

allenberg cotton co.



A Division of the Louis Dreyfus Corporation

*Joe Nicosia
Chief Executive Officer*

October 28, 2010

David A. Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
By email: agswapsANPR@cftc.gov

Re: ANPR 17 CFR Part 35 Agricultural Swaps

Dear Mr. Stawick:

Allenberg Cotton Co. is the cotton trading division of Louis Dreyfus Commodities. We are the largest merchant of baled raw cotton in the world. We use the cotton futures and options markets to hedge our physical activity. We welcome this opportunity to submit our views on agricultural swaps in advance of the Commission's proposed rule-making.

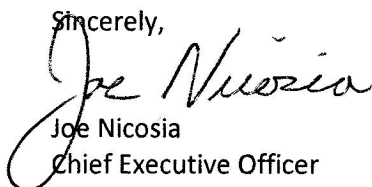
The most important thing in the new rule for agricultural swaps is that they not be allowed to circumvent position limits. Subject to the requirements of the Dodd-Frank Act they should be permitted, and their transaction should be allowed on Designated Contract Markets and Swap Execution Facilities.

We further believe:

- Only a bona fide hedger should qualify for the end user exemption from the clearing mandate. A bona fide hedger should be strictly defined as someone actively engaged in the business of the physical commodity.
- The rule should provide for complete reporting of swaps positions to the Commission in order to provide more transparency and appropriate reporting to the marketplace.
- It is important that for the purpose of aggregating positions all swap and swap-like transactions be included to determine if a participant is within his position limit. The new rule should not impede this in any way regardless of whether a swap is cleared or not.

We look forward to seeing the Commission's proposed rule on agricultural swaps.

Sincerely,



Joe Nicosia
Chief Executive Officer