

secretary

From: Hugh.Parker
Sent: Tuesday, May 03, 2011 1:52 PM
To: secretary
Subject: CBOT Corn Price Limits

To: CFTC

Corn Products International is a hedger and accordingly transacts bona fide hedging transactions as approved by CFTC.

Corn Products International recommends that CFTC deny CME's application to increase the Corn Price Limit to \$.50/ bu.

CME states that expanded limits are needed to "enhance price discovery and risk management..." and we would simply disagree that increased limits of \$.50/bu will aid price discovery or risk management.

Price limits are to serve as "circuit breaker". The current "circuit breaker" of \$.30 /bu is working and additionally the "2nd" day expanded limits provide for further price movement.

Increased limits will only serve CME's desire for supposed added volume (excessive speculation) while at the same time traditional hedgers will be subject to increased margin requirements and possible twice per day margin call as allowed for by CME Clearing Corp. Increased limits will only create hardship for the traditional CME hedger by creating the potential for much greater daily price volatility and the absolute need to provide huge amounts of immediate added funding to meet increased margin calls.

We'll note in particular the CME Silver contract has no limits and in recent days the margin requirements have increased substantially in the past week as price movements have been extreme and thus the need for CME to quell the speculation by chasing some of specs out of the.

Submitted,

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