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TEXAS AND SOUTHWESTERN CATTLE RAISERS ASSOCIATION

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October 5, 1998

OFFICE OF THE SECRETARIAT

VIA FAX AND U.S. MAIL

Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

COMMENT

COMMODITY FUTURES
TRADING COMMISSION
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PUBLIC RECORD
OCT 8 11 42 AM '98

RE: Application of the CME for a Contract Market in Stocker Cattle Futures and Options

Dear Ms. Webb:

Texas and Southwestern Cattle Raisers Association (TSCRA) appreciates the opportunity to comment on the Chicago Mercantile Exchange (CME) application for designation as a contract market in stocker cattle contracts and options on stocker cattle futures, as published in the Sept. 4, 1998, Federal Register.

TSCRA supports the creation of risk management tools for beef cattle producers.

TSCRA strongly supports the production, processing, marketing, and distribution of cattle and red meat in a free, competitive and fair environment for all.

TSCRA does not have policy specific to this proposal by the CME. We abstain from commenting on the technicalities of the proposal, but ask that you address in your deliberations the following questions:

- Who truly will set the price on these stocker cattle contracts and options? Will it be the producer, the feeder, the packer, or speculators?
- If the price-setter is the packer, what advantage to the producer is there in this proposal?

TSCRA looks forward to your response and again expresses thanks for the opportunity to share with you our comments.

TSCRA was founded in 1877 to promote generally the welfare of the cattle industry in the State of Texas and the United States of America, for the purpose of the mutual protection of its members and their property, and to cultivate a more fraternal feeling among cattlemen generally in the State and America.

Sincerely,

C. Coney Burgess
President