

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-187

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 10/19/23 **Filing Description:** Amendments to the Live Cattle Feeding Affidavit of the Live Cattle Futures Contract to Include Language Regarding Animal Husbandry Practices

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|-------------------------------------|---|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input checked="" type="checkbox"/> | “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: Live Cattle Futures

Rule Numbers: Rulebook Chapter 101

October 19, 2023

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CFTC Regulation 40.4(b)(5). Request for Non-Material Agricultural Rule Change. Amendments to the Live Cattle Feeding Affidavit of the Live Cattle Futures Contract to Include Language Regarding Animal Husbandry Practices. CME Submission No. 23-187

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or Commission”) Regulation 40.4(b)(5), Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is requesting a determination of non-materiality for amendments to the Live Cattle Feeding Affidavit (the “Affidavit”) which is required for delivery of steers or heifers in connection with the Live Cattle Futures contract (Rulebook Chapter: 101; Clearing Code: 48; CME Globex Code: LE; CME ClearPort Code: 48) (the “Contract”) effective on November 3, 2023 and commencing with the December 2023 contract month and beyond (collectively, the “Rule Amendments”). There is open interest in the impacted contract months.

Specifically, CME will amend the Affidavit to include language which shall require that any cattle being tendered for delivery have been managed in accordance with industry standards of animal husbandry practices.

The cattle industry is continually working towards appropriate animal husbandry practices to ensure herd productivity that will yield high quality beef. The Rule Amendments are intended to expressly align the Exchange’s delivery rules with prevailing commercial animal husbandry practices and to ensure proper animal handling is carried out in connection with delivery of the Contract.

Several standards and guidelines for animal handling practices have emerged in the industry including Beef Quality Assurance (“BQA”) and Livestock Marketing Association (“LMA”) Animal Handling Practices.

The Rule Amendments are provided in Appendix A in blackline format.

Market Outreach

The Exchange engaged market participants regarding the Rule Amendments. Industry outreach has conveyed that the largest meatpackers within the industry require commitments of either BQA, LMA Animal Handling, or third-party verified animal handling practices for their cattle to be eligible for purchase. Industry outreach has also conveyed that standards of animal husbandry and handling practices are acceptable and generally expected as it relates to the management of cattle considered eligible for delivery. The Rule Amendments affirm and codify these standards. Feedback from market participants indicates that the Rule Amendments will not materially impact delivery of the Contract.

Core Principle Analysis

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified the following Core Principles as potentially being impacted:

- **Contracts Not Readily Subject to Manipulation:** The Rule Amendments are intended to more accurately reflect cash cattle market practices. Standard animal husbandry practices are expected for the regular course of business in the cash market. Market feedback indicated that the Rule Amendments would not have a material impact on deliveries of the Contract or deliverable supply.
- **Availability of General Information:** The Exchange shall publish on its website information regarding the Rule Amendments. In addition, the Exchange will release a Special Executive Report (“SER”) as well as a Clearing House Advisory Notice (“CHAN”) regarding the Rule Amendments. The SER and CHAN will also be posted on the Exchange’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.4(b)(5), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A: Amendments to the Live Cattle Feeding Affidavit

Appendix A

(additions **underscored**)

[Effective on December 4, 2023 and Commencing with the December 2023 Contract Month and Beyond]

Live Cattle Feeding Affidavit

I attest that, to the best of my knowledge, these cattle being tendered for delivery on the CME Live Cattle Futures contract have not been fed any animal proteins prohibited in ruminant feed by the Food and Drug Administration as described in 21 CFR 589.

I attest that, to the best of my knowledge, all cattle included herein have been managed in accordance with Beef Quality Assurance (BQA), Livestock Marketing Association (LMA) Animal Handling Practices, or equivalent standards of animal husbandry and handling practices.

I attest that no cattle included herein have been part of a previous CME physical delivery within the current delivery period.

I agree that authorized CME officials, as well as authorized officials of CME-approved slaughter facilities, may conduct inspections of feed records and feed facilities at the locations at which these cattle have been fed while under my ownership, direction or control.

Date: _____

Name (please print): _____

Signature: _____

Feedlot Name: _____

Address: _____

City, State, Zip: _____

Telephone, including area code: () _____

A copy of this Affidavit must accompany each Certificate of Delivery tendered and shall be considered part of the Certificate of Delivery. A Certificate of Delivery will not be accepted without a complete, legible, and signed copy of this Affidavit, dated as of the date of tender.