

COMMENT

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secretary

From: Steve Lacey [slacey@rr1.net]
Sent: Monday, June 12, 2000 10:57 PM
To: secretary@cftc.gov
Subject: No changes in CBOT limits !

As a producer of Corn and Soybeans ,and a user of the Board of Trade to assist in marketing those crops, I believe expanding the trading limits would severely impair my ability to price. Along with increased daily limits margin limits would also increase. This could eliminate, or significantly limit the extent to which I and other producers and other market participants could use futures and options. Limiting the number of market participants hurts liquidity and hinders price discovery. Greater margin risk could force smaller, under-capitalized elevators into financial difficulty. This could lead to;

- 1.. widening their bids to producers in order to increase their operating margins,
- 2.. charging fees to producers to simply forward-price their grain, or to use hedge-to- arrive contracts,
- 3.. pulling their bids completely during volatile times since they cannot afford any additional margin exposure, and elevator failures if they cannot handle increased margin requirements during volatile markets.

1.. I hope that you consider these points in the process ,and again I urge you to not change current limit rules.
Steven Lacey

Lacey Farms, Inc.

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"The pessimist sees the difficulty in every opportunity.
The optimist, the opportunity in every difficulty."--Winston Churchill

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