



R-CALF USA

03-15
4

P.O. Box 30715
Billings, MT 59107
Phone: 406-252-2516
Fax: 406-252-3176
E-mail: r-calfusa@r-calfusa.com
Website: www.rcalf.com

DIRECTORS

**President/
Region I**
o McDonnell, Jr.
Columbus, MT

**Vice President/
Region II**
Kathleen Kelley
Meeker, CO

Region III
Herman
Schumacher
Herreid, SD

Region IV
Dean Cockrell
Cedarville, CA

Region V
Chuck Kiker
Beaumont, TX

Region VI
Malcolm Moore
Auburn, KS

Region VII
Jerry Swartz
Alexandria, MN

Region VIII
Gene Barber
Lexington, KY

Region IX
James Fudge
Colquitt, GA

Region X
Jennis Huber
Bismarck, ND

C.E.O.
Bill Bullard
Billings, MT

December 26, 2003

COMMENT

James E. Newsome
Chairman,
Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street, NW.
Washington, DC, 20581

Dear Chairman Newsome:

On behalf of nearly 9000 voluntary members of R-CALF United Stockgrowers of America (R-CALF USA), and its 54 state and local cattle association affiliates, representing thousands more producers, I am requesting that the Commodity Futures Trading Commission restore the limit of \$1.50 per day for futures trading on the Chicago Mercantile Exchange pending the conclusion of the investigation into the single case of BSE discovered in the state of Washington.

The basis for this request is fact that the market is responding to a worst-case scenario due to lack of factual information. This worst-case scenario is that the index cow was born and raised in the United States and, therefore, contracted the BSE agent domestically. If this is determined true, the United States loses its international designation as a BSE Provincially Free country. However, this is merely speculation. It is equally possible, if not more probable, that this index cow was imported into the United States. If this is true, then the United States does not lose its BSE Provincially Free status as determined by the World Organization for Animal Health (OIE). If the cow is of foreign origin, and if the progeny of the index cow can be identified and destroyed, then the United States will retain its international standing of being a BSE Provincially Free country, thereby significantly mitigating any economic backlash.

There have been several reports indicating that the index cow is of foreign origin, but until the USDA either confirms or denies these reports, the market is assuming the worst. Limiting the range of trading to the traditional \$1.50 limit pending the conclusion of the investigation will prevent unnecessary overreaction, including panic selling, to the limited, official information being released by the USDA. The economic viability of the United States live cattle industry will be better protected if the Commodity Futures Trading Commission restores its \$1.50 futures limit.

2004 JAN -3 AM 2:53

RECEIVED
C.F.T.C.

RECORDS SECTION

2004 JAN -9 AM 7:36

RECEIVED
C.F.T.C.

Thank you for your consideration of this request. Please call me or Bill Bullard at 406-252-2516 if we can be of assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Leo R. McDonnell".

Leo McDonnell
President