



Received CFTC
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LANE COUNTY FEEDERS, INC.

Jim Meetz, Manager

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February 10, 2000

COMMENT

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

Re: CME Speculative Position Limits

Dear Ms. Webb:

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I would oppose the proposed 900 contracts speculative limit in the spot month change which the CME is proposing. Things would seem to be grossly out of whack when comparing spot month speculative trading limits with the supply available for delivery. It seems the CME has become totally insensitive to the deliverable supply side of their customer base.

It seems puzzling that the CME is playing to one side of the equation. For a physical delivery contract to perform efficiently, volume in the deliverable supply would be essential. If they continue ignoring this part of their customer base, an imbalance will truly occur.

To continue to use the live cattle contract as a cattle feeding risk management source with predictable basis and convergence, the CME should drop this proposal or the CFTC should deny the request.

When the expense of risk management exceeds the perceived risk taken, then businesses such as Lane County Feeders, Inc., will ignore the use of the live cattle contract as an option. I believe it's time the CME is awakened to the fact that if they continue to ignore the desires of the deliverable supply side of their customer base, then the market will dictate alternative sources for managing risk.

Sincerely,

James A. Meetz

JM/kk

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