

From: Carrie Divine <cdivine4@gmail.com>
Sent: Wednesday, December 30, 2009 1:06 PM
To: ATR-Agricultural Workshops <agriculturalworkshops@usdoj.gov>
Subject: Comment

Comment from Robert and Patricia Divine, age 59 and 58 from Morganfield Kentucky.

We are graduates of the University of Kentucky, College of Agriculture (1972, 73) We were both engaged in production agriculture, hog, cattle, and grain in a family farm situation. That means that our total income was derived from our family farm operation. We paid for our home, land, and provided a college education for both of our sons. We also paid for good health insurance coverage. In 1991 and 1992 our ingenious state legislature changed the laws concerning health insurance so that insurers could not refuse to insure anyone, including those who had pre-existing conditions. Guess What? The number of companies selling insurance in Kentucky dropped from twenty to one in a very short time, and the prices went through the roof? So my wife Pat took a job off the farm in 1999 so that we could continue to have the same quality health care coverage. Now we are no longer a "family farm."

At the same time our state legislature was ruining the health care business, the number of local markets for our animals dropped from three to one. Guess what the price did? It went down, what a shock. We could end this letter right here and the problem that you should glean that the problem we speak of is monopolistic control. Please read a further explanation of what has happened to agriculture in the last 35 years.

We as agriculture producers buy our inputs from a few monopolies. We sell our products to a few monopolies. They set the price for what we pay and on what we receive. Government subsidy payments in the case of grain producers, enable them to stay in business when grain prices were below the cost of production. The integrated companies that bought raw grain and processed it and sold it at the retail level made huge profits at the expense of taxpayer and consumers alike.

The livestock industry, exempting dairy is on its own. No subsidies, Our price that we get is gained from the market place. Cattle are priced by supply and demand. However, packer concentration had become more monopolistic to the point that they can "run the market" which ever benefits them the greatest. The producer is at their mercy. There are antitrust laws that have been on the books since the 1930's. Why have they been ignored? The poultry industry is totally vertically integrated to the point that today's poultry producer is a slave to the integrator. He basically leases all of his chicken hotels to the integrator who tells him what standards he must meet and how he will be compensated. Not much bargaining power here for the producer. The pork industry has moved very quickly to vertical integration. At the time nearly all pork is produced under contract with major packers, who also happen to be retailers. They set the price that the producers receive and once again, the farmers compensation. The few remaining independents will not survive the current cost price crunch. High costs and low prices complicated with misinformation about H1N1 (Swine Flu) will finish the job.

Monopolistic control is the rule of the day. Tyson foods position in the meat market is intolerable. The blocking of the mega merger between J.B.S. S.A. and National Beef Packing company is wonderful. That's what the Justice Department is to be about. Congratulations and THANK YOU!

More on monopolistic control in the Agriculture Industry.

With the agricultural bust of the 1980's, fueled much like today's meltdown, by easy lending practices to

unworthy borrowers, then come lower equity and finally sky high interest rates. The consolidation of agricultural suppliers started as a ripple, turned into a tidal wave and then to a full blown turmoil. A huge number of agriculture graduates with these companies that were swallowed up left the industry never to return. Those jobs are gone, not needed anymore. What of our agricultural producers? Very few are left as independent. Those who are must battle for everything they get except subsidies and that could change. Monopolies Rule: Monsanto controls the seed genetics. Syngenta and Dow have a share along with a regions in chemicals. In farm machinery, Deere and Company, Case New Holland and Agco have taken the market. In the 1980's there were seven major independent companies. Fertilizer production is in monopolistic control. In 2007, one company was in position to buy potash mines, close them and drive the cost of potash to over \$1200/ton over retail.

Monopolies rule as buyer of agriculture products. Archer Daniels Midland is the super market to the world. They along with a few others control the grain trade. Very few companies control the meat trade. There is even a crossing over at time from one section to another. (e.g. Cargill- from grain to meat, as well as Tyson).

Conclusion.... Market manipulation, price fixing is rampant. WHERE HAVE YOU BEEN ALL THESE YEARS? Monopolies have squeezed all business to the point that a young person can not access many fields that once held great opportunity. US Companies close businesses here, ship jobs overseas, and buy back cheaply made unregulated crap here for the American people to buy at a big price on burger flipping wages. The government insists that we the American people should subsidize this lunacy further through Cap and Trade policies. ONCE AGAIN? What have you done to earn your pay? You have not done your duty.

Will you read this letter and the thousands of others? Will you take any real action on any of these problems? Why did we even bother to write?

Because:

1. Countless citizens have sacrificed to make this country free.
2. We have children who work and pay taxes
3. We have grandchildren who we hope will inherit something better than the train wreck that looms ahead of us.
4. All three generations are being enslaved by Unregulated Corporate America and Bloated, Out of Control Government.

Sincerely,

Robert and Patricia Divine
720 St Rt 983
Morganfield KY 42437
(270) 389-1879