



May 11, 2012

The Honorable Gary Gensler  
Chairman, Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, D.C., 20581

Dear Chairman Gensler:

Ohio AgriBusiness Association (OABA) members have recently shared concern regarding plans by both The Intercontinental Exchange (ICE) and the CME Group to commence 22-hour per day electronic trading of grain and oilseed futures contracts. This concern has led us to respectfully request that the Commodity Futures Trading Commission (CFTC) institute a 30-day public comment period to take input and further analyze this plan.

OABA is not necessarily opposed to the expansion of electronic trading hours, but believes there is value in allowing a public comment period to fully engage all stakeholders and fully vet potential issues with expanded trading. It is safe to say there are significant and substantive opposing views as to whether these plans, as currently constituted, are of net benefit to the industry.

There is significant concern about futures markets being open during release of key reports issued periodically by the U.S. Department of Agriculture. Market participants utilize USDA crop production reports, crop progress and grain stocks reports, planted acreage reports and others to adjust their risk management strategies and futures positions. Trading through release of these reports could lead to extreme volatility immediately following their release. Further, there is currently unequal access to USDA report data due to Internet connection speeds and analysis capabilities. We believe it is prudent that these reports be released while futures markets are closed – or at the least during a break in trading – so that all participants, including farmers and ranchers, have the opportunity to access and analyze information and adjust their positions for when trading resumes.

There is also significant concern about the expense and the strains that the exchanges' current plans will place on industry systems and personnel. Currently, open outcry and electronic trading in grain and oilseed futures contracts on the Chicago Board of Trade close at 1:15 p.m. central time, allowing firms sufficient time for the balance of the business day to close their books and perform accounting and other back-office functions. If electronic trading stays open

through late afternoon or early evening, these firms (especially those in the eastern time zone) will be faced with putting on extra personnel and/or paying overtime to work into the evening hours. In addition, firms are struggling to assess – in an extremely short period of time – software and systems changes needed to manage the new hours and different closing times for open outcry and electronic trading.

Other concerns include some very practical questions: how cash grain purchasers will price bids to producers during the period when open outcry is closed and the day's settlement price has been established, but electronic markets continue to operate; the mechanics of how margining to the clearinghouses will be managed with two different closing times; and potential discrepancies between hedgers' cash positions and their brokerage statements at the end of the day.

All of these issues would be better understood by the exchanges, the industry and the Commission given the benefit of a 30-day comment period. We believe that there is no compelling reason why 22-hour trading needs to begin imminently. It is much preferable that expanded hours and new contracts be analyzed in a deliberate fashion for effects on cash and futures markets, volatility and producer-customer relationships than to rush to implementation unnecessarily.

We urge the Commission to approach ICE and CME Group to advocate a slow-down in implementation so these critically important issues – which were not adequately vetted prior to their announcements – can be addressed. We believe strongly that ICE and CME both should be subject to the same comment period or implementation slow-down in order to avoid disadvantaging either organization. We would be very happy to discuss the above issues and answer any questions.

The Ohio AgriBusiness Association is a state non-profit trade association representing the wholesale and retail suppliers of plant nutrients and plant protection materials, the grain warehousing industry, the feed industry, the seed industry and other supply side agribusiness in Ohio. Our membership ranges from small locally owned and operated businesses to large international firms.

Sincerely,

A handwritten signature in black ink that reads "Christopher Henney". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Christopher Henney  
President and Chief Executive Officer

Copy: Ohio AgriBusiness Association Board of Directors  
Ohio AgriBusiness Association Grain Committee