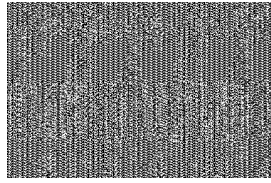


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NATIONAL CATTLEMEN'S BEEF ASSOCIATION

1307 Pennsylvania Ave., NW Suite 300 • Washington, DC 20004 • 1707 • 202-347-0228 • Fax 20238-(607

December 11, 2003

Ms. lean A. Webb

Commodity Futures Trading Commission **Three** Lafayette Center

1155 21⁵ . Street, NW Washington DC 20581

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Dear Ms. Webb,

The National Cattlemen's Beef Association (NCBA) is writing to state our opposition to the recent proposal submitted by the Chicago Mercantile Exchange (CME) regarding daily price limits on the live cattle futures contract.



The CME is proposing this change as a result of the market activity that occurred this fall. The price and basis levels observed were extraordinary. *Dialogue* should occur to develop an appropriate approach to deal with this type of market activity should it occur again.

We cannot support the CME request to double the daily price limit, from the current \$1.50 per hundredweight to \$3 per hundredweight. In an attempt to prevent an already irregular event from reoccurring, the CME is placing a financial burden upon producers that will have to be dealt with every trading day.

This change *will* have a direct result upon margin limits, lending requirements and financial arrangements between producers and their lending institutions. This change needs more discussion.

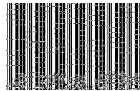
The NCBA is requesting that the CME withdraw this proposed rule change at this time. NCBA has invited the CME to send representatives to our Live Cattle Marketing Committee meeting to be held in conjunction with our annual

convention scheduled for January 30th, 2004 in Phoenix, Arizona.

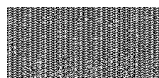
We are more than happy to engage in the discussion that will lead to a mutually agreeable solution so that we can avoid a duplication of this fall's market activity and protect the financial stability of our members.

Should the CME not withdraw their request, we ask the CFTC to deny the rule change.

Sincerely,



Eric Davis NCBA President



AMERICAS CATTLE INDUSTRY Denver

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