

COMMENT

November 12, 2002

Jean Webb
Secretary to the Commission
CFTC
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

**Received CFTC
Records Section**

11/13/02

To: Chairman, James Newsome and CFTC Members,

This letter is written in opposition to the Chicago Mercantile Exchange proposal that reduces the speculative limits on the live cattle futures from 600 to 300 contracts. The International Brangus Breeders Association believes that fair and equitable time should be given to study both the positive and negative side of this issue. Both the short and long term affects to all beef producers should be evaluated prior to making a hasty judgement that may benefit a small proportion of cattle industry.

CME greatly influences the pricing of all cattle, not just fed cattle. The trickle down affect influences the value of cattle in all segments of the industry including the price paid for bulls and females in the commercial and seedstock segments. The impact can not be measured in simply reviewing the pricing of fed cattle, feeder cattle and calves.

The entire beef industry has suffered substantially from an extended period of lack of profitability. The proposed change would appear to immediately affect the cash market further in a negative manner, thus depressing overall value to all beef producers.

I would encourage CME to continue to gather opinions and input from all segments prior to finalizing changes that could have an adverse effect on the entire beef industry.

Sincerely,

Loren C. Jackson
Executive vice president
International Brangus Breeders Association
P.O. Box 696020
San Antonio, TX 78269

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