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OFFICE OF THE SECRETARIAT

June 12, 2000

Ms. Jean A. Webb, Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
21st Street, NW  
Washington, DC 20581

RE: Proposed amendments to the CBOT's maximum daily price fluctuation limits.

Dear Ms. Webb:

As a \_\_\_\_\_ (corn, soybean, wheat) producer who utilizes the Chicago Board of Trade, I would like to comment on the proposed amendments to increase the maximum daily price fluctuation limits.

As I understand it, the proposed CBOT/Eurex exchange will be put in place in lieu of Project A on July 10, 2000. This new combined exchange would increase price limits by 50% and delete the variable/expanded limits, due to the fact that a price limit function cannot be programmed into the Eurex. If and when price limits are subsequently reached, ETS market supervision personnel will manually halt trading in all contract months and options strikes for the remainder of the session.

I am opposed to increasing the price limits by 50% and deleting variables/expanded limits as they now exist. Substantial price swings can result in significant margin calls for me as I hedge my products. This potential volatility considerably raises my cost to utilize futures and options in my risk management plan. There needs to be some limit to the extent of daily price movement that is allowed.

I believe that the current limits are quite acceptable. Likewise, just because one or two contracts should hit the limit, that is no reason to cease the trading of all contract months and options strikes. Often futures prices will hit the limit, cease trading momentarily and then continue trading later in the session.


I encourage the Chicago Board of Trade to delay consolidation with the Eurex until the daily price limits can be incorporated into the trading program. Changing the computer system Eurex uses to make sure the markets continue to function properly would seem to make more sense than making the markets more difficult and less useful to producers in their hedging strategies.

Thank you for the opportunity to comment on the proposed changes. Please advise if you need any clarification of our position on these issues.

Sincerely,



Your Name  
Address

 Williams Farms  
2111 Williams Penn Road  
Malta, OH 43758

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