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February 10, 2014

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

Submitted via Commission Web Portal

Re: RIN number 3038–AD99; 3038-AD82: 17 CFR Parts 1, 15, 17, et al., Position Limits for Derivatives and Aggregation of Positions; Federal Register/ Vol. 79, No. 233 / December 4, 2014

Leprino Foods ("Leprino") appreciates the opportunity to comment in response to the reopening of the comment period for the Proposed Rule for Position Limits for Derivatives and expand upon our related comments filed February 10, 2014. Leprino is a manufacturer of pasta filata style cheeses, such as mozzarella, and whey products and markets our products both domestically and internationally. We are the largest producer of mozzarella cheese in the world and rely on the futures markets to address customers' needs for a more stable price than exists in the cash market. The ability to hedge prices using futures contracts has become increasingly critical to driving demand, both domestically and internationally, for our products.

Leprino purchases its milk for manufacturing within the United States under the regulated milk pricing systems maintained by the United States Department of Agriculture ("USDA") and the California Department of Food and Agriculture ("CDFA"). These milk prices are driven by highly volatile dairy commodity prices. In order to provide more stable prices to our customers, Leprino relies heavily upon the financial risk management tools that are the subject of the Proposed Rule.

Leprino is supportive of position limits for proper functioning and oversight of markets, but we are concerned that the limits outlined in the proposed rule are too restrictive.

The cash settlement of dairy complex contracts against the surveys that drive milk costs of manufacturers under the regulated milk pricing system results in most manufacturers holding the contracts to final settlement. It is important not to have a step-down in the spot month. Maintenance of higher position limits in the spot month is of minimal risk, given the cash settlement to a broad survey conducted by USDA encompassing a month of market prices, reducing the ability of a single market participant to unduly influence the settlement number.

We have reviewed the comments submitted by the Innovation Center for U.S. Dairy on January 20,2015 are supportive of them. The primary 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 financial risk management tools impacted by the Proposed Rule are critical to Leprino's and the dairy industry's ability to grow demand, both domestically and globally.   We thank you for considering our comments and recommendations.

Sincerely,

Sue M. Taylor

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Vice President, Dairy Policy & Procurement