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COMMENT

Mr. David Stawick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

December 21, 2007

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Re: Proposed Revision of Federal Speculative Position Limits

Dear Mr. Stawick,

Thank you for the opportunity to present comments on the proposed revision of Federal speculative position limits. As one of the Nation's largest corn and soybean meal end users the market's ability to reflect accurately the demand and supply economics is crucial for our business and industry. We will be sending a similar response addressing the CFTC's proposed Risk Management Exemption from Federal Speculative Position Limits as it is our belief that these issues must be looked at from the combined effect as well as their independent impacts.

Though our company feels that trading beyond that of producers and end users is crucial and healthy for the agricultural markets, we are disturbed by both the timing and size of the proposed change in the Federal Speculative Position Limits. Our position is clear, we do not support the proposed revision of the Federal Speculative position limits. Nor do we support providing exemption for Index funds and classifying them as hedgers.

It is disturbing that at the same time our government increasingly relies on the Nation's corn and soybean crops to provide fuel, the CFTC is proposing these new proposals. We understand the CFTC and that its actions are independent of a Nation's energy policy; however, when taken in conjunction with the other proposed changes to Risk Management Exemptions from the Federal Speculative Position Limits and the paradigm shift in demand from energy, you are in fact creating an environment of such pure, un-checked market volatility that could be detrimental to the profitability and sustainability of some of the Nation's largest corn and soy complex end users. The result would be clearly to the contrary to Section 4a of the Commodity Exchange Act, 7 U.S.C 6a which states:

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

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We feel it important that you take in consideration other outside influences prior to proceeding with your proposed increases in Speculative limits and exempting index fund traders from these speculative limits.

Our company is a publicly traded company which is obliged to abide by the Financial Accounting Standards Board Statement 133 (FASB 133). The current volatility in the futures markets is causing further separation from the Cash markets, in which our company's true exposure lies. FASB 133 is complicated and burdensome. In the ongoing research for compliance to FASB 133, according to our auditors, the CBOT Corn and Soybean meal contracts are already marginal, at best, for the management of our cash corn and cash soybean meal exposures. With increased influence on CBOT prices from Index funds and speculative interest we are already seeing the cash basis having to take on more market characteristics which was once handled within the confines of the CBOT. We feel the proposed changes will further separate the CBOT from being a tool which end users can hedge their exposures as we will see further breakdown in the correlation between the cash markets and the underlying futures contracts.

Since January 2004, when we began to witness expansions in ethanol production and the explosive expansion in Index funds we have seen rather frightening increases in both average CBOT corn prices and statistical standard deviations. These changes came during the same time when we have seen corn production achieve record production. Compared to the previous 10 years, corn production has increased an average of 22.7% while the CBOT average price is up 8.7% and the standard deviation is up 16.7%. The change in production was needed as demand grew, but without the monumental change in production, price volatility would have certainly been even greater. At this writing, the Current March CBOT futures exceed the 2004 to present Weekly CBOT avg. price by well over two Standard deviations.

	Avg. Corn Production	**Corn Avg. CBOT - Weekly Closes - $/bu.**	**One Standard Deviation - Corn $/bu.**
1994 - 2003	9.321 bil. Bu.	$2.508	+/- $.60
2004 Forward	11.435 bil. Bu.	$2.728	+/- $.71
% Change	22.7%	8.7%	16.7%

The CBOT Soft Red wheat market, which we are exposed to for the breading we purchase, has seen tremendous changes in market volatility. On the first trading day in 2006, the CBOT Soft Red wheat market rolling 52-week average price was $3.19/bushel with a two standard deviation 52 week rolling price range of $2.85 to $3.53, in less than two years the CBOT Soft Red Wheat contract's rolling 52-week avg. price currently stands at $6.22/bushel with a two standard deviation 52-week rolling range of $2.99 to $9.46. We now have a 90% probability that prices will range between $3.00 and $9.50/bushel! At this time the CFTC feels this is the time to raise speculative trading limits by 123% and exempt index funds from the speculative trading limits. We could not disagree more. Instead we now have a tool which is dysfunctional for price discovery, budgeting and planning.

The US agricultural commodity exchanges long stood as the price discovery mechanism for buyers and sellers around the globe. It was believed that such a tool could be used to truly hedge producer price and end user price risk while providing speculators a viable market. As the market stands today, we find ourselves with increased volatility, prices which no longer can be solely explained by physical fundamental, cash basis which has to reflect more than local supply and demand and transportation cost, and tools which are loosing their correlation with the cash markets leaving us no viable tool to manage our own growing exposures. We keep looking for FASB to write provisions designed for commodities instead of interest rates. We keep looking for the CFTC to adhere to their purpose and balance the speculative interest in commodities. We keep looking for a voice of reason. Instead we get recommendations to increase speculative limits and exempt the index funds from those limits.

The combined impact of increasing the speculative limits and exempting the index and pension funds from the speculative limits would leave the market vulnerable to unjustified, uncorrelated volatility from which only the exchanges themselves will benefit. End users are already studying ways to manage their exposures in other ways than through the exchanges, approval of these proposals would expedite that process. The proposals requested by the CFTC are not beneficial. The proposals are not warranted. The proposals should neither be accepted nor passed.

Again, thank you for allowing us to share our comments. If you have further questions, feel free to contact me at edwin.carter@pilgrimspride.com or via phone at 903-434-1789.

Sincerely,

Edwin Carter

W. Edwin Carter
Senior Vice-President Commodity Risk Management
Pilgrim's Pride Corporation