



**U.S. Poultry & Egg  
ASSOCIATION**

1530 Cooledge Road  
Tucker, GA 30084-7303, USA  
Telephone: 770/493-9401  
Facsimile: 770/493-9257  
www.poultryegg.org

August 22, 2001

Mr. Cary Johnston  
Office of Water  
Environmental Protection Agency  
401 M Street, S.W. (4303)  
Washington, DC 20460

Dear Mr. Johnston:

Thank you for the opportunity to participate on the Meat Products Industry Stakeholder group over these last several weeks. I have the following comments with respect to the documents you have provided for review:

Chairman  
Lawton Wofford  
Demorest, GA

Vice Chairman  
Ralph Simmons  
Nacogdoches, TX

Treasurer  
Jacques Klempf  
Jacksonville, FL

Secretary  
Bill Lovette  
Springdale, AR

Immediate Past Chairman  
Bill Ingram  
Cullman AL

President  
Don Dalton  
Tucker, GA

1. Industry Profile – Section 2.3 Industry Concentration and Market Power

When discussing the red meat industry, this section focuses on competitiveness and market power with respect to the consumer market. Then, when discussing the poultry industry, its focus suddenly shifts to competitiveness with respect to the poultry growers. We suggest that consistency of approach is more appropriate.

Please note that a citation was not provided for the two referenced Tsoulouhas and Vukina papers. Further, the Lewin-Solomons paper has apparently not been published. A published paper by Dr. Paul Aho, provides a different viewpoint, noting that return on investment for integrators and growers is essentially identical.

2. Model Category size classifications

The threshold for small operations for most red meat facilities is in the neighborhood of 50 - 60 million pounds, while for poultry operators is in the 10 – 20 million pound range. Poultry is a less expensive meat product than beef or pork. Assuming classification of a facility as small is related to its dollar volume – which in turn influences the size of the operation and the number of employees – the lower threshold seems unreasonable for poultry processors.

From a practical standpoint, an example of what the industry considers a small facility would be a 1 shift, 70 bird/minute plant.

Mr. Cary Johnston  
August 22, 2001  
Page 2

This translates to an annual volume of 40 – 50 million lbs/year,  
comparable to the red meat thresholds.

Can you provide insight as to how the thresholds were set, and why  
poultry processors' thresholds are so much lower?

Once again, thank you for the opportunity to participate, and I look forward  
to future discussions.

Sincerely,

John E. Starkey, P.E.  
Vice President, Environmental Programs  
jstarkey@poultryegg.org

JES:eh