

Amendments to the Live Cattle Futures Contract and Listing of the October 2017 Contract Month of the Live Cattle Futures and Options Contracts

Effective Sunday August 21, 2016 for trade date Monday August 22, 2016, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc., (“CME” or “Exchange”) will amend the Live Cattle Futures rules (Rule Chapter: 101; Clearing Code: LC; CME Globex Code: LE; CME ClearPort Code: 48) to 1) reflect a discount of \$1.50/cwt. on delivered live graded or carcass graded cattle that were originally tendered to Worthing, South Dakota (the “Worthing Discount”); 2) adjust the par quality grade of delivered cattle to 60% choice, 40% select steers or heifers (the “New Grade”); and 3) list the October 2017 contract month (collectively, the “Live Cattle Amendments”) effective on Sunday, August 21, 2016 for trade date Monday, August 22, 2016.

Specifically, the Worthing Discount and New Grade shall be effective with the October 2017 contract month and beyond. Previously, the Exchange temporarily delayed the listing schedule of four live cattle futures and options contracts (the “Contracts”), as noted in the table below, commencing with the October 2017 contract month and beyond. See Special Executive Report No. 7643 dated April 14, 2016. At this time, the Exchange will list the October 2017 contract month of the Contracts, but will continue to delay listing subsequent contract months pending further Live Cattle Futures contract review.

Contract Title	Rulebook Chapter	Clearing Code	CME Globex Code	Trading Floor Code	CME ClearPort Code
Live Cattle Futures	101	LC	LE	N/A	48
Live Cattle TAS Futures	101	LET	LET	N/A	N/A
Live Cattle Options	101A	LC	LE	CK, PK	48
Live Cattle Calendar Spread Options	101B	C0A, C0B, C0C	L0A, L0B, L0C	C0A, C0B, C0C	N/A

After extensively reviewing the available data, soliciting feedback from the cattle industry, and commissioning an independent third party review of the CME’s proposal to place a seasonal discount on Worthing, CME believes that this discount will improve the contract’s hedging effectiveness and support compliance with the CFTC’s policy on location price differential.

Please see CME Submission No. [16-304](#) and [Appendix B](#) to that submission regarding rule amendments to Chapter 101.

Questions regarding this notice may be directed to:

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