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David Stawick  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

2007 DEC 18 PM 4:50

OFFICE OF THE SECRETARIAT

## COMMENT

Dear Sir,

Tempel Grain Elevators, LLP is very concerned about the proposed rule change to increase the limits for speculative trading. We have 14 country grain elevators in Southeastern Colorado. Colorado had a record wheat harvest this year. As a result, we have our elevators and ground piles full of wheat because of the lack of demand for ordinary protein wheat. This lack of demand and the futures rally has been very costly for our company, as well as many other grain handlers. The industry has been telling us to be patient, as the supply and demand information tells the market that our carry over is going to be at historical lows. The market, however, is telling us that the terminals are full of wheat, we are over \$2.00 too high in the world market, and domestic demand is for high protein wheat. Therefore, the cash and futures market don't concur.

Tempel Grain uses the futures market to hedge purchases and sales of grain. Since the Kansas City wheat futures have divorced from the cash market, a large number of hedge shorts are left with product that has been artificially overpriced in the world market. Tempel Grain went from borrowing 7 million dollars in our biggest year, to borrowing 58 million dollars this year. These margin calls and the inability to move our product may very well break our company.

Tempel Grain asks you to please analyze Section 4a(a) of the Commodity Exchange Act. It states:

Excessive speculation of any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets or derivatives transaction execution facilities causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity.

We have good reason to believe that the speculative and fund positions are causing unreasonable fluctuations in the wheat market and a great burden on the grain industry. The way I read Section 4a(a), the speculative funds are not meant to exude this much power on the market. Tempel Grain hopes that you will keep in mind the power this outside money has on markets developed to help the industry hedge their product. If in fact there is a shortage of grain; the market, by way of basis and product offering, will ration itself. We fear that if these funds and specs are allowed to keep adding to their positions, only the large corporations will be able to survive these markets. We appreciate your time and would be available to answer any questions you might have. Tony Leighty, elevator manager/merchandiser or I can be reached at (719)829-4408.

Sincerely yours,



Kelly Spitzer  
Vice-President  
Tempel Grain Elevators, LLP