Tyson Foods, Inc.

Clark Irwin, Senior Vice President

May 10, 2011

Mr. Gary Gensler
Chairman
US Commodities Futures Trading Commission

Dear Mr. Chairman,

Tyson Foods, Inc. ("Tyson") is the largest meat protein producer in the United States. Like many livestock producers, we rely heavily on the ability to hedge our grain and soy protein inputs in order to adequately manage operating margins on our live animals. The current trading limit of $0.30 per bushel works to regulate speculative runs in grains. Increasing the daily trading limit would make volatility a significantly larger concern and day to day margin requirements even more cumbersome.

When a hedging tool used for risk management becomes more burdensome and incomprehensible, it no longer serves common users as a viable hedging tool. The volatility around a risk management tool has to retain a relatively strong correlation to the underlying reason for using the tool. If the hedge in this case creates more capital and trading risk than the underlying purpose, it is no longer a viable risk management alternative for the end user.

One of the primary reasons for organizing the Chicago Board of Trade was the need for price discovery (i.e., what is the economic value of corn at a given location at a given time of the marketing year). Index and speculative funds have the ability to grossly distort the value of futures versus the true cash value of corn which interferes with the CME's price discovery function. By allowing larger daily trading limits, more disruptions could become the norm rather than the exception.

With increased daily trading limits, Tyson assumes it will only be a matter of time before Futures Commission Merchants ("FCM") require larger margin requirements. Volatile swings in futures will be more than FCM's credit lines can withstand, thus increasing their needs for capital inputs from their own customers. This capital requirement passed back to the customers will in turn increase the cost of doing business. The typical hedger will need to make a choice of either paying these additional capital costs or assuming more risk by not taking a hedge, but in either event it will be a cost that needs to be covered in the price of final products to consumers.

It is with respect and appreciation that we request that you strongly consider the repercussions to the hedging community before you vote to increase these daily trading limits. If you have any questions on this letter, please feel free to contact me at (479) 290-4734.

Sincerely,

Clark Irwin

Clark Irwin
Senior Vice President, Commodity Purchasing