



445 N. Canal Rd – Lansing, MI 48917 – Ph. 517-627-0200

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
1155 21st Street N.W.
Washington, DC 20581

Re: Position Limits for Derivatives, RIN 3038-AD99

Dear Ms. Jurgens:

Our organization, Michigan Agricultural Commodities (MAC) emphasizes our appreciation to the Commodity Futures Trading Commission (CFTC) in allowing this extended public comment period on such a critical topic. MAC operates 9 grain elevator facilities across Michigan and in Ontario with a combined storage capacity of nearly 50 million bushels. Established in 1976, our company has managed to withstand a multitude of industry changes, and continue to grow to the benefit of our farmer as well as feed, processing, and export customers alike. It is our goal in contacting you today that we may highlight just how crucial the discussion of changing position limits for derivatives, specifically redefining bona fide hedging, is to MAC and thousands of other U.S. agribusiness firms.

There are a number of real risks present in the agriculture industry – perhaps most notable is weather. Unfortunately, there is no guaranteed risk management tool for Mother Nature. With that in mind, the industry has successfully developed tools to manage other risk components. Price is one such risk that possesses a mechanism for management: futures exchanges. Our organization, along with almost every other country elevator utilizes the Chicago Board of Trade (CBOT), Kansas City Board of Trade (KCBT) and/or the Minneapolis Grain Exchange (MGEX) to protect our investments as well as the investments of our farm and processing customers.

Through the hedging process, MAC can make certain that we are protected against the daily, at times seemingly sporadic, moves of today's commodity markets. On a daily basis, our organization protects the cash grain trading activities of our facilities through the buying and selling of futures contracts. It is extremely important the traditional use of commodity market exchanges not become restricted in a process to protect consumers that potentially stands to do more harm than good. Potential harm includes our company's inability to pre-hedge expected producer grain as well as pre-setting futures market carry in order to manage spread risk.

Our company is fully supportive to the fact that there should be speculative limitations placed, but these limitations should not take away from legitimate, proven hedging practices that ensure that companies like ours can control risk and manage volatility. In reviewing the decision to adjust position limits for derivatives, we stress the commission not redefine bona fide hedging in a way that would limit agribusiness's ability to manage risk. We sincerely thank you for your time and consideration of this topic and the impact any decision will have on U.S. agribusiness.

Sincerely,

Bruce Sutherland

Bruce Sutherland
Vice President
Michigan Agricultural Commodities, Inc.
Lansing, MI