

The Chicago Mercantile has approved expanding the daily limits in live cattle and feeder cattle futures to \$3.00 cwt. from its current level of \$1.50 cwt.

I have been a commodity broker for over 30 years working with livestock producers and packers on managing risk. This increase to \$3.00 cwt. will force the CME to maintain higher margin requirements than with the \$1.50 daily limits. This is an interest cost to the producer and may limit his percent that he may use the futures market as a hedging tool.

The increased margin requirements and daily range increases risk and may limit the speculator. We do not want to limit or reduce volume or limit trading to just large traders. I would like you to review the potential downfalls which may occur from the MERC's change in daily limits.

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