

CHICAGO MERCANTILE EXCHANGE INC.

James J. McNulty  
President and Chief Executive Officer  
312 / 930-3100  
Fax: 312 / 648-3625  
jmcnulty@cme.com

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November 19, 2001

A.J. Yates  
Administrator  
Agricultural Marketing Service  
U.S. Department of Agriculture  
1400 Independence Avenue, SW  
Washington, DC 20250

Docket Number A0-14-A69, et al.: DA-00-03

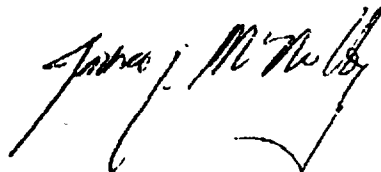
Dear Mr. Yates:

Chicago Mercantile Exchange Inc. (CME) is the only marketplace in the United States where dairy derivatives are actively traded on a daily basis. Our markets support over 3 billion pounds of hedged product for the dairy industry.

USDA is considering changes to the Class III and Class IV milk pricing formulas. ***CME does not wish to comment on the merits of these revised pricing formulas.*** However, the schedule for implementing these changes and the implications they will have on open futures positions is of paramount concern to CME. Contracts are listed several months into the future for Class III and Class IV futures. Implementing new formulas without a suitable adjustment period between the time they are announced and the time they become effective will cause economic damage to producers, cooperatives, and other market participants.

CME recommends that if any changes are adopted, they be implemented in a manner that minimizes the impact on CME's markets and the segment of the dairy industry that uses these risk management tools. Please contact us if you have any questions on this matter or need any additional information.

Sincerely,



30 South Wacker Drive Chicago, Illinois 60606-7499 312 / 930-1000  
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