

USA RICE

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FEDERATION

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December 8, 1999

OFFICE OF THE SECRETARIAT

The Honorable David D. Spears
Commissioner
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

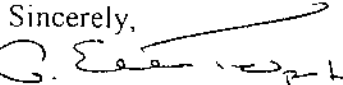
Dear Commissioner Spears:

The Board of Directors of the USA Rice Federation met December 7, 1999 and considered the proposal by the Chicago Board of Trade (CBOT) to amend the rough rice futures contract. Among other things, this would reduce the quantity of stained rice permitted in rough rice deliverable on the futures contract. Concern was expressed that the CBOT proposal may threaten deliverable supply.

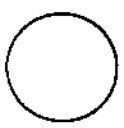
After considerable discussion, the board agreed to support an alternative as shown below in comparison to the current specification and CBOT proposal as long as it does not delay the opening of trade in the September 2000 futures trading month.

	Total Stain	Line Slide R-2.1	Line Slide R-2.2
CBOT Current Specification	1.5% (300 kernel by count)	300	Unlimited
CBOT Proposal	10	5	10
Federation Proposal	25	10	25

The USA Rice Federation represents all segments of the U.S. rice industry and its board is comprised of producers and millers. Through the Federation, U.S. rice producers, millers, and allied businesses work together to address common challenges, advocate collective interests, and create opportunities to strengthen the long-term economic viability of the industry. While either the CBOT or Federation's proposal would be an improvement over the current situation, we appreciate this opportunity to comment and your consideration of our proposal.

Sincerely,


A. Ellen Terpstra
President and CEO



US Rice Producers' Group
Charter Member



Rice Millers' Association
Charter Member

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USA Rice Council
Charter Member