

COMMODITY FUTURES
TRADING COMMISSION
RECEIVED FOR
PUBLIC RECORD



RECEIVED
C.F.T.C.

RECORDS
98-28

(4)

SEP 17 1 26 PM '98

1998 SEP 17 P 12: 14

National Grain and Feed Association

OFFICE OF THE SECRETARIAT

September 16, 1998

Office of Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

COMMENT

Dear Madam Secretary:

Re: Proposed Rules on Revision of Federal Speculative Position Limits and Associated Rules, F.R., July 17, 1998, p. 38525. Please note that this response is in addition to and supplementary of a statement submitted by NGFA on September 15.

The National Grain and Feed Association (NGFA) is comprised of 1,000 companies involved in grain and feed merchandising, storing, processing, feeding and exporting. Our members use futures markets principally to hedge and price grain efficiently in both futures and cash markets.

On page 38542 of the Federal Register notice, the language in the table suggests that the "standard" speculative limit for the spot month will be "no greater than one-fourth of estimated deliverable supply." If this proposal essentially changes a policy "guideline" into a codified rule, we have some concern about the rule-making precedent it sets. Given the current transition of the agricultural contracts delivery system from warehouse receipts to shipping certificates, deliverable supplies may be increasingly difficult to determine. Thank you for considering our views.

Sincerely yours,

Tom Coyle
Co-Chair
Risk Management Committee

Diana Klemme
Co-Chair
Risk Management Committee