

COMMENT



OHIO FARM BUREAU

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June 15, 2000

Ms. Jean A. Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
21st Street, NW
Washington, DC 20581

RE: Proposed amendments to the CBOT's maximum daily price fluctuation limits.

Dear Ms. Webb:

On behalf of the over 200,000 Ohio Farm Bureau member families, many of who utilize the Chicago Board of Trade either directly or indirectly, I would like to comment on some of the proposed changes regarding the combined CBOT/Eurex trading system.

As outlined in the Federal Register on June 8, 2000, the proposed CBOT/Eurex exchange will be put in place in lieu of Project A on July 10, 2000. This new combined exchange would increase price limits by 50% and delete the variable/expanded limits, due to the fact that a price limit function cannot be programmed into the Eurex. If and when price limits are subsequently reached, ETS market supervision personnel will manually halt trading in all contract months and options strikes for the remainder of the session.

The Ohio Farm Bureau Federation is opposed to increasing the price limits by 50% and deleting variables/expanded limits as they now exist. Substantial price swings can result in significant margin calls for producers as they hedge their products. This potential volatility considerably raises producer cost to utilize futures and options in their risk management plan. There needs to be some limit to the extent of daily price movement that is allowed.

We believe that the current limits are quite acceptable. Likewise, just because one or two contracts should hit the limit, that is no reason to cease the trading of all contract months and options strikes for the rest of the session. Often futures prices will hit the limit, cease trading momentarily and then continue trading later in the session. The CBOT has expressed the concern that price limits prevent the futures market from discovering price during volatile markets, however, shutting down the market for the remainder of the session is a far greater impediment to price discovery. Markets will be unable to readjust.

Positions grain elevators will be forced to take due to the CBOT's proposed change also create problems for agricultural producers. Elevators' inability to hedge grain purchases

FARM BUREAU MISSION

To improve rural standards of living, increase net farm income and protect personal property rights.

Ms. Jean Webb

June 15, 2000

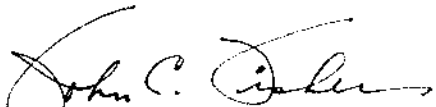
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in the event of markets shutting down means they will need to offset this risk by either refusing to purchase a producer's grain or offering a lower price. Elevators' risk of increased margin exposure will also most likely be transferred, again through lower bids and additional charges, to the farmer.

Ohio Farm Bureau encourages the Chicago Board of Trade to delay consolidation with the Eurex until the daily price limits can be incorporated into the trading program. Changing the computer software Eurex uses to make sure the markets continue to function properly would seem to make more sense than making the markets more difficult and less useful to producers in their hedging strategies.

Thank you for the opportunity to comment on the proposed changes. Please advise if you need any clarification of our position on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Fisher". The signature is fluid and cursive, with a long horizontal stroke at the end.

John C. Fisher
Executive Vice President

JCF/ccj