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COMMENT

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6/24/00 9:00 AM

Jean A. Webb, Secretary,
Commodities Futures Trading Commission,
Three Lafayette Center,
21st. St. NW, Washington, D.C. 20581
June 20, 2000
Lloyd Metz
10277N 1800 East Road
Fairbury, IL 61739
(815)692-3508
OFFICE OF THE SECRETARIAT

Dear Commodity Futures Trading Commission,

My VIEWS on the cbot wanting to raise daily trading limits on grain futures and options.

NO WAY

I would like to see any signed permission from producing FARMERS ALLOWING cbot to trade grain values DOWN BY SPECULATIVE SHORT SELLING; WITHOUT REAL GRAIN OFFERED FOR SALE AND WITHOUT A USER BUYER?

THEFT OF THE VALUE PRICE NUMBERS IS A CRIME!

SECOND VALUE PRICE THEFT WHEN THE PRODUCER IS FORCED TO SELL CORN \$1.75 DOWN FROM REAL VALUE PARITY PRICE \$6.67. PRODUCER LOSS OF FAIR PRICE, \$4.92 A BUSHEL: GRAND THEFT!

A BUSHEL OF CORN CAN BE PROCESSED INTO TWO AND ONE HALF GALLONS OF ETHANOL FUEL PLUS TWENTY EIGHT POUNDS OF HIGH PROTIEN FOOD FOR LIVESTOCK OR HUMANS. I BOUGHT SOME CORN CHIPS TODAY FOR \$TWENTY FIVE CENTS FOR ONE AND ONE QUARTER OUNCE PACKAGE. SIXTEEN OUNCES IN ONE POUND WOW!TIMES TWENTY EIGHT POUNDS. CORN MAY BE WORTH A LOT MORE THAN FAIR PARITY PRICES \$6.67.

TO SERVE ANY USEFUL PURPOSE TO PRODUCERS AND END USERS, A MARKET NEEDS HONEST SELLERS AND BUYERS.

CBOT is so far out wild speculate it has TOTALY LOST WHAT ITS PURPOSE EVER WAS?

START REQUIRE HONEST TRADING AT NINETY PER CENT OF PARITY OR ABOVE.

HONEST MARKET PRICE QUOTES. CORN A BUSHEL \$6.67 DOWN TEN CENTS \$\$6.57. MARKET PRICE FLOOR, SUSPEND TRADING. CORN A BUSHEL \$6.67 UP FIVE CENTS \$6.72.

SOYBEANS A BUSHEL \$14.10 DOWN TEN CENTS \$14.00. SOYBEANS A BUSHEL \$14.10 UP FIVE CENTS \$14.15.

CBOT wants to up limits, just make arrangements to PAY PRODUCERS THE HUGH MARKET VALUE PRICES THEY HAVE SHORT EXCHANGED ALL GRAIN PRODUCE OVER THE MANY YEARS THEY HAVE OPERATED WRONGFULLY.ADD INTEREST IF THEIR MONEY BAGS OF ILL GOTTEN GAINS STILL WEIGHS HEAVILY ON THEIR CONSEINCE.

REMEMBER BACK IN THE EIGHTIES WHEN THE TRACTORS AND FARMERS PROTESTED AT THE CBOT? A COMMODITIES TRADER VISITED WITH ME AND STATED THERE IS LOIS OF MONY IN COMMODITIES ISN't it time to share with producers/

Thank you for considering my views

Sincerely Lloyd Metz

Soft descent seen for cattle prices

BY RANDY BRIDSON

FarmWeek

Fed cattle prices — although prey to some supply and demand uncertainties — could descend to their late-summer lows in a fairly smooth glide, not a crash.

Roger Norem, AgriVisor Services analyst, envisions a late August or September low of about \$65 per hundred-weight in fed prices, about \$7 below the summer tops. Price tops last week were still in the \$70-\$70.50 range.

"Back in the 1970s and '80s, we tended to have \$20 to \$25 swings in the cattle prices from high to low, but we don't seem to have those kinds of price swings anymore," Norem said. Nor have the 1990s produced the \$75-plus highs that were more frequent in past decades.

Cattle prices this year have been tempered to some degree by larger-than-expected placements — a trend evident again in last Friday's cattle on feed report for June 1.

Placements in seven major

feeding states during May were up 15 percent from 1999, again surpassing trader expectations. Seven-state placements so far this year have been up 6.7 percent during a period when calf crop estimates indicate the available pool of feeder cattle should be dwindling.

On a positive note, the 10 percent increase in May marketings indicated a steady move of cattle out of feedlots into packing plants.

Norem raised a warning flag about the direction of

consumer demand for beef following a period of robust demand so far in 2000.

The impact of skyrocketing fuel prices, higher interest rates, and stock market volatility on consumer meat-buying habits needs to be monitored, he added.

Despite this concern, Norem sees the potential for a fairly strong rally from the autumn lows in the fourth quarter, if placement levels come into line and the consumer's appetite for beef is not upended by outside economic forces.

Cattle count

(Feedlots with a 1,000-head or greater capacity)

June 1 cattle on feed	Change from Feb. 2000	Weight breakdown of U.S. May placements	Percent of total
Seven states	9.41 million +10%		
U.S.	10.93 million +9%		
May placements			
Seven states	2.00 million +15%	500 lb.	16.5%
U.S.	2.30 million +12%	500-650 lb.	20.5%
May marketings		650-800 lb.	24.5%
Seven states	1.67 million +10%	800 lb.	26.5%
U.S.	2.17 million +9%	Total	100%

Deadline Friday for views to CFTC

This Friday (June 23) is the deadline to submit your views to the Commodity Futures Trading Commission (CFTC) on a plan by the Chicago Board of Trade (CBOT) to raise daily limits on grain futures and options.

The CBOT said those higher limits would help facilitate its alliance with the European exchange Eurex in an electronic trading system. The system does not have the ability to implement daily price limits electronically, requiring a halt in trading manually when prices hit limits. By hiking the daily limits, the CBOT hopes to minimize the number of times when trading would need to be halted.

expose farmers, elevators, and processors to greater financial risk through higher margin calls.

(Detailed discussions on the proposal appeared in the June 12 FarmWeek, pages 1 and 11.)

The CFTC offers three ways to submit your views:

MAIL: Send comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 21st St. NW, Washington, D.C. 20581.

FAX: Comments can be sent by facsimile transmission to 202-418-5521.

E-MAIL: The address is: secretary@cftc.gov. In any correspondence, reference should be made to the proposed amendments to the

QUICK TAKES

MERC MOVES CLOSER — The Chicago Mercantile Exchange (CME) moved a step closer to becoming a for-profit corporation last week with approval of some minor rule changes by the Commodity Futures Trading Commission.

In the first such vote by a major U.S. exchange, the CME membership approved the for-profit plan by a 98.3 percent approval June 6. (See June 12 FarmWeek, page 8.)

The only remaining hurdle to the new structure away from a membership-owned, not-for-profit entity is a ruling from the Internal Revenue Service on the tax consequences of the action.

FUEL FOR THOUGHT — As Northern Illinois motorists curse the gas pumps, Illinois Corn Growers Association President Leon Corzine offers a formula for summer cost savings.

Corzine noted motorists who drive "flexible fuel" cars capable of using 85 percent ethanol gasoline can save as much as 35 cents per gallon, "compared to mid-grade gasoline. Given ethanol's current \$1.28-\$1.32 per gallon price, there are only nine "E-85" stations in the Chicago area, but Corzine said other stations could sell E-85 "with very minor changes to their fueling operations."

Motorists can use E-85 gas if they drive a 1998-1999 or 2000 Chrysler, Dodge, or Plymouth minivan with a 2.4-liter V-6 engine; a 2000 Ford Taurus and 1999-2000 or 2000 Ranger pickup with a 3.0-liter V6 engine; or a 1999 or later Chevrolet S-10 or GMC Sonoma pickup with a 4.2-liter 4-cylinder engine.

FFA AWARD WINNERS — Trevor Kuipers of Gilman and Josh St. Peters of Greenville were named recipients of the two top FFA awards last week at the organization's annual conference in Springfield.

Kuipers was named Star Farmer and St. Peters Star Agribusinessman.

Elected officers for the next year were

LIVESTOCK

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Placements in seven major

Cattle on feed

(Feedlots in millions)

June 1 cattle on feed	
Seven states	3.41 mil
U.S.	30.93 mil
May placements	
Seven states	12.00 mil
U.S.	2.30 mil
May on feed	
Seven states	11.77 mil
U.S.	2.17 mil

feeding states during the period were up 15 percent from a year ago, again surpassing expectations. Seven placements so far this year have been up 6.7 percent, a period when estimates indicate the available pool of feeders should be dwindling.

On a positive note, a 1.5 percent increase in May packings indicated a move of cattle out of feedlots into packing plants.

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Illinois Farm Bureau opposes the higher limits