

CAPROCKINDUSTRIE

December 10, 2003

Ms. Jean A. Webb Office of the Secretariat Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW Washington, DC 20581

comment

Re: Section 5c(c)(2) and Regulation Section 40.5 Submission. Request for Commission Rule Approval of Revisions to Daily Price Limits for Live Cattle Futures and Feeder Cattle Futures. Amendments to CME Rules 10102.D. and 10202.D. CME Submission #03-101.

Dear Ms. Webb:

Caprock Cattle Feeders is opposed to the above referenced CME Live Cattle and Feeder Cattle limit changes submitted by the CME. We feel strongly the current daily price limits with gradual limit increases is appropriate. If the CUE feels having one limit increase is in their best interest, we would support a \$2.00/cwt daily limit.

Increasing the limits to \$3.00/cwt is unwarranted given the history of the contract. A limit this large would allow the market to move \$15/cwt in one week of trading. I can only think of one time (this past fall) that cattle prices moved over \$10/cwt in a week. Trading limits are meant to be breaker in a market that can get very emotional. A \$3/cwt limit is allowing the market to become very emotional and irrational. It is difficult for us to understand how the CFTC can approve this request.

Please don't hesitate to give us a call to discuss further. Thank you for the opportunity to

comment.
Sincerely, n



Alan Smith

Caprock Cattle Feeders

Vice President and Commodity Dept. Manager

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