

April 5, 2013

VIA E-MAIL

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

**RE: Regulations 40.4(a)/40.5(a): Amendments to Position Limits for Lean Hog Futures and Options on Lean Hog Futures
CME Submission No. 13-131**

Dear Ms. Jurgens:

Pursuant to Commodity Futures Trading Commission (the "Commission") Regulations 40.4(a) and 40.5(a), Chicago Mercantile Exchange Inc. ("CME" or the "Exchange") is requesting Commission approval to increase the single non-spot month futures equivalent speculative position limits in the Lean Hog futures (the "Hog Contract") and options on the Hog Contract. The amendments will go into effect on May, 20, 2013, pending Commission approval.

The proposed amendments to the position limits establish the single non-spot month position limits at 4,575 Hog Contracts. There is no change in the spot month position limit of 950 Hog Contracts. A recent analysis using open interest data from 2012 for Lean Hog futures and options on Lean Hog futures determined that positions of 4,575 Hog Contracts could be held, using a formula that the Commission has employed in the past to calculate such single non-spot month position limits for Hog Contracts, among other CME livestock futures contracts. The increased position limits will be effective for all contract months, as in similar situations in the past.

The analysis employed the following formula, developed by the Commission:

The individual non-spot level was calculated as no greater than 10% of the average combined futures and delta-adjusted option month-end open interest for the most recent calendar year up to 25,000 contracts with a marginal increase of 2.5% thereafter. A table with the relevant data for Hog Contracts in 2012 is attached hereto as Exhibit 2.

The Exchange's business staff and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles"), as set forth in the Commodity Exchange Act ("CEA" or "Act"). During this review, the Exchange identified the following Core Principles as potentially being impacted:

Compliance with rules: Higher speculative position limits should not affect the Exchange's ability to assure compliance with rules and conduct market surveillance obligations under the Act. The Exchange believes that it has appropriate systems, policies and procedures in place to address the new speculative position limits.

Contracts not readily subject to manipulation: The Exchange believes the levels are appropriate given that the Commission developed and applied the method of analysis used in calculating the limits in prior approvals for livestock futures contracts. It has been employed most recently in February 2011 for an approved increase in Hog Contract position limits.

Prevention of market disruption: Increased single non-spot month speculative position limits will not affect market surveillance activities and all market participants trading in the Hog Contracts will continue to be monitored to avoid abuse or market disruption.

Position limits or accountability: The Exchange is adopting speculative position limits that are consistent with Commission referenced contract position limits.

Trade information: Increased speculative position limits will not affect the Exchange's ability to record and store identifying trade information in order to assist in the prevention of customer and market abuses.

Protection of market participants: The Exchange will continue to monitor trading in the Hog Contracts to prevent any abusive practices and to assure equitable trading for all users.

Exhibit 1 sets forth the proposed revisions to the Position Limit Table at the end of CME Rule Chapter 5. The modifications appear below with additions underscored and deletions ~~overstruck~~.

CME certifies that the amendments comply with the CEA and the regulations thereunder. No substantive opposing views regarding the proposed amendments to the position limits were expressed to CME.

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

If you require any additional information regarding this submission, please contact the undersigned at (212) 299-2200 or via email at Christopher.Bowen@cmegroup.com.

Please reference our CME Submission No. 13-131 in any related correspondence.

Sincerely,

/s/Christopher S. Bowen
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1
 Exhibit 2

EXHIBIT 1

Amendment to CME POSITION LIMIT, POSITION ACCOUNTABILITY AND REPORTABLE LEVEL TABLE in pertinent section at the end of Chapter 5, as follows (deletions overstruck, additions underlined):

Contract Name	Rule Chapter	Commodity Code	Single Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
Lean Hog	<u>152 & 152A</u>	LN	<u>4,575</u> 4,150

EXHIBIT 2

CME Lean Hog Futures/Options

Month Ending	Contract Month	Futures Contracts	Options Contracts (delta adjusted)	Grand Total
Jan-12	Apr-12	95151	8311	103462
Feb-12	Apr-12	87613	8987	96600
Mar-12	Jun-12	102529	19652	122181
Apr-12	Jun-12	105388	28021	133409
May-12	Jul-12	75144	5287	80431
Jun-12	Aug-12	70323	11878	82201
Jul-12	Oct-12	97987	14055	112042
Aug-12	Oct-12	89098	20232	109330
Sep-12	Dec-12	106365	16960	123325
Oct-12	Dec-12	89841	19727	109568
Nov-12	Feb-13	101236	12669	113905
Dec-12	Feb-13	97465	12268	109733
12-month Average				108016
10% of 25,000				2500
2.5% of 83,016 (excess above 25,000)				2075
Total for Non-spot Month Limit				4575