

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: Lynn Clarkson

Submitter Email

Submitter Organization:Clarkson Grain Co, Inc. Clarkson Soy Products, LLC

Submitter Job Title:President

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Submitter City:Cerro Gordo

Submitter State:IL

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Submitter comment: I ask that you consider the negative impact that increased limits would have on many users of the CBOT and deny the CME's request for expanded daily limits. I am the president of a grain company that buys corn and soybeans from farmers in several states, hedges its purchases on the CBOT and supplies domestic and foreign food processors. Neither my company nor the farmers nor the clients it serves want an increase in the daily trading limit. While the CME petition suggests that 36 contracts have settled at their limits in 2011, that represents perhaps three days of limit stops. That has not had noticeable impact on price discovery or hedging action by my company or its farmer clients. Raising the limits as requested would significantly increase the need for working capital and the cost of doing business. It would also increase the risk and size of margin calls to the point that use of the CBOT by country elevators and farmers would likely be reduced. Reasonable trading limits provide a buffering function in volatile times – granting farmers, elevators and associated bankers time and opportunity to assess pricing factors and determine their best course of action. Raising the limits as requested by the CBOT will compromise that buffer and damage the value of the hedging tool to many of the commercial and farm interests that depend on the CBOT. Lynn Clarkson Time: 20110504 3:41 CDT Tel: 217 763-2861 Submitter IP Address: