

secretary

From: NoReply@cftc.gov
Sent: Wednesday, May 18, 2011 11:57 AM
To: secretary
Subject: CFTC Public Comment on IF 10-016

A comment has been submitted on IF 10-016

Submitter Name: James Sheaffer

Submitter Email

Submitter Organization: Lee County Farm Bureau

Submitter Job Title: President

Submitter Address: PO Box 198 Amboy, IL 61310

Submitter Address 2:

Submitter City: Amboy

Submitter State: IL

Submitter Zip: 61310

Submitter comment: May 11, 2011 Mr. David Stawick Office of the Secretariat Commodity Futures Trading Commission Three Lafayette Centre 1155 21st Street, N.W. Washington, D.C. 20581 RE: Proposal to Amend CBOT Rule 10102.D. to Increase Daily Price Limits in Corn Futures and Options CBOT Submission No. 11-161 The Lee County Farm Bureau is a grassroots agricultural organization currently representing over 2,100 members in Lee County, Illinois. As an agricultural organization, we are aware that many of our farmer members utilize the risk management and marketing tools that are offered through the various commodity exchanges. We appreciate the opportunity to comment and express our concerns on the current proposal to increase the daily price limits in corn futures and options. As an organization representing the interest of our members, we have strong concerns and reservations regarding the potential impact this could have on farmers and their grain marketing partners in the grain elevator business. For some of these market participants, the cost of maintaining the liquidity necessary to meet margin calls will become prohibitive. We are concerned that increasing the daily trading limits to this extent will seriously jeopardize farmer's ability to utilize exchange-related risk management tools for fear of their inability to meet excessive margin calls in a market where corn futures can move a total of \$2.35/bushel in a mere three day timeframe. Furthermore, we are also extremely concerned about the impact this will have on the grain elevator industry and their ability to offer forward pricing opportunities to farmers. This proposal will significantly increase the margin exposure to grain elevators and enhance the likelihood of elevators maximizing their hedging lines of credit and being forced to withdraw forward marketing tools. We encourage the CFTC, through its own Agricultural Advisory Committee, to thoroughly weigh the ramifications this proposal will have on the market participants we represent and who form the backbone of our entire agricultural industry. Thank you for your consideration. Sincerely, Lee County Farm Bureau® James Sheaffer President Submitter IP Address: [REDACTED]