

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 Manweiler

Submitter Email:

Submitter Organization: Dunkerton Cooperative Elevator

Submitter Job Title: Grain Dept Manager

Submitter Address: 509 W Dunkerton Street

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Submitter City: Dunkerton

Submitter State: Iowa

Submitter Zip: 50626

Submitter comment: I am not in favor of raising the trading limit in for corn futures. The current market is very volatile and increasing the trading limit from the current 30 cents to 50 cents will just increase daily volatility. This increased volatility may mean more borrowing for bonafide hedge companies as they work to maintain margin money and in turn will increase the working capital requirements for these companies. While it seems all Cooperatives have worked toward increasing working capital requirements and have developed better relationships with their bankers, a sudden change like is proposed could catch many Cooperatives in a position where they may have to liquidate positions in unfavorable markets or at unfavorable basis levels. The 30 cent daily price limit has been in force for quite some time and it has only been in the recent past that the market has actually locked at the 30 cent limit and in all of the recent limit moves, the expanded limit of the following day was enough for corn futures to begin trading again. Expanding the limit will just increase the volatility on unexpected market news and cause a greater strain on the Cooperative banking system as companies work to meet margin calls and maintain working loan balances. Sincerely Wil Manweiler Dunkerton Cooperative Elevator
Submitter IP Address: