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## **CHANGE TO THE MLA/ SFE CATTLE FUTURES CONTRACT**

As confirmed in SFE Bulletin No. 24/03, the Eastern Young Cattle Indicator (EYCI) is a seven-day rolling weighted average of 24 young cattle categories from 26 selling centres in Queensland, New South Wales and Victoria. The EYCI does not currently include feeder heifers and feeder steers.

Meat and Livestock Australia (MLA) conducted a review of the EYCI in conjunction with the anniversary of the MLA/SFE Cattle Futures contract. Included in the review was an analysis of the effect of including feeder cattle in the EYCI. The inclusion of feeder cattle had no significant effect on the value of the EYCI, however there was a significant increase in the total number of cattle included in the EYCI. It was concluded that the increase in number of head would contribute to the robustness of the EYCI, and as such a decision was made to include feeder cattle in the EYCI.

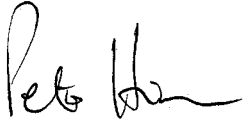
From 17 November 2004 when the January 2005 contract becomes the spot month, feeder cattle will be included in the EYCI. Until that time, a new indicator including feeder heifers and steers ("feeders"), **EYCI (with feeders)**, will be used to settle those MLA/SFE Cattle Futures contract months expiring from January 2005 (where there are currently no open positions). All contract months prior to January 2005 will continue to be settled using the existing EYCI.

Where cattle futures market data is currently made available MLA will provide both indicators. MLA, including the National Livestock Reporting Service, will continue to use the existing EYCI for all other physical market reporting, including rural media reporting of the EYCI.

Market participants can access the latest values, historical data and daily summary reports for both the EYCI and EYCI (with feeders) from [www.eyci.com.au](http://www.eyci.com.au). More information on the composition and calculation of these indicators is contained in the brochure titled *Eastern Young Cattle Indicator*, available from the same webpage.

Should you have any queries please contact:

- Jenianne Hall at Meat and Livestock Australia (MLA) on 9463 9367 or [jhall@mla.com.au](mailto:jhall@mla.com.au)
- Anthony Collins at the Sydney Futures Exchange on 9256 0664 or [acollins@sfe.com.au](mailto:acollins@sfe.com.au)



**Peter Hiom**  
**General Manager – Strategy & Business Development**

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