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COMMENT

February 5, 2003



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Jean A. Webb, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC, 20581

**Received CFTC
Records Section**

2/21/03

Reference: CME Live Cattle Amendments

Dear Mr. Webb,

The Colorado Livestock Association wishes to comment on proposed amendments to the Chicago Mercantile Exchange (CME) Live Cattle Contract.

We support the introduction of a new discount category for 950-1000# carcasses in carcass graded deliveries; the increase in the upper limits on deliverable live weights in live graded deliveries to 1,350 pounds and an individual weight of 1,400 pounds; restoring Guymon, Oklahoma and adding Texhoma, Oklahoma as live graded delivery points; allowing access to water in live graded deliveries except between grading and weighing; the implementation of a uniform live grading fee at all delivery points; the prohibition of live graded deliveries on certain days for certain locations at which deliveries would not be feasible due to auctions of other activities; and giving the USDA grader discretion to impose penalties on delivering shorts and receiving longs in live graded deliveries if they delay or otherwise disrupt the delivery process.

In November 2002 this Association and its members supported the request of the CME for Commission approval of amendments to the spot-month speculative position limit from 600 to 300 contracts. Therefore, we are **opposed** to increasing spot month position limits to 450 contracts between first notice day and the day before the last five business days of the contract month. To have a contract that is a viable hedging tool there must be convergence between futures and cash and it is our feeling that a change in contract limits is a move in the wrong direction.

It is our strong recommendation that Greeley, Colorado be restored as a live cattle delivery point. With IBP/Tyson and National Beef no longer accepting graded deliveries Greeley now fits with other live delivery points in that there are two packers located within a one hundred mile radius of Greeley. Along with expanded contract specifications an additional delivery point would increase liquidity in the market place. And

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finally, for all the reasons above, we feel the time has come to give strong consideration to the possibility of graded heifer deliveries.

I have attached a copy of policy adopted at the recently concluded National Cattlemen's Beef Association that is very consistent with our position.

With all that is at stake in this process, we sincerely appreciate the opportunity to comment.

Yours truly,

A handwritten signature in black ink that reads "Bob Moser". The signature is written in a cursive, slightly slanted style.

Bob Moser
President, Colorado Livestock Association