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**National Grain and Feed Association** INC. OF THE SECRETARIAT

February 11, 2002

**COMMENT**

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

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Re: KCBT Hard Red Winter Wheat Futures Contract

Dear Ms. Webb:

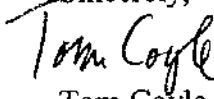
The National Grain and Feed Association (NGFA) appreciates the opportunity to comment on the proposed amendments to the delivery specifications of the Kansas City Board of Trade's (KCBT) hard red winter wheat futures contract.

Among other things, the changes proposed by the KCBT would increase the discount for #3 hard red winter wheat and reduce the permissible amount of wheat of other classes that can be delivered under a contract. By these proposed changes, it is apparent that the KCBT is seeking to balance the predictability of the quality of deliverable hard red winter wheat with the maintenance of adequate deliverable supplies. We agree with the rationale that the KCBT hard red winter wheat futures contract, with these changes, should better reflect the hard red winter wheat cash markets while maintaining sufficient inventories of hard red winter wheat deliverable under KCBT futures contracts.

The NGFA applauds the efforts of contract markets to improve the utility of futures contracts to the market participants. We think it is important that contract markets continue to have the right to make changes to enhance contract performance. We also support a transparent and open process for discussing proposed changes throughout the exchange membership, futures customers and government. Futures market performance and hedging efficiency is important to both members of the exchange and its broad customer base.

Ms. Jean Webb  
Page 2

For these reasons, the NGFA encourages the CFTC to approve the proposed changes to the KCBT hard red winter wheat futures contract so that it may continue serving the market as a valuable pricing and risk management tool.

Sincerely,  
  
Tom Coyle  
Chairman  
Risk Management Committee

Cc: Robert Petersen, KCBT President and CEO