



# ABA News

Press Release from the American Bakers Association



[www.americanbakers.org](http://www.americanbakers.org)

FOR IMMEDIATE RELEASE  
June 5, 2008

Contact: Lee Sanders, Senior  
Vice President, Government  
Relations & Public Affairs  
(202) 789-0300

## **ABA Applauds Recent CFTC Initiatives to Decrease Market Volatility ABA Comments to CFTC Influence Newly Announced Policy**

Washington D.C. – “ABA applauds the CFTC for having the courage to quickly adjust to market conditions and withdraw its proposal that would have created more volatility in wheat markets, as well as, limit access to sellers and buyers in those markets,” said ABA President & CEO Robb MacKie, referring to the June 3 Commodity Futures Trading Commission’s announcement that the Commission will be implementing new policies to address concerns within the futures markets.

“ABA also is very pleased that the CFTC implemented many of ABA’s recommendations submitted in response to the April 22 Agricultural Forum. The ABA Commodity Task Force, under the leadership of David Brown, deserves enormous credit for developing thoughtful and meaningful recommendations to help ease the current volatile market conditions,” continued Mr. MacKie.

Some of the highlights of CFTC’s new policy initiatives include:

- Review of Trader Reporting and Classification
- Withdrawal of Speculative Position Limits Proposals
- Greater Transparency of Trader Information
- Greater Understanding of Financial Issues (Margin Calls)

“The fact that increased limits for speculators has been halted is a huge victory for those that use futures markets as their primary means of conducting business and price discovery,” said ABA Commodity Task Force Chairman David Brown. “The futures markets were created as a regulated medium to allow physical commodity users to purchase goods from producers. Businesses that rely on purchasing commodities to provide the country with food products are being pushed out of the market due to increased speculation. Hopefully, these new initiatives will allow the exchanges to return to their original intent.”

ABA submitted written comments on May 7, 2008, regarding issues discussed at the April 22 CFTC Agricultural Forum. Along with the proposals offered in these comments to withdraw the proposed rules to increase speculative limits and offer hedge exemptions, ABA voiced concern

that there was a lack of parity between market participants and proposed that the CFTC investigate these abnormalities and aggressively pursue policies which will help level the playing field.

“CFTC’s decision to provide greater market transparency through its monthly trader reports is an important step in shedding light on the current problems within the markets,” said ABA Federal Government Relations Manager Cory Martin. “I am hopeful that this proposal, along with the other new CFTC initiatives announced on June 3, will lead to additional studies as to the causes of the of recent market failures impacting bakers and others. ABA and the Commodity Task Force look forward to continuing to work with the CFTC to ensure viable markets for all commodity producers and users,” Mr. Martin concluded.

ABA is hopeful new safeguards will be developed to work against such markets disruptions in the future.

##

***About the American Bakers Association:***

*ABA is the Washington D.C.-based trade association that has been the voice of the wholesale baking industry since 1897. ABA has a long and dedicated history of representing the interests of the wholesale baking industry before the U.S. Congress, federal agencies, state legislatures and international regulatory authorities. ABA represents approximately 80 percent of the wholesale bakeries in the U.S. and their suppliers.*