



C.F.T.C.
OFFICE OF THE SECRETARIAT

January 3, 2011

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Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington DC 20581

**RE: Section 5c(1) and Regulation 40.4(b)(8) Submission.
Non-Material Agricultural Rule Change.
Exchange Certification of Standard Freight Rate for Live Cattle
Futures Deliveries
CME Submission No. 11-001**

Dear Mr. Stawick:

The Standard Freight Rate is used in carcass graded deliveries of Live Cattle to compensate the seller when the buyer requests delivery at a packing plant that is farther from the feedyard than the delivery point stockyards. In accordance with Live Cattle Rule 10103.C.8., this rate is set annually by the Chicago Mercantile Exchange Inc. ("CME" or "Exchange"). For 2010, the rate was \$3.75 per mile per contract, unchanged from the rate for 2009.

Results from a survey of livestock trucking firms show that freight rates have increased, largely due to higher prices for diesel fuel. Based on these results, the Standard Freight Rate for deliveries on the 2011 Live Cattle futures contracts will increase to \$4.00 per mile per contract. This action was approved by the Exchange on December 21, 2010.

The Exchange certifies that this action complies with the Commodity Exchange Act and the regulations thereunder.

If you have any questions regarding this submission, please contact Paul Peterson at (312) 930-4587 or via e-mail at paul.peterson@cmegroup.com or me at (212) 299-2200. Please refer to CME Submission No. 11-001 in all correspondence regarding this matter.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

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