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February 24, 1999

COMMENT

SECRETARIAT

Ms. Jean A. Web
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21 St. Street, N.W.
Washington, D.C. 20581

Dear Ms. Webb:

South Dakota Soybean Processors, Inc. (SDSP) recommends the following action to the C.F.T.C. regarding the Chicago Board of Trade's (CBOT) proposed amendments to its soybean oil futures contract:

1. Approve CBOT's proposed amendment to Regulations 1141.01 (f) - (l). Automatic Adjustment Differentials double from a maximum of 10 cents per hundred weight to 20 cents per hundred weight. The proposed amendment to double the automatic adjustment delivery differential should address the concerns of the taker of the soybean oil contracts and make the system more responsive to changing market conditions.
2. Approve CBOT's proposed amendment to Regulations 1180.01 (f) - (k), contingent upon CBOT allowing SDSP to register SDSP's daily load-out rate at 30 for jumbo tank cars (152,500 pounds) and the daily load-out rate at 60 for trucks. SDSP has already demonstrated to the CBOT that its rail load-out capability in a twenty-four hour period is substantially in excess of these requirements. SDSP would recommend rejection of this proposed amendment if this contingency cannot be agreed to by the CBOT. The CBOT rejection of SDSP's load-out rate would confirm that the amendment was formulated to specifically force a reduction of SDSP's regular capacity.
3. Reject CBOT's proposed amendment 1180.03, Freight Charges to Nearest Class I Railroad Interchange. The proposal seeks to isolate SDSP as a separate delivery territory with its own differential to the soybean oil future contract. This proposal is anti-competitive and adversely targets SDSP.

If the C.F.T.C. approves the above proposed amendments in their entirety, individually, SDSP will suffer the consequences of anti-competitive action by the CBOT. The investment of SDSP's



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2100 farm families would be compromised. Industry giants will be armed with yet another weapon to stop the trend of producer involvement in value-added agriculture.

The C.F.T.C. has been given power from Congress to protect the "public interest" under Section 5 (7). In effect, the C.F.T.C. has the power to alter contract market rules to protect the "public interest":

"Such changes are necessary or appropriate for the protection of persons producing, handling, processing or consuming any commodity traded for future delivery on such contract market, or the product or byproduct thereof, or for the protection of traders or to insure fair dealing in commodities traded for future delivery on such contract market." Section 8a(7)

The Commission's mandate to protect the public interest also arises from Section 15 of the Act, wherein it is stated:

"The Commission shall take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anti-competitive means of achieving the objectives of this Act, as well as the policies and purposes of this Act, in issuing any order or...approving any bylaw, rule or regulation of a contract market.."

The least "anti-competitive means" to achieve the concerns of the CBOT and the taker of oil deliveries is to increase the automatic adjustment to a maximum of 20 cents per hundred weight. This change would allow the CBOT to continue to treat all 40 delivery locations equally, in what SDSP would describe as the carrot and stick approach to estimating the cash value of soybean oil in each territory for the last nine years.

SDSP believes a pragmatic review of the data will show:

1. The Soyoil Task Force brushed aside the study by the CBOT Market & Product Development staff. (See Appendix B)
2. The CBOT, in their filing with the CFTC, did not provide adequate data to the C.F.T.C.
3. The CBOT failed to provide an analysis of the long term effects of its proposed amendments. The CBOT is relying on blind faith that its proposed changes will improve the performance of the soybean oil future contract.
4. The CBOT's assumption that a warehouseman who is not located on a Class I railroad incurs higher freight costs and therefore needs a mechanism for a second differential is a flawed conclusion.

5. The CBOT's assumption that all warehouse locations located on a Class I railroad in a given territory have the same economics in a soybean oil cash market is also a flawed conclusion.
6. The performance of the delivery system and the automatic adjustment system of the soybean oil contract has, and continues, to work in a predictable fashion. The Northwest Territory is following similar patterns of other territories in the past.
7. The delivery differentials, adjusted by the cumulative average ratio each year, routinely mis-values soyoil between delivery territories.
8. The delivery differentials with its automatic adjustment system is slow to respond to changing market conditions.
9. SDSP is concerned with the inadequate data submitted by the CBOT to the C.F.T.C on the expected impact of CBOT's regular capacity by increasing rail load-out rates.

The CBOT, in its filing, chose to provide the C.F.T.C. with data spanning only a 2¼ year period. This limited data is inadequate. In the full nine year study of data conducted by the CBOT Market and Product Development staff (See Appendix B), the CBOT's own staff concluded:

1. "Based upon volume and open-interest the soybean oil contract has been very successful and is continuing to be successful."
2. "The automatic adjustment feature should not affect the total number of receipts issued by all the territories but should affect the distribution of outstanding receipts by territories. The data suggests that the automatic adjustment feature is accomplishing its objective ..."
3. "In summary, a review of the above data does not show a problem with soybean oil deliveries or the contract itself."

Relying on selected data and ignoring the findings of its own staff, the CBOT's submittal to the Commission attempts to demonstrate that the Northwest Territory (SDSP) dominates other territories when comparing average outstanding receipts and maximum outstanding receipts. The Commission should also note that this selective data highlights the percent maximum receipts of 93.3% in the Northwest, while the next closest territory has only reached 40%.

Utilizing the entire CBOT Staff study, which includes nine full years of data, The Commission can see a more realistic picture. The Eastern and Illinois Territories lead the average outstanding receipts and maximum outstanding receipts figures. All territories have dominated the percent maximum receipts at some time over the last nine years. Eastern, Eastern Iowa and the Southwest Territories have all held 100% of outstanding receipts while Illinois hit 95.4%. The Northwest recently moved up to 93.3%, and as of February 14, 1999 the Northwest Territory dropped down to 82.7% percent of the outstanding receipts. (Table 1)

The warehousemen located in the Northwest Territory are well positioned to the users (soybean oil refineries) of crude soybean oil. The Northwest Territory has five soybean oil refineries within its boundaries. Two refineries in Des Moines, Iowa are located just outside the Northwest Territory's eastern boundary.

SDSP's primary markets (based on location) include three soyoil refineries. Two are in Mankato, Minnesota, which is 159 miles east of SDSP and the other in Sioux City, Iowa. Mankato is SDSP's primary market due to favorable freight rates along with demand variables. The Mankato market needs 2 to 3 times SDSP's production to feed its soyoil demand, equaling approximately 4,000 to 6,000 jumbo tank cars. Table 2 illustrates the published rail freight rates and truck rates for moving crude soybean oil to soybean oil refineries. Comments and observations include:

- SDSP's value delivering into Mankato versus a warehouseman located on a Class I railroad
 - ☑ SDSP is the best value into Mankato versus Dawson, Minnesota, and Sheldon, Emmetsberg and Mason City, Iowa. Competing locations are located on a Class I railroad.
 - ☑ Sheldon, Iowa is a single line haul (UP), yet the buyer of oil chooses the truck freight rate of \$0.59 cwt. vs. rail freight rate of \$0.46 cwt. due to poor service and rail tank car utilization.
 - ☑ Emmetsberg, Iowa is also a single line haul only 110 miles from Mankato vs. SDSP's 159 mile two rail line haul. SDSP has a rail freight rate advantage of \$0.25 cwt.
- Northwest Territory warehousemen to refinery locations
 - ☑ Each delivery point has a different freight rate to a user of soybean oil without regard to the Class of railroad that serves that delivery point.
 - ☑ There is no justification to single out Volga, SD with a special differential (pay freight) due to service by a Class II railroad or otherwise.
- Southwest Territory warehousemen to refinery locations
 - ☑ Mexico, Missouri has a substantial advantage over Emporia, Kansas. Both are served by a Class I railroad.
 - ☑ Mexico's best freight rate is by rail; \$0.25 to North Kansas City
 - ☑ Emporia's rail freight rate into North Kansas City is \$0.60
 - ☑ Emporia's best freight rate is by truck to Wichita, Kansas; \$0.40 cwt.
- East Iowa Territory warehousemen to refinery locations
 - ☑ Shipments into Des Moines, Iowa show Iowa Falls pays \$0.35 cwt. (truck), Cedar Rapids \$0.43 cwt.(rail) and Mason City \$0.56 cwt. (truck).

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The only appropriate conclusion to draw from a review of freight rates from warehouse to the taker (refineries) of soybean oil is that freight rates are not equal in any given territory. It is anti-competitive and unjustified to apply economics to one location in a territory while accepting the automatic adjustment system as an approximation to cash values for all other locations.

The automatic delivery differential adjustment system, while it has its drawbacks, has done a reasonable job in estimating the relative cash values in the different territories. Crude soybean oil is domestically consumed; therefore, product flow is not unidirectional from CBOT's approved delivery points. Applying economics in the form of freight rate differentials for 40 delivery locations would be difficult. Adjusting 40 site-specific delivery differentials to reflect non-transparent cash oil markets, changing market conditions and evolving transportation systems would be next to impossible. A historical review of delivery patterns confirms that the current automatic adjustment system is slow to respond the changing market conditions. In Tables 3 through 11, SDSP has summarized delivery activity by territory by marketing year. Comments on the automatic differential adjustment system includes:

- Eastern and Illinois Territories dominated the delivery activity for the first four to five years.
- The original differentials set for 1990 indicate a mis-valuation. (Table 3) Illinois gained almost 2000 receipts while other territories dropped, which would indicate over valuation of the Illinois Territory against other territories. Automatic adjustment for 1991 (Table 4) shows no change against East Iowa, Southwest and the Northwest Territories. Eastern dropped 10 points.
- 1995/1996 Marketing Year (Table 9): Delivery differentials were Illinois par; Eastern (15); East Iowa (5); Southwest (5); and Northwest (15). Northwest was the only territory not to add receipts during the market year, actually at zero. An indication that at this point of time, delivery of soybean oil in the Northwest was not over valued.
- Two years later in 1997/'98 (Table 11), the Northwest delivery differential was dropped twice for a total of 10 points. Northwest Territory gained in receipts slightly while all other territories show a reduction in outstanding receipts (an indication of over valuation of the Northwest Territory at this time).

Also in reviewing the data (Table 12), once a territory has accumulated a large amount of outstanding warehouse receipts, considerable time elapses drawing the outstanding receipts down to zero (or the lowest level). Ranking of territories by days, peak to low:

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Eastern	1,688 days
Illinois	1,261 days
Southwest	684 days
Eastern Iowa	589 days
Northwest	337 days from its peak receipts of 3,696 (as of February 19, 1999)

The data suggests that the automatic adjustment system has been slow to respond in the past and that some territories may have been misvalued for long periods of time. SDSP concludes that CBOT's proposed amendment to double the automatic adjustment delivery differential should address the concerns of the taker of the soybean oil contracts and make the system more responsive to changing market conditions. Likewise, results in the 1993 differential adjustment may be experienced more frequently (Charts 4 & 5). With a 5 point adjustment between Illinois and Eastern Territories, location of receipts flipped between the two territories following the delivery differential adjustment. SDSP does not view this as a concern to the soybean oil futures contract.

Table 14 provides a summary of the relative valuation of soybean oil deliveries by territories over the same nine year period studied by the CBOT staff. First, relative valuations of territories were evaluated by the automatic adjustment to territory delivery differentials. A positive adjustment would indicate that the territory would have been undervalued a year earlier relative to Illinois. A negative adjustment, or an over valuation, had occurred the prior year relative to Illinois. By calculating the net change between territories, one can make a similar observation of relative delivery valuation. For example, 1992 delivery differentials indicate:

- Eastern & Illinois were fair value to each other; differential no change
- Eastern & Illinois was over valued to East Iowa, Southwest & Northwest; differential plus 10 points
- East Iowa, Southwest & Northwest fair value to each other; net differential no change

SDSP's second method in observing relative delivery valuations was done by reviewing the summaries of outstanding receipts by territory in each marketing year. (Tables 3 - 11). SDSP concludes under both evaluation methods that the CBOT has allowed over valuations of the Illinois and Eastern Territories for several years. Having other territories lead in outstanding receipts is something new to the CBOT and the gigantic agribusiness conglomerates that dominate the issuance of soyoil receipts in the Illinois Territory and Eastern Territory (Table 13). However, SDSP cannot condone the CBOI's anti-competitive action with regard to freight rates against a small player such as SDSP.

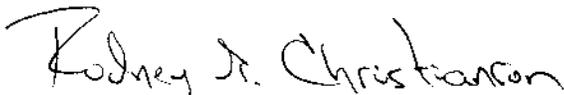
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The CBOT estimated a 12% reduction of total receipt capacity due to the proposed amendment in load-out terms. The CBOT provided Attachment 7 (Table 15) with a detailed analysis of all existing warehousemen. The CBOT projected SDSP at Volga to drop to 1,372 maximum certificates allowed (a 41% reduction). A closer review of CBOT's Attachment 7 is troublesome to SDSP. Excerpts from CBOT's Attachment 7:

<u>Facility</u>	<u>Maximum Certificates (Cur)</u>	<u>8 Hour Load Out</u>	<u>Maximum Certificates (30 days)</u>
Danville, IL	2,400	18	2,400
Decatur, IL	3,000	15	2,287
Volga, SD	2,300	18	1,372

On behalf of SDSP's 2,100 farm family members, I would like to thank you for your review and consideration. This is a very important decision for the members of SDSP who live in South Dakota, North Dakota and Minnesota communities.

Sincerely,
SOUTH DAKOTA SOYBEAN PROCESSORS



Rodney G. Christianson
Chief Executive Officer

RGC:pc

Enclosures: Tables, Charts, Appendices

Tables

CBOT Soybean Oil Receipts
CBOT's CFTC Submittal (9/96 - 12/98)

vs.

CBOT's Market & Product Development Study (9/89 - 8/98)

Average Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
CBOT's Submittal	779	934	1,120	386	2,557	5,776
CBOT's Study	1,466	1,475	644	180	894	4,659
Difference	(687)	(541)	476	206	1,663	1,117

Maximum Outstanding Receipt in Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
CBOT's Submittal	1,629	2,708	1,725	1,165	3,696	10,923
CBOT's Study	3,878	5,686	1,725	1,165	3,696	16,150
Difference	(2,249)	(2,978)	0	0	0	(5,227)

Percent Max Receipts					
	Illinois	Eastern	East Iowa	Southwest	Northwest
CBOT's Submittal	26.5	36.5	37.8	40	93.3
CBOT's Study	95.4	100	100	100	69.4
Difference	(68.9)	(63.5)	(62.2)	(60.0)	*0

*Northwest Territory Peak at 93.3%; as of 2/14/99 = 82.7%

SDSP's FREIGHT RATE ANALYSIS
CBOT Delivery Territories

	Sioux City, IA	Mankato, MN	Lincoln, NE	N. Kansas City, MO	St. Joseph, MO	Des Moines, IA	Decatur, IL	Quincy, IL	Frankfort, IN	Decatur, IN	Wichita, KS	Owensboro, KY
Volga, SD	144	159	270	421	370	335	632	544	593	751	512	845
Truck	.77 cwt	.75 cwt			1.73 cwt							
Rail	.77 cwt BNSF 1.11 cwt UP	.37 cwt UP			.83 cwt UP							
Dawson, MN	187	139			411							
Truck	.90 cwt	.64 cwt			1.93 cwt							
Rail	.74 cwt BNSF	N/A			1.05 cwt BNSF							
Sheldon, IA	58	129			282		209					
Truck	.35 cwt	.59 cwt			1.32 cwt		.98 cwt					
Rail	.62 cwt UP	.46 cwt UP			.68 cwt UP		N/A					
Sergeant Bluffs, IA	10		130		218		182					
Truck	.31 cwt		.61 cwt		1.02 cwt		.85 cwt					
Rail	N/A		N/A		.57 cwt BNSF		N/A					
Manning, IA			133		173		92					
Truck			.62 cwt		.81 cwt		.43 cwt					
Rail			.60 cwt BNSF		.74 cwt BNSF		.86 cwt BNSF					
Emmetsburg, IA	119	110			264		151					
Truck	.66 cwt	.50 cwt			1.23 cwt		.71 cwt					
Rail	N/A	.62 cwt BNSF			.88 cwt UP		N/A					
Eagle Grove, IA	148				253		87					
Truck	.69 cwt				1.18 cwt		.41 cwt					
Rail	N/A				.76 cwt BNSF		N/A					
Emporia, KS				109	133						85	
Truck				.51 cwt	.62 cwt						.40 cwt	
Rail				.60 cwt BNSF	.66 cwt BNSF						.55 cwt BNSF	
Mexico, MO				167				78				
Truck				.78 cwt				.37 cwt				
Rail				.25 cwt NS				N/A				
Mason City, IA	199	97					120					
Truck	.93 cwt	.45 cwt					.56 cwt					
Rail	Contract	N/A					N/A					
Iowa Falls, IA	173						74					
Truck	.81 cwt						.35 cwt					
Rail	.45 cwt BNSF						N/A					
Cedar Rapids, IA					290		114		157			
Truck					1.36 cwt		.53 cwt		.74 cwt			
Rail					.81 cwt BNSF		.43 cwt BNSF		Contract			
Gilman, IL							89	216	97			
Truck							.42 cwt	1.01 cwt	.45 cwt			
Rail							Contract	1.03 cwt	.88 cwt			
							TPW/NS	TPW/NS				
Gibson City, IL							58	105				241
Truck							.35 cwt	.49 cwt				1.13 cwt
Rail							N/A	.29 cwt NS				Contract
Galesburg, IL							125	123				
Truck							.59 cwt	.58 cwt				
Rail							1.38 cwt	.55 cwt BNSF				
							BNSF/CSXT					
Danville, IL							80	222				192
Truck							.38 cwt	1.04 cwt				.90 cwt
Rail							.60 cwt CSX	Contract				.72 cwt CSXT
Bloomington, IL							43	153	139			
Truck							.31 cwt	.72 cwt	.65 cwt			
Rail							N/A	Contract	Contract			
Lafayette, IN							136		25	119		
Truck							.64 cwt		.31 cwt	.56 cwt		
Rail							.64 cwt CSXT		N/A	.66 cwt CSXT		

NOTE: When 2 RRs are listed the rate reflected is a Rule 11 move

Contract: There are private contract rates in place that are not accessible to us
N/A: There are no rates established. Movement is by truck.

CBOT
 Outstanding Receipts by Territory
 1989/90 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(10)	(30)	(40)	(55)	--
Adjustment (Jan.): Initial Value Set by CBOT						

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	1,004	5,686	313	0	572	7,575
High	2,950	5,686	313	10	572	7,575
Low	0	673	102	0	0	793
Ending	2,950	2,573	263	0	0	5,786

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	3,440	3,399	161	10	0	7,010
Canceled	1,492	6,512	211	10	572	8,797
Net / (cancel)	1,948	(3,113)	(50)	0	(572)	(1,787)

*Valuation					
	Illinois	Eastern	East Iowa	Southwest	Northwest
	over	over	under	under	under

- Comments:**
- Northwest indicates under valued.
 - In July 1990, major increase in outstanding receipts for Illinois and Eastern Territories with little movement in other 3 Territories.
 - Indication that Eastern differential at (10) could have been under valued relative to Illinois Territory while over valued versus East Iowa, Southwest, Northwest.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT

Outstanding Receipts by Territory

1990/'91 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(20)	(30)	(40)	(55)	--
Adjustment	--	(10)	--	--	--	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	2,950	2,573	263	0	0	5,786
High	3,878	2,648	266	300	0	6,862
Low	1,115	1,123	166	0	0	3,067
Ending	2,144	2,359	166	252	0	4,921

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	3,057	2,343	3	300	0	5,703
Canceled	3,863	2,557	100	48	0	6,568
Net / (cancel)	(806)	(214)	(97)	252	0	(865)

*Valuation					
	Illinois	Eastern	East Iowa	Southwest	Northwest
	over	over	under	under	under

Comments:

- Northwest has no participation in delivery of new receipts.
- Twice, in April and October/November, the Illinois and Eastern Territories substantially increased warehouse receipts without participation by other territories. Over valued.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT
Outstanding Receipts by Territory
1991/92 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(20)	(20)	(30)	(45)	--
Adjustment	--	--	+10	+10	+10	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	2,144	2,359	166	252	0	4,921
High	3,360	4,518	1,192	252	1,518	10,271
Low	901	2,109	166	36	0	4,671
Ending	901	2,863	1,192	36	1,518	6,510

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	1,316	2,731	1,026	36	1,518	6,627
Canceled	2,559	2,227	0	252	0	5,038
Net / (cancel)	(1,243)	504	1,026	(216)	1,518	1,589

*Valuation						
	Illinois	Eastern	East Iowa	Southwest	Northwest	
	over	--	--	under	--	

- Comments:**
- Northwest, along with Illinois, Eastern and East Iowa, participated in deliveries at the beginning of the year (Jan) after the adjustment to the differential.
 - Southwest indicates under valued differential.
 - Eastern had a second increase in outstanding receipts in October 1992 without any other territory.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT
 Outstanding Receipts by Territory
 1992/'93 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(25)	(15)	(25)	(40)	--
Adjustment	--	(5)	+5	+5	+5	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	1,019	2,888	1,192	36	1,518	6,653
High	3,752	3,092	1,192	66	1,147	8,175
Low	1,019	1,179	987	36	1,518	6,657
Ending	3,752	1,179	987	66	1,147	7,131

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	3,026	401	0	30	0	3,457
Canceled	175	2,085	205	0	371	2,836
Net / (cancel)	2,851	(1,684)	(205)	30	(371)	621

*Valuation					
	Illinois	Eastern	East Iowa	Southwest	Northwest
	over	under	under	under	under

- Comments:**
- On a 5 point adjustment between Illinois and the Eastern Territory, warehouse receipts transferred from one to the other.
 - Illinois Territory overvalued versus the other 4 territories.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT
 Outstanding Receipts by Territory
 1993/94 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(30)	(15)	(20)	(35)	--
Adjustment	--	(5)	--	+5	+5	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	3,744	1,034	987	66	1,147	6,978
High	3,796	1,034	987	257	1,147	7,030
Low	1,094	0	149	0	0	1,558
Ending	1,511	257	239	48	96	2,151

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	2,124	262	90	290	243	3,009
Canceled	4,365	1,184	838	308	1,297	7,992
Net / (cancel)	(2,241)	(922)	(748)	(18)	(1,054)	(4,983)

*Valuation						
	Illinois	Eastern	East Iowa	Southwest	Northwest	
	over	--	--	under	under	

- Comments:**
- Illinois appears to be overvalued with more than 7 tons over any other territory.
 - Illinois was the last territory to clear out receipts in October of 1994.
 - Northwest and Southwest appear under valued.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT
 Outstanding Receipts by Territory
 1994/95 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(25)	(10)	(10)	(25)	--
Adjustment	--	+5	+5	+10	+10	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	1,268	257	199	48	91	1,863
High	1,268	257	199	308	91	1,863
Low	0	0	0	0	0	0
Ending	50	0	0	308	0	358

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	150	151	317	521	0	1,139
Canceled	1,611	408	556	261	96	2,932
Net / (cancel)	(1,461)	(257)	(239)	260	(96)	(1,793)

*Valuation					
	Illinois	Eastern	East Iowa	Southwest	Northwest
	--	under	--	over	under

- Comments:**
- All territories empty their warehouse receipts during the year.
 - Northwest and Eastern display lowest activity, therefore, assumed under valued relative to other territories.
 - After '95 adjustment, the Southwest Territory was first to deliver to CBOT.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT Outstanding Receipts by Territory 1995/'96 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(15)	(5)	(5)	(15)	--
Adjustment	--	+10	+5	+5	+10	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	50	0	0	308	0	358
High	400	684	1,348	1,165	0	3,597
Low	50	0	0	308	0	358
Ending	400	684	1,348	1,165	0	3,597

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	350	684	1,348	857	0	3,239
Canceled	0	0	0	0	0	0
Net / (cancel)	350	684	1,348	857	0	3,239

*Valuation						
	Illinois	Eastern	East Iowa	Southwest	Northwest	
	--	--	over	over	--	

- Comments:**
- After the differential adjustment was made in January of 1996, receipts increased first by East Iowa followed by the Eastern and Illinois Territories.
 - Northwest was the last territory to put out new warehouse receipts in October of '96.
 - Data confirms that Northwest oil values were properly estimated at (15) points.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT
 Outstanding Receipts by Territory
 1996/97 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(20)	(15)	(15)	(15)	--
Adjustment	--	(5)	(10)	(10)	--	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	400	684	1,348	1,165	0	3,596
High	1,575	2,708	1,725	1,165	3,061	8,251
Low	350	659	528	385	0	2,571
Ending	1,434	1,350	1,469	385	3,061	7,699

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	1,225	2,052	1,265	345	3,061	7,948
Canceled	191	1,386	1,144	1,125	0	3,846
Net / (cancel)	1,034	666	121	(780)	3,061	4,102

*Valuation					
	Illinois	Eastern	East Iowa	Southwest	Northwest
	--	--	--	under	over

- Comments:**
- All territories (except Southwest) participated in the delivery program.
 - No cancellations by the Northwest Territory could indicate over valuation relative to other territories.
 - SDSP was a new player with operational problems, keeping SDSP from selling oil in advance or under normal conditions, ie., spot market typically affords lower values.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT
Outstanding Receipts by Territory
1997/'98 Marketing Year Summary

Differential						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
	Par	(30)	(20)	(20)	(20)	--
Adjustment	--	(10)	(5)	(5)	(5)	--

Outstanding Receipts by Territory						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
Beginning	1,369	1,306	1,457	385	3,061	7,578
High	1,629	1,606	1,457	385	3,696	7,759
Low	528	0	1,019	23	3,061	5,056
Ending	1,250	0	1,019	323	3,286	5,878

Estimated Receipt Activity						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
New Issues	1,242	300	0	300	639	2,481
Canceled	1,426	1,650	450	362	414	4,302
Net / (cancel)	(184)	(1,350)	(450)	(62)	225	(1,821)

*Valuation						
	Illinois	Eastern	East Iowa	Southwest	Northwest	
	--	under	under	--	over	

- Comments:**
- Reviewing the last two years of data, the cumulative average ratios show the most consistent and equal distribution of warehouse receipts along with the 1992/'93 year.
 - Eastern Territory is under valued relative to other territories.
 - Regarding the 1999 adjustment, the Northwest Territory is the only territory to have a negative adjustment. Eastern and East Iowa remain equal to 1998 and the Southwest improved by 5 points.

*SDSP's observation of the relative valuation of the delivery differential between territories for the marketing year.

CBOT Soybean Oil Receipts

Eastern Territory Peak/Low						
1,688 Total Days						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
09/01/89	1,004	5,686	313	0	572	7,575
04/15/94	1,427	0	386	0	175	1,988

Illinois Territory Peak/Low						
1,261 Total Days						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
05/03/91	3,878	2,418	266	300	0	6,862
10/14/94	0	0	0	33	0	33

Southwest Territory Peak/Low						
684 Total Days						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
08/30/96	400	684	1,348	1,165	0	3,597
05/15/98	528	0	1,019	23	3,486	5,056

East Iowa Territory Peak/Low						
589 Total Days						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
03/14/97	675	2,708	1,725	550	1,765	7,423
10/23/98	125	0	140	36	2,636	2,937

Northwest Territory Peak/Low						
337 Days (as of 2/19/99)						
	Illinois	Eastern	East Iowa	Southwest	Northwest	Total
03/20/98	528	149	1,082	82	3,696	5,537
02/17/99	377	0	140	36	2,636	3,189

Soybean Oil Facilities Approved for Delivery by Territory Maximum Receipts

<i>Firms</i>	<i>Illinois Territory</i>		<i>Eastern Territory</i>		<i>Eastern Iowa Territory</i>		<i>Southwest Territory</i>		<i>Northwest Territory</i>		<i>Firm Receipt Totals</i>
	Receipts	% within Territory	Receipts	% within Territory	Receipts	% within Territory	Receipts	% within Territory	Receipts	% within Territory	
Ag Processing					600	17.0%	400	13.9%	2,814	40.0%	3,814
ADM	4,546	55.6%	1,175	20.8%	721	20.4%	1,416	49.1%	1,565	22.3%	9,423
Bunge							950	33.0%			950
Cargill	65	0.8%	3,129	55.5%	2,207	62.6%	116	4.0%	80	1.1%	5,597
Central Soya	917	11.2%	1,333	23.6%							2,250
Honeymead									100	1.4%	100
Incobrasa	250	3.1%									250
Lauhoff	2,400	29.3%									2,400
SD Soybean Processors									2,470	35.1%	2,470
<i>Total Receipts per Territory</i>	8,178		5,637		3,528		2,882		7,029		27,254

Percent of Firms Regular Capacity

<i>Firms</i>	<i>Illinois Territory</i>	<i>Eastern Territory</i>	<i>Eastern Iowa Territory</i>	<i>Southwest Territory</i>	<i>Northwest Territory</i>
Ag Processing			15.7%	10.5%	73.8%
ADM	48.2%	12.5%	7.7%	15.0%	16.6%
Bunge				100%	
Cargill	1.2%	55.9%	39.4%	2.1%	1.4%
Central Soya	40.8%	59.2%			
Honeymead					100.0%
Incobrasa	100.0%				
Lauhoff	100.0%				
SD Soybean Processors					100.0%

CBOT
Delivery Values vs. Cash Value
1989/'99 Review
Relative Values

I. Territory Delivery Differential					
Calendar Year	Illinois	Eastern	East Iowa	Southwest	Northwest
1990	over	over	under	under	under
1991	over	(10)	--	--	--
1992	over	--	10	10	10
1993	over	(5)	5	5	5
1994	--	(5)	--	5	5
1995	over	5	5	10	10
1996	over	10	5	5	10
1997	under	(5)	(10)	(10)	--
1998	under	(10)	(5)	(5)	(5)
1999	--	--	--	5	(5)

II. Observation of Outstanding Receipt Activity					
Marketing Year	Illinois	Eastern	East Iowa	Southwest	Northwest
1989/1990	over	over	under	under	under
1990/1991	over	over	under	under	under
1991/1992	over	--	--	under	--
1992/1993	over	under	under	under	under
1993/1994	over	--	--	under	under
1994/1995	--	--	--	over	under
1995/1996	--	--	over	over	--
1996/1997	--	--	--	under	over
1997/1998	--	under	under	--	over

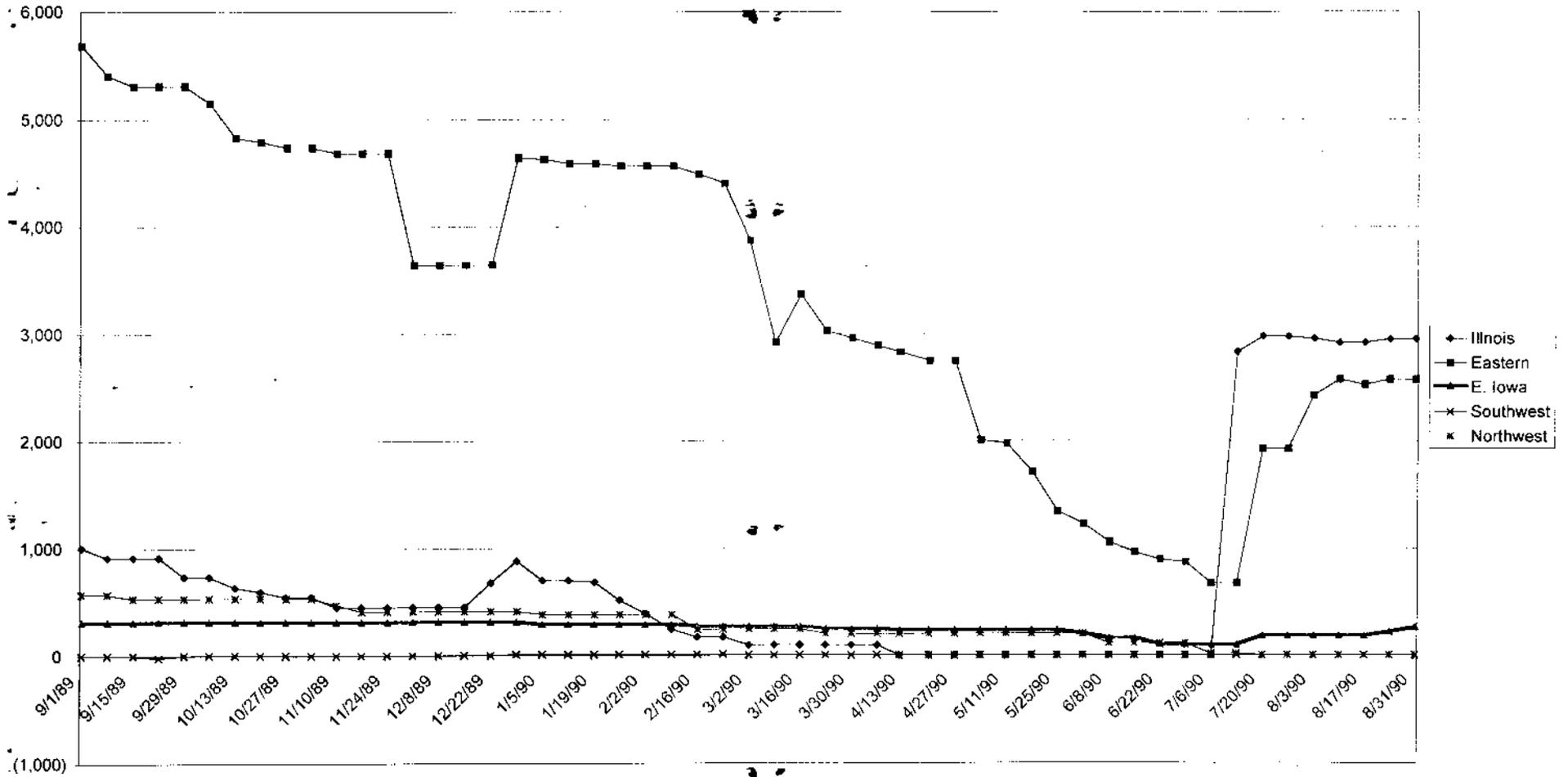
ATTACHMENT 7

CURRENT WAREHOUSE RECEIPTS, AND ESTIMATED WAREHOUSE RECEIPTS WITH THE PROPOSED RULE CHANGES

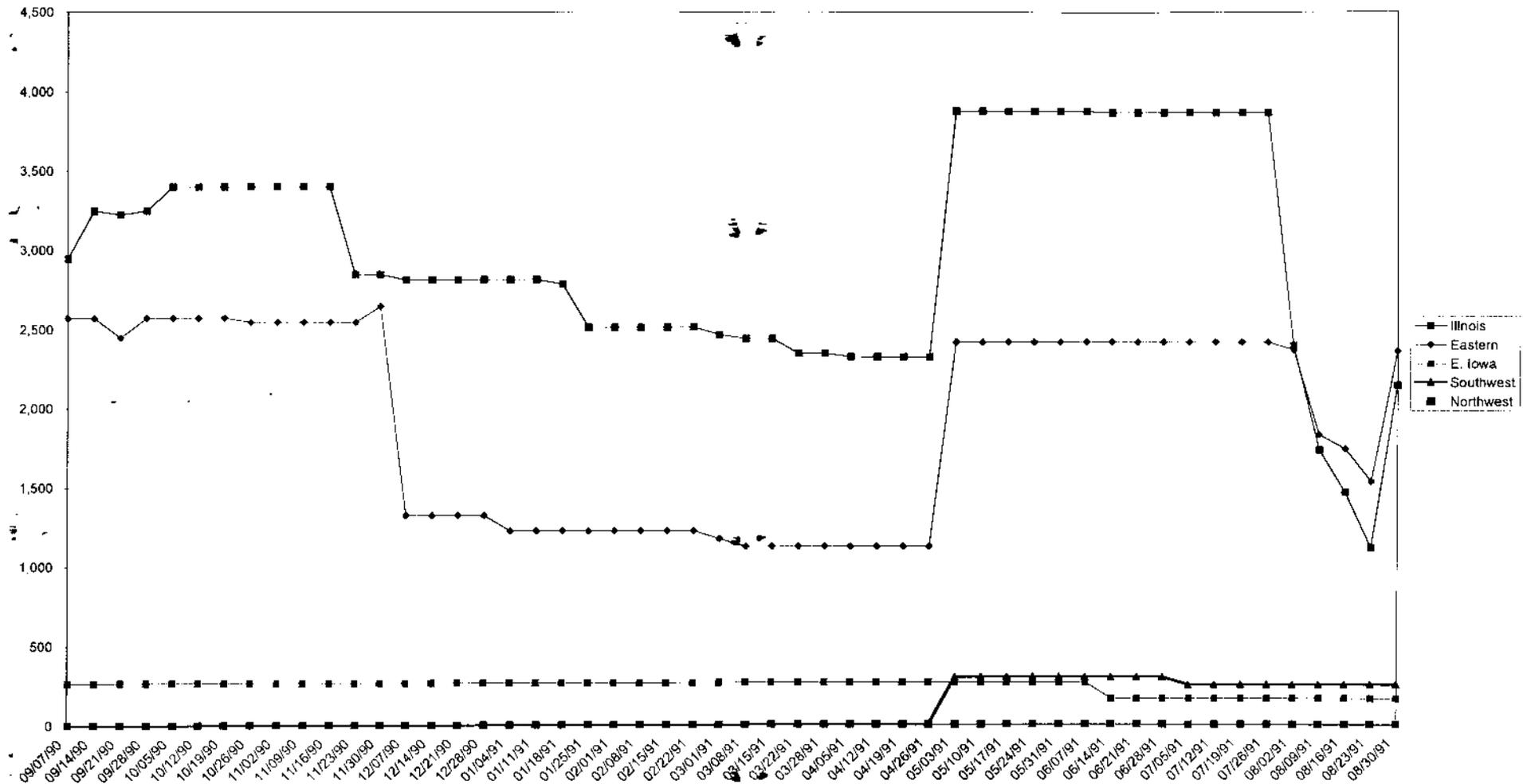
TERRITORY	FIRM	FACILITY	CURRENT REGULAR SPACE	CURRENT MAXIMUM CERTIFICAT ES ALLOWED TO ISSUE	MINIMUM LOAD- OUT	8 HOUR DAY LOAD-OUT AS REPORTED BY WAREHOUSE OPERATORS	MAXIMUM CERTIFICATES ALLOWED TO ISSUE AT 30 DAYS TIMES MAXIMUM OF 4 PER DAY LOAD- OUT OR 16 HOUR REPORTED LOAD OUT RATE
Eastern	CENTRAL SOYA COMPANY, INC.	Decatur, IN	80,000,000	1,333	4	3.2	810
Eastern	CARGILL, INCORPORATED	Fort Wayne, IN	117,500,000	1,858	4	8	1,220
Eastern	ARCHER DANIELS MIDLAND COMPANY	Frankfort, IN	70,500,000	1,175	4	10	1,175
Eastern	CARGILL, INCORPORATED	Lafayette, IN	2,000,000	150	4	8	150
TOTAL EASTERN			277,000,000	4,816	16	27	3,155
Eastern Iowa	CARGILL, INCORPORATED	Buffalo, IA	36,800,000	813	4	8	813
Eastern Iowa	CARGILL, INCORPORATED	Cedar Rapids, (E), IA	9,300,000	155	4	4	155
Eastern Iowa	CARGILL, INCORPORATED	Cedar Rapids, IA	1,920,000	32	4	4	32
Eastern Iowa	ARCHER DANIELS MIDLAND COMPANY	Des Moines, IA	43,300,000	721	4	7	721
Eastern Iowa	CARGILL, INCORPORATED	Des Moines, IA	8,490,000	141	4	4	141
Eastern Iowa	CARGILL, INCORPORATED	Des Moines, IA (MacMillan)	56,000,000	933	4	8	933
Eastern Iowa	CARGILL, INCORPORATED	Iowa Falls, IA	20,000,000	333	4	8	333
Eastern Iowa	AG PROCESSING, INCORPORATED	Mason City, IA	36,000,000	800	4	8	800
TOTAL EASTERN IOWA			211,810,000	3528	32	49	3,528
Illinois	CARGILL, INCORPORATED	Bloomington, IL	3,900,000	65	4	8	65
Illinois	LAUHOFF GRAIN COMPANY	Danville, IL	144,000,000	2,400	4	18	2,400
Illinois	ARCHER DANIELS MIDLAND COMPANY	Decatur, IL	180,000,000	3,000	4	13	2,287
Illinois	ARCHER DANIELS MIDLAND COMPANY	Galesburg, IL	11,400,000	190	4	3	190
Illinois	CENTRAL SOYA COMPANY, INC.	Gibson City, IL	55,000,000	917	4	4.3	655
Illinois	INCOBRASA INDUSTRIES, LTD.	Gilman, IL	15,000,000	250	4	9	250
Illinois	ARCHER DANIELS MIDLAND COMPANY	Granite City, IL	40,000,000	666	4	7	666
Illinois	ARCHER DANIELS MIDLAND COMPANY	Quincy, IL	54,500,000	908	4	10	908
Illinois	ARCHER DANIELS MIDLAND COMPANY	Taylorville, IL	48,000,000	800	4	8	800
TOTAL ILLINOIS			551,800,000	9196	36	84.3	8,221
Northwest	BUNGE CORPORATION	Council Bluffs, IA	10,000,000	166	4	4	166
Northwest	AG PROCESSING, INCORPORATED	Dawson, MN	26,324,000	438	4	6	438
Northwest	AG PROCESSING, INCORPORATED	Eagle Grove, IA	20,000,000	333	4	8	333
Northwest	AG PROCESSING, INCORPORATED	Emmettsburg, IA	10,000,000	166	4	7	166
Northwest	AG PROCESSING, INCORPORATED	Fort Dodge, IA	13,000,000	218	4	4	218
Northwest	ARCHER DANIELS MIDLAND COMPANY	Lincoln, NE	27,000,000	450	4	5	450
Northwest	ARCHER DANIELS MIDLAND COMPANY	Marlato, MN	51,000,000	850	4	8	850
Northwest	HONEYMEAD PRODUCTS COMPANY	Marlato, MN	6,000,000	100	4	4	100
Northwest	AG PROCESSING, INCORPORATED	Manning, IA	9,000,000	150	4	10	150
Northwest	AG PROCESSING, INCORPORATED	Omaha, NE	40,000,000	666	4	8	666
Northwest	AG PROCESSING, INCORPORATED	Sergeant Bluff, IA	31,500,000	525	4	6	525
Northwest	AG PROCESSING, INCORPORATED	Sheldon, IA	19,200,000	320	4	6	320
Northwest	CARGILL, INCORPORATED	Sioux City, IA	4,800,000	80	4	4	80
Northwest	SOUTH DAKOTA SOYBEAN PROCESSORS	Volga, SD	138,000,000	2,300	4	18	1,172
TOTAL NORTHWEST			395,824,000	6,760	56	100	5,832
Southwest	BUNGE CORPORATION	Emporia, KS	57,000,000	950	4	7.5	950
Southwest	CARGILL, INCORPORATED	Kansas City, MO	7,000,000	116	4	10	116
Southwest	ARCHER DANIELS MIDLAND COMPANY	Mexico, MO	43,000,000	718	4	5	718
Southwest	ARCHER DANIELS MIDLAND COMPANY	N. Kansas City, MO	42,000,000	700	4	7	700
Southwest	AG PROCESSING, INCORPORATED	St. Joseph, MO	24,000,000	400	4	8	400
TOTAL SOUTHWEST			173,000,000	2882	20	37.5	2,382
TOTAL			1,609,434,000	26,982	160	238	23,818
PERCENTAGE REDUCTION							12%

of Receipts Outstanding by Territory
9 Year History by Marketing Year

of Receipts Outstanding by Territory September 1989 - September 1990

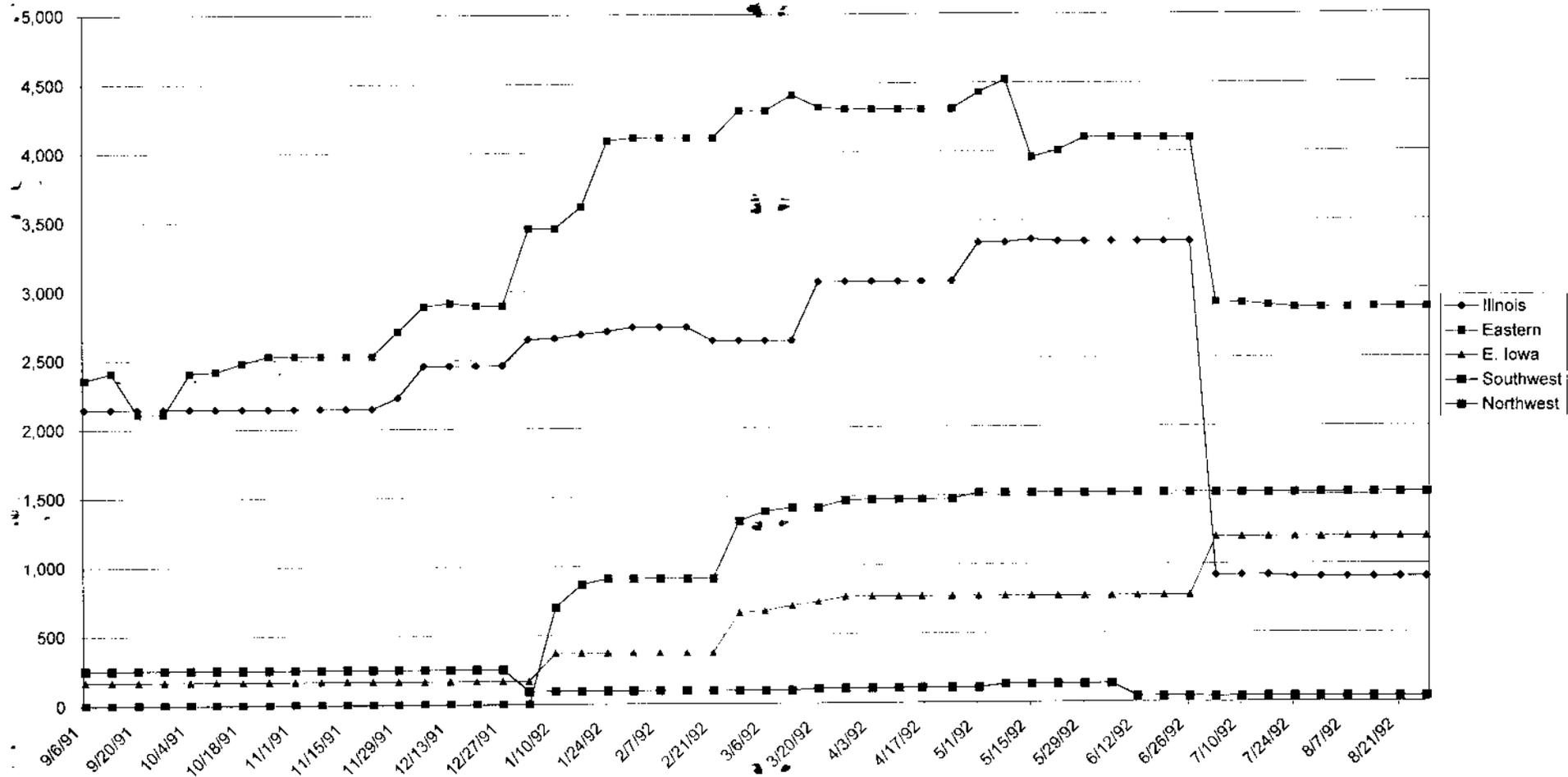


of Receipts Outstanding by Territory September 1990 - August 1991



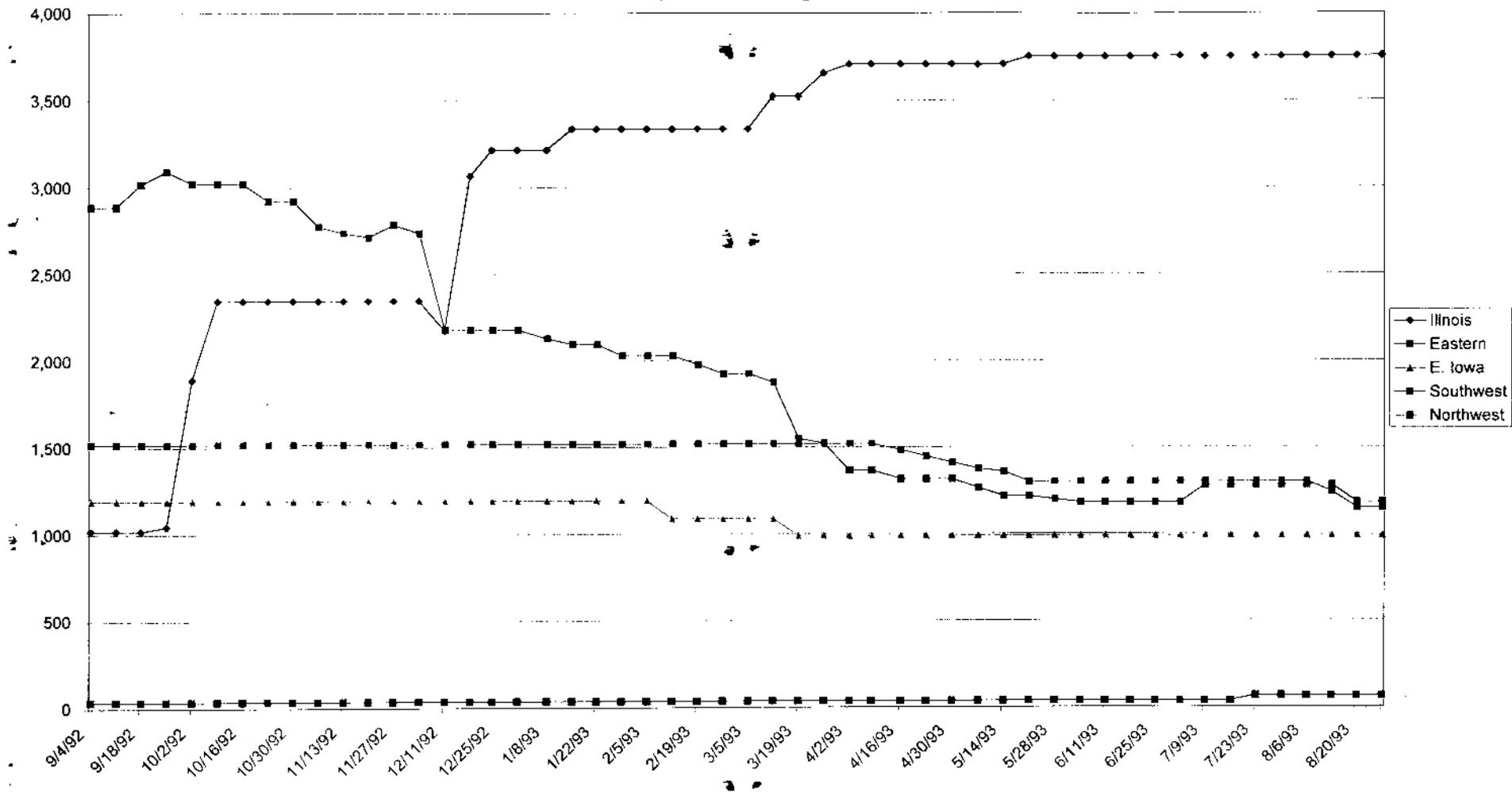
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September 1991 - August 1992



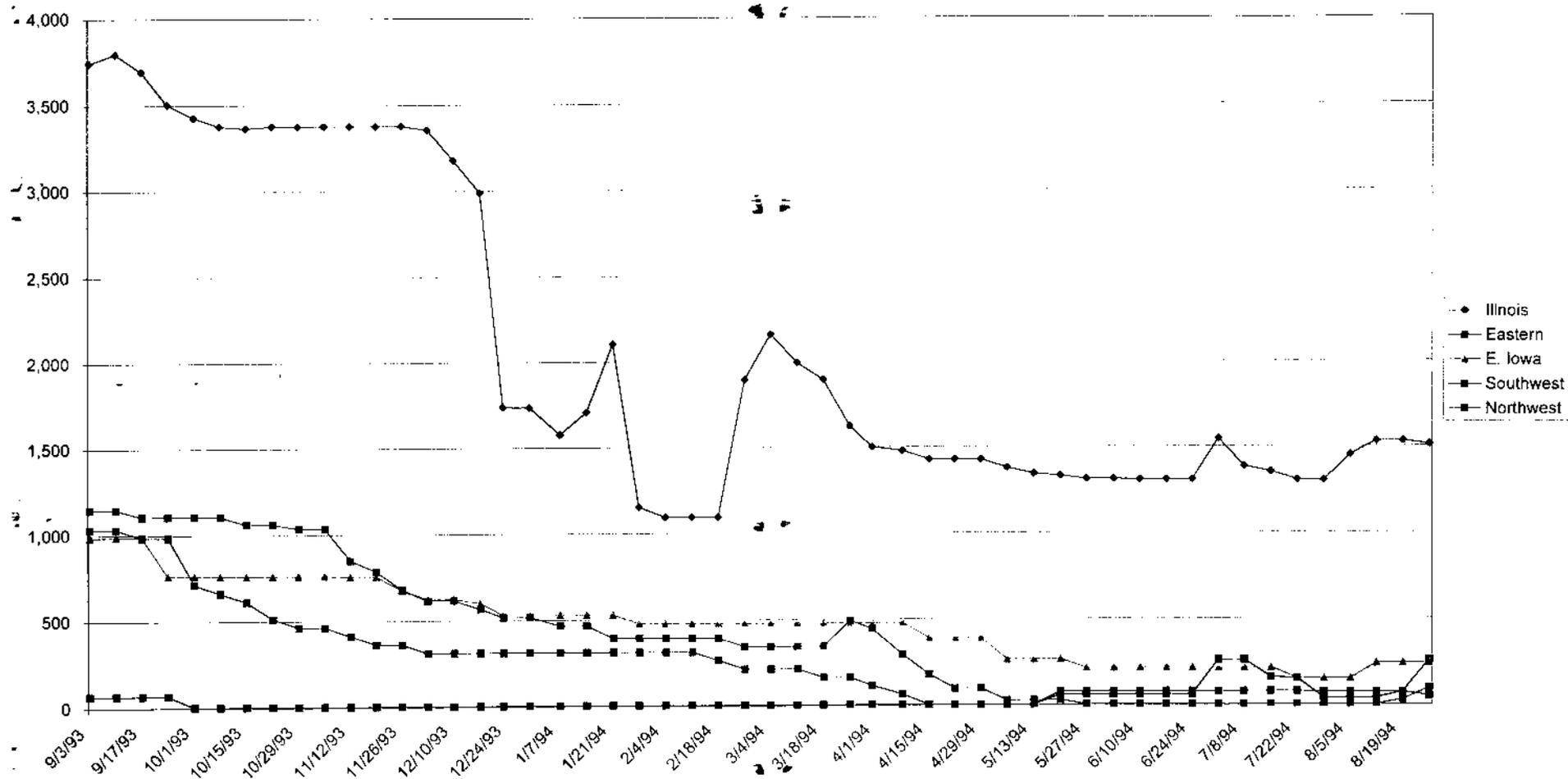
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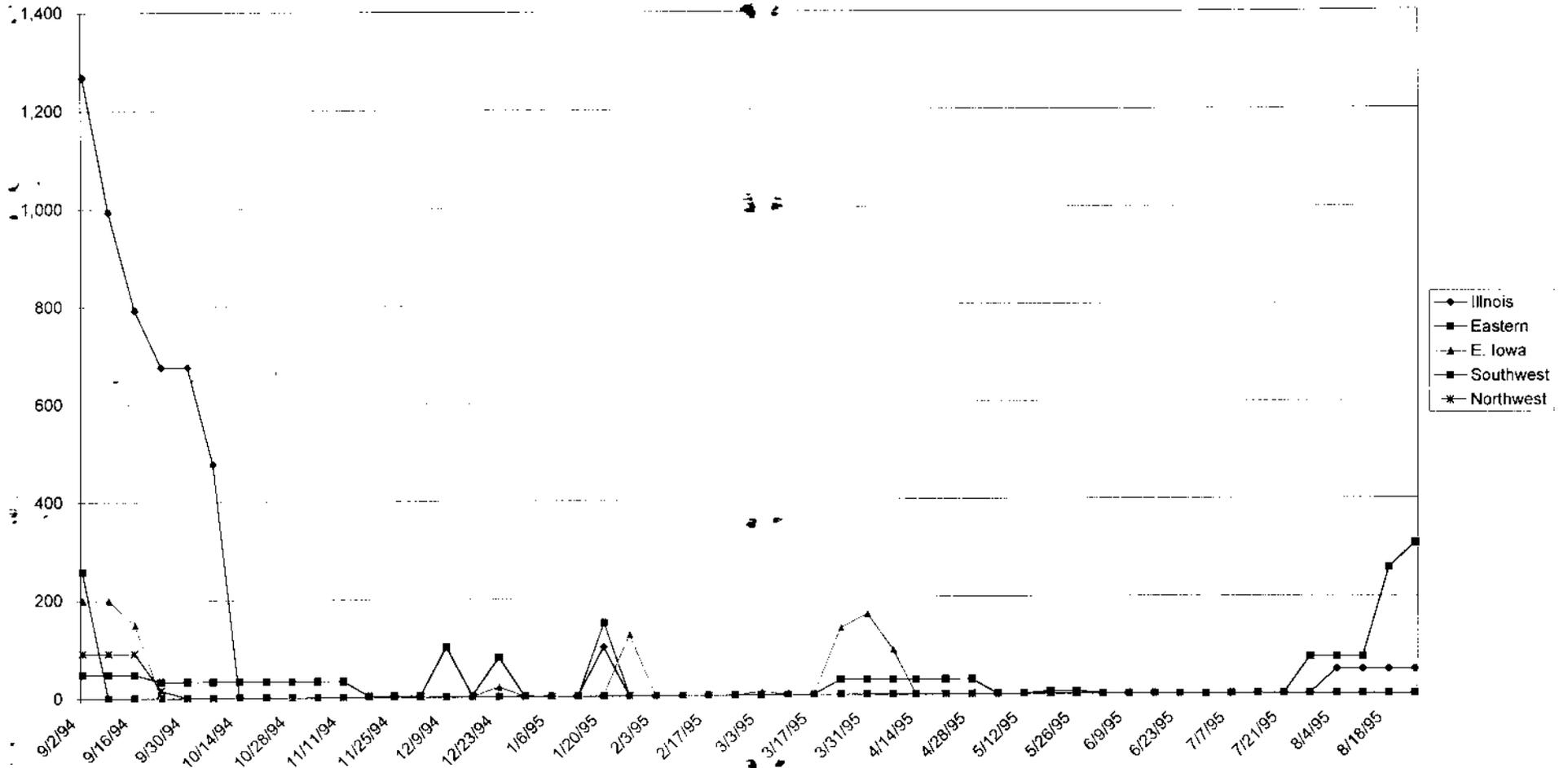
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September 1993 - August 1994



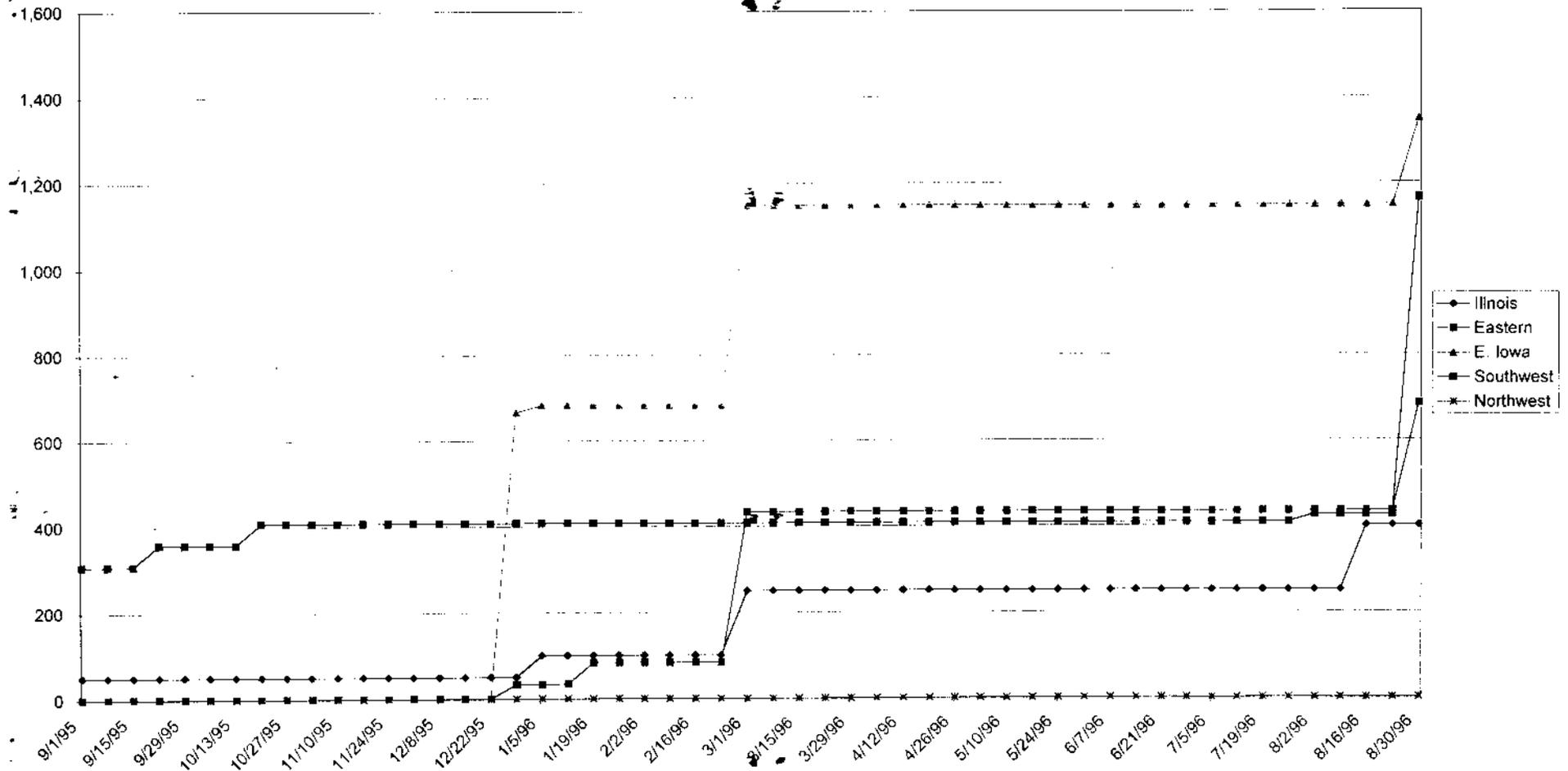
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September 1994 - August 1995

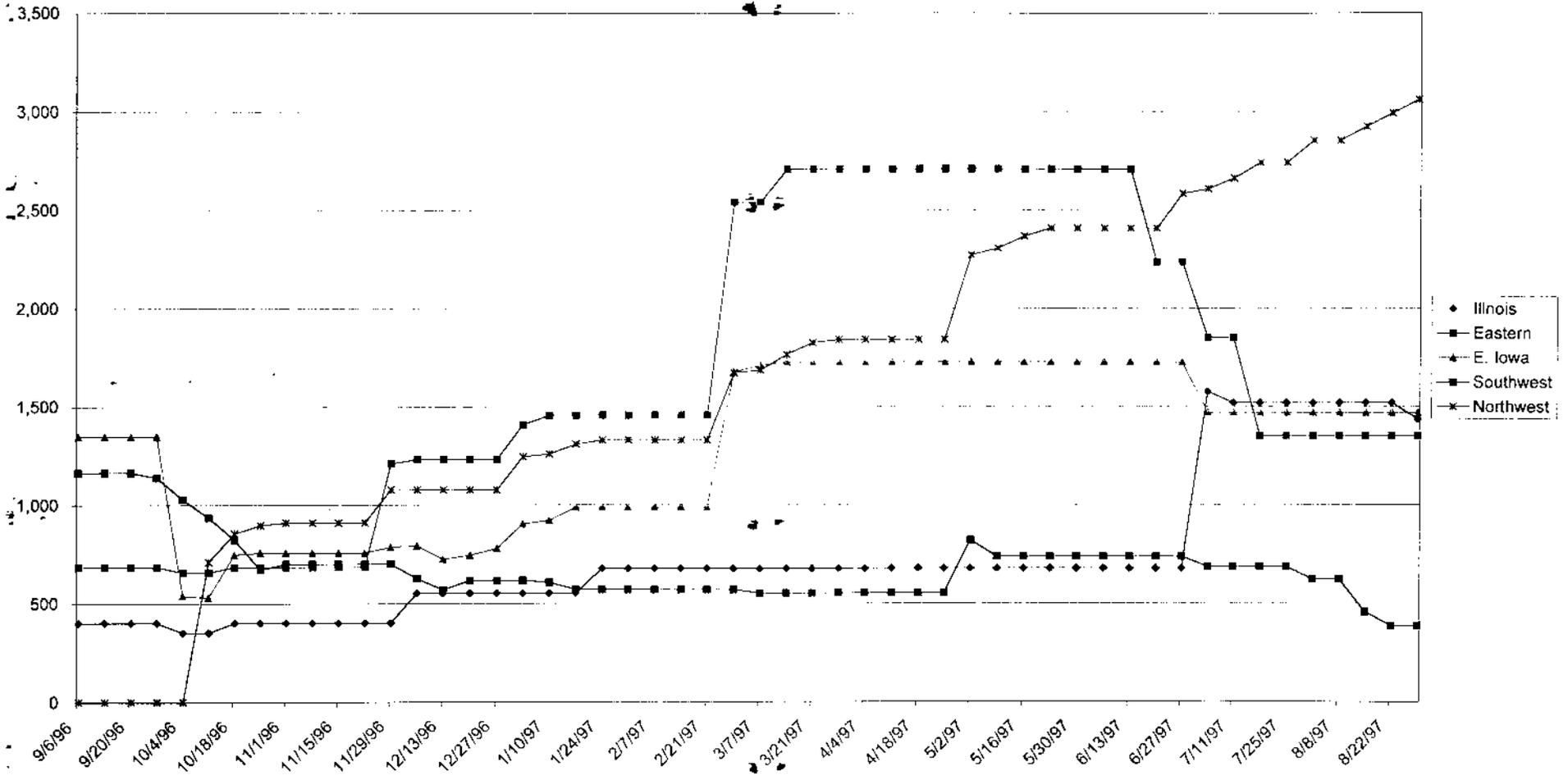


of Receipts Outstanding by Territory

September 1995 - August 1996



of Receipts Outstanding by Territory
September 1996 - August 1997



of Receipts Outstanding by Territory

September 1997 - August 1998

