



4201 N. Interstate 27
Lubbock, Texas 79403
Phone: (806) 749-3478
Fax: (806) 749-9002

Comments of the National Sorghum Producers
In Regards To
The Agricultural Forum
April 22, 2008

The National Sorghum Producers (NSP) respectfully submits our views to the Commission as it reviews the volatile conditions in the futures market today. NSP represents sorghum producers throughout the US and even though sorghum is not directly traded on an exchange, sorghum is cross-hedged with corn on the futures market. NSP is concerned about the ability of the futures exchanges to be used as effective risk management tools. NSP, however, does not believe drastic measures need to be taken to “reform” the futures markets or exchange rules.

Sorghum producers are accustomed to large basis swings since sorghum prices are based on the corn futures but depend heavily on spot markets and local buyers. While some suggest that the market is out of control, sorghum producers are glad to see marketing opportunities exist that allow for producers to capture a profit in this year’s crop.

While most grain elevators have pulled bids for 2009 and 2010 crops, the majority of sorghum producers are still able to hedge this year’s crop and cover skyrocketing input costs. This is critical as input prices have increased over 50%, and in some case 300%, from last year.

Transparency is needed in all CFTC reports. Transparency can be obtained by the Commission carefully analyzing the Commitments of Traders report to make sure that long-only investment capital is being reported accurately to the Commission and correctly captured in the “Index” category of the report. The Commission must also clearly define futures market activity reported in each existing category of the report. Finally, NSP would like the Commission to consider whether any additional detail/categories added to the report would provide additional clarity for market participants.

NSP also urges the Commission to proceed cautiously with the approval of OTC grain swaps. During this volatile period of trading activity, the approval of OTC grain swaps would not be in the best interest of producers. NSP also sees the importance of having markets clear, but we are not in favor of increased trading limits or speculative position limits at this time. The Commission must not overreact and stifle the market, but they do have a charge to keep the futures market a viable system for hedging risk for producers.

Thank you again for the opportunity to express our views.

Sincerely,

A handwritten signature in black ink that reads "Dale Murden". The signature is written in a cursive, flowing style.

Dale Murden, President

May 7, 2008