



May 7, 2008

The Honorable Walter Lukken
The Honorable Michael Dunn
The Honorable Jill Sommers
The Honorable Bart Chilton
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Commissioners:

I urge the Commodity Futures Trading Commission (CFTC) to conduct a thorough and comprehensive investigation regarding the recent activity of the commodities market. Farmers continue to search for answers and solutions to the unprecedented volatility in today's commodity markets.

While CFTC has no authority over the credit community, it cannot go without saying that there must be acknowledgement by all parties and a resolution of the impact on local elevators and commodity buyers who have exceeded their lending limits. Without the ability to cover margin call expenses, many elevators and buyers are no longer offering producers vital forward marketing tools necessary to protect their risk. With inputs continuing to soar, producers need to market their commodities, yet have been pushed out of the traditional market intended to offset those increases. Until the requested investigation is completed, I urge CFTC to place a moratorium on any new commodity index trading.

The single biggest concern among producers is a lack of market transparency, therefore I urge the CFTC to take swift action to inject transparency into the marketplace. Without such, the public will continue to be in the dark regarding who is involved in the commodity markets and in what capacity. The Enron scandal is a perfect example of what an opaque marketplace means for the American public. I believe CFTC needs to look at the role and impact of over-the-counter (OTC) trading and swaps are having on the markets. Without a full understanding of these trades or their impact, it is impossible to say that manipulation of the commodity markets is not occurring. NFU supports the proposal to clear ag swaps in certain OTC positions in an effort to create more transparency into the markets.

NFU opposes any increases in the speculative position limits as proposed by CFTC in 2007. While the role of speculators should not be minimized, CFTC needs to recognize that speculators have different interests than farmers and other traditional, commercial users of the exchanges.

It would be a regrettable outcome for producers to continue to be excluded from the markets, we need more tools to manage risk and engage in price discovery, not fewer. Before exacerbating or ignoring the volatility and further excluding producers from the commodity markets, I believe more timely and appropriate steps should be taken to ensure futures markets are adequately and appropriately performing their risk management and price discovery roles.

As I mentioned during the April 22, 2008 CFTC roundtable discussion, rural America is headed for a train wreck if these challenges are not appropriately addressed. I look forward to working with the Commission to address this serious issue. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink that reads "Tom Buis". The signature is fluid and cursive, with the first name "Tom" and last name "Buis" clearly legible.

Tom Buis, President
National Farmers Union