

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-495

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): December 1, 2014 Filing Description: Amend CME Live Cattle Futures Heifer Delivery Affidavits and Adopt Heifer Delivery Protocols

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|-------------------------------------|---|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input checked="" type="checkbox"/> | "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: Live Cattle Futures

Rule Numbers: Rulebook Chapter 101

December 1, 2014

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: CFTC Regulation 40.4(b)(5): Request for Non-material Agricultural Rule Change.
Delivery Procedures for Live Cattle Futures.
CME Submission No. 14-495**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or Commission”) Regulation 40.4(b)(5), Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is requesting a determination of non-materiality for amendments to the affidavits required for delivery of heifers and for the adoption of protocols corresponding to those affidavits in connection with its Live Cattle Futures contract (Rulebook chapter: 101; Clearing Code: LC; CME Open Outcry Code: LC; CME Globex Code: LE; CME ClearPort Code: 48). The proposed effective date is Tuesday, December 16, 2014. The amendments shall apply to all contract months beginning with the August 2015 contract, which is currently listed.

In an earlier submission (CME Submission No. 14-071R dated February 28, 2014), CME self-certified amendments to the rules of the Live Cattle Futures contract that allowed for delivery of heifers, beginning with the August 2015 contract month which was listed on March 17, 2014. The rule amendments state that heifer delivery is contingent upon the heifer not being pregnant and not being in estrus, among other conditions. Sellers are required to attest to these conditions upon submitting a notice of intent to deliver, by providing signed affidavits to the Exchange.

The manner in which the seller demonstrates that these conditions have been met is subject to CME-approved medical and/or feeding protocols, which consist of several methods and which may change from time-to-time as dictated by cash market practices. Rather than explicitly specify in a rule which protocol is necessary, given that protocols are subject to change, CME staff believes that the rule should describe, generally, that there are approved protocols, and that affidavits are required. In addition, the rules specify the purpose and party who must provide the information required in the affidavits.

The specific protocols have been developed through consultation over the course of several meetings with a group of bovine veterinarians employed by the cattle feeding industry and were reviewed by a group of cattle feeders that provided feedback to ensure that the protocols are consistent with commercial practice. The Exchange intends to revisit these protocols as needed to ensure continuing compliance with Core Principle 3. The Exchange has made the amended required affidavits and approved protocol information available to market participants in a notice posted on the CME website and will also distribute a Clearing House advisory regarding these delivery requirements. The rule change will have no material effect on the value of existing positions. The amended affidavits for heifer delivery and corresponding protocols are attached in blackline format in Appendix A. Clean versions of the amended documents are attached in Appendix B.

The affidavits are amended to reflect certain adjustments needed due to the protocols that relate to each affidavit. The open heifer affidavit was amended to show the various methods that may be used to verify the non-pregnancy of the animal. That affidavit was further amended to require that any pharmaceutical procedures given to the animals for compliance with the protocol must not have been administered within 30 days of the date of delivery, in order to ensure that the animal does not contain traces of the drugs, per commercial practice and recommendation of the veterinarians we consulted. The progestin feeding affidavit was amended to reflect that spayed animals are an exception from the

requirement that a progestin supplement be administered to the animals since a spayed animal does not have an estrus cycle.

The Exchange's staff collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified the following Core Principle as potentially being impacted:

- Availability of General Information: The Exchange shall publish on its website information in regard to futures contract specifications, terms and conditions, and any changes to the delivery procedures. In addition, the Exchange will release a Special Executive Report ("SER") regarding these amendments. The SER will also be posted on the Exchange's website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.4(b)(5), the Exchange hereby certifies that the attached contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at Christopher.Bowen@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Amended Affidavits and Protocols for Heifer Delivery (blackline format)
Appendix B: Amended Affidavits and Protocols for Heifer Delivery (clean)

cc: Christa Lachenmayr, clachenmayr@cftc.gov

Appendix A

(additions underlined, deletions ~~overstruck~~)

Live Cattle Estrus-Suppressing Progestin Supplement Feed Additive Affidavit

****This Affidavit is only required for tendered deliveries of heifer cattle****

Whereas an affidavit is deemed by ~~the~~ Chicago Mercantile Exchange, Inc. ("CME") as a record of production practices, I attest through firsthand knowledge, normal business records, or producer affidavits, that these heifers being tendered for delivery on the CME Live Cattle Futures contract (except for heifers that have been spayed in accordance with the CME Open Heifer Protocol) (these "Heifers") were given a CME--approved protocol for an estrus-suppressing progestin for a minimum of 30 continuousconsecutive days before the scheduled delivery date. Furthermore, I attest these heifers ~~had~~Heifers will have this same estrus-suppressing progestin ~~made available~~ administered to them ~~no longer than within~~ 15 hours before 9:00 AM on the day of such delivery date.

I attest that the records reflecting production practices for all heifers delivered against the CME Live Cattle Futures contract are available for inspection for the sole purpose of compliance with an audit from CME and that these records will be maintained for one year from the date of delivery.

Date: _____

Name (please print): _____

Signature: _____

Feedlot Name: _____

Address: _____

City, State, Zip: _____

Telephone, including area code: (_____) _____

A copy of this Affidavit must accompany each Certificate of Delivery tendered and shall be considered part of the Certificate of Delivery. A Certificate of Delivery will not be accepted without a complete, legible, and signed copy of this Affidavit, dated as of the date of tender.

Live Cattle Open Heifer Protocol (OHP) Affidavit

****This Affidavit is only required for tendered deliveries of heifer cattle****

Whereas an affidavit is deemed by ~~the~~ Chicago Mercantile Exchange, Inc. ("CME") as a record of production practices, I attest through firsthand knowledge, normal business records, or producer affidavits, that these heifers being tendered for delivery on the CME Live Cattle Futures contract (these "Heifers"):

- 1) ~~These heifers being tendered for delivery on the CME Live Cattle Futures contract were given a CME~~ are in compliance with the following indicated CME-approved open heifer protocol (OHP) after ~~being~~having been placed in the applicable delivering feedlot of the party tendering this Certificate of Delivery (indicate at least one):
 - a. ~~This CME approved OHP was not~~ Palpation, ultrasound or blood test;
 - b. Spaying; and/or
 - a-c. Pharmaceuticals (administered ~~within 7~~more than 30 days ~~of issuing~~before the ~~Certified~~day of ~~Delivery, delivery~~); and

~~These heifers~~

- 2) have not knowingly been exposed to a bull following the administration of the OHP.

I attest that the records reflecting production practices for all heifers delivered against the CME Live Cattle Futures contract are available for inspection for the sole purpose of compliance with an audit from CME and that these records will be maintained for one year from the date of delivery.

Date: _____

Name (please print): _____

Signature: _____

Feedlot Name: _____

Address: _____

City, State, Zip: _____

Telephone, including area code: (_____) _____

A copy of this Affidavit must accompany each Certificate of Delivery tendered and shall be considered part of the Certificate of Delivery. A Certificate of Delivery will not be accepted without a complete, legible, and signed copy of this Affidavit, dated as of the date of tender.

CME Approved Estrus-Suppressing Progestin Feeding Protocol

To be eligible for delivery against the CME Live Cattle Futures contract, all delivered heifers must have received the following CME approved protocol:

Melengestrol Acetate ("MGA") or like analog administered in accordance with all label instructions and requirements for a minimum of 30 consecutive days before the delivery date and within 15 hours before 9:00 AM on such delivery date.

Adherence to these guidelines is not expected to eliminate all risk of heifers entering or exhibiting estrus at the time of delivery but is intended to mitigate the risk of occurrence. It is recognized that MGA may not be 100% effective in suppressing estrus in all heifers. Administration of these guidelines must be in accordance with veterinary Standards of Practice.

CME Approved Open Heifer Protocol (OHP)

In order to be eligible for delivery against the CME Live Cattle Futures contract, heifers tendered for delivery must be certified to be open (not pregnant) by administration of the following guidelines by a licensed Doctor of Veterinary Medicine (DVM) or under the direction of a licensed DVM. Heifers may be certified as open if:

- 1) **Open Status Confirmed by Palpation or Ultrasound or Blood Test**
 - a) Via palpation or ultrasound or blood test by or under the direction of a licensed DVM, the heifer(s) tendered for delivery were determined to be open.
- 2) **Open Status Confirmed by Spaying**
 - a) The heifer(s) were spayed by a licensed DVM while in the delivering feedlot;
 - b) The heifer(s) had documentation of having been spayed prior to being placed in the delivering feedlot's facilities or, upon arrival at the facilities, were found to be spayed by inspection of a licensed DVM.
- 3) **Pharmaceutical Protocols**
 - a) Heifer(s) tendered for delivery may be certified as open if they were given, by or under direction of a licensed DVM, in accordance with all Federal and State drug administration guidelines, veterinary Best Standards of Practice, and CME Live Cattle Delivery Rules, a pharmaceutical protocol or regime expressly intended to ensure open status of the heifers. Such pharmaceutical protocols must not be given within 30 days before the day of delivery and may include:
 - i) If 120 days or less in gestation:
 - (1) PGF2 α or like analog given at label dose per label directions
 - ii) If greater than or equal to 120 days gestation:
 - (1) PGF2 α or like analog given at label dose per label directions
 - (2) Dexamethasone (10ml IM)
- 4) **Additional Requirements**
 - a) In addition to the administration of any of the above protocols at the time the heifer(s) tendered for delivery were placed into the delivering feedlot, the following requirements must also be met:
 - i) Heifer(s) tendered for delivery were not knowingly exposed to a bull at any time during the feeding period.

The above protocols are not intended to completely eliminate the risk of pregnant heifers being delivered but are intended to minimize such possibilities. Any and all veterinary treatments given to cattle tendered for CME delivery must be in accordance with veterinary Standards of Practice.

Appendix B

Live Cattle Estrus-Suppressing Progestin Feed Additive Affidavit

****This Affidavit is only required for tendered deliveries of heifer cattle****

Whereas an affidavit is deemed by Chicago Mercantile Exchange Inc. ("CME") as a record of production practices, I attest through firsthand knowledge, normal business records, or producer affidavits, that these heifers being tendered for delivery on the CME Live Cattle Futures contract (except for heifers that have been spayed in accordance with the CME Open Heifer Protocol) (these "Heifers") were given a CME-approved protocol for an estrus-suppressing progestin for a minimum of 30 consecutive days before the scheduled delivery date. Furthermore, I attest these Heifers will have this same estrus-suppressing progestin administered to them within 15 hours before 9:00 AM on such delivery date.

I attest that the records reflecting production practices for all heifers delivered against the CME Live Cattle Futures contract are available for inspection for the sole purpose of compliance with an audit from CME and that these records will be maintained for one year from the date of delivery.

Date: _____

Name (please print): _____

Signature: _____

Feedlot Name: _____

Address: _____

City, State, Zip: _____

Telephone, including area code: (_____) _____

A copy of this Affidavit must accompany each Certificate of Delivery tendered and shall be considered part of the Certificate of Delivery. A Certificate of Delivery will not be accepted without a complete, legible, and signed copy of this Affidavit, dated as of the date of tender.

Live Cattle Open Heifer Protocol (OHP) Affidavit

*****This Affidavit is only required for tendered deliveries of heifer cattle*****

Whereas an affidavit is deemed by Chicago Mercantile Exchange Inc. ("CME") as a record of production practices, I attest through firsthand knowledge, normal business records or producer affidavits, that these heifers being tendered for delivery on the CME Live Cattle Futures contract (these "Heifers"):

1) are in compliance with the following indicated CME-approved open heifer protocol (OHP) after having been placed in the applicable delivering feedlot (indicate at least one):

- a. Palpation, ultrasound or blood test;
- b. Spaying; and/or
- c. Pharmaceuticals (administered more than 30 days before the day of delivery); and

2) have not knowingly been exposed to a bull following the administration of the OHP.

I attest that the records reflecting production practices for all heifers delivered against the CME Live Cattle Futures contract are available for inspection for the sole purpose of compliance with an audit from CME and that these records will be maintained for one year from the date of delivery.

Date: _____

Name (please print): _____

Signature: _____

Feedlot Name: _____

Address: _____

City, State, Zip: _____

Telephone, including area code: (_____) _____

A copy of this Affidavit must accompany each Certificate of Delivery tendered and shall be considered part of the Certificate of Delivery. A Certificate of Delivery will not be accepted without a complete, legible, and signed copy of this Affidavit, dated as of the date of tender.

CME Approved Estrus-Suppressing Progestin Feeding Protocol

To be eligible for delivery against the CME Live Cattle Futures contract, all delivered heifers must have received the following CME approved protocol:

Melengestrol Acetate ("MGA") or like analog administered in accordance with all label instructions and requirements for a minimum of 30 consecutive days before the delivery date and within 15 hours before 9:00 AM on such delivery date.

Adherence to these guidelines is not expected to eliminate all risk of heifers entering or exhibiting estrus at the time of delivery but is intended to mitigate the risk of occurrence. It is recognized that MGA may not be 100% effective in suppressing estrus in all heifers. Administration of these guidelines must be in accordance with veterinary Standards of Practice.

CME Approved Open Heifer Protocol (OHP)

In order to be eligible for delivery against the CME Live Cattle Futures contract, heifers tendered for delivery must be certified to be open (not pregnant) by administration of the following guidelines by a licensed Doctor of Veterinary Medicine (DVM) or under the direction of a licensed DVM. Heifers may be certified as open if:

1) Open Status Confirmed by Palpation or Ultrasound or Blood Test

- a) Via palpation or ultrasound or blood test by or under the direction of a licensed DVM, the heifer(s) tendered for delivery were determined to be open.

2) Open Status Confirmed by Spaying

- a) The heifer(s) were spayed by a licensed DVM while in the delivering feedlot;
- b) The heifer(s) had documentation of having been spayed prior to being placed in the delivering feedlot's facilities or, upon arrival at the facilities, were found to be spayed by inspection of a licensed DVM.

3) Pharmaceutical Protocols

- a) Heifer(s) tendered for delivery may be certified as open if they were given, by or under direction of a licensed DVM, in accordance with all Federal and State drug administration guidelines, veterinary Best Standards of Practice, and CME Live Cattle Delivery Rules, a pharmaceutical protocol or regime expressly intended to ensure open status of the heifers. Such pharmaceutical protocols must not be given within 30 days before the day of delivery and may include:

- i) *If 120 days or less in gestation:*

- (1) PGF2 α or like analog given at label dose per label directions

- ii) *If greater than or equal to 120 days gestation:*

- (1) PGF2 α or like analog given at label dose per label directions
- (2) Dexamethasone (10ml IM)

4) Additional Requirements

- a) In addition to the administration of any of the above protocols at the time the heifer(s) tendered for delivery were placed into the delivering feedlot, the following requirements must also be met:
 - i) Heifer(s) tendered for delivery were not knowingly exposed to a bull at any time during the feeding period.

The above protocols are not intended to completely eliminate the risk of pregnant heifers being delivered but are intended to minimize such possibilities. Any and all veterinary treatments given to cattle tendered for CME delivery must be in accordance with veterinary Standards of Practice.