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More than a feed company.

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Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street NW
Washington, DC 20581

ATTN: Office of the Secretariat
RE: "Agricultural Trade Options"
fax 202-418-5521

COMMENT

Kent Feeds, Inc. offers the following comments on proposed rulemaking for Agricultural Trade Options Merchant (ATOM) as proposed by the CFTC in rules published in the Federal Register August 31, 1999 (pages 47452-474611).

1) The removal of the requirement that agricultural trade options, if exercised, result in physical delivery is a much-needed revision that allows for the participation of agricultural related industries in the ATOM category. As a feed company Kent Feeds, Inc. falls into the listing of commercial enterprises selling inputs used in the production of livestock. This proposed change provides Kent Feeds, Inc. with the ability to offer producers of livestock a risk management tool for their enterprise. The movement of CFTC in this direction encourages us.

2) The streamlining of the process by which an option agreement is facilitated is very helpful. Today virtually all of our business is over the phone. Meeting requirements orally allows the process to proceed in a very timely fashion. We agree with the provision requiring written confirmation of the phone transaction as a principle of good business.

3) We applaud the efforts of the Commission concerning reporting. We understand the desire to monitor the transactions of an ATOM, but we feel one time per year will meet this need very well. The provision whereby the Commission retains authority to obtain information on an as needed basis makes more frequent reporting unnecessary.

4) The requirement for furnishing a "summary disclosure statement" to the option customer prior to entry into a contract seems to add another level of burden to the option merchant. The principle of disclosure is not the issue. The volume of material required to be presented to the purchaser seems to be on the extreme side and diminishes the effect. A caution statement allowing for the inherent risk of any such instrument would be sufficient. The

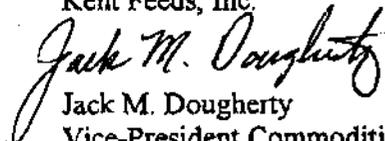
statement could be enclosed with the confirmation of the transaction to further clarify what has been entered into. The disclosure should also be permitted to be communicated at the time of the purchase with the confirmation signature serving as acknowledgment of said disclosure.

5) We agree with registration through NFA as proposed by CFTC through NFA, but anything that can be done to streamline that process is welcome.

6) Finally, we would like the opportunity to begin registration proceedings during the 60-day period following the comment period. We feel the proposed changes to the ATOM rules make this a workable program for related agricultural industries such as Kent Feeds, Inc. and wish to pursue the registration process. In the event registration requirements are amended we would like to be in position to determine our direction at that time.

Thank you for the opportunity to comment.

Sincerely
Kent Feeds, Inc.


Jack M. Dougherty
Vice-President Commodities