

MUST BE SENT BY November 14, 2002; FAX = (202)418-5521  
E-Mail = [secretary@cftc.gov](mailto:secretary@cftc.gov)

Jean A. Webb, Secretary  
Commodity Futures trading Commission  
Three Lafayette Center, 1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

COMMENT

02-13

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Dear Ms. Webb:

I support the Chicago Mercantile Exchange proposed amendment to the Live Cattle Futures contract to reduce spot month speculative position limit from 600 to 300 contracts effective with the December 2002 contract.

- Live Cattle contract exists as a tool for price risk management.
- Basis is volatile and unpredictable in the spot month in spite of physical deliveries.
- Spot month speculative limits are grossly disproportional to a deliverable supply constrained by location, lack of cattle feeders who use the contract, breed, sex, weight, transportation, inspection capabilities as well as other obstacles to delivery.
- The CME must address deliverable weights and heifer delivery in addition to reducing the speculative position for convergence to occur in the spot month.
- We applaud the CME for recognizing a dysfunctional Live Cattle contract and in taking the necessary steps toward fixing the contract.

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Records Section  
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