

From: Art Wagner [mailto:alwagner@nationalbeef.com]
Sent: Wednesday, December 10, 2003 2:35 PM
To: submissions@cftc.gov
Subject: Expansion in Daily Live Cattle Futures Limit

Dear Sir,

National Beef Packing Co. is a producer owned beef processing company handling over 3.0 million head per year. Part of National Beef's risk management program includes the use of live cattle futures and options. Currently a proposal to permanently expand daily trading limits from 150 points to 300 points has been forwarded to your office for comments. Market volatility over the past few months has demonstrated that at times the 150 limit has not been able to keep pace with unprecedented and historic advances and declines in live cattle and boxed beef prices. However, the past 5 months has been more the exception than the rule when looking at historic live cattle market volatility. While recognizing that perhaps expansion from the long standing 150 point daily price limit deserves review, we are concerned that doubling that level to 300 points will be extreme for the average market participant looking to live cattle futures and options as a tool for risk management and as a factor in making selling and buying live and feeder cattle decisions. Before making the leap to 300 points, we would encourage implementation of a 200 point daily limit, to a maximum of 250 points combined with the current graduated expanded limit schedule.

Thank you.

Art Wagner
VP Cattle Procurement
National Beef Packing Co. LLC