



Steve Troxler
Commissioner

North Carolina Department of Agriculture and Consumer Services

VIA ELECTRONIC SUBMISSION

December 30, 2009

Legal Policy Section, Antitrust Division
U.S. Department of Justice
450 5th Street, NW, Suite 11700
Washington, D.C. 20001

Re: Competition and Regulatory Issues in the Agriculture Industry
Request for Written Comments prior to USDA/DOJ Workshops

Dear Sir or Madam:

As Commissioner of Agriculture for the State of North Carolina, which ranked 9th in the nation last year in total cash receipts from farm income, I am pleased to submit these comments regarding the joint Department of Justice/USDA workshops about competition and regulatory issues in the agriculture industry.

First and foremost, I appreciate that the Department of Justice and USDA have teamed up to examine an issue that has generated much discussion in recent years. While the process of surveying the competitive atmosphere of any market is arguably complex, this may be especially true in the agricultural sector. U.S. agriculture involves over 2.2 million farms scattered across the United States which sell a combined \$297 billion in agricultural products each year. Besides the financial contributions of this industry, the bottom line is these farms and farmers feed our country and the world. I hope that your deliberations will be thoughtful and thorough.

I am most heartened by a narrow portion of public comments made by Mr. Philip Weiser, Deputy Assistant Attorney General, Antitrust Division, U.S. Department of Justice, in his speech entitled "Toward a Competition Policy Agenda for Agriculture Markets." In those remarks, Mr. Weiser stated that one component of your exploration will include evaluation of "the impact of any regulatory regimes that may serve to protect particular producers at the expense of consumers." (Weiser, Philip J. Remarks. Organization for Competitive Markets. St. Louis, Missouri. August 7, 2009.) I hope this inquiry will include, or be expanded to include, a focus or at least some investigation regarding the myriad of governmental regulatory policy that limit or discourage creative, risk-tolerant individuals from entering the marketplace. Simply put, I am concerned that the regulations governing many of our agribusinesses

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are so voluminous and complex that new companies cannot be competitive without massive capital investments. Even if such investments can be obtained, new companies may go years without becoming profitable because of the regulatory hoops that must be navigated before new products are released on the market or before those initial investments are re-paid. The question, "is our government actually stifling competition in some sectors," is one that should be addressed in the course of your exploration.

At the same time, I hope your inquiry will focus on the role government plays in protecting innovation in the marketplace. I am proud that farmers in North Carolina are key contributors to the most efficient, safest, highest quality food production system in the world. We did not get to where we are today without innovations driven by the promise of strong returns and the satisfaction of doing more with less.

Finally, as a strong advocate for agricultural research, I am asking that you consider the role of (and potential positive impact of increasing) federally-funded research occurring at our land grant institutions. Public support for agricultural research has traditionally been a value of the American system, and I believe such support continues to hold promises for the development of new technologies and innovations that will ultimately benefit our consumers. Given the growing world demand for food, I sure hope it does.

Thank you for the opportunity to submit these comments. Please feel free to contact my office if you would like to arrange for an assembly of North Carolina farmers willing to speak to this topic. I would be delighted to host such a meeting.

Sincerely,

A handwritten signature in blue ink that reads "Steven W. Troxler". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Steven W. Troxler
Commissioner