From: James R Purlee <purlee@bbwave.net>
Sent: Tuesday, December 22, 2009 3:35 PM
To: ATR-Agricultural Workshops <agriculturalworkshops@usdoj.gov>
Subject: farmers letter

December 15, 2009

Legal Policy Section
Antitrust Division
U.S. Department of Justice
450 5th Street, NW. Suite 11700
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To Whom It May Concern:

I have an 8,000 acre cash-grain operation, half corn and half soybeans, in Illinois. All of the corn goes to ethanol plants that we've been involved in starting. The soybeans go to the ADM plant in Galesburg, Illinois, for meal and oil. I also have fifteen stock cows and 1.5 million bushels of storage. The grain is stored and then delivered to the ethanol plants and ADM plant via trucks.

I have ancestors who farmed their own land, all the way back to Denmark on one side. My Purlee name, which is French, has been here since the 1600s. We've always been in agriculture in one way or another.

I am concerned about the public workshops on competition in the agricultural sector being convened by the Department of Justice and the USDA and would like to share my experience during this public comment phase.

We have had a lot more bushels since biotech was introduced. The corn crop has gone from six billion to thirteen billion, and a lot of that is due to biotech seeds. And the reduction of pesticides is the most wonderful thing. We used to have to pour insecticides from a fifty pound bag into a platter, and then it might blow back on you on a windy day. We also don't have to scout the fields any more to decide what to spray for corn borer from the air. That was a big job. The planes would fly and spray all summer long. It didn't work very well, but it was all we could do back then.

People embraced Roundup Ready and soybeans pretty quickly. We had one of the first test plots for Monsanto, where you had to destroy the seed that you grew. Of course we adapted it just as quickly as the seed was available. I got really lucky in 2003 and we planted the 80% limit of the rootworm corn that Monsanto had developed. We had a drought that year, so it turned out to be one of those half-million dollar decisions that went in our favor. That was wonderful.

There are just as many seed choices now as there were ten years ago. The market share has shifted. Pioneer was by far the biggest supplier in our area—they were my supplier prior to 2003—and then we've been with Dekalb corn since then. We had used some Asgrow corn before that. You make your decision based on what your yield is. The traits have been a big help to us.

Yield is by far number one is making a decision about seed. Then there is standability, dry down, and emergence. I also rely on hybrid and variety trials from my farm and other farms, as well as combine yield monitors and field maps. But you've got to have bushels.

There's always been a price competition between companies. That's as old as giving out six bags of free seed.

Everybody balances that out with pencil and paper every year, but it all comes down to what hybrid you think is going to give you the most bushels next year. That's the biggest decision you get to make, because the weather is what you get and everybody is a good farmer anymore. There are lots of brands out there: Pioneer, Munson, Burris, Stein, small companies. You just try to make the best choice on what will perform the best. It's kind of like Ford or Chevy. Both of them cost about the same. You generally go for performance. Price doesn't enter in to it.
I only buy Dekalb corn and Asgrow soybeans. We go all or none. I have bought all Pioneer corn and a lot of Pioneer soybeans, and I have bought a lot from other companies over my life.

Net price on corn averages $240 to $250 per unit. That's if you make a big purchase and pay for it almost a year ahead of time. That's the way the industry has become, big orders and pay early. You get a better price that way. Soybeans range from $60 to $65 a bag. Both the corn and soybeans have Roundup Ready. 80% of the corn is also corn borer and root borer resistant, so you must plant a 20% refuge for those traits. You purchase more expensive seed because you think it will produce more bushels, and more bushels outweigh the price of the seed.

The intellectual property rights of the companies that have developed these technologies should be protected. Otherwise there would just be chaos. I've been to Argentina where they don't protect patent rights, and you can look at a piece of red equipment that is just an exact copy of John Deere equipment. We don't do that here in America. Private investments have brought about more agricultural innovations than the public sector. You just can't beat that profit incentive. But I'm glad we have both in America, land-grant universities and great companies.

Thank you for the opportunity to share my viewpoint. Please do not hesitate to contact me with any questions.

Sincerely,

James R. Purlee
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