

From: Tom <tom@culpeperfeed.com>
Sent: Wednesday, December 30, 2009 1:08 PM
To: ATR-Agricultural Workshops <agriculturalworkshops@usdoj.gov>
Subject: Comments Regarding Agriculture and Antitrust Enforcement Issues in Our 21st Century Economy

I am the owner of a small feed company in Southern Illinois. We mainly provide feed for cattle, dairy, chicken, and horses.

I am very concerned about the consolidation of corporate power in the food and agriculture sector.

Once upon a time I sold hog feed along with the 4 categories mentioned above. There is no longer a market here for pig feed except in bulk quantities to large confinement operations. There are no small or medium sized producers left in this area raising pigs. There is no business model that works for them.

As a retailer of animal feed I am very concerned about the margins we are forced to live with. There are few retail sectors that can live on 15-25% margins but that is what we contend with. Compare that to normal retail margins that run 30-70%. Basically, there is not enough profit in raising livestock on even a medium scale to allow reasonable flow through to the retailer and distributor. What I am saying is that low profits at the farm means low profits at the feed retailer, low profits at the feed distributor, and probably on up the chain. As distributors close, which we are seeing here in Southern Illinois, we have to bring products in from farther away which then increases transportation costs. It's a vicious circle, margins shrink to a point of a business being unsustainable, it closes putting additional pressure on other business within the supply chain which either close or pass the costs on to the farmer who can't afford them anyway.

It's a cascading effect. The closing of these Ag businesses contributes to other business closures in our small towns, forcing people to drive farther for supplies, groceries, etc? Anyone think gas is going to get cheaper?

If we are going to have a sustainable Ag industry in this country we have to enable medium sized farmers to make the equivalent of the median income (\$46,000 in Illinois) and small farmers to be able to make a reasonable part time wage. That's in their pocket before taxes and after leaving some profit to go back into the farm for improvements and expansion.

What have the large conglomerations brought us? Genetically modified corn and beans that the rest of the world doesn't want and which there is some evidence that it contributes to cancer rates in this country. Feed lots and dairies with such crowded conditions that disease is a problem and overuse of antibiotics is contributing to the spread of antibiotic resistant disease. Worse yet, the (mis)use of antibiotics to increase the rate of gain in calves. Growth hormone and pus now showing up in our milk. And all of this done to increase efficiency which includes employing less people. Food prices are up, food companies are bringing in record profits, and farmers are steadily going under. There's something fundamentally wrong here.

Thank you for allowing me the opportunity to comment on this situation.

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