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ERIC THOR JAGER
PRESIDENT

November 12, 2002
VIA FEDERAL EXPRESS

(816) 753-6300

COMMENT

Received CFTC
Records Section

11/14/02

Ms. Jean Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st NW
Washington, DC 20581

Dear Secretary Webb:

This letter is sent in support of the Chicago Mercantile Exchange (CME) proposal to reduce the spot month speculative trading limit for the Live Cattle Contract from 600 to 300 contracts.

It is clear that the deliverable supply of cattle is disproportionate to the spot month speculative trading limit. This results in excessive leverage for speculative traders during the delivery period. The imbalance between speculative trading limits and deliverable supply has resulted in a lack of appropriate and predictable convergence between cash cattle and Live Cattle futures prices. Because of this lack of convergence the current Live Cattle Contract is not a functioning and useful risk management tool.

While reducing the speculative trading limit for the December 2002 contract may serve to bring some near term balance to the deliverable supply/trading limit situation, we also support the CME in not listing the December 2003 contract. Additional changes to the contract should be implemented at that time. The live delivery weight specification must be placed more in line with actual production practices. Heifers should be included in the delivery process.

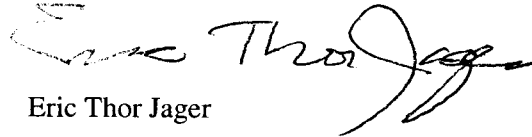
Even if the live delivery weight specifications are altered, and heifers are included in the delivery process, please do not allow the CME to consider any attempt to increase the spot month speculative trading limit to levels greater than 300 contracts. The increase in the speculative trading limit to 600 from 300 contracts in the spot month effective June 1998 marked the beginning of the problems for the Live Cattle Contract. The CME should work to attract a greater number of speculators who are in the market because of the value offered and not attracted because of an opportunity for manipulation.

Once again the CME proposal to reduce the speculative trading limit following first notice for its Live Cattle Contract beginning with the December 2002 contract from 600 to 300 should be supported. We also

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support the CME in its efforts to bring other changes to the December 2003
Live Cattle Contract.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Thor Jager". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eric Thor Jager

ETJ/ct