



RECEIVED  
CFTC

2011 MAR 23 PM 3:38

OFFICE OF THE  
SECRETARIAT

Friday, March 18, 2011

David A. Stawick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21st Street, NW  
Washington, DC 20581

COMMENT

**RE: Please Support Rules Enforcing Contract Limits on Index Funds**

Dear RIND 3038-15 and 3038-AD16:

Today's market volatility represents millions of dollars in undue financial risk to bakers. The futures market has worked relatively well for both bakers and farmers for over a hundred years, but now that has changed. This is due in large part to the influence of index funds in the futures markets.

Index funds are not anything remotely similar to a true commercial hedger, although they continue to receive exemptions that allow them to be defined as such. These exemptions allow them to buy and hold massive amounts of contracts, effectively taking thousands of contracts offline and running up wheat futures prices. This hurts true commercial hedgers like my company as well as consumers, since the false demand created by index fund participating in the markets raises input prices for our products. In addition, Farmers also suffer from the influence of index funds in the market, as the price they actually receive at the elevator is not what is seen in the futures market, and they are often not allowed to sell past the spot month due to large margin requirements.

I strongly urge the CFTC to move forward with rules that redefine index funds as speculators and force them to operate within specified contract limits. In addition, I do not support increasing these contract limits as any increase in the limit would only increase the ability of index funds to collectively manipulate the markets.

Thank you,

Mr. David Schmidt, CMB  
Executive Director  
Wisconsin Bakers Association, Inc.  
2514 S. 102nd Street  
Suite 100  
West Allis WI 53227  
Email: dave@wibakers.com