

CATTLE EMPIRE, LLC
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COMMENT

November 6, 2002

**Received CFTC
Records Section**
1/08/2002

Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington DC 20581

RE: CME's proposed amendments to the spot month speculative limits for the live cattle futures contract.

Gentlemen:

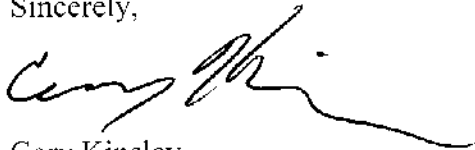
We would support the proposed amendment to reduce the speculative position limit in the spot month for the live cattle futures contract. The proposal displays recognition that there is currently a lack of convergence between cash and futures. The proposal is a small move towards the live cattle futures contract achieving more balance with deliverable supplies. The deliverable supply needs to be increased since the current live cattle futures contract does not represent nearly enough of the cattle being hedged with this contract. Making heifers available for delivery will increase the deliverable supply. Bringing the weight specifications more in line with actual live cattle weights could also increase deliverable supply, thus the current weight specifications are too low. Due to the lack of recognition of a relative deliverable supply, the inconsistent convergence between cash and futures is creating an environment that greatly reduces the strength of the live cattle contract to serve as a viable risk management tool.

With respect to the cattle that we are currently producing, these previously mentioned changes would increase the percentage of deliverable cattle of what we produce from about 10% up to about 60%. That type of percentage increase obviously makes the CME's live cattle futures contract a much stronger risk management tool for us since the contract would be more representative of what cattle we and the majority of other cattle feeders actually produce.

Another area of concern is the physical delivery points and processes being too congested. Currently the physical delivery is too cumbersome for the short compared to the long speculator. This imbalance obviously creates leverage for the long speculators in the spot month.

Once again, we support the proposed amendment to reduce the speculative position limit in the spot month from 600 to 300 contracts for the Live Cattle Contract.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cory Kinsley', with a long, sweeping horizontal stroke extending to the right.

Cory Kinsley
Risk Management Director