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Honorable Committee Members:

Commodity trading affects every person that eats and every person that uses energy. By definition the trading establishes a price someone is willing to pay a future time for a specified amount and quality grain at a specified location. If local cash price at delivery point and trading price are not equal during delivery period, the market has been disrupted and is not a true price. This is the single problem facing commodities, finding a true price and this establishes the price that food and energy are based on.

The only problem we have is we can not deliver grain or commodities to delivery points. During the 1990's we delivered soybeans to Chicago when the basis widened. During this year the basis between local cash and Chicago FTC delivery points was double my cost to transport to delivery point. I was told by my grain elevator, The Andersons, that I could not deliver direct because they could refuse grain when we arrived. Only by delivering grain to a long position or forcing a short position to produce grain to full fill contract.

If commodity exchanges do have to handle actual commodity then trades are only playing poker with fake contracts. It becomes a game of "bluff and got you." If delivery points can't take grain or establish schedule for delivery they should be eliminated and terminals that handle real grain established. If Chicago board price is \$14.00 for soybeans and Champaign cash prices is \$13.20, I can haul beans to Chicago for \$0.80. Also, during delivery month if I can't even contract for delivery the market is not a market, it is a game with no real credibility. Markets will always be volatile, that is nature but they have to be grounded in reality.

Establish a working system to deliver on contracts and commodity markets will reflect the real value of the commodities.

Sincerely,  
Vern Rohrscheib