



Tel: 202-626-8700
Fax: 202-626-8722
50 F Street, NW Suite 900
Washington, DC 20001
www.ncfc.org

July 22, 2011

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

RE: Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping Contained in Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act; Joint Proposed Rules; Proposed Interpretations (76 Federal Register 99, May 23, 2011)

Dear Mr. Stawick:

On behalf of the more than two million farmers and ranchers who belong to farmer cooperatives, the National Council of Farmer Cooperatives (NCFC) submits the following comments in response to the Commodity Futures Trading Commission's (CFTC) request for comments on the above proposed rules.

The Forward Contract Exclusion

Forward contracting allows farmers to price their product into the future, take positions to try to maintain a profit margin, and protect against the unknown but potentially negative impact of adverse price fluctuations. Therefore, understanding what constitutes an excluded forward contract is critical in order for farmer cooperatives to continue to be able to offer hedging alternatives for their farmer members.

NCFC appreciates the guidance set forth regarding forward exclusions. The guidance provides certainty about what constitutes an excluded forward contract in that:

- CFTC interprets this exclusion from the definition of "swap" consistently with the Commission's historical understanding and prior guidance; and
- Forward contracts in nonfinancial commodities that contain embedded price options would be considered excluded forward contracts and not "swaps."

Thank you for taking NCFC's views into consideration. We appreciate the opportunity to provide input throughout the implementation process of the Dodd-Frank Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles F. Conner".

Charles F. Conner
President & CEO