

To: CFTC

Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Agriculture Advisory Committee,

Thank you for the opportunity to speak to you today on Mandatory Price Reporting (MPR). My name is Don Close and I am the Director of Marketing with the Texas Cattle Feeders Association in Amarillo TX. TCFA represents cattle feeders and feedyards in Texas, Oklahoma and New Mexico an area that markets over 5.5 million cattle annually and accounts for approximately 30% of the nations fed cattle supply.

A primary service that TCFA provides its members is a detailed survey each week that determines how many cattle will be offered for cash sales as well as the number of cattle committed to some type of formula or non-cash transaction within the TCFA trade area. During the week, the TCFA Market Department tracks packer bids and relays that information to members in order to keep all members updated with the latest possible market information. Once cash trade is underway, my group records the number of head sold by price and to which packer in regionalized marketing areas and again reports that information to our membership as quickly as possible. Market information is disseminated to our membership by text messages, e-mail, the DTN Market Information System and by phone. Finally, at the end of the week we match the number of recorded sales and cattle commitments to the number of cattle offered at the beginning of the week to determine the balance of fed cattle inventory and carry over.

The reason I have provided such a detailed explanation of TCFA's market information system is because it correlates tightly with Mandatory Price Reporting for sales volumes and prices reported within TCFA market area.

Before I begin explaining the improvements we would like to see with regards to MPR, I would like to acknowledge that Market News does an exceptional job of collecting and disseminating an enormous amount of information. Speaking as someone that is an extensive user of the data, my observation is that there is not a shortage of data or an excessive time lag in information delivery. I would say the information could be delivered in a much more user friendly format that would provide greater market transparency. By making a few moderate adjustments through the administrative and /or rulemaking processes we can improve market transparency and provide market participants with timely, relevant, user friendly information they need to make informed market decisions. In addition we believe Congress should authorize the collection of additional data under MPR. Our recommendations are as follows:

- Create a report that shows daily intentions of all non-cash traded cattle that are committed for slaughter for at least 7 days forward. The revised report would replace the exiting All Cattle Committed and All Cattle Delivered reports that have never provided the degree of detail that was intended.
- Provide AMS with the flexibility to request additional information, as needed, to identify seasonal considerations and special circumstances. This change will allow AMS to develop more useful data for producers, like discounts on Mexican or Canadian cattle, discounts on identified characteristics and the discount on over 30 month cattle.

- Transfer the responsibility to collect retail price scan data to AMS and provide them with adequate funding to collect, analyze and report this information.
- Remove the existing category in the Premiums and Discount schedule report, for carcasses weighing in excess of 1,000 pounds and add categories for carcasses weighing 1,000 to 1,050 pounds and carcasses over 1,050 pounds.
- Develop a system through which USDA can collect, analyze and report market price data relevant to mandatory country-of-origin labeling for feeder cattle, live cattle, wholesale beef and HRI beef sales.
- Because beef exports are becoming an increasingly important component of our modern beef business we must develop a faster procedure for reporting imports and exports of beef.

Implementing these changes would make MPR more user friendly and add a needed degree of flexibility that would enable MPR to be much more responsive improving transparency for all market participants without radically disrupting the entire market place.

Thank you for your time,

Don Close
Market Director
Texas Cattle Feeders Association