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secretary

From: Jim_Banachowski@andersonsinc.com
Sent: Friday, September 25, 1998 12:40 PM
To: secretary@cftc.gov
Subject: CBT Wheat Futures Contract Vomitoxin Proposal

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1998 SEP 25 P 2:11

Mr. Jean Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

September 25, 1998

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Subject: CBT Wheat Futures Contract Vomitoxin Proposal

COMMENT

Mr. Webb

The Anderson's Inc. believes that a limit on vomitoxin at time of loadout is needed on the CBT wheat contract in order to better the contract for all parties involve. As stated in the Federal Register, allowing the "taker" of delivery wheat to request a 5 PPM max. at time of loading is acceptable and should improve overall contract performance.

There are two points I would like to make to help clarify our thought process. First and foremost, vomitoxin at levels in excess of 5 PPM are very rare, and therefore, should not be a significant issue. Secondly, requiring the warehouseman to guarantee 5 PPM at time of loading is significantly different than requesting the warehouseman to include this on the delivery warehouse receipt at time of issue. Currently, vomitoxin cannot be graded as quickly as other factors (i.e. Test Weight) and consequently is not typically graded on every inbound load. A random sampling procedure is used by many commercial grain handlers instead of a load-by-load analysis. This could potentially create a problem if the warehouseman is "required" to certify on the receipt that vomitoxin levels are less than 5 PPM at time of issue.

Sincerely,

James C. Banachowski
Wheat Merchandiser The Andersons Inc.

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COMMODITY FUTURES
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