BARTLETT CATTLE COMPANY, L.P.

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February 10, 2014

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street NW
Washington, DC 20581

Re: Position Limits for Derivatives, RIN 3038–AD99

Dear Ms. Jurgens:

Bartlett and Company was founded in 1907 and continues to be a family owned agribusiness with corporate headquarters in Kansas City, Missouri. Bartlett Cattle Company is affiliated with Bartlett and Company and operates two feedyards with a one time feeding capacity of 100,000 head. Bartlett Cattle Company feeds cattle exclusively for its own account. Over time, we have been a significant commercial hedge user of the CME Live Cattle and Feeder Cattle futures contract. We have vast experience with the physical delivery process in Live Cattle.

We believe that the growing open interest in these agricultural futures contracts is beneficial for market opportunity and risk mitigation. We utilize these derivatives to manage business risk. Therefore, we rely on precise measures of deliverable supply and corresponding position limits. These are prerequisites to cash and futures market convergence and the effective use of these derivatives to manage business risks. To ensure efficient performance, futures contracts require that the spot month speculative trading limits are set relative to available deliverable supply. This is most important in the spot month.

We oppose the proposed rule changes in the “All Months Combined Limits.” We believe that the proposed rule would have a negative effect on a producer’s ability to utilize the available risk management tools. The imposition of all months combined limits in continuously produced, non-storable commodities such as livestock will reduce the liquidity needed by hedgers in deferred months who often manage their risk using multiple contract months. Cattle production and feeding requires significant capital investment and extensive time risk. Cattle are often on feed and/or at risk of price fluctuations for an entire year or longer. Furthermore, we oppose the rule’s definition of “bona-fide hedging”. This definition makes it difficult for commercial users to hedge legitimate (i.e., anticipatory hedging) price risks arising from the normal course of business. With respect to spot-month position limits, we recommend that the final rule rely upon the designated contract markets to monitor and establish position limits appropriately for specific futures contracts. As we stated earlier, the future effectiveness of these derivative tools is governed by reliable cash and futures convergence.

Thank you for the opportunity to respond to these proposed rules. Please allow us to have additional conversations with the Commission as the final rule is published. Please contact us if you have any questions

Sincerely,

Joe Kovanda

Joe Kovanda
Vice President