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July 16, 2004

SENT VIA FED-X  
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Assistant Attorney General  
Antitrust Division, Dept. of Justice  
Main Justice Bldg, Room 3109  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

RE: Business Review for Proposed Trading Rules and Grade Standards

Dear Sir:

Our firm represents the American Peanut Shellers Association (APSA). We have been requested by APSA to seek a business review letter from the Department of Justice with respect to Trading Rules and Grade Standards formulated by APSA.

APSA is a trade association comprised of most, but not all, of the commercial peanut shellers in the United States. Members of APSA purchase farmers stock peanuts from peanut growers in the United States, shell and mill those peanuts and sell the product to manufacturers in the United States and overseas.

APSA has historically promulgated voluntary trading rules for use in the trade. Its rules have found use both among its members and others involved in the trade in the United States and overseas. A previous version of its rules was reviewed by the Department of Justice and a letter issued under the Department's business review procedure. That took place in either the late '80s or early 90s.

For decades the American peanut industry operated under a federal supply management program. In the 2002 Farm Bill that program was significantly changed by Congress.

In response to the dramatic change in the federal peanut program, in the 2002 Farm Bill, as well as the regulations pursuant thereto, APSA undertook a revision of its Trading Rules and Grade Standards. It has completed that review and revision and now wishes to submit the product of that revision to you under your business review procedure. A copy of the Trading Rules and Grade Standards is included herein for your review.

It is expected that these Rules and Grade Standards will be used by the peanut trade, both domestically and for export purposes. Peanut exports from the United States are significant and a very important part of our industry. The sale of a typical United States peanut crop depends on significant exports. Currently, domestic demand is not sufficient to utilize the U.S. peanut crop.

The 2004 peanut crop will be harvested beginning in September of this year. Of course, it would be most helpful if we could finalize the Rules and Grade Standards by then. However, if that is not possible, we would propose that you consider reviewing sections independently. Our highest priority is the Grade Standards so that the Federal-State Inspection Service can use up to date grades for this crop. Our next priority is the Shelled, Inshell Trading Rules.

The staff and members of the Association, as well as the undersigned, are available at your request for such assistance as you may desire. We would be most pleased to meet in person with members of your staff. Of course, we will supply any further information you deem necessary or appropriate.

Very truly yours,

WATSON, SPENCE, LOWE & CHAMBLESS, LLP



Evans J. Plowden, Jr.

EJP:lp

Enclosure

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