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COMMENT

February 1, 2000

Jean A. Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre, 21st Street, NW
Washington, D.C. 20581

Dear Ms. Webb,

I am writing this letter in opposition to the CME increasing the position limit to 900 contracts from 600 contracts in the spot month. We, in the futures industry, need to remember that the very heart of our business needs to be in hedging in order to keep the market in line with the underlying cash market. In the spot month when hedgers would Possibly deliver on the contract, we need the contracts and its limits to reflect the true nature of the market.

In my estimation, The contract limit in the spot month should reflect deliverable supplies. Most of my clients are hedge clients in cattle. They should not have to be subject to wild fluctuations that potentially exist if the limit is raised to 900 through purely speculative positioning. There are a variety of things that the CME could do to increase business without putting cattle producers' businesses in jeopardy by wild market fluctuations. The CME should and could consider the idea of heifer delivery on deliverable supply and have a determination of live or carcass in the deliverable supply.

In summary, I request that the spot month be reduced to 300 contracts but by no means increased to 900. The industry needs to maintain its integrity to the clients who deliver in the cash markets. I do not feel that this will benefit my clients and will be a detriment to the industry if the position limit is raised in the spot month.

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Sincerely,

Ted Huneycutt, Jr., President
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