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ARCHER DANIELS MIDLAND COMPANY BOX 1470 DECATUR, ILLINOIS 62525 TEL: 217/424-5200

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February 3, 1999

COMMENT

Jean A. Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Received CFTC
Records Section

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C.F.T.C.

Dear Ms. Webb:

ADM recommends to the C.F.T.C. that it accept the proposed amendments by the Chicago Board of Trade to its soybean oil futures contract. The present contract changes are necessary to keep the contract economically viable to mirror price changes in the underlying soybean oil market. The current contract specifications have artificially allowed for a disproportionate quantity of deliveries in one territory which is isolated from the commercial market by high freight cost. The result has been that the soybean oil contract no longer has convergence in cash to futures in the spot month and does not mirror price and basis changes in the cash market. Failure to change will eventually force domestic and international users to look for alternative hedging means.

The proposed changes should allow the contract to better adapt to the current economics in the cash soybean oil market and benefit the majority of domestic and foreign users. We recommend that the C.F.T.C. accept these changes without delay.

Sincerely,

Kenneth A. Robinson
Corporate Vice President
Commodity Hedging

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