



Since 1886

# The Mennel Milling Company

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September 26, 2011

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street N.W.  
Washington, D.C. 20581

Via fax to: 202-418-5521  
Via Federal Express: 8672 4459 5423 0200

RE: Changes to CBOT Wheat Futures  
CBOT Submission No. 11-330

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OFFICE OF THE  
SECRETARIAT  
SEP 27 PM 2:25  
CFTO

Dear Mr. Stawick:

This letter is to object to the proposed changes in CBOT Submission No. 11-330. The facts proposed by the CBOT are not true, are based on past practice, and attempt to obfuscate the facts with regards to the Soft Red Winter (SRW) wheat contract.

The Mennel Milling Company is a soft wheat flour miller with flour mills in Illinois, Michigan, Ohio, and Virginia. As a flour miller, we are an absolute hedger on the CBOT. The changes over the past several years have made our life much more difficult, and these proposed changes would render the delivery contract advantageous for the CBOT while being detrimental to the soft wheat flour milling industry.

I will limit my remarks to Submission No. 11-330. First and foremost, if we were to take delivery of a SRW wheat contract on the CBOT we would anticipate being able to physically take that delivery at our flour mill. If that wheat is Hard Red Wheat (HRW), or Hard Red Spring (HRS) wheat, it is of no use to a soft wheat miller and cannot be blended with SRW without completely changing the baking characteristics for our customers. This then means that we are forced to redeliver that contract, which costs us money, but benefits the CBOT, who is compensated based upon volume, not quality.

Second, as a flour miller, we take wheat delivery via truck and rail car, not by barge. The CBOT is attempting to slide a rule past the CFTC that benefits the delivery house at the cost of the flour miller. We are told that not all delivery houses on the river locations are currently able to load out rail. If this is true, the CBOT is misrepresenting the facts as well as the implications of the rule change. Once again, if a flour miller takes delivery of a SRW contract, and is informed that he must take delivery by barge, he is forced to redeliver that contract, which once again benefits the CBOT at the expense of the flour miller.

For these reasons, we are adamantly opposed to the proposed changes in the CBOT Wheat Futures contract as proposed by CBOT Submission No. 11-330.

Thank you for your consideration of our industry on the affects of this proposed change.

Yours very truly,

Donald L. Mennel  
President