



March 25, 2011

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**Re: Regulation §40.6. Position Limits for Options on Live Cattle Futures  
Calendar Spreads.  
CME Submission No. 11-121.**

Dear Mr. Stawick,

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that the non-spot month position limits for Options on Live Cattle Futures Calendar Spreads will be increased effective on Tuesday, March 29, 2011 to 6,300 contracts for contract months beginning with the August 2011 contract. The increase matches an increase in those position limits for all contract months in Live Cattle Futures and Options on Live Cattle Futures that was previously submitted by the Exchange (letter dated January 7, 2011; number 11-015), approved by the Commission on February 24 and made effective on March 21, 2011. There is no open interest in the August 2011 contract month or in any subsequent contract month listed for trading in Options on Live Cattle Futures Calendar Spreads. A rule amendment is noted below, with additions underlined and deletions lined-out.

**OPTIONS ON LIVE CATTLE FUTURES CALENDAR SPREADS  
101B01.F. Position Limits**

No person shall own or control a combination of options and underlying futures that exceeds ~~5,400~~ 6,300 futures equivalent contracts net on the same side of the market in any contract month.

For purposes of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series.

The Exchange certifies that this action complies with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal.

If you require any additional information regarding this action, please do not hesitate to contact Jack Cook at 312-930-3295 or via e-mail at [jack.cook@cmegroup.com](mailto:jack.cook@cmegroup.com) or me at 212-299-2207. Please reference CME Submission No. 11-121 in any related correspondence.

Sincerely,

/s/ Felix Khalatnikov  
Director and Associate General Counsel

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