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COMMENT

Mayes General Partnership
Dbas Phelps County Feeders
73938 J Road
Holdrege, NE 68949

(308)-876-2133 Office (308)-876-2135 Fax

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Section**

DEPARTMENT OF COMMERCE
COMMODITY FUTURES TRADING COMMISSION

November 5, 2002

Jean A. Webb
Secretary, Commodity Future Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Dear Jean;

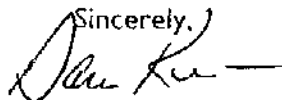
My name is Dale Klute, and I am a Commodity Broker and Commercial Cattle Feeder. Our company has two commodity offices, one in Greeley, Colorado and the other one is located in Holdrege, Nebraska. We also own and operate a 32,000 head feedyard also located in Holdrege, Nebraska.

I have been in the cattle business for 25 years and have used the futures market to hedge company or client's cattle since the mid 1980's. For the past two or three years, it has been extremely difficult to use the Futures Market for the price protection because of the basis being way out of line, when compared to the 20 year historical averages.

I commend the CME for having the courage to change the contract limits, and the delivery specs. I think this will help somewhat, but I would hope the CME would also consider delivering heifers, and allow cattle feeders to deliver cattle in the off months.

As I see it, when the futures market was established, it's intent was to enable producers to protect their investment, which in turn would let them stay in business. As of today, the producer takes the back seat to large Spec Funds and large Commercial accounts. These accounts can drive the market one way or the other, without having anything to do with the fundamentals of the market. (This is not right!)

As a producer, I would ask you to do all that you can to make the playing field fair, and let the small producer have a chance to survive in this industry.

Sincerely,


Dale Klute
General Manager-Phelps County Feeders
President-Klute Investment Services, Inc.