

7A6111. 802 (11/61)

[Redacted]

December 9, 1991

[Redacted header information]

Dear Mr. Smith:

our discussion so I can have a record of it and you can verify it.

I understand that the Hart-Scott-Rodino Anti-trust Improvement Act, under 16 C.F.R. 8.01, 8.02, 8.03, part of Title II is about pre-merger notification. Any sale in excess of \$15. million must be reported if there is a \$100. million player on one side and another player worth \$10 million on the other.

In the case of producing farms and raising crops there is a difference, by interpretation of the law by your staff, in what is considered income producing or reportable.

From our conversation, crops sown and harvested on a yearly basis are separated from fixed type crops such as orange and apple trees, etc. The land upon which these crops are sown yearly are excluded from reporting. The value (fair market or acquisition price whichever is higher) of this physical soil can be deducted from the actual price the agricultural sale. If the price, after deduction, falls below the \$15. million, a report does not need to be filed with the F.T.C.

In the sale of land and an irrigation system, the farm ground portion is dropped and not reportable but the irrigation system would be unless the total price was lowered to \$15 million on

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formation.

Sincerely,

[Redacted signature]

12/18/91 advised [Redacted] that contents of this letter did not reflect the present view of the PHN office. [Redacted] had had produced a study (more (which it apparently had) did says that were not found required before measured by assets only if not engaged in manufacturing), then the sale was [Redacted]