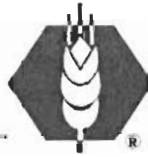


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**National Grain and Feed Association**

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

September 7, 2006

**Received CFTC  
Records Section**

09/08/06

Ms. Eileen Donovan  
Acting Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre, 1155 21<sup>st</sup> Street, NW  
Washington, D.C. 20581

Dear Ms. Donovan:

Re: Conflicts of Interest in Self-Regulation and Self-Regulatory Organizations  
Federal Register, July 7, 2006, Volume 71, No. 130, pp. 38740-38751

The National Grain and Feed Association (NGFA) submits the following comments in response to the Commission's proposed Acceptable Practices for compliance with section 5(d)(15) of the Commodity Exchange Act. The NGFA's comments will focus specifically on the proposed Board Composition Acceptable Practice providing that exchanges should elect governing boards composed of at least fifty percent public directors, and that their executive committees also should be at least fifty percent public.

Founded in 1896, the NGFA represents about 900 companies in the grain, feed and processing industry and related commercial businesses. Member firms include country elevators, feed mills, grain and oilseed processors, exporters, livestock and poultry integrators and futures commission merchants. Futures markets are widely used by NGFA-member firms to efficiently price grain and hedge purchases and sales. The performance of futures markets is a key ingredient in the continuation of efficient and cost-effective markets that serve consumers, farmers and the commercial sector.

Grain futures contracts on regulated exchanges – namely, the Chicago Board of Trade, Kansas City Board of Trade and Minneapolis Grain Exchange – are critically important risk management tools for our industry. Consequently, the NGFA's members have a direct interest in maintaining the integrity and effectiveness of the exchanges. We support efforts of the exchanges to implement measures that ensure high standards of corporate governance.

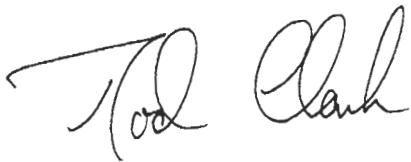
Ms. Eileen Donovan  
September 7, 2006  
Page 2

However, we are concerned that the fifty percent public director proposal may be unnecessary and counterproductive. We are not aware of any problems that necessitate such a change. In fact, the NGFA has been pleased and impressed with the level of responsiveness to customers shown by the exchanges in recent years, whether publicly traded or mutually owned. From our perspective, the exchanges have worked in the best interests of the marketplace and market participants.

In addition, we fear the fifty percent public director proposal would diminish the diversity of representation currently found on the exchanges' boards and dilute the expertise of various agricultural and other commercial market users. Identifying directors who meet the "public" definition and are both knowledgeable about complex futures markets and willing to serve could be a formidable challenge.

In conclusion, we urge the Commission to work cooperatively with the regulated exchanges to ensure sound corporate governance while not unduly constraining selection of well-qualified, knowledgeable and representative directors.

Sincerely,

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

Rodney Clark  
Chair, Risk Management Committee