COMMENT

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secretary

From: Scott Wicks [Scott_Wicks@rembrandtinc.com]
Sent: Tuesday, January 15, 2008 3:39 PM
To: secretary
Cc: Sauder, Trent
Subject: CFTC

Mr. David Stawick, Secretary

Commodity Futures Trading Commission

Three Lafayette Center

1155 21st Street NW.

Washington, DC 20581

Dear Mr. Stawick,

Please let this letter serve as a supporting document to back the views of Advance Trading regarding expansion of speculative positions of the grain complex. This option is not viable for the majority of Point of Purchase grain merchandisers/traders/end-users. The first line of all grain transactions occur with these groups. These groups have invested Billions of dollars to receive, handle, and store the grain that comes to market. It appears that there are two major anomalies that are occurring in this industry that are going to radically change production Agriculture.

1) The **government intervention** of mandates and subsidies pertaining to corn ethanol. The government subsidies will cost our company over $30 million dollars this year due to feed ingredient/grain prices reaching unprecedented market highs. We are an end user and procure grain directly from the grower. We are now competing with 3 ethanol plants to buy the same corn. The only concern we have is that the ethanol plants have a $1.50/bushel advantage over us due to the ethanol subsidy. Please look at any stocks/use information and you will see that corn is "over-priced" by at least $1.50/bushel. This is not a coincidence. I have still not been able to see the true benefits of reducing foreign dependence on fuels using corn ethanol. If the current prices levels are sustained, there is going to be a mass exodus of livestock producers and that will lead to unintended consequences of unimaginable proportions. Who is going to subsidize the livestock producer? Who is going to bail out the banks that are holding these capital notes on facilities?

2) Hedge funds and speculators have turned against conventional wisdom and influenced the markets with sheer volume of money and emotion. The limits were put in place for sound reasons and I for one feel that they need to be maintained at current levels. I am not against speculation in the market because it can provide good marketing opportunities but strict hedgers/merchandisers are going to have to liquidate positions and succumb to huge losses. The losses and risk are larger than the reward for a few cents margin. Considering that these people built the infrastructure that allowed grain to move efficiently from region to region, I feel that expanding limits is a betrayal and not sound policy. Thanks in advance for your consideration.

Scott Wicks

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