \$6.00. How can that be?

If it's not some sort of collusion, some sort of illegal manipulation of our markets/prices received being perpetrated by someone, if it's not that, then what else can explain the fact that despite all sorts of variables changing the average our farm receives for a 50lb. bag of yellow onions is still \$6.00. How can that be? Why hasn't our average price risen, at the very least, the rate of inflation? Why has it remained virtually the same?

Thank you for your time and attention.

Chris Pawelski