



January 20, 2015

**Submitted Via Commission Website**

Christopher Kirkpatrick, Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street NW.  
Washington, DC 20581

Re: RIN number 3038–AD99: 17 CFR Parts 1, 15, 17, et al., Position Limits for Derivatives and Aggregation of Positions; Proposed Rule, Federal Register/ Vol. 79, No. 233 / December 4, 2014

Dear Mr. Kirkpatrick:

This letter is in response to the Federal Register notice of December 4, 2014 regarding the Proposed Rule for Position Limits for Derivatives and Aggregation of Positions.

The U.S. dairy industry has worked hard to develop the risk management capability for farmers, processors, and end-users. The dairy industry is supportive of position limits for proper functioning and oversight of markets, but we are concerned with unintended consequences from the proposed rule on the dairy markets.

We support the comments submitted by the Innovation Center for U.S. Dairy. Our comments and recommendations are summarized as follows:

- We support establishing the spot month limit for class III milk at 25% of deliverable supply, but not less than 3,000 contracts (net position and not gross position).
- Do not apply the 10/2.5 formula for establishing non-spot month limits.
- Instead, the all-months combined limit should be defined as the spot month limit multiplied by 4, but not less than 12,000 contracts.

The dairy industry has put significant effort behind developing risk management tools such as futures and options contracts at the CME. We are concerned about the potential to limit the activity of liquidity providers in dairy markets when efforts are being made to increase it. Impeding growth in those markets will result in the continued inability for our industry to use those tools. Our interest is in developing robust risk management tools for the dairy industry to manage the price volatility from an increasingly global dairy market.

We thank you for considering our comments and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "J-O'Reilly", with a horizontal line extending to the right.

Jason O'Reilly  
COO – Traditum Group LLC