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November, 14, 2002

Jean A. Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21 St. Street, NW
Washington, D.C. 20581

COMMENT

Re: 67 FR 66130 CME Proposed Amendments to Spot Month Speculative Position Limits for the Live Cattle Futures Contract

Dear Ms Webb,

Our company, Cactus Feeders, has been in the business of feeding cattle for over a quarter of a century. Cactus Feeders is the Worlds' largest cattle feeder. We market approximately one million fed cattle per year. We are regular users of the Live Cattle Futures Contract for hedging purposes.

Since its inception there has been an ongoing debate how to best make it a fair contract for both the short and the long hedger. Live cattle are a perishable product subjected to many delivery problems for both the long and the short hedger, such as the subjective grading process that is rampant with inequities to both. These problems, as well as others, have made the use of the contract for a long hedger extremely unattractive. We have therefore relied on the speculator to take the long side. We are very concerned that the contract be fair to both parties.

In the interest of fairness we are strongly against the CME proposal. The action taken on Oct. 18 seems to have been made in a capricious manner and without the benefit of thoughtful justification. It is highly unusual to make changes in a currently listed contract without the justification being in the nature of an emergency. Those holders of positions in the spot contract where suddenly faced with a rule change after having taken their positions.

As you are already aware, the CME has not yet listed the 2003 December contract due to continued study of potential changes to the contract. This fair and sound logic of not listing a contract with the potential of specification changes in order to ensures users of the contract of no sudden and unexpected mid-stream changes, should also apply to this current proposal.

We respectfully ask you to deny this proposal and allow the CME to follow the normal process of making changes prior to listing a contract.

Sincerely,

Paul F. Engler
Chairman and CEO