

United States Senate
WASHINGTON, DC 20510-4105

March 7, 2016

Andrew Crafton
Commodity Research & Product Development
Andrew.Crafton@cmegroup.com
Via electronic transmission

Thomas Clark
Agricultural Products Business Line Management
Thomas.Clark@cmegroup.com
Via electronic transmission

Dear Mr. Crafton and Mr. Clark:

I write to you today with great concern regarding the Chicago Mercantile Exchange (CME) proposal to implement a seasonal discount to live cattle delivered to Worthing, South Dakota. In addition I believe that due to inadequate notification to impacted beef producers, additional time beyond the revised deadline of March 21 is needed for them to file comments. Although you have extended the deadline to March 21, due to the fact that many cattlemen are calving during the month of March, I am requesting an extension to April 4 to receive comments on this issue.

CME's review process has not allowed enough time to be adequately inclusive. An announcement in mid-February, even with a revised comment deadline to March 21, will likely prohibit beef cattle producers in our state from providing their views on this proposal.

With more than 15,000 beef producers and 4 million head of cattle in South Dakota alone, this proposal is damaging to South Dakota's beef cattle industry and the surrounding region. Worthing, South Dakota, is in the center of a viable cattle feeding area that has seen a sharp increase in cattle on feed for the last 8 years. The proposed freight discount will penalize a growing area while proposing no change for markets where cattle on feed numbers are declining.

Over the past few days I have just begun receiving word from South Dakota cattle producers regarding your proposal. They have all expressed deep concern that the majority of the beef cattle producers in the Worthing, South Dakota, and surrounding region have not received adequate notice to comment by the deadline you have imposed, and they are opposed to your proposal to implement a seasonal discount to live cattle delivered to Worthing, South Dakota.

I respectfully request that the comment period be extended to April 4. CME's review process has not been inclusive or measured in its approach. An announcement in mid-February with a comment deadline on March 21, which corresponds to calving season for many producers in our region, gives an appearance that the CME is not interested in feedback from cattle producers who truly rely on the Live Cattle Futures Contract as a risk management tool.

I urge the CME to extend the comment deadline to at least April 4, so as to allow time for their producer stakeholders to review and comment on the proposal. In addition, for the record, I oppose the CME proposal to implement a seasonal discount to live cattle delivered to Worthing, South Dakota

Sincerely,

A handwritten signature in blue ink, appearing to read "John Thune". The signature is fluid and cursive, with a long horizontal stroke at the end.

JOHN THUNE
United States Senator