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Congress of the United States

Washington, DC 20515

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March 11, 1999

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VIA FACSIMILE AND U.S. MAIL

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

COMMENT

Dear Ms. Webb:

We are writing regarding the submittal of the South Dakota Soybean Processors (SDSP) in response to the Chicago Board of Trade's (CBOT) proposed changes to its soybean oil futures contract (contract). We support the position taken by SDSP and urge that the Commodity Futures Trading Commission (CFTC) act accordingly.

The position taken by SDSP is reasonable. They accept the proposal to double the Automatic Adjustment Differentials, and with a reasonable condition, accept the proposed changes to the load out rate. SDSP rejects the proposal to require warehousemen to deliver the commodity to the nearest Class I railroad as anti-competitive and targeted primarily at their Eastern South Dakota location.

As you know, SDSP is a cooperative owned by over two thousand farm families in South Dakota and surrounding states. Construction of SDSP's facilities was completed in 1996 at a cost of almost \$33 million. While each of the proposed changes would impact the profitability of SDSP, the rail proposal would have a particularly negative impact. The value of SDSP and the financial well-being of not only those who have a stake in the cooperative but all producers in South Dakota and surrounding states would be compromised.

In closing, we again urge the CFTC to act according to the submittal of SDSP. Please inform us of the ultimate decision of the CFTC with respect to this matter.

Sincerely

John Thune  
Member of Congress

Gil Gutknecht  
Member of Congress

Earl Pomeroy  
Member of Congress

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