From: Steve Blumreich [mailto:sblum1326@gmail.com]
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To: Reg-Comment
Subject: APCEC Regulations 5 and 6

Doug Szenher
ADEQ Public Outreach and Assistance Division

From: Steve Blumreich
Mountain Home, AR
Retired CPA
Concerned Arkansas Citizen and Taxpayer
Member Board of Directors Friends of the North Fork and White Rivers
Member Board of Directors Friends of the Norfork National Fish Hatchery

I am in favor of Proposed Changes to APCEC Regulations 5 & 6 for the following reasons.

Based on current and passed experience in states such as North Carolina and Iowa the CAFO business model is not economically profitable, unduly enriches a few mega farming companies, works to the detriment of smaller family farms and Arkansas taxpayers.

The CAFO economic model is not profitable because it fails to take into consideration all the costs of doing business.

My position is based on these factors:

1) Medium and large CAFOs decrease property values of their surrounding areas due to the smell and actual (or perception of) well water and ground water contamination – decrease in tax base and reduction in tax revenues for county governments and schools
2) Medium and large CAFOs do not increase the employment in surrounding areas. They actually may lead to decreases in employment because smaller farms and businesses such as restaurants, outfitters and concessionaires or lodging facilities on the Buffalo River will be negatively impacted – reduction in tax revenues
3) Medium and large CAFOs use government/taxpayer subsidized loans and programs to build their facilities and operate. These funds could either be used for other purposes or result in lower taxes for the general public. This is known as "lost opportunity costs" – increase in tax expenses
4) Mediun and large CAFOs increase monitoring costs for pollution events – increase in costs to local and state governments
5) Medium and large CAFOs significantly increase the costs of cleaning up after well and ground water contamination – increase in costs to local and state governments
6) Medium and large CAFOs in sensitive areas such as the Buffalo River Watershed have the potential to create significant pollution to the surface and ground water and decrease the revenue generated by businesses which rely on clean water – potential for significant decrease in local, state and federal taxes

7) Medium and large CAFOs are designed to provide product for large meat processers like Cargill and Smithfield Foods (now owned by a large Chinese company Shuanghui). These mega industrial farming companies are the stakeholders that receive the greatest financial benefit from CAFOs. Smithfield Foods was purchased in September 2013 for $7,100,000,000 ($7.1 billion) while the states and local governments they operate in are struggling with the environmental messes and costs created by their CAFOs.
8) Medium and large CAFOs operate using large volumes of feed, which they purchase at lower costs than smaller operators. This give them a cost advantage over smaller farms which results in smaller farms going out of business.

I believe as a concerned Arkansas taxpayer that medium and large CAFOs in the Buffalo River watershed present an economic model that will unfairly burden the local and state taxpayers with costs and negative consequences while all of the upside goes to benefit the operators and large mega industrial farming companies.

I also believe allowing the medium and large CAFOs in the Buffalo River watershed has resulted in and will continue to result in increases in expenditures for the State of Arkansas which have not been approved by the state legislature.

Therefore I support the proposed changes to APCEC Regulations 5 and 6.

These factors are based on 30 years as a CPA representing clients regarding business merger and acquisition transactions, common sense and research reports provided by:

1) The Hidden Costs of CAFOs, Union of Concerned Scientists Issue Briefing September 2008
2) CAFOs Uncovered, The Untold Costs of Confined Animal Feeding Operations, Union of Concerned Scientists, April 2008
3) University of Louisville Center for Environmental Policy and Management – Concentrated Animal Feeding Operations: What are the Potential Community Costs
4) Understanding CAFOs and Their Impact on Communities: National Associations of Local Boards of Health
5) History of CAFOs in North Carolina, Iowa