

# Macon County Farm Bureau

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June 22, 2000

Ms. Jean A. Webb, Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre; 21st St.  
NW; Washington, DC 20581  
Fax: 202-418-5521

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The Chicago Board of Trade's (CBOT) announcement of plans to increase the daily price limits of its major commodities including corn, wheat, soybeans, soybean oil and meal, oats, and rough rice is a very real potential threat family farms, country elevators, and the rural American way of life.

CBOT says the reason for the increase is that the Eurex exchange does not have any programming language allowing it to handle price limits. So in other words, because a computer programmer cannot or has not made the proper code changes farmers and the US marketplace be damned. This is arrogant, greedy, and a slap in the face.

This could eliminate, or significantly limit the extent to which producers and other market participants could use futures and options. We need more farmers using the tools that the CBOT provides not less. Limiting the number of market participants hurts liquidity and hinders price discovery.

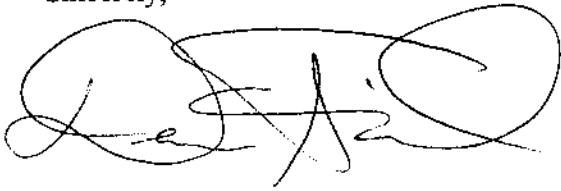
Greater margin risk could force smaller, under-capitalized elevators into financial difficulty. This could lead to;

- a) widening their bids to producers in order to increase their operating margins,
- b) charging fees to producers to simply forward-price their grain, or to use hedge-to-arrive contracts,
- c) pulling their bids completely during volatile times since they cannot afford any additional margin exposure,
- d) elevator failures if they cannot handle increased margin requirements during volatile markets,

- c) pulling their bids completely during volatile times since they cannot afford any additional margin exposure,
- d) elevator failures if they cannot handle increased margin requirements during volatile markets,
- e) more elevator mergers and acquisitions if they cannot handle increased margin requirements during volatile markets.

For these reasons we must strongly oppose increasing the daily limits and expect CFTC to reject this application on these points.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dain Friend', written in a cursive style.

Dain Friend, President  
Macon County Farm Bureau