



January 24, 2014

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**RE: CFTC Regulation 40.6(a) Certification. Notification of Amendments to CME Rule 704 (Approved Stockyards and Slaughter Plants for Live Cattle) and New Appendix to CME Rule Chapter 7  
CME Submission No. 14-029**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME" or the "Exchange") is notifying the Commission that it is self-certifying revisions to Rule 704 (Approved Stockyards and Slaughter Plants for Live Cattle) and the addition of an appendix to CME Chapter 7 (Delivery Facilities and Procedures), effective on Monday, February 10, 2014. The revised rule will apply to deliveries against the February 2014 Live Cattle futures contract and forward.

The amendments allow the Exchange, in its sole discretion, to determine and publish maximum daily delivery limits at stockyards that have been approved by the Exchange for the delivery of live cattle resulting from delivery obligations resulting from transactions in CME Live Cattle futures contracts. The amendments note that the limits are subject to change based on changes to stockyard infrastructures and the availability of USDA grading personnel. The amendments also require approved stockyards that wish to increase or decrease their current delivery limit to file a written request with the Exchange. Lastly, as a result of the amendments to Rule 704, CME will adopt an appendix to Chapter 7 of the CME Rulebook setting forth the current live cattle maximum daily grading capacities at approved stockyards. The amendments to Rule 704 are set forth in Exhibit A in blackline format; the addition of the Appendix to CME Rule Chapter 7 is set forth in Exhibit B in blackline format.

The Exchange's Market Regulation Department and Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act"). During the review, CME identified that the revisions to Rule 704 and the adoption of the new appendix to Chapter 7 may have some bearing on the following Core Principle:

Availability of General Information: In order to ensure that market participants are apprised of the revisions to Rule 704 and the adoption of the new appendix in Chapter 7, CME will issue a CME Group Special Executive Report to the marketplace notifying them of the Exchange's ability to set maximum delivery capacities of approved live cattle stockyards in advance of the revisions and the new appendix becoming effective. The issuance of the Special Executive Report notifies the marketplace of the pending revisions in compliance with this Core Principle.

CME certifies that the revision to Rule 704 and the adoption of the new appendix in Chapter 7 of the CME Rulebook complies with the Act and regulations thereunder. There were no opposing views to the rule amendments or the new appendix.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you have any questions regarding this submission, please contact Nadine Brown, Market Regulation, at 212.299.2223 or via email at [Nadine.Brown@cmegroup.com](mailto:Nadine.Brown@cmegroup.com). Alternatively, you may contact me at 212.299.2200 or via email at [Christopher.Bowen@cmegroup.com](mailto:Christopher.Bowen@cmegroup.com).

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – Revisions to CME Rule 704  
Exhibit B – New Appendix to CME Rule Chapter 7

**Exhibit A**  
**Revisions to CME Rule 704**  
(additions underlined)

**CME Chapter 7 (Delivery Facilities and Procedures)**

**704. APPROVED STOCKYARDS AND SLAUGHTER PLANTS FOR LIVE CATTLE**

Deliveries on Exchange contracts of live beef cattle can be made only at public livestock yards and slaughter plants designated and approved for delivery by the Exchange.

A public livestock yard shall not be eligible for deliveries as an approved stockyard unless it is a stockyard within the definition of the Packers and Stockyards Act, 1921 as amended, and has received notice to that effect from the Secretary of Agriculture. Approved stockyards shall be required to keep such records, make such reports and be subject to inspection and regulation by the Secretary of Agriculture, as provided in said Packers and Stockyards Act.

The Exchange, in its sole discretion, may determine and publish maximum daily live delivery limits for futures contracts at approved stockyards (see Appendix to this Chapter for the current limits). These limits are subject to change based on changes in stockyard infrastructure (e.g., scales, holding pens, etc.) and availability of USDA grading personnel. Approved stockyards that desire to increase or decrease their limit shall file with the Exchange a written request. Increases shall be effective thirty days after approval and posting by the Exchange and decreases shall be effective once a notice has been posted by the Exchange.

An approved slaughter plant shall, at a minimum, be federally inspected, slaughter primarily fed cattle in the normal course of business, have a fed cattle slaughter capacity of at least 500 head per day, have proper facilities for weighing and grading, and be located within a 200 mile radius of one or more approved stockyards.

**Exhibit B**  
**New Appendix to CME Rule Chapter 7**  
(additions underlined)

Live Cattle Maximum Daily Grading Capacities at Approved Stockyards

The following live cattle grading capacity limits at approved stockyards are in effect beginning with the February 2014 live cattle delivery cycle:

<u>Approved Stockyard</u>	<u>Maximum Daily Grading Capacity (contracts)</u>
<u>Amarillo TX</u>	<u>60</u>
<u>Clovis NM</u>	<u>15</u>
<u>Columbus NE</u>	<u>15</u>
<u>Dodge City KS</u>	<u>40</u>
<u>Norfolk NE</u>	<u>30</u>
<u>North Platte NE</u>	<u>20</u>
<u>Ogallala NE</u>	<u>25</u>
<u>Pratt KS</u>	<u>10</u>
<u>Syracuse KS</u>	<u>25</u>
<u>Texhoma OK</u>	<u>30</u>
<u>Tulia TX</u>	<u>30</u>
<u>Worthing SD</u>	<u>60</u>
<u>Wray CO</u>	<u>10</u>