

Received CFTC
Records Section

11/15/02

McVEAN
TRADING & INVESTMENTS, LLC



02-13
(71)

COMMENT

November 13, 2002

CME Board of Governors and Ad Hoc Live Cattle Committee
30 South Wacker Drive
Chicago, IL 60606-7499

RECEIVED
C.F.T.C.
2002 NOV 14 PM 4:05
OFFICE OF THE SECRETARIAT

Gentlemen:

We have all heard the old saying "necessity is the mother of invention." By necessity, I began an exercise of putting the array of issues surrounding live cattle futures in a broader prospective. In that process, an idea was born that may be a big one. I believe on-line, real time, city-by-city, store-by-store, item-by-item retail price information, for all perishable food products, provided free of cost by the USDA, would empower our nation's consumers to shop for groceries far more intelligently and efficiently. The farm retail spread for these perishable products would thereby be narrowed substantially. **All else equal, this proposed information system might well improve farm level prices for perishable items, while at the same time, reducing CPI-Food for all American consumers. The inefficiencies in the current systems of price dissemination for retail perishables are that inconceivable.**

If the grocery shoppers of our nation could shop as efficiently as traders in the CME pits trade, all American families would benefit. The establishment of "www.usda.gov/freshfoods.gov" would be a big step in that direction. Please consider supporting this initiative. Feel free to think of it as an "invented here" idea because, in a real way, "www.usda.gov/freshfoods.gov" would be an extension of the CME concept into the broader market place.

I'll make a modest prediction; "www.usda.gov/freshfoods.gov" might make the greatest contribution to the public good, per tax dollar spent, of any single investment ever made by the USDA. In fact, for the consumer sector, this investment might be second only to the development of the Internet itself in the hierarchy of all-time great investments made by the US government.

The US economy is faced with growing pressure from lower cost producers around the world. Profit margins are being eroded and American jobs lost overseas due to the global glut of low cost labor. To maintain and improve our current standard of living the

Past Performance Is Not Necessarily Indicative Of Future Results.

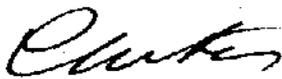
EXPANDING YOUR INVESTMENT HORIZONS

850 RIDGE LAKE BOULEVARD • SUITE ONE • MEMPHIS, TENNESSEE 38120 • (901)761-8400

US must rely on its technological prowess to constantly improve productivity. Improvements in efficiency are particularly rewarding when they come in large-scale service sectors, like medical care. In such cases, international competition is unable to quickly shift the benefits of American invention offshore. Increasing efficiencies in the pricing and distribution of perishable foodstuffs presents precisely such a substantial opportunity. Without massive long-lasting productivity gains, the US is faced with a ballooning federal deficit and a blowout in the trade gap, or a return to the failed policies of trade barriers with all its resulting inflationary consequences and geopolitical repercussions. Given the undesirable alternatives, it is clear the US must strive to nurture greater productivity wherever possible by continually identifying opportunities for large-scale applications of Information Technology Systems to previously unconsidered areas like the distribution and marketing of perishable foods. Like Jack Welch said just last week, "We have got to innovate, innovate, and innovate some more -- we really don't have any other choice".

Please find enclosed your personal copy of our report, presented to the Chairman of the CFTC, James Newsome, and staff, on November 12, 2002.

Sincerely,



Charles D. McVean

cc: President George W. Bush
Secretary of Agriculture Ann M. Veneman
CFTC Chairman James E. Newsome
Senator Thad Cochran
Congressman Harold E. Ford, Jr.
Republican National Committee via Joseph Gildenhorn
R-CALF USA President Bill Bullard