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I am writing representing a Brazilian exporter/producer of coffee, sugar and FCOJ, the Branco Peres Group located in Adamantina, Sao Paulo, Brasil.

My question is the following; The crux of this issue seems to be fairly simple, does The CFTC feel that the exchanges have a responsibility to their shareholders or to the trade, industry and consumer for which those specific markets were created to represent? It seems that since exchanges went public, there is more of an emphasis by the exchanges in allowing for a financial vehicle whose emphasis is on creating volume/OI and the corresponding shareholder profit rather than allowing due diligence for protecting the markets from manipulation and allowing it's originally intended purpose of providing a hedging vehicle and transparent price reflection of the underlying commodity. That shift from representing the many (trade and consumer alike) to representing the few (the exchange shareholder and large index funds) undermines the validity of the pricing structure and threatens to eliminate the participation of the physical commodity companies (trade and industry) which are the very core of the market. And this at the ultimate expense of the consumer for the specific commodity.

My follow up; Why is it that the trade and industry are obligated to conform to position limits (as well as direct participant speculators) which allow for a fair and balanced representation of total OI and thus a fair reflection of intrinsic value of the underlying commodity while index funds are permitted what amounts to a "loophole" which allows for no limits and an inordinate and unfair share of OI with the corresponding ability to manipulate and skew prices?

I hope that The CFTC will address these problems in a fair and open manner and will adapt changes which will allow the markets to function as they were intended - as markets that reflect the intrinsic value of the underlying commodity, present price transparency, and allow the trade and industry to function in a fair and equitable trading environment so as to best provide price stability to the end user.

Regards,

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