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OFFICE OF THE SECRETARIAT

Jean A. Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre, 21st St. N W
Washington, D.C. 20581

Jean A. Webb:

I understand that June 23, 2000 is the deadline for comments on the CBOT proposal to raise the daily price limits on corn and soybean contracts from 12 cents to 20 cents on corn, and 30 cents to 50 cents on soybeans.

I have read that the reason for this proposed change is because the CBOT is joining the German Eurex all electronic exchange, and the CBOT computer software is not compatible at this time to deal with limits on trading contracts since the Eurex is all electronic and has no limits on their contracts.

I think that the CBOT should wait to implement these changes until their software is compatible with Eurex. If it is true that trading would stop for the day in the commodity if the limit was reached, and it would have to be handled manually, I don't believe that should be the reason to raise the limits. There is no guarantee that the new proposed limits would be enough to keep from being reached in today's volatile market, and the problem would still be there as it is with the present limits. Small farmers like myself will find it much harder to trade on the Board if the new limits are in place because the risk of margin money will be much greater with the expanded limit. I also believe that smaller grain elevators will be at more risk, and they may widen their basis in order to protect themselves from increased margin risk, and this wider basis would mean less dollars bid to the farmer for their grain.

Please consider the impact this may have on us smaller players in the market that are trying to use this tool to squeeze a little more profit from the many times negative profit of farming, where production and cash rent costs are more than can be met at the current prices. Hedging and options are something that we can use to lock in a profit, but these expanded limits would increase our risk even more in making a profit in our profession. Please leave the limits where they are and wait until the CBOT computers can work with the German Urex before the two join together.

Thank you for your consideration.

Sincerely,



Merle Von Holten
P.O. Box 722
Walnut, IL 61376

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