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Special Executive Report

S-4436

March 29, 2006

EXCHANGE APPROVES CHANGE IN CME FEEDER CATTLE INDEX® AND DELAY IN LISTING FEEDER CATTLE FUTURES

On March 28, 2006 the Exchange approved a recommendation that calves be included in the CME Feeder Cattle Index, beginning with the Index for the final settlement of the March 2007 contract. To implement this change, the listing of the March 2007 contract will be temporarily delayed until April 28, 2006. At that time, both the March 2007 and April 2007 contract months will be listed.

A rule amendment for the change to the Index is noted below, with deletions overstruck:

FEEDER CATTLE FUTURES

10203. SETTLEMENT PROCEDURES

A. Final Settlement

There shall be no delivery of feeder cattle in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the CME Feeder Cattle Index™ for the seven days ending on the Thursday on which trading terminates.

1. The Sample

The CME Feeder Cattle Index™ is based upon a sample of transactions from these weight/frame score categories: 650 to 849 pound Medium and Large Frame #1 feeder steers, and 650 to 849 pound Medium and Large Frame #1-2 feeder steers.

The sample consists of all feeder cattle auction, direct trade, video sale, and Internet sale transactions within the 12-state region of Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas and Wyoming for which the number of head, weighted average price and weighted average weight are reported by the Federal-State Market News Service on the USDA Wire.

All direct trade reports shall be considered to be Friday transactions except for the mid-week Oklahoma Range Sales Report, which shall be considered to be Tuesday transactions.

Multiple day sales, for which separate weighted average reports are not issued for each day or it is not evident from the reports issued what cattle sold on which day, shall be entered into the index as if all transactions occurred the final day of the sale.

Saturday and Sunday sales shall be entered into the index as if all transactions occurred on Monday.

Reports that are designated as "preliminary" shall not be entered into the index, and no transactions from that location shall be used until a final report is issued.

Cattle identified in the report as being ~~ealves~~, fancy, thin, fleshy, gaunt or full; having predominantly dairy, exotic or Brahma breeding; are excluded from the sample. Direct

trade, video sale, and Internet sale transactions must be quoted on an FOB basis, 3% standing shrink or equivalent, with pickup within 14 days.

If you have any questions about this matter, please contact Jack Cook, Associate Director, Commodity Research and Product Development, at (312) 930-3295, or Paul Peterson, Director, Commodity Research and Product Development, at (312) 930-4587.

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