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secretary

From: Dow McVean [DOW@MCVEAN.COM]
Sent: Tuesday, October 29, 2002 4:24 PM
To: 'secretary@cftc.gov'
Subject: CME Live Cattle Speculative Limit Ammdement

**Received CFTC
Records Section**

10/30/02

To whom it may concern,

COMMENT

I am a speculator at the CME and the CBOT, as well as a cattle feeder. I have two grave concerns regarding the CME's recent proposal to reduce the spot month live cattle speculative limits from 600 to 300 contracts.

Firstly, the manner in which this issue was handled by the staff of the CME was absolutely out of line. They have proposed to change the rules of a game that is already in progress. When they proposed this change, there were 100,000 contracts open beyond the October contract. Furthermore, the Board Members who passed this ammendment were predominately financial market traders, who did so without any consultation with the underlying industry. This is clearly no way to do business.

Secondly, the problem in the cattle industry is a lack of leverage on the long side of both the futures and cash markets. The concentration at every level of the industry above the feedyard (packer, retailer, etc.) has created serious problems for the price discovery process of fat cattle. Forcing the long speculator to further reduce his position in the spot month will only serve to weaken an already weak cash long in the cattle indusrty. The CME staff is clearly concerned about their workload only, with total disregard for the cattle industry as a whole.

For the above reasons, I would ask that the CFTC do the responsible thing and decline to approve the CME's ammendment. Furthermore, I would ask that the CFTC take further steps to remedy the bias within the staff at the CME that clearly favors the shorts in the live cattle futures market.

Sincerely,

Dow McVean

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