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COMMENT

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

To Chairman James Newsome and CFTC Members,

This letter will address the recent proposal of the CME calling for the reduction of spec position limits from 600 to 300 contracts, as well as for increasing weight specs on deliverable cattle. It appears this proposed action has not given due consideration to the entire beef cattle industry and has the interest of a somewhat small segment of the industry.

Agriculture and specifically the cattle business have been my life and vocation. I have served as President of the Michigan Cattlemen's Association and I have no reservation in documenting my disapproval of the position taken by the NCBA in support of this proposal. The NCBA should be supporting issues that are beneficial to all segments of the beef cattle industry including the cow-calf and purebred sector.

As President of Cotton & Associates, a sales management company involved in marketing purebred cattle, I would like to voice my opposition to the aforementioned proposal. Our customer base produces and markets over 15,000 Angus bulls per year accounting for the production and availability of a considerable large number of feeder cattle. We recognize these numbers are somewhat small when one considers the overall production of the national cow herd, however, each of these producers are important to the viability of the industry. Much genetic progress has been made in the development of fast growing, efficient cattle that produce carcasses acceptable to the consumer. Ideal carcass weights are achievable through timely marketing practices.

We feel the CME's proposed changes could have possible deleterious economic effects to feeder cattle prices thus affecting demand and subsequent value for registered bulls currently supplying the superior genetics available to our industry today.

Thank you for your attention to this issue.

Sincerely,

Larry L. Cotton
President, Cotton & Associates