

Freeland Bean & Grain, Inc.
1000 E. Washington St.
Freeland, MI 48623

Good Morning Senator Stabenow, Ranking Member Roberts, and members of the committee:

My name is Roger Hupfer. I am the President and Marketing Manager of Freeland Bean & Grain, Inc. in Freeland, Michigan.

I want to thank you for this opportunity to give you an overview of our company, and how the M.F. Global Bankruptcy has impacted our business.

Our company is a family owned and operated full service Agribusiness. We originated in 1983, and have provided almost 30 years of uninterrupted service to our local community.

We operate two country elevator facilities, which accept corn, soybeans, and soft white and red wheat. We also receive, process, and ship edible beans to various domestic packagers, canners, as well as interests in Mexico.

We also provide feed, fertilizers, seeds, crop protection products, and custom application service for our customers.

We are members of the National Grain & Feed Association, the South East Grain & Feed Association, and the Michigan Agribusiness Association. We are fortunate to have Jim Byrum representing our Agribusiness interests in Michigan. He has been a great asset to our industry.

We take great pride in how we operate our business, and we work very diligently with our customers to help them achieve their marketing goals.

Our customers place great confidence and trust in us when delivering their commodities to our facilities, and they expect us to provide and maintain competitive, perpetual marketing programs to assist them with their risk management.

It is this very confidence and trust that was shattered by the M.F. Global Bankruptcy. The industry has always operated under the assumption that our funds were in a safe and secure place, by being kept in segregated accounts. We were in total shock when we found out otherwise.

Misuse of these funds for other purposes is not only unethical, but also criminal. Those responsible for oversight fell way short of fulfilling their responsibilities in this matter.

Our company has plans to expand and construct a new and state of the art grain receiving and storage facility with ground breaking scheduled for the March and April period of 2012. This new facility will help us meet increased demand, and give us the ability to load out grain unit trains.

How will we be able to effectively manage the increased volatility and price risk and place our hedges with confidence if the very integrity of exchange-based futures trading is in jeopardy?

Also, how do we know if other clearing firms might be trouble, by being involved in bad investments and poor management?

There are several livestock and dairy producers in Michigan that have a much greater amount of capital at risk than some of the commercial grain companies. I can personally give you one example of a customer of ours that has more capital at risk than our company does. All he was attempting to do was to sell his cash grain, and hedge by buying call options. He is not a speculator, just a prudent operator.

If this situation is not resolved, I feel it will have an impact on rural communities across the country.

I can speak for our company, and on behalf of all the other agribusiness firms that have been impacted by this disaster, that we expect to be made whole, and have all of our funds returned to us in a timely manner, so that the integrity of the exchange can be restored.

Senator,

Again, thank you for this opportunity to share my views with you today. I would be happy to respond to any questions.