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GULF RICE ARKANSAS, LLC

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COMMENT

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DECEMBER 1, 1999

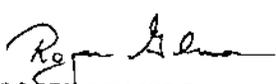
JOHN BIRD,

GULF RICE ARKANSAS, LLC OPPOSES THE CHANGES IN THE CBOT CONTRACT FOR THE FOLLOWING REASONS:

- A. LACK OF DEFINITION FOR STAIN AND LIGHTLY STAINED KERNELS.
  - 1. EVERY MILL, BROKER, TRADER, AND EXPORTER HAS A DIFFERENT OPINION ON WHAT SHOULD BE CALLED STAIN OR LIGHTLY STAINED.
  - 2. AS INDICATED BY TEST SAMPLES SUBMITTED TO FGIS, WHICH IS THE FINAL JUDGE AND JURY, THEY ARE UNABLE TO AGREE ON THE STAIN ISSUE.
- B. FUTURES SHOULD REFLECT THE PRICE OF THE LOWEST MARKETABLE QUANTITY RATHER THAN THE PREMIUM QUALITY. RICE FUTURES SHOULD TRADE LIKE OTHER COMMODITIES.
- C. IF THE THEORY THAT SO LITTLE OF THE RICE IS STAINED AND DELIVERY WOULD NOT BE EFFECTED IS IN FACT SOUND, THEN WHY CHANGE?
- D. ALL RECEIPTS THAT HAVE BEEN ISSUED IN THE PAST, HAVE BEEN CANCELED AND SHIPPED. THIS INDICATES THAT THE EXCHANGE RICE IS VERY MARKETABLE.
- E. LACK OF CONSIDERATION FOR THE FARMERS.
  - 1. WHAT COULD BE THE BIGGEST REASON FOR OBJECTION IS THAT 95% OR MORE OF THE LARGEST SECTOR OF THE INDUSTRY, THE RICE FARMER, IS NOT AWARE THAT THE CHANGE IS BEING CONSIDERED. IT MAY APPEAR TO THE CBOT AND CFTC THAT THE MAJORITY OF THE INDUSTRY IS IN FAVOR OF THIS PROPOSED CHANGE, WHEN IN FACT IT COULD BE ONLY THE MINORITY WITH THE MOST TO GAIN WANTING THE CHANGE.
  - 2. THE CHANGE WOULD REMOVE A VIABLE MARKET FOR STAIN RICE OR HEDGING OPPORTUNITY FOR FARMERS WITH U.S. #2 ROUGH RICE CONTAINING STAIN.
  - 3. RICE FARMERS NEED THE GOVERNMENT'S HELP IN CREATING MARKETS, NOT CLOSING THE DOORS ON EXISTING MARKETS.

GULF RICE ARKANSAS, LLC HOPES THAT THE CFTC WILL TAKE INTO CONSIDERATION THE ENTIRE RICE INDUSTRY AND REJECT THE CHANGE.

RESPECTFULLY

  
ROGER GILMORE  
GULF RICE ARKANSAS, LLC

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