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: William Doyscher
Submitter Email
Submitter Organization:Farmers Cooperative Elevator Company
Submitter Job Title:Assistant General Manager
Submitter Address:1972 510th Street
Submitter Address 2:
Submitter City:Hanley Falls
Submitter State:MN
Submitter Zip:56245
Submitter comment: The daily limit on corn is sufficient as it is. Recent history shows that on days that corn traded the daily limit, the usage of the electronic trade in the next session has effectively alleviated the volume of trades needed to rectify any unfilled trades from the previous session. Market direction was not relevant to market move. Raising the limit, much like raising initial and maintenance margins, creates borrowing capacity issues for the hedger and commercial end user. Not only is it the volume of dollars used to finance the passing of risk to another entity, it is the velocity at which those dollars must move. The industry is stretching it's capacity already. Raising limits and margins does not encourage use of futures as an instrument to pass risk, it deters users due to the high cost. Hedgers are forced to rely on back to back sales to pass risk, giving up potential returns above cash transactions. Adding more volatility does not necessarily create more opportunity.
Submitter IP Address: