



Van May, Chairman
P. O. Box 2827 Lubbock, Texas USA 79408
Telephone 806-763-8011 Fax 806-762-7444 email van.may@pcca.com
Representing Staplcotn – Cotton Growers Cooperative – Calcot - PCCA

July 7, 2011

Mr. David Stawick
Secretary of the Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: File No. S7-16-11, 76 FR 29818/ 17 CFR Part 1 Product Definitions

Dear Mr. Stawick:

The four farmer-owned cotton marketing cooperatives which comprise Amcot collectively market about half of the United States' cotton crop each year. We appreciate this opportunity to comment on the Commission's proposed regulations to further refine the definition of agricultural swaps.

Amcot submitted comments to the Commission on April 1, 2011, in response to the proposed regulations for commodity options and agricultural swaps. Those comments sought to clarify that the Commission did not intend to consider traditional cotton merchandizing agreements commonly known as "equities" to be treated as options or swaps. We intend these comments to further support this interpretation.

The Federal Register notice (29827) states that the "the definitions of the terms 'swap' and 'security-based swap' do not include forward contracts. They exclude 'any sale of a nonfinancial commodity or security for deferred shipment or delivery so long as the transaction is intended to be physically settled'" (supported by footnotes 55, 56, 57 and 70).

Because the aforementioned "equities" are always intended to be physically settled and are essentially instruments used to time transfer of ownership, we continue to assert that these instruments should not fall under the proposed regulations, and understand that the Commission also agrees.

We appreciate the opportunity to offer these views.

Sincerely,

A handwritten signature in black ink that reads "Van May". The signature is written in a cursive, flowing style.

Van May
Chairman