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**National Grain and Feed Association**

1250 Eye St., N.W., Suite 1003, Washington, D.C. 20005-3922, Phone: (202) 289-0873, FAX: (202) 289-5388, Web Site: [www.ngfa.org](http://www.ngfa.org)

August 19, 2008

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

COMMENT

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Dear Mr. Secretary:

This letter is to submit comment with regard to the Commission's "Request to Exempt Certain Over-the-Counter Swaps From Certain of the Requirements Imposed by Commission Regulation 35.2, Pursuant to the Authority in Section 4(C) of the Commodity Exchange Act," published in the July 7, 2008 edition of the *Federal Register*.

The National Grain and Feed Association (NGFA) is the national non-profit association representing the commercial grain, feed and processing industry. The NGFA's membership is comprised of more than 900 companies nationwide, including grain elevators, feed manufacturers, oilseed processors, flour mills, biofuels producers and marketers and many other related commercial businesses that operate more than 6,000 facilities nationwide. The NGFA's member firms have relied for years on U.S. agricultural futures markets to hedge their price and inventory risk, and to aid them in assisting producers to market their commodities and manage risk. As first-purchasers of grains and oilseeds from producers, these firms rely on efficient and well-functioning futures markets for price discovery and risk management, and to help them provide marketing options for their producer customers.

The NGFA supports the petition of the CME Group to clear on-exchange certain agricultural swaps – specifically, corn basis swaps and corn, wheat and soybean calendar swaps. We believe that allowing these swaps to be cleared on the Chicago Board of Trade will provide another risk management option for NGFA members, the commercial grain hedgers, as they seek to hedge their price and inventory risks. Approval of these new risk management vehicles may also serve as a catalyst for development of additional new products that will assist grain hedgers to manage risk and provide marketing tools to their farmer-customers.

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Exchange clearing of over-the-counter swaps may also help build a bridge between unregulated OTC markets and the regulated exchanges. To the extent that exchange clearing can provide added accountability and enhanced reporting for transactions that otherwise would remain off-exchange and opaque, the transparency gained should benefit market participants.

In conclusion, the NGFA urges the CFTC to approve the CME Group petition for exchange clearing of agricultural swaps. We appreciate the opportunity to comment on this petition.

Sincerely,

A handwritten signature in black ink, appearing to read "Rod Clark". The signature is written in a cursive style with a large initial "R" and "C".

Rod Clark  
Chair, Risk Management Committee