

802.2 (g)

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Bureau of Competition

400 and Pennsylvania Avenue, NW
Washington, DC 20058

Re: Application of Agricultural Exemption Pursuant to
Section 202 of the USFCA, 40 CFR 5.202

The purpose of this letter is to confirm advice you have received in both capacities

with respect to the poultry production, to which you are a party. This advice was provided to you on
Monday, April 3, 2000 and was based on the following set of facts:

Our client is considering the acquisition of certain assets of a company engaged in
the poultry production and research business (hereinafter referred to as the "Acquired

business"). The function of the Acquired Company is to improve the genetic
characteristics of existing lines and/or to develop new lines of chickens reflecting various
superior traits, e.g., "meatier" breasts and enhanced egg production capacities. As an
integral part of its operations, the Acquired Company produces specific products for

1/ These poultry integrators raise chickens solely for consumption. They are not involved in producing
chicken eggs for consumption.

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the [redacted] Company [redacted] and [redacted]
poultry breeding stock. The typical sale to a given customer is for tens of thousands of

The assets to be acquired include real property and improvements (chickens, horses

contract rights; equipment and machinery, inventory, furniture, furnishings and tools, [redacted], [redacted] and [redacted] and delivery equipment; office, [redacted] and other

lines. All of such real property and associated agricultural assets are integral to the [redacted] and [redacted] and research business. The assets to be acquired

The agricultural exemption found in section 802.2(g) states, in part, that:

(a) Acquisition of agricultural property, assets incidental to the ownership of such property and associated agricultural assets shall be exempt from the requirements of the act. Agricultural property is real property and assets that primarily generate revenues from the production of crops, fruits, vegetable, livestock, poultry, milk and eggs (activities within SIC Major Groups 01 and 02).

(1) Associated agricultural assets are assets integral to the agricultural business activities conducted on the property. . . .

In our telephone conversation with you, we inquired as to whether the Acquired [redacted] could be classified with Standard Industrial Classification (SIC) [redacted]

hatcheries, applies to an establishment that is primarily engaged in operating poultry hatcheries, either on their own account or on a contract or fee basis. The examples [redacted]

[redacted] The examples included with the SIC code include [redacted]

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XXXXX SIC code is 0751 not SIC code 0754. In dictionary SIC code 0754 was

Finally, you agreed that the laboratory assets required for operation of the Acquired Company's poultry production and research business should be considered as "associated agricultural assets" within the meaning of section 807 2(a)

In summary, based upon the information provided regarding the Acquired Company's business, you concluded that: (1) the Acquired Company's business operations

We have written this letter to memorialize our conversation and request that you

yourself with [redacted] and [redacted]

Called the [redacted] and [redacted] and [redacted]
recovered [redacted] [redacted] [redacted]

are all internal. Letter accurately reflects informal advice given