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November 14, 2002

Jean A. Webb
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW.
Washington, DC 20581
(202) 418-5521

CFTC:

I have recently read a study which, indicates short hedges represent 4.2% of the total added value by steer and heifer beef producers. I believe that packers average approximately .5 to 1% of this total and their controlled feed yard suppliers another .5 to 1%. Splitting the differences and combining the two, this would make an estimated 1.5% short hedgers held by packers and their surrogates at 1.5% of the total. Therefore, 4.2% - 1.5% = 2.7%. (Hedged cattle not owned or controlled by packers)

We would suggest that your staff might do a simple sort of letters in support of reducing the position limits to check and see whether these letters aren't overwhelmingly concentrated in the statical category described above as representing 2.7% of the industry. If so, this exercise would be deserving of substantial consideration, as I am confident it would receive from your commission.

As I get closer to my retirement, (which I cannot do now because I fed cattle) it only becomes clearer why I have dropped so much equity over the last decade and the packer has gotten rich. The cash price system is broken and they want the futures to be that way too. Greed is a terrible thing that has gotten totally out of control in the meatpacking and retailing sectors of the meat industry.

You must deny the proposed changes to the live cattle contract.

Sincerely,

Jim Ziebell

Jim Ziebell
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