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COMMENT

Agency : COMMODITY FUTURES TRADING COMMISSION

Title : Petitions of the Chicago Board of Trade, the Kansas City Board of Trade, and the Minneapolis Grain Exchange Pursuant to Commission Regulation 13.2 for Repeal Amendment of Speculative Position Limits in Commission Regulation 150.2

Subject Category : Commodity Exchange Act: Speculative position limits

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Phase : PROPOSED RULES

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Comment : Large futures traders or funds sometimes present good opportunities by pushing prices higher than fundamentals dictate but often they cause lower prices than fundamentals dictate by selling into a market on top of the normal commercial short position sell. This tends to add momentum to a declining market as end users prefer cheaper prices and thus do not step in the way of a declining market because it makes it easier for them to maintain a larger volume of sales. A low price, by excessive fund selling, enhances the likelihood of the U.S. government having to make payments for LDP's, MLG's and/or CCP, which occur during times of low prices. Funds already have a heavy impact on market trends and to increase their stature by allowing them to hold even more contracts does not seem to benefit anyone other than the CBOT, KCBOT or MGE which thrive on the trading volume funds provide.

I would like to see this request denied as it may enhance the detachment of U.S. and world fundamentals to the grain markets by greatly expanding the already large influence funds have. The only ones sure to gain out of this would be the boards of trade through the potential increased volume the funds may provide. A large potential loser of this may be the U.S. government and the U.S. taxpayers through the lower prices that may occur which would enhance the chances of LDP, MLG or CCP payments.

Greg Lohofener - Farmer

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