



Special Executive Report

S-7251

December 1, 2014

Amendments to Heifer Delivery Affidavits for the Live Cattle Futures Contract

Please be advised that effective Tuesday, December 16, 2014, and pending all relevant CFTC regulatory review periods, the Chicago Mercantile Exchange Inc. (CME or Exchange) will amend the affidavits for delivering heifers against the Live Cattle futures contract (Rulebook chapter: 101; Clearing Code: LC; CME Open Outcry Code: LC; CME Globex Code: LE; CME ClearPort Code: 48) for all contract months beginning with the August 2015 contract.

Earlier this year, the CME amended the delivery procedures of the Live Cattle futures contract to allow delivery of heifers, beginning with the August 2015 contract month (see S-7033R dated March 5, 2014). The rules state that heifer delivery is contingent upon the heifer not being pregnant and not being in estrus, among other conditions. Sellers are required to attest to these conditions when submitting a notice of intent to deliver, by providing signed affidavits to the Exchange. The manner in which the seller demonstrates that these conditions have been met is subject to CME-approved medical and/or feeding protocols, which consist of several methods and which may change from time-to-time as dictated by cash market practices. The affidavits are amended to reflect certain adjustments needed due to the protocols that relate to each affidavit. The amended affidavits and corresponding protocols are shown below in Appendix 1.

Questions regarding this Special Executive Report may be directed to Jack Cook, Director, Commodity Research & Product Development, at 312-930-3295, Jack.Cook@cmegroup.com.

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312-930-3434 or news@cmegroup.com.

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Live Cattle Estrus-Suppressing Progestin Feed Additive Affidavit

****This Affidavit is only required for tendered deliveries of heifer cattle****

Whereas an affidavit is deemed by Chicago Mercantile Exchange Inc. ("CME") as a record of production practices, I attest through firsthand knowledge, normal business records, or producer affidavits, that these heifers being tendered for delivery on the CME Live Cattle Futures contract (except for heifers that have been spayed in accordance with the CME Open Heifer Protocol) (these "Heifers") were given a CME-approved protocol for an estrus-suppressing progestin for a minimum of 30 consecutive days before the scheduled delivery date. Furthermore, I attest these Heifers will have this same estrus-suppressing progestin administered to them within 15 hours before 9:00 AM on such delivery date.

I attest that the records reflecting production practices for all heifers delivered against the CME Live Cattle Futures contract are available for inspection for the sole purpose of compliance with an audit from CME and that these records will be maintained for one year from the date of delivery.

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.

Live Cattle Open Heifer Protocol (OHP) Affidavit

****This Affidavit is only required for tendered deliveries of heifer cattle****

Whereas an affidavit is deemed by Chicago Mercantile Exchange Inc. ("CME") as a record of production practices, I attest through firsthand knowledge, normal business records or producer affidavits, that these heifers being tendered for delivery on the CME Live Cattle Futures contract (these "Heifers"):

1) are in compliance with the following indicated CME-approved open heifer protocol (OHP) after having been

placed in the applicable delivering feedlot (indicate at least one):

- a. Palpation, ultrasound or blood test;
- b. Spaying; and/or
- c. Pharmaceuticals (administered more than 30 days before the day of delivery); and

2) have not knowingly been exposed to a bull following the administration of the OHP.

I attest that the records reflecting production practices for all heifers delivered against the CME Live Cattle Futures contract are available for inspection for the sole purpose of compliance with an audit from CME and that these records will be maintained for one year from the date of delivery.

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.

CME Approved Estrus-Suppressing Progestin Feeding Protocol

To be eligible for delivery against the CME Live Cattle Futures contract, all delivered heifers must have received the following CME approved protocol:

Melengestrol Acetate (“MGA”) or like analog administered in accordance with all label instructions and requirements for a minimum of 30 consecutive days before the delivery date and within 15 hours before 9:00 AM on such delivery date.

Adherence to these guidelines is not expected to eliminate all risk of heifers entering or exhibiting estrus at the time of delivery but is intended to mitigate the risk of occurrence. It is recognized that MGA may not be 100% effective in suppressing estrus in all heifers. Administration of these guidelines must be in accordance with veterinary Standards of Practice.

CME Approved Open Heifer Protocol (OHP)

In order to be eligible for delivery against the CME Live Cattle Futures contract, heifers tendered for delivery must be certified to be open (not pregnant) by administration of the following guidelines by a licensed Doctor of Veterinary Medicine (DVM) or under the direction of a licensed DVM. Heifers may be certified as open if:

1) Open Status Confirmed by Palpation or Ultrasound or Blood Test

- a) Via palpation or ultrasound or blood test by or under the direction of a licensed DVM, the heifer(s) tendered for delivery were determined to be open.

2) Open Status Confirmed by Spaying

- a) The heifer(s) were spayed by a licensed DVM while in the delivering feedlot;
- b) The heifer(s) had documentation of having been spayed prior to being placed in the delivering feedlot's facilities or, upon arrival at the facilities, were found to be spayed by inspection of a licensed DVM.

3) Pharmaceutical Protocols

- a) Heifer(s) tendered for delivery may be certified as open if they were given, by or under direction of a licensed DVM, in accordance with all Federal and State drug administration guidelines, veterinary Best Standards of Practice, and CME Live Cattle Delivery Rules, a pharmaceutical protocol or regime expressly intended to ensure open status of the heifers. Such pharmaceutical protocols must not be given within 30 days before the day of delivery and may include:
 - i) *If 120 days or less in gestation:*
 - (1) PGF2 α or like analog given at label dose per label directions
 - ii) *If greater than or equal to 120 days gestation:*
 - (1) PGF2 α or like analog given at label dose per label directions
 - (2) Dexamethasone (10ml IM)

4) Additional Requirements

- a) In addition to the administration of any of the above protocols at the time the heifer(s) tendered for delivery were placed into the delivering feedlot, the following requirements must also be met:
 - i) Heifer(s) tendered for delivery were not knowingly exposed to a bull at any time during the feeding period.

The above protocols are not intended to completely eliminate the risk of pregnant heifers being delivered but are intended to minimize such possibilities. Any and all veterinary treatments given to cattle tendered for CME delivery must be in accordance with veterinary Standards of Practice.