

COMMENT

RECEIVED
C.F.T.C.

D3-10
⑥

July 30, 2003

TO: Jean A. Webb, Secretary, Commodity Futures Trading Commission 2003 JUL 30 PM 5:44
(secretary@cftc.gov)

FROM: Swift & Company – Jim Herlihy, VP Communications

SUBJECT: **Swift & Company Position on Proposed Amendments to the Live Cattle Futures Contract Restricting Delivery to U.S.-born and Raised Cattle**

Regarding the proposal that all cattle delivered on the futures contract must be born and raised exclusively in the United States – and the seller must provide supporting documentation to that effect – the position of Swift & Company is as follows:

Swift & Company is unequivocally opposed to an action that would eliminate cattle of non-U.S. origin from futures contracts.

First, there is no science-based support for such an action. Exhaustive testing has confirmed that the single case of BSE found in Alberta earlier this year was exactly that – a single, isolated case – just as a single, isolated case was found in Canada 10 years ago that did not lead to further risks to humans or livestock.

Second, given the reliance of U.S. processors on Canadian and Mexican cattle – particularly with the recent addition of new U.S. slaughter capacity (Creekstone Farms and Tama, totaling about 2,700 head per day) – this restriction would could create supply issues for U.S. processors and unnecessarily increase prices that ultimately will affect consumers.

Third, the proposed change in futures contracts would be even more restrictive than the proposed Country of Origin Labeling policy, which does allow for the sale of non-U.S. cattle with proper documentation and identification.

The proposed changes to futures contracts would have unnecessary and potentially harmful effects on the U.S. livestock industry, and would inflict serious damage on the Canadian livestock industry. The harm clearly outweighs any potential benefits from such a change.

#

I:\HR\PR\Issues\Canada\Futures contract position 7-03.doc

RECORDS SECTION
2003 JUL 31 AM 10:07

RECEIVED
C.F.T.C.