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**The Andersons, Inc.**  
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August 12, 1999

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

**COMMENT**

**Re: Proposed Amendments to the Chicago Board of Trade Oats Futures Contract**

Dear Jean:

I am writing to provide The Andersons, Inc. position on the CFTC's Federal Register request for comment on proposed amendments to the Chicago Board of Trade's Oats Futures contract. The Andersons, Inc. supports the changes being proposed by the Chicago Board of Trade.

At the present time, Minneapolis and St. Paul play a dominant role relative to the present contract. Over the last ten years U.S. oat production has declined while oat imports from Canada, Finland, and Sweden have increased. A majority portion of the Canada imports (Canada is the dominate supplier of imported oats) enter the US via Minneapolis/ St. Paul locations. Today, we frequently see discrepancies as we compare cash prices to futures. Cash oats in Minneapolis/St. Paul tend to trade at a premium when compared to the futures contract. Today, deliveries in these markets are priced at a 7 1/2 cents discount to futures.

Moving the differential to zero from 7 1/2 cents discount today should better reflect cash at Minneapolis/St. Paul. We would fully expect the futures price to better reflect the cash price at Minneapolis/St. Paul. Minneapolis/St. Paul is and will be the primary pricing point for cash oats. Chicago has had little value recently, and in the future Chicago will have less importance to oat prices. We actually would prefer the contract to be a Minneapolis/St. Paul contract only, with Chicago deleted as a delivery location. It appears the CBOT simply wants Chicago to die on its own rather than make the decision to drop Chicago.

In short, we support the CBOT proposal. We believe the proposed changes will reflect cash/ futures price relationships more accurately, oats prices will better reflect supply and demand, and open interest and liquidity should improve as the result of better cash/futures price relationships.

We thank you for the opportunity to respond and we believe users of the market should have a place to give their feelings about what can make things better for our industry.

Sincerely,  
The Andersons, Inc.

William A. Dodds  
Merchandising Manager  
Grain Division

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