

**Submission of Woods Eastland, Representing AMCOT
Before the Commodity Futures Trading Commission Roundtable
April 22, 2008**

I am serving as President and CEO of Staplcotn, a cotton marketing cooperative. Staplcotn is a member of Amcot, the trade association of Calcot of Bakersfield, California, Plains Cotton Cooperative Association of Lubbock, Texas, Staple Cotton Cooperative Association (Staplcotn) of Greenwood, Mississippi, and Carolina's Cotton Growers Association of Raleigh, North Carolina. I am submitting this statement on behalf of Amcot.

The public policy of the United States in regard to the practices of regulated commodity exchanges is embodied in the Commodity Exchange Act 7 USC/et seq. Title 7, Chapter 1, Section 5 states:

(a) Findings

The transactions subject to this Act are entered into regularly in interstate and international commerce and are affected with a national public interest by providing a means for managing and assuming price risks, discovering prices, or disseminating pricing information through trading in liquid, fair and financially secure trading facilities.

(b) Purpose

It is the purpose of this Act to serve the public interests described in subsection (a) of this section through a system of effective self-regulation of trading facilities, clearing systems, market participants and market professionals under the oversight of the Commission. To foster these public interests, it is further the purpose of this chapter to deter and prevent price manipulation or any other disruptions to market integrity;

Section 6(a) "Excessive Speculation" further states:

Excessive speculation in any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burdens, the Commission shall, from time to time, after due notice and opportunity for hearing, by rule, regulation, or order, proclaim and fix such limits on the amounts of trading which may be done or positions which may be held by any person under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market or derivatives transaction execution facility as the Commission finds are necessary to diminish, eliminate, or prevent such burden.

The strongest evidence of whether a contract market satisfied its obligation to the public interest of managing and assuming price risks, discovering prices, or disseminating pricing information, and preventing excessive speculation or unwarranted changes in the price of such commodity so as to constitute an undue and unnecessary burden on interstate commerce, is the relationship between the futures price and the cash market price of the commodity. Not only is

convergence during delivery expected, but also a normal range of the spread or basis between the two markets during trading between delivery periods. A normal basis spread over time is readily observable and should be expected in a contract market meeting its obligations to the public. When divergence between cash and futures of an abnormal degree occurs, that contract market is failing to meet its responsibility to the public under the Act, and its Board and management, and the Commission, are statutorily bound to take immediate corrective action.

The Cotton Situation

The fundamental cotton supply and demand background against which the cotton cash market and ICE Futures US have been trading is one of the realization of increasingly burdensome supplies.

**Monthly U.S. Cotton Supply/Demand Estimates
For
2007 Crop Marketing Year
(August 1, 2007 – July 31, 2008)
Source: USDA
(million of 480 lb. bales)**

	2007 Production	Projected 2007 U.S. Mill Use	Projected 2007 U.S. Exports	Projected 7/31/2008 Carrvover
August	17.4	4.6	16.7	5.8
October	18.2	4.6	16.7	6.4
December	19.0	4.6	16.2	7.7
February	19.0	4.6	15.7	8.2
March	19.0	4.6	14.5	9.4
April	19.4	4.7	14.5	9.7

Against this background, please observe the behavior of cotton futures from July 2007 through April 16, 2008. This is a daily continuation chart of futures only, limited by their daily trading limit. If it were adjusted to reflect the synthetic high value of the May Futures contract as measured by the value of call options on that futures contract, the high would have been \$1.09.

(See Attachment – **Cotton Daily Continuation Chart**)

Now please observe the behavior of the cash market during this same period of time, as expressed as a basis (cash minus futures). The cash market presented is the average daily cash price on the Seam, a liquid electronic cash market that has two sales venues, grower to buyer sales and buyer to buyer (inter-merchant or inter-shipper sales). The daily sales volume for each appears below the basis graph.

(See Attachment - **Grower to Buyer Sales Graph**)

(See Attachment - **Buyer to Buyer Sales Graph**)

The failure of the cash market to follow futures and thus their divergence, is readily apparent by measuring the deterioration of the basis. After trading in the grower to buyer venue at an average of about 550 off from 7/01/07 through 2/11/08, it deteriorated to 912 off on 2/21/08

(on volume of 40,618 bales) and continued to deteriorate to 2546 off on 3/4/08 and 2873 off on 3/05/08, and has remained wide thereafter. Results in the buyer to buyer venue are similar.

Where Are We Today in Cotton?

- (1) The futures and options markets today are not reliable discoverers of prices. When futures increase 21.15¢ in absolute terms (February 20 – March 4) and 30.87¢ in synthetic value while the cash market (as measured by the Seam's Grower to Buyer market) increases 4.21¢/lb, any semblance of a reliable relationship upon which business decisions can be made is destroyed.
- (2) The futures and options markets are not reliable vehicles for transferring risk. A buyer who bought physical cotton on the Seam from a grower on February 20 at 63.38¢/lb, hedged the purchase at spot month futures of 72.19¢, and then sold the cotton on 3/04 at 63.40¢ and bought back his short hedge would have lost 16.65¢/lb, or 26.3% of the purchase price. This certainly fits the Act's definition of an unreasonable fluctuation or unwarranted change in the price of the commodity that constitutes an unnecessary burden on interstate commerce.
- (3) Fear of a repetition of these events prevents the middlemen between producers and mill consumers from entering into forward crop contracts, unduly burdening interstate commerce in the commodity.

During and since these occurrences, the management and Board of Ice Futures US has failed to fulfill its self-regulation requirement under the Act to meet its statutory obligation to the public, and the Commodity Futures Trading Commission has failed to fulfill its statutory obligation under the Act to force the management and Board of Ice Futures US, and other contract markets similarly impacted, to take such action. I understand that the situation is not unique to cotton.

Why Do These Markets No Longer Serve As Acceptable Vehicles for Price Discovery and Risk transfer, and What Can Be Done to Restore Them?

In governing an agricultural futures market, every decision must recognize one salient fact – the number of true hedges of the physical agricultural commodity that can be placed in the contract market is finite because it is dependent on the size of the crop, and how much of that limited supply remains unconsumed. All futures or options positions in excess of that number are not true hedges of the physicals. This is recognized in the Act and has historically been recognized by placing limits on the size of the positions of every class of market participant. What was historically achieved was a careful balance between hedgers of the physical commodity and speculators, that kept the relationship between the price of the futures contract and the cash commodity within a historically recognized range that was generally accepted by the trade in their cash contracts, thus not burdening interstate commerce. Achieving this balance was made easier in that many classes of pooled money, such as pension funds, chose not to trade in commodity markets under the belief that they were too speculative. The agricultural commodity markets thus were governed and regulated overwhelmingly in order to facilitate the flow of the physical agricultural commodity through the distribution chain. The fact that most of the approved contract markets were not organized for profit meant that the owners and the Board they elected were concerned most with achieving price discovery and risk transfer for themselves.

All this changed and has thrown things out of balance. Currently there is an inherent conflict of interest between the management and Boards of for profit exchanges and their self-regulatory obligation. To limit market participants to achieve the requirements of the Act

potentially costs them trading volume, which costs them money. Also the open interest position of speculators and of traders defined by the CFTC as “hedgers”, but who don’t trade the physical commodity in interstate commerce has grown exponentially. Consider for instance that the dollar volume of investor funds tied to the Standard & Poor’s Goldman Sachs Commodity Index (S&P GSCI) has grown from \$60 billion in 2006, to \$85 billion in 2007, and is projected by some to reach \$100 billion in 2008. (Source: Pastine, Alejandro S., “Speculation and Cotton Prices,” Cotton: Review of the World Situation, International Cotton Advisory Committee, Volume 61 – Number 4, March-April, 2008). This excellent analysis points out that even though the dollar value of index traders funds has increased dramatically, in cotton at least, “index traders have not been the main force behind the increase in open interest for cotton futures and options, but non-index traders speculators have.” It includes the following table:

Speculator's Long Positions, by Trader (averages)									
Year	Speculator's Long Positions					Trader's Long Positions			
	Total	Index Traders	Non-Index Traders			IT/Total Spec	Non-IT Total Spec	Non-IT Long/Non-IT Total	Non-IT Spread/Non-IT Total
			Total	Long	Spread				
2006	144,679	72,813	71,866	26,098	45,768	50%	50%	36%	64%
2007	243,682	96,149	147,533	53,458	94,075	39%	61%	36%	64%
2008	317,420	111,382	205,638	83,471	122,167	35%	65%	41%	59%

The huge increases in open interest in agricultural futures markets, driven by the acceptance of commodity futures as an investment grade asset class and the emergence of the long only index funds, both coupled with the phenomenon of contract markets operated and managed for profit, have thrown these markets into disorder. The finite nature of the volume of contracts of the agricultural commodity that can be entered into by the true hedger remains the same – it is limited to the volume of the crop produced that remains unconsumed. However, the volume of contracts now being entered into by non-hedgers of the physical agricultural commodity is growing almost exponentially. Since the index fund component of these must always be long, there must exist a logical bias for the non-index speculators to be unduly long also. The self-regulation concept of the CFTC has failed. It seems to be asking too much of a for profit contract market on its own initiative to take action that limits the increased participation of the index trader and non-index speculator trader sufficiently to return enough balance so that the markets are returned to their mandated function of providing price discovery and risk transfer. Additionally, during the times these changes in market participants have occurred, the CFTC has accommodated the desire of the for profit exchanges to increase open interest by increasing its permitted position limits.

Under current statute the CFTC must regulate these markets so that a means is provided for managing and assuming price risks, discovering prices, or disseminating pricing information through trading in liquid, fair, and financially secure trading facilities; to deter and prevent price manipulation or other disruptions to market integrity; and to prevent excessive speculation or unreasonable fluctuations or unwarranted changes in the price of the commodity. Failure to do so places an unnecessary burden on interstate commerce. Currently, in my opinion, the Boards and managements of the agricultural commodity markets through self-regulation, and the CFTC through regulation, are failing in their statutory obligations to achieve these ends. Hopefully this hearing is part of a process by which the CFTC will meet its statutory obligation. Failure to do so will result in these markets being managed and regulated for the purpose of providing investment

vehicles to attract a flow of investment funds and not for price discovery and risk transfer. Although some may desire this, the Act is straightforward as to the purposes for which the markets are to be regulated.

Recommendations

On behalf of the members of Amcot, we respectfully urge the Commission to implement or publicly respond to as many of the following recommendations as possible by June 1, 2008:

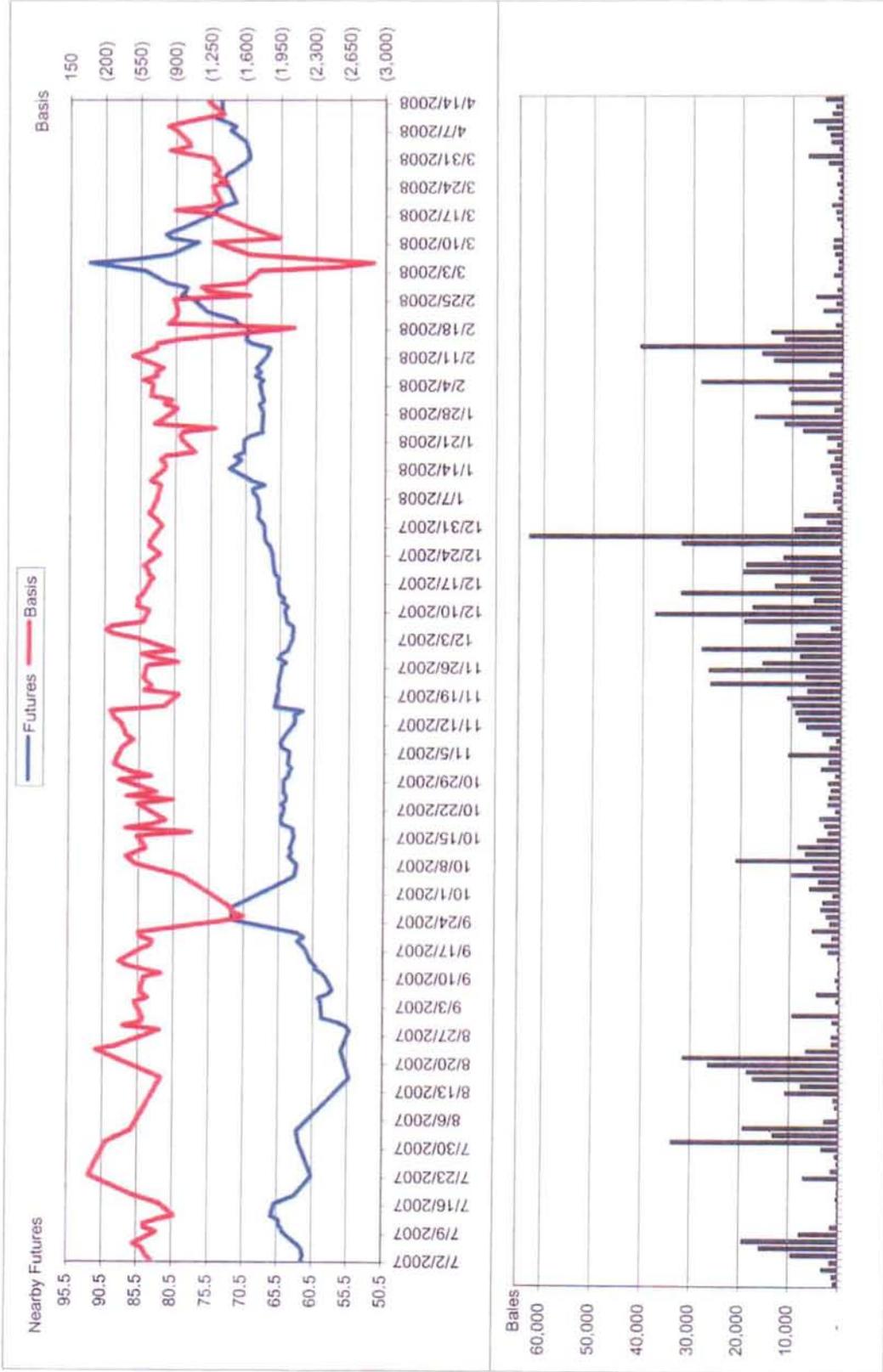
- (1) Redesign the weekly CFTC position of traders report so that "Commercial" accounts be divided into two categories – hedgers involved as a commercial enterprise in the production, distribution, or consumption of the physical agricultural commodity, and hedgers not so involved.
- (2) Require that any part of the position of an index fund with a hedge exemption that exceeds the dollar allocation or the percentage of funds allocated to that commodity as defined in its prospectus and recorded with the CFTC be subject to speculative position limits, speculative margin, and be reported weekly to the CFTC.
- (3) Require that contract markets recognize at least three classes of traders; hedgers involved as a commercial enterprise in the production, distribution, or consumption of the physical agricultural commodity, other hedgers, and speculators. Initial margin required should be mandated so that "commercial enterprise" hedgers have the lowest, other hedgers next, and speculators the highest. The spread of initial margin between "commercial enterprise" hedgers and speculators must be significantly greater than the current spread between hedgers and speculators.
- (4) Analyze what regulatory changes are necessary in order to restore a balance in agricultural contract markets between the positions of hedgers involved in production, distribution, or consumption and all other categories of traders that will make these markets meet the requirements of the Act as quoted above. This would include, but not be limited to,
 - (a) Establish the maximum size of speculative limits that can be approved for a particular market on a market by market basis, and not on a "one size fits all" basis. This should result in a decrease in CFTC allowed maximum position limits for smaller contract markets.
 - (b) Requiring market participants to report to the CFTC weekly the positions held in the contract market that are offsetting swap and OTC contracts, so that the CFTC can have that information available to monitor possible price disruptive behavior.
 - (c) Require that daily trading range limits be established in agricultural contract markets for futures and options on futures.
- (5) Require that contract markets that are organized on a for profit basis contract with an independent third party to provide their market surveillance function and that all copies of this independent third party's reports be forwarded to at least two public members of the contract market's Board.
- (6) Investigate the events in the cotton futures market of February 20 – March 20, which in the opinion of this writer constituted an undue burden on interstate commerce under the Act, to determine what caused the unreasonable fluctuations and unwarranted changes in price. Since the board and management of the contract market and the Commission are statutorily bound to prevent such trading, such an investigation is necessary so that appropriate safeguards can be developed to prevent its repetition in this or some other contract market.

CTA - Cotton (Combined), Daily Continuation

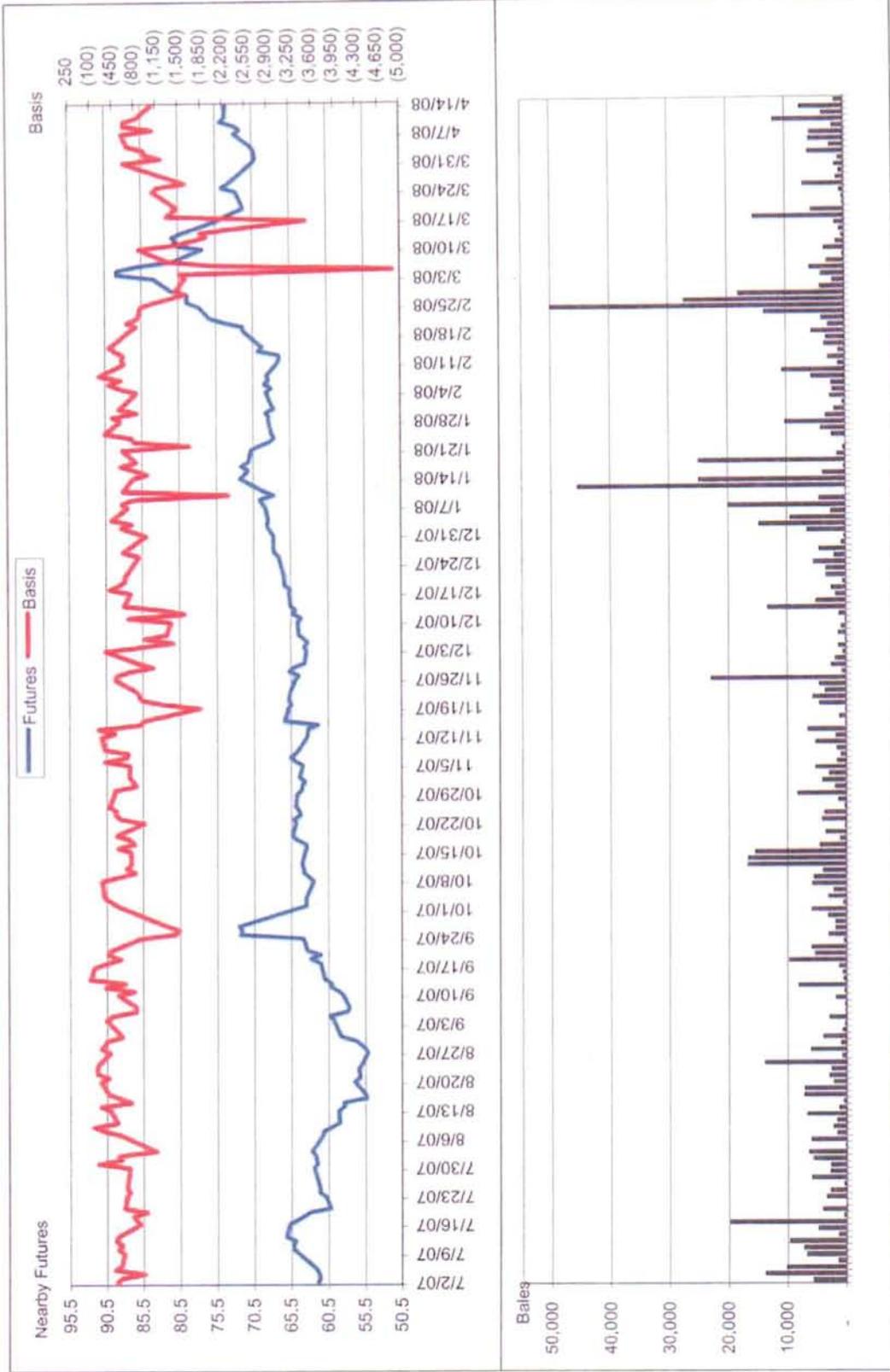


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Grower to Buyer Sales



Buyer to Buyer Sales



Trade Date	Bales	Average Price	Nearby Futures	Basis	G 2 B
7/2/07	701	0.5499	0.6193	(0.0694)	61.93 (694.00)
7/3/07	967	0.5523	0.6174	(0.0651)	61.74 (651.00)
7/5/07	3,038	0.5590	0.6198	(0.0608)	61.98 (608.00)
7/6/07	1,447	0.5739	0.6258	(0.0519)	62.58 (519.00)
7/9/07	9,266	0.5712	0.6464	(0.0752)	64.64 (752.00)
7/10/07	15,661	0.5856	0.6483	(0.0627)	64.83 (627.00)
7/11/07	19,185	0.5905	0.6527	(0.0622)	65.27 (622.00)
7/12/07	7,611	0.5759	0.6513	(0.0754)	65.13 (754.00)
7/13/07	1,382	0.5709	0.6633	(0.0924)	66.33 (924.00)
7/16/07	52	0.5811	0.6587	(0.0776)	65.87 (776.00)
7/18/07	63	0.5779	0.6299	(0.0520)	62.99 (520.00)
7/23/07	124	0.5990	0.6060	(0.0070)	60.6 (70.00)
7/31/07	337	0.6005	0.6245	(0.0240)	62.45 (240.00)
8/3/07	123	0.5790	0.6275	(0.0485)	62.75 (485.00)
8/16/07	28	0.4739	0.5523	(0.0784)	55.23 (784.00)
8/23/07	6,900	0.5514	0.5646	(0.0132)	56.46 (132.00)
8/24/07	1,409	0.5286	0.5619	(0.0333)	56.19 (333.00)
8/28/07	231	0.4760	0.5530	(0.0770)	55.3 (770.00)
8/29/07	572	0.5175	0.5573	(0.0398)	55.73 (398.00)
8/30/07	3,288	0.5123	0.5706	(0.0583)	57.06 (583.00)
8/31/07	33,644	0.5323	0.5921	(0.0598)	59.21 (598.00)
9/4/07	13,074	0.5428	0.5945	(0.0517)	59.45 (517.00)
9/5/07	19,163	0.5327	0.5977	(0.0650)	59.77 (650.00)
9/6/07	2,752	0.5249	0.5838	(0.0589)	58.38 (589.00)
9/7/07	47	0.5200	0.5775	(0.0575)	57.75 (575.00)
9/10/07	615	0.5261	0.5871	(0.0610)	58.71 (610.00)
9/11/07	934	0.5137	0.5920	(0.0783)	59.2 (783.00)
9/12/07	10,644	0.5420	0.6011	(0.0591)	60.11 (591.00)
9/13/07	7,470	0.5593	0.6020	(0.0427)	60.2 (427.00)
9/14/07	17,176	0.5725	0.6086	(0.0361)	60.86 (361.00)
9/17/07	18,439	0.5586	0.6164	(0.0578)	61.64 (578.00)
9/18/07	26,266	0.5543	0.6214	(0.0671)	62.14 (671.00)
9/19/07	31,393	0.5585	0.6276	(0.0691)	62.76 (691.00)
9/20/07	6,567	0.5623	0.6191	(0.0568)	61.91 (568.00)
9/21/07	1,425	0.5724	0.6281	(0.0557)	62.81 (557.00)
9/24/07	1,461	0.5751	0.7181	(0.1430)	71.81 (1,430.00)
9/25/07	195	0.5626	0.7222	(0.1596)	72.22 (1,596.00)
9/26/07	1,286	0.5728	0.7216	(0.1488)	72.16 (1,488.00)
9/27/07	9,361	0.5758	0.7242	(0.1484)	72.42 (1,484.00)
10/5/07	15	0.5334	0.6325	(0.0991)	63.25 (991.00)
10/8/07	571	0.5771	0.6292	(0.0521)	62.92 (521.00)
10/10/07	4,469	0.5984	0.6409	(0.0425)	64.09 (425.00)
10/11/07	296	0.5839	0.6362	(0.0523)	63.62 (523.00)
10/12/07	742	0.5770	0.6393	(0.0623)	63.93 (623.00)
10/15/07	220	0.5800	0.6335	(0.0535)	63.35 (535.00)
10/16/07	62	0.5275	0.6350	(0.1075)	63.5 (1,075.00)
10/17/07	282	0.5929	0.6352	(0.0423)	63.52 (423.00)
10/18/07	2,132	0.5822	0.6504	(0.0682)	65.04 (682.00)

Trade Date	Bales	Average Price	Nearby Futures	Basis	G 2 B	
10/19/07	3,477	0.5713	0.6531	(0.0818)	65.31	(818.00)
10/22/07	1,443	0.5872	0.6479	(0.0607)	64.79	(607.00)
10/23/07	5,399	0.5970	0.6510	(0.0540)	65.1	(540.00)
10/24/07	1,880	0.5555	0.6449	(0.0894)	64.49	(894.00)
10/25/07	2,524	0.6018	0.6447	(0.0429)	64.47	(429.00)
10/26/07	3,659	0.5759	0.6488	(0.0729)	64.88	(729.00)
10/29/07	3,243	0.6129	0.6484	(0.0355)	64.84	(355.00)
10/30/07	1,233	0.5738	0.6416	(0.0678)	64.16	(678.00)
10/31/07	5,951	0.5936	0.6409	(0.0473)	64.09	(473.00)
11/1/07	4,172	0.5995	0.6372	(0.0377)	63.72	(377.00)
11/2/07	9,568	0.6122	0.6425	(0.0303)	64.25	(303.00)
11/5/07	5,268	0.6043	0.6400	(0.0357)	64	(357.00)
11/6/07	20,877	0.6126	0.6507	(0.0381)	65.07	(381.00)
11/7/07	6,922	0.6094	0.6537	(0.0443)	65.37	(443.00)
11/8/07	8,392	0.6012	0.6506	(0.0494)	65.06	(494.00)
11/9/07	4,500	0.6050	0.6471	(0.0421)	64.71	(421.00)
11/12/07	2,320	0.5957	0.6330	(0.0373)	63.3	(373.00)
11/13/07	3,054	0.6013	0.6323	(0.0310)	63.23	(310.00)
11/14/07	4,065	0.6047	0.6333	(0.0286)	63.33	(286.00)
11/15/07	863	0.5949	0.6216	(0.0267)	62.16	(267.00)
11/16/07	2,437	0.5826	0.6620	(0.0794)	66.2	(794.00)
11/19/07	2,253	0.5642	0.6587	(0.0945)	65.87	(945.00)
11/20/07	1,874	0.5959	0.6560	(0.0601)	65.6	(601.00)
11/21/07	2,411	0.5902	0.6573	(0.0671)	65.73	(671.00)
11/23/07	935	0.5968	0.6560	(0.0592)	65.6	(592.00)
11/26/07	3,792	0.5903	0.6523	(0.0620)	65.23	(620.00)
11/27/07	2,232	0.5516	0.6454	(0.0938)	64.54	(938.00)
11/28/07	10,334	0.5863	0.6573	(0.0710)	65.73	(710.00)
11/29/07	2,121	0.5959	0.6534	(0.0575)	65.34	(575.00)
11/30/07	782	0.5549	0.6440	(0.0891)	64.4	(891.00)
12/3/07	3,561	0.5853	0.6362	(0.0509)	63.62	(509.00)
12/4/07	6,724	0.6069	0.6370	(0.0301)	63.7	(301.00)
12/5/07	8,303	0.6141	0.6358	(0.0217)	63.58	(217.00)
12/6/07	8,923	0.6086	0.6355	(0.0269)	63.55	(269.00)
12/7/07	9,476	0.5862	0.6444	(0.0582)	64.44	(582.00)
12/10/07	10,616	0.5842	0.6483	(0.0641)	64.83	(641.00)
12/11/07	6,607	0.5911	0.6432	(0.0521)	64.32	(521.00)
12/12/07	26,216	0.5970	0.6511	(0.0541)	65.11	(541.00)
12/13/07	6,959	0.5955	0.6485	(0.0530)	64.85	(530.00)
12/14/07	26,500	0.5979	0.6561	(0.0582)	65.61	(582.00)
12/17/07	15,612	0.5935	0.6584	(0.0649)	65.84	(649.00)
12/18/07	8,078	0.5885	0.6566	(0.0681)	65.66	(681.00)
12/19/07	27,945	0.5994	0.6626	(0.0632)	66.26	(632.00)
12/20/07	9,160	0.6005	0.6639	(0.0634)	66.39	(634.00)
12/21/07	8,883	0.6060	0.6649	(0.0589)	66.49	(589.00)
12/24/07	2,013	0.5915	0.6665	(0.0750)	66.65	(750.00)
12/26/07	19,422	0.6059	0.6701	(0.0642)	67.01	(642.00)
12/27/07	37,402	0.6110	0.6760	(0.0650)	67.6	(650.00)

Trade Date	Bales	Average Price	Nearby Futures	Basis	G 2 B
12/28/07	17,665	0.6099	0.6776	(0.0677)	67.76 (677.00)
12/31/07	5,412	0.6014	0.6783	(0.0769)	67.83 (769.00)
1/2/08	32,197	0.6178	0.6869	(0.0691)	68.69 (691.00)
1/3/08	13,172	0.6228	0.6869	(0.0641)	68.69 (641.00)
1/4/08	6,148	0.6180	0.6852	(0.0672)	68.52 (672.00)
1/7/08	19,586	0.6154	0.6878	(0.0724)	68.78 (724.00)
1/8/08	19,044	0.6205	0.6939	(0.0734)	69.39 (734.00)
1/9/08	11,528	0.6211	0.6954	(0.0743)	69.54 (743.00)
1/10/08	193	0.6029	0.6780	(0.0751)	67.8 (751.00)
1/11/08	32,058	0.6298	0.6958	(0.0660)	69.58 (660.00)
1/14/08	62,793	0.6490	0.7285	(0.0795)	72.85 (795.00)
1/15/08	9,366	0.6389	0.7190	(0.0801)	71.9 (801.00)
1/16/08	2,897	0.6369	0.7119	(0.0750)	71.19 (750.00)
1/17/08	7,537	0.6412	0.7210	(0.0798)	72.1 (798.00)
1/18/08	760	0.5987	0.7082	(0.1095)	70.82 (1,095.00)
1/21/08	1,611	0.6116	0.7079	(0.0963)	70.79 (963.00)
1/22/08	1,611	0.6051	0.6999	(0.0948)	69.99 (948.00)
1/23/08	982	0.5839	0.6815	(0.0976)	68.15 (976.00)
1/24/08	1,080	0.5532	0.6823	(0.1291)	68.23 (1,291.00)
1/25/08	1,985	0.6130	0.6821	(0.0691)	68.21 (691.00)
1/28/08	2,260	0.5940	0.6808	(0.0868)	68.08 (868.00)
1/29/08	1,397	0.5918	0.6833	(0.0915)	68.33 (915.00)
1/30/08	2,850	0.6074	0.6859	(0.0785)	68.59 (785.00)
1/31/08	889	0.5931	0.6793	(0.0862)	67.93 (862.00)
2/1/08	2,915	0.6164	0.6818	(0.0654)	68.18 (654.00)
2/4/08	7,708	0.6181	0.6858	(0.0677)	68.58 (677.00)
2/5/08	11,471	0.6226	0.6806	(0.0580)	68.06 (580.00)
2/6/08	17,407	0.6199	0.6915	(0.0716)	69.15 (716.00)
2/7/08	1,476	0.6139	0.6839	(0.0700)	68.39 (700.00)
2/8/08	10,162	0.6130	0.6906	(0.0776)	69.06 (776.00)
2/11/08	232	0.6289	0.6762	(0.0473)	67.62 (473.00)
2/13/08	10,647	0.6001	0.6707	(0.0706)	67.07 (706.00)
2/14/08	28,253	0.6249	0.6961	(0.0712)	69.61 (712.00)
2/15/08	2,540	0.6156	0.7056	(0.0900)	70.56 (900.00)
2/18/08	33	0.4939	0.7018	(0.2079)	70.18 (2,079.00)
2/19/08	13,585	0.6345	0.7172	(0.0827)	71.72 (827.00)
2/20/08	15,999	0.6338	0.7219	(0.0881)	72.19 (881.00)
2/21/08	40,618	0.6526	0.7438	(0.0912)	74.38 (912.00)
2/22/08	11,411	0.6698	0.7619	(0.0921)	76.19 (921.00)
2/25/08	14,150	0.6919	0.7798	(0.0879)	77.98 (879.00)
2/26/08	1,246	0.6330	0.7966	(0.1636)	79.66 (1,636.00)
2/27/08	88	0.6700	0.7910	(0.1210)	79.1 (1,210.00)
2/28/08	3,726	0.6735	0.7889	(0.1154)	78.89 (1,154.00)
2/29/08	1,131	0.6585	0.8166	(0.1581)	81.66 (1,581.00)
3/3/08	5,168	0.6759	0.8486	(0.1727)	84.86 (1,727.00)
3/4/08	924	0.6340	0.8886	(0.2546)	88.86 (2,546.00)
3/5/08	169	0.6401	0.9274	(0.2873)	92.74 (2,873.00)
3/6/08	1,660	0.6374	0.8582	(0.2208)	85.82 (2,208.00)

Trade Date	Bales	Average Price	Nearby Futures	Basis	G 2 B
3/7/08	701	0.6509	0.8128	(0.1619)	81.28 (1,619.00)
3/10/08	681	0.6458	0.7728	(0.1270)	77.28 (1,270.00)
3/11/08	1,455	0.6181	0.8121	(0.1940)	81.21 (1,940.00)
3/12/08	1,744	0.6377	0.8194	(0.1817)	81.94 (1,817.00)
3/14/08	1,709	0.6314	0.7895	(0.1581)	78.95 (1,581.00)
3/17/08	30	0.6235	0.7530	(0.1295)	75.3 (1,295.00)
3/18/08	278	0.6588	0.7481	(0.0893)	74.81 (893.00)
3/19/08	975	0.6155	0.7399	(0.1244)	73.99 (1,244.00)
3/20/08	1,182	0.5861	0.7200	(0.1339)	72 (1,339.00)
3/24/08	2,058	0.6045	0.7303	(0.1258)	73.03 (1,258.00)
3/25/08	752	0.6029	0.7438	(0.1409)	74.38 (1,409.00)
3/26/08	485	0.6022	0.7371	(0.1349)	73.71 (1,349.00)
3/27/08	1,020	0.6050	0.7332	(0.1282)	73.32 (1,282.00)
3/28/08	352	0.5904	0.7231	(0.1327)	72.31 (1,327.00)
3/31/08	740	0.5756	0.7004	(0.1248)	70.04 (1,248.00)
4/1/08	2,765	0.5988	0.7009	(0.1021)	70.09 (1,021.00)
4/2/08	6,718	0.6182	0.7019	(0.0837)	70.19 (837.00)
4/3/08	558	0.6004	0.7046	(0.1042)	70.46 (1,042.00)
4/4/08	2,173	0.6025	0.7052	(0.1027)	70.52 (1,027.00)
4/7/08	2,328	0.6379	0.7277	(0.0898)	72.77 (898.00)
4/8/08	3,189	0.6381	0.7202	(0.0821)	72.02 (821.00)
4/9/08	5,783	0.6338	0.7329	(0.0991)	73.29 (991.00)
4/10/08	1,928	0.6316	0.7476	(0.1160)	74.76 (1,160.00)
4/11/08	1,279	0.6022	0.7397	(0.1375)	73.97 (1,375.00)
4/14/08	3,307	0.6185	0.7406	(0.1221)	74.06 (1,221.00)

Trade Date	Bales	Average Price	Nearby Futures	Basis	B 2 B
7/2/07	5,480	0.5688	0.6185	(0.0497)	61.85 (497.00)
7/3/07	13,569	0.5589	0.6164	(0.0575)	61.64 (575.00)
7/4/07	10,000	0.5234	0.6175	(0.0941)	61.75 (941.00)
7/5/07	1,287	0.5735	0.6200	(0.0465)	62 (465.00)
7/6/07	6,558	0.5692	0.6256	(0.0564)	62.56 (564.00)
7/9/07	7,084	0.5842	0.6451	(0.0609)	64.51 (609.00)
7/10/07	9,473	0.6001	0.6520	(0.0519)	65.2 (519.00)
7/11/07	1,175	0.5950	0.6525	(0.0575)	65.25 (575.00)
7/12/07	4,656	0.6023	0.6500	(0.0477)	65 (477.00)
7/13/07	19,722	0.6119	0.6619	(0.0500)	66.19 (500.00)
7/16/07	358	0.5715	0.6580	(0.0865)	65.8 (865.00)
7/18/07	3,933	0.5636	0.6387	(0.0751)	63.87 (751.00)
7/19/07	15	0.5335	0.6307	(0.0972)	63.07 (972.00)
7/20/07	3,211	0.5410	0.6025	(0.0615)	60.25 (615.00)
7/23/07	2,615	0.5437	0.6087	(0.0650)	60.87 (650.00)
7/24/07	302	0.5472	0.6170	(0.0698)	61.7 (698.00)
7/25/07	5,741	0.5513	0.6164	(0.0651)	61.64 (651.00)
7/30/07	2,588	0.5555	0.6247	(0.0692)	62.47 (692.00)
7/31/07	2,495	0.6000	0.6200	(0.0200)	62 (200.00)
8/1/07	5,533	0.5653	0.6214	(0.0561)	62.14 (561.00)
8/2/07	6,247	0.5691	0.6219	(0.0528)	62.19 (528.00)
8/3/07	40	0.5150	0.6275	(0.1125)	62.75 (1,125.00)
8/7/07	5,840	0.5569	0.6127	(0.0558)	61.27 (558.00)
8/8/07	1,489	0.5805	0.6118	(0.0313)	61.18 (313.00)
8/9/07	2,056	0.5881	0.6004	(0.0123)	60.04 (123.00)
8/10/07	1,516	0.5400	0.5900	(0.0500)	59 (500.00)
8/13/07	6,531	0.5519	0.5910	(0.0391)	59.1 (391.00)
8/14/07	1,165	0.5597	0.5835	(0.0238)	58.35 (238.00)
8/15/07	452	0.5116	0.5841	(0.0725)	58.41 (725.00)
8/16/07	7,041	0.4996	0.5536	(0.0540)	55.36 (540.00)
8/17/07	6,986	0.5185	0.5550	(0.0365)	55.5 (365.00)
8/20/07	2,035	0.5468	0.5700	(0.0232)	57 (232.00)
8/21/07	2,774	0.5262	0.5629	(0.0367)	56.29 (367.00)
8/22/07	2,446	0.5449	0.5631	(0.0182)	56.31 (182.00)
8/23/07	13,764	0.5469	0.5645	(0.0176)	56.45 (176.00)
8/24/07	601	0.5425	0.5610	(0.0185)	56.1 (185.00)
8/27/07	5,898	0.5137	0.5519	(0.0382)	55.19 (382.00)
8/28/07	853	0.5305	0.5550	(0.0245)	55.5 (245.00)
8/30/07	3,816	0.5341	0.5683	(0.0342)	56.83 (342.00)
8/31/07	574	0.5300	0.5878	(0.0578)	58.78 (578.00)
9/4/07	191	0.5650	0.5980	(0.0330)	59.8 (330.00)
9/5/07	2,771	0.5613	0.6030	(0.0417)	60.3 (417.00)
9/6/07	33	0.4990	0.5791	(0.0801)	57.91 (801.00)
9/7/07	192	0.4962	0.5772	(0.0810)	57.72 (810.00)
9/10/07	1,670	0.5337	0.5853	(0.0516)	58.53 (516.00)
9/11/07	265	0.5145	0.5915	(0.0770)	59.15 (770.00)
9/12/07	8,036	0.5684	0.6005	(0.0321)	60.05 (321.00)
9/13/07	398	0.5380	0.6011	(0.0631)	60.11 (631.00)

Trade Date	Bales	Average Price	Nearby Futures	Basis	B 2 B
9/14/07	564	0.6032	0.6102	(0.0070)	61.02 (70.00)
9/17/07	1,109	0.6009	0.6143	(0.0134)	61.43 (134.00)
9/18/07	9,598	0.5825	0.6155	(0.0330)	61.55 (330.00)
9/19/07	5,255	0.5729	0.6289	(0.0560)	62.89 (560.00)
9/20/07	5,785	0.5789	0.6154	(0.0365)	61.54 (365.00)
9/21/07	370	0.5944	0.6334	(0.0390)	63.34 (390.00)
9/24/07	2,872	0.5507	0.6390	(0.0883)	63.9 (883.00)
9/25/07	1,734	0.5805	0.7240	(0.1435)	72.4 (1,435.00)
9/26/07	1,738	0.5738	0.7217	(0.1479)	72.17 (1,479.00)
9/27/07	2,984	0.5966	0.7259	(0.1293)	72.59 (1,293.00)
10/2/07	5,750	0.5848	0.6347	(0.0499)	63.47 (499.00)
10/4/07	440	0.6050	0.6346	(0.0296)	63.46 (296.00)
10/8/07	2,974	0.5993	0.6246	(0.0253)	62.46 (253.00)
10/10/07	1,969	0.5586	0.6380	(0.0794)	63.8 (794.00)
10/11/07	5,651	0.5735	0.6382	(0.0647)	63.82 (647.00)
10/12/07	5,378	0.5684	0.6407	(0.0723)	64.07 (723.00)
10/15/07	3,825	0.5644	0.6368	(0.0724)	63.68 (724.00)
10/16/07	16,604	0.5828	0.6342	(0.0514)	63.42 (514.00)
10/17/07	16,555	0.5578	0.6354	(0.0776)	63.54 (776.00)
10/18/07	15,334	0.5775	0.6477	(0.0702)	64.77 (702.00)
10/19/07	4,388	0.6042	0.6532	(0.0490)	65.32 (490.00)
10/22/07	910	0.5546	0.6487	(0.0941)	64.87 (941.00)
10/23/07	3,370	0.5957	0.6514	(0.0557)	65.14 (557.00)
10/24/07	111	0.5950	0.6425	(0.0475)	64.25 (475.00)
10/25/07	4,000	0.5954	0.6444	(0.0490)	64.44 (490.00)
10/26/07	3,634	0.6111	0.6488	(0.0377)	64.88 (377.00)
10/29/07	176	0.6022	0.6475	(0.0453)	64.75 (453.00)
10/30/07	1,217	0.5945	0.6409	(0.0464)	64.09 (464.00)
10/31/07	8,162	0.5596	0.6407	(0.0811)	64.07 (811.00)
11/1/07	1,746	0.5612	0.6366	(0.0754)	63.66 (754.00)
11/2/07	3,944	0.5745	0.6437	(0.0692)	64.37 (692.00)
11/5/07	2,780	0.5694	0.6394	(0.0700)	63.94 (700.00)
11/6/07	5,132	0.6189	0.6492	(0.0303)	64.92 (303.00)
11/7/07	1,463	0.5908	0.6555	(0.0647)	65.55 (647.00)
11/8/07	776	0.5807	0.6489	(0.0682)	64.89 (682.00)
11/9/07	1,499	0.6143	0.6445	(0.0302)	64.45 (302.00)
11/12/07	5,118	0.6084	0.6337	(0.0253)	63.37 (253.00)
11/13/07	1,642	0.5853	0.6322	(0.0469)	63.22 (469.00)
11/14/07	6,388	0.6120	0.6324	(0.0204)	63.24 (204.00)
11/15/07	51	0.5315	0.6184	(0.0869)	61.84 (869.00)
11/16/07	1,016	0.5715	0.6631	(0.0916)	66.31 (916.00)
11/19/07	61	0.4774	0.6588	(0.1814)	65.88 (1,814.00)
11/20/07	4,427	0.5325	0.6546	(0.1221)	65.46 (1,221.00)
11/21/07	5,492	0.5680	0.6579	(0.0899)	65.79 (899.00)
11/23/07	3,493	0.5736	0.6560	(0.0824)	65.6 (824.00)
11/26/07	4,436	0.6018	0.6494	(0.0476)	64.94 (476.00)
11/27/07	22,877	0.5951	0.6444	(0.0493)	64.44 (493.00)
11/28/07	570	0.5868	0.6571	(0.0703)	65.71 (703.00)

Trade Date	Bales	Average Price	Nearby Futures	Basis	B 2 B	
11/29/07	2,380	0.5430	0.6511	(0.1081)	65.11	(1,081.00)
11/30/07	1,718	0.5514	0.6367	(0.0853)	63.67	(853.00)
12/3/07	420	0.6025	0.6345	(0.0320)	63.45	(320.00)
12/4/07	1,176	0.5489	0.6373	(0.0884)	63.73	(884.00)
12/5/07	56	0.4928	0.6325	(0.1397)	63.25	(1,397.00)
12/6/07	1,206	0.5423	0.6376	(0.0953)	63.76	(953.00)
12/7/07	721	0.5157	0.6450	(0.1293)	64.5	(1,293.00)
12/10/07	34	0.5100	0.6461	(0.1361)	64.61	(1,361.00)
12/11/07	1,018	0.5727	0.6413	(0.0686)	64.13	(686.00)
12/12/07	13,140	0.4944	0.6520	(0.1576)	65.2	(1,576.00)
12/13/07	5,004	0.5258	0.6490	(0.1232)	64.9	(1,232.00)
12/14/07	1,645	0.5937	0.6554	(0.0617)	65.54	(617.00)
12/17/07	2,345	0.5849	0.6573	(0.0724)	65.73	(724.00)
12/18/07	449	0.6172	0.6561	(0.0389)	65.61	(389.00)
12/19/07	3,209	0.6100	0.6633	(0.0533)	66.33	(533.00)
12/20/07	3,223	0.6004	0.6636	(0.0632)	66.36	(632.00)
12/21/07	5,324	0.6008	0.6635	(0.0627)	66.35	(627.00)
12/26/07	1,789	0.5851	0.6710	(0.0859)	67.1	(859.00)
12/27/07	4,422	0.6164	0.6773	(0.0609)	67.73	(609.00)
12/28/07	620	0.6087	0.6780	(0.0693)	67.8	(693.00)
12/31/07	194	0.5803	0.6780	(0.0977)	67.8	(977.00)
1/2/08	6,408	0.6281	0.6856	(0.0575)	68.56	(575.00)
1/3/08	14,507	0.6118	0.6863	(0.0745)	68.63	(745.00)
1/4/08	9,294	0.6428	0.6850	(0.0422)	68.5	(422.00)
1/7/08	2,385	0.6212	0.6889	(0.0677)	68.89	(677.00)
1/8/08	19,858	0.6340	0.6927	(0.0587)	69.27	(587.00)
1/9/08	4,350	0.6187	0.6959	(0.0772)	69.59	(772.00)
1/10/08	3	0.4500	0.6772	(0.2272)	67.72	(2,272.00)
1/11/08	45,389	0.6301	0.6913	(0.0612)	69.13	(612.00)
1/14/08	24,817	0.6469	0.7231	(0.0762)	72.31	(762.00)
1/15/08	3,730	0.6170	0.7171	(0.1001)	71.71	(1,001.00)
1/16/08	189	0.6319	0.7118	(0.0799)	71.18	(799.00)
1/17/08	24,889	0.6646	0.7215	(0.0569)	72.15	(569.00)
1/18/08	1,287	0.6294	0.7117	(0.0823)	71.17	(823.00)
1/21/08	256	0.6476	0.7079	(0.0603)	70.79	(603.00)
1/22/08	17	0.5300	0.6965	(0.1665)	69.65	(1,665.00)
1/23/08	2,183	0.6040	0.6826	(0.0786)	68.26	(786.00)
1/24/08	3,996	0.6021	0.6766	(0.0745)	67.66	(745.00)
1/25/08	10,083	0.6475	0.6800	(0.0325)	68	(325.00)
1/28/08	3,210	0.6273	0.6842	(0.0569)	68.42	(569.00)
1/29/08	1,728	0.6386	0.6835	(0.0449)	68.35	(449.00)
1/30/08	361	0.6037	0.6879	(0.0842)	68.79	(842.00)
1/31/08	2,420	0.6220	0.6770	(0.0550)	67.7	(550.00)
2/1/08	1,988	0.6177	0.6806	(0.0629)	68.06	(629.00)
2/4/08	2,213	0.6036	0.6870	(0.0834)	68.7	(834.00)
2/5/08	5,589	0.6236	0.6803	(0.0567)	68.03	(567.00)
2/6/08	10,558	0.6501	0.6894	(0.0393)	68.94	(393.00)
2/7/08	1,051	0.6253	0.6836	(0.0583)	68.36	(583.00)

Trade Date	Bales	Average Price	Nearby Futures	Basis	B 2 B	
2/8/08	2,704	0.6632	0.6866	(0.0234)	68.66	(234.00)
2/11/08	1,035	0.6088	0.6722	(0.0634)	67.22	(634.00)
2/12/08	3,413	0.6099	0.6691	(0.0592)	66.91	(592.00)
2/13/08	3,055	0.6069	0.6691	(0.0622)	66.91	(622.00)
2/14/08	5,528	0.6477	0.6978	(0.0501)	69.78	(501.00)
2/15/08	2,628	0.6521	0.6920	(0.0399)	69.2	(399.00)
2/19/08	3,846	0.6464	0.7181	(0.0717)	71.81	(717.00)
2/20/08	13,573	0.6354	0.7183	(0.0829)	71.83	(829.00)
2/21/08	49,870	0.6753	0.7434	(0.0681)	74.34	(681.00)
2/22/08	27,200	0.6782	0.7630	(0.0848)	76.3	(848.00)
2/25/08	17,941	0.6875	0.7786	(0.0911)	77.86	(911.00)
2/26/08	4,004	0.6804	0.7933	(0.1129)	79.33	(1,129.00)
2/28/08	1,889	0.6339	0.7933	(0.1594)	79.33	(1,594.00)
2/29/08	3,900	0.6672	0.8142	(0.1470)	81.42	(1,470.00)
3/3/08	5,773	0.6775	0.8384	(0.1609)	83.84	(1,609.00)
3/4/08	2,821	0.7357	0.8886	(0.1529)	88.86	(1,529.00)
3/5/08	166	0.4000	0.8887	(0.4887)	88.87	(4,887.00)
3/6/08	3,359	0.6560	0.8600	(0.2040)	86	(2,040.00)
3/7/08	1,295	0.6794	0.8128	(0.1334)	81.28	(1,334.00)
3/10/08	344	0.6850	0.7728	(0.0878)	77.28	(878.00)
3/11/08	663	0.6684	0.8119	(0.1435)	81.19	(1,435.00)
3/12/08	1,452	0.6373	0.8085	(0.1712)	80.85	(1,712.00)
3/13/08	15,318	0.6200	0.8132	(0.1932)	81.32	(1,932.00)
3/14/08	5,456	0.6165	0.8007	(0.1842)	80.07	(1,842.00)
3/17/08	123	0.4018	0.7530	(0.3512)	75.3	(3,512.00)
3/18/08	225	0.6110	0.7428	(0.1318)	74.28	(1,318.00)
3/20/08	606	0.5691	0.7175	(0.1484)	71.75	(1,484.00)
3/24/08	6,772	0.6167	0.7271	(0.1104)	72.71	(1,104.00)
3/25/08	1,137	0.6289	0.7463	(0.1174)	74.63	(1,174.00)
3/26/08	662	0.5770	0.7376	(0.1606)	73.76	(1,606.00)
3/31/08	1,368	0.6412	0.7049	(0.0637)	70.49	(637.00)
4/1/08	838	0.5775	0.7005	(0.1230)	70.05	(1,230.00)
4/2/08	5,937	0.6045	0.7019	(0.0974)	70.19	(974.00)
4/3/08	2,257	0.6063	0.7027	(0.0964)	70.27	(964.00)
4/4/08	5,716	0.6372	0.7068	(0.0696)	70.68	(696.00)
4/7/08	5,592	0.6676	0.7288	(0.0612)	72.88	(612.00)
4/8/08	1,719	0.6121	0.7219	(0.1098)	72.19	(1,098.00)
4/9/08	11,834	0.6646	0.7290	(0.0644)	72.9	(644.00)
4/10/08	3,553	0.6838	0.7477	(0.0639)	74.77	(639.00)
4/11/08	7,279	0.6568	0.7417	(0.0849)	74.17	(849.00)
4/14/08	1,375	0.6324	0.7405	(0.1081)	74.05	(1,081.00)