

secretary

From: NoReply@cftc.gov
Sent: Wednesday, July 20, 2011 3:10 PM
To: secretary
Subject: CFTC Public Comment on IF 10-016

A comment has been submitted on IF 10-016

Submitter Name: Mr.Vincent A.McCabe

Submitter Email:

Submitter Organization:Patriot Renewable Fuels, LLC

Submitter Job Title:Technical Coordinator

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Submitter comment: I am opposed to the CME raising the daily trading limit on corn to 40 cents. Volatility is a concern to all entities in production agriculture and grain processing. A sound hedging program utilizing the tools provided by the CME is critical to the profitable operations for Patriot as well as the farmers and grain elevators with whom we do business. The increased capital required to meet margin calls on limit up or down moves will be a burden to all in the agriculture industry. A 10 cent increase in the daily trading limit will require additional operating capital. On a 1,000 contract position that amounts to \$500K. This just adds to the cost of doing business for all parties. High daily limits may drive some commercial operations away from the trading table. This would have a negative effect on ag industry and commodity trading [CME]. The lack of hedging by some firms could increase their risk and have a negative effect on the commercial agriculture industry. One day limit swings could force some commercials to liquidate positions prematurely. The negative effect on those enterprises would not be good for anyone. Thank you for reviewing my comments. Respectfully submitted,
Vincent A. McCabe
Submitter IP Address: