

secretary

From: NoReply@cftc.gov
Sent: Wednesday, May 25, 2011 9:32 AM
To: secretary
Subject: CFTC Public Comment on IF 10-016

A comment has been submitted on IF 10-016

Submitter Name: Chris Breedlove

Submitter Email

Submitter Organization: Willacy Co-op

Submitter Job Title:

Submitter Address:

Submitter Address 2:

Submitter City:

Submitter State:

Submitter Zip:

Submitter comment: I am the manger of a Cooperative Country Elevator in South Texas. I am opposed to the increase in the daily price limits in corn futures CBOT Rule 10102.D. Currently it is getting harder and harder to secure financing from our cooperative banks. Increasing the daily limits also increases the amount of funds we may have to secure from our banks on a daily basis. Today our banks are limiting the amount of contracts our cooperative can have. If you increase the daily limits will significantly change these amounts. Country Elevators hedge grain we purchase from our farmers. It appears the CME is trying to keep Country Elevators out of the hedging business. With the increase in limits it is very hard for a farmer to hedge his crop unless he uses his local Country Elevators. I was reading Mr. David Stawick comments he received from commercial hedgers are in favor for the increase. The reason they are in favor of the increase is because with the limits going up it will be harder for the country elevators to hedge the farmers crop, as a result the country elevator will have to lay the risk off to the large commercial hedger who can handle the increases. The earlier reselling of the grain decrease the opportunity of the local cooperative to make any profit and resulting in less money flowing back to our grain farmers. The futures exchanges where originally founded to help grain producer's hedge and market their crops. The new philosophy of our exchanges has change and forced small and medium farmers out of the hedging business and now they are pushing out Country Elevators. Please use some good judgment and not approve these increases. Submitter IP Address: 77.100.100.100