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# United States Senate

WASHINGTON, DC 20510

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SECRETARIAT

Brooksley E. Born, Chairperson  
Commodity Futures Trading Commission  
3 Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

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COMMENT

Dear Chairperson Born:

The South Dakota Soybean Processors (SDSP) is a soybean oil plant that is owned by more than two thousand farm families in South Dakota and surrounding states. It serves as a model for the success that producer-owned cooperative ventures can enjoy in the area of value-added agricultural processing.

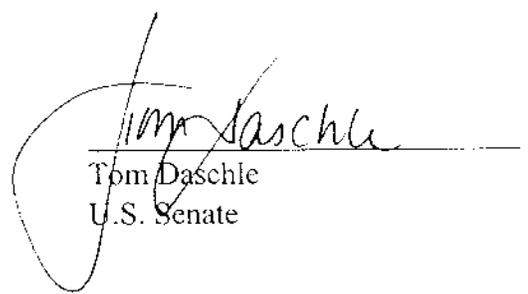
As you know, the Chicago Board of Trade (CBOT) has recently proposed changes in the operation of their soybean oil futures contracts. These changes will likely have a dramatic effect on SDSP if allowed to proceed. There is a need to address these concerns, and we thank you for extending the period available for interested parties to comment on the changes.

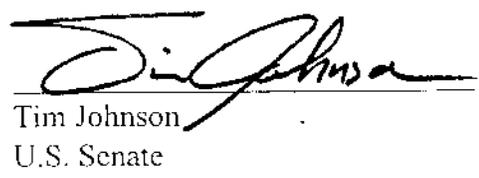
SDSP has reviewed the proposed changes and recommends that the CFTC approve of the change that would double the Automatic Adjustment Differentials, and that it ratify, with a reasonable condition, the proposed changes to the load-out rate. However, the provision that would require warehousemen to pay the freight charges to the nearest Class I railroad interchange would unfairly and unnecessarily target SDSP. This change would have a disproportionate effect on SDSP's ability to deliver soybean oil and harm its ability to compete in the industry. It is also unnecessary and arbitrary, considering a Class I designation bears no relation to the ability of railroads to efficiently and reliably deliver freight, but is merely an indicator of the total assets of the railroad.

As you consider the proposed changes in soybean oil futures contracts and investigate the concerns that SDSP has raised, we encourage you to find that this change is indeed unnecessary and anti-competitive and should be rejected.

We thank you for your consideration of these concerns.

Sincerely,

  
Tom Daschle  
U.S. Senate

  
Tim Johnson  
U.S. Senate