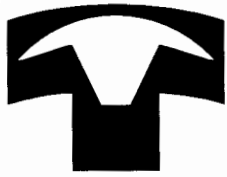


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February 25, 2004



TEXAS CATTLE FEEDERS ASSOCIATION

5501 I-40 West
Amarillo, TX 79106
806 / 358-3681
FAX 806 / 352-6026
info@tcfa.org
www.tcfa.org

Ernie A. Morales
Chairman

Charles T. Sellers
Chairman-Elect

John Gillcrist
Vice Chairman

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President & CEO

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Ms. Jean A Webb
Office of Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st. Street, NW
Washington, DC 20581

COMMENT

Re: Proposal to make changes in the composition of the Feeder Cattle Index

Dear Ms. Webb:

The Texas Cattle Feeders Association represents the cattle feeding industry in Texas, New Mexico and Oklahoma, an area that feeds approximately 30% of the fed cattle produced in the U.S.

Although we have not been asked for any input, Texas Cattle Feeders Association would like to comment on the proposed changes to the CME Feeder Cattle Index.

TCFA does not have any problem with the exclusion of cattle identified in the USDA reports as being "calves". However, after visiting with local auctions which are included in the computation of the index, it is reported that calves under a "value added" designation are being included in the index. This included calves that have been through a vaccination program or even been through a background feeding program. These calves usually will sell at a premium. If they are included in the cash index they will automatically influence a higher cash settlement price.

The exclusion of all weight ranges of Medium Frame #1 cattle probably won't have much effect on the index. When looking at the data there seems to be very few of these cattle listed in the reports anyway.

TCFA would like to express a real concern about the lack of producer input concerning proposed changes to the future contracts. The CME continues to propose changes to the contracts without soliciting any input from the producers, the group which will ultimately be affected the most by the changes. TCFA would like to see the CFTC encourage the CME to develop some public forum to allow for producer input.

Sincerely,

Jim Gill
Market Coordinator