

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-430

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 10/27/14 Filing Description: Modification to Daily Settlement Price Determinations in Certain CME Agricultural Futures

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: 526

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|--------------------------|---|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected:

Rule Numbers:

October 27, 2014

VIA ELECTRONIC PORTAL

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

RE: CFTC Regulation 40.6(a) Certification. Modification to Daily Settlement Price Determinations in Certain CME Agricultural Futures. CME Submission No. 14-430

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying a modification to the manner in which daily settlement prices are determined in CME Live Cattle futures, CME Feeder Cattle futures, and CME Lean Hog futures beginning on Sunday, December 14, 2014 for trade date Monday, December 15, 2014.

The addition to the daily settlement procedures document are set forth in Exhibit A. The modification is an effort to incorporate all relevant bid, offer and trade prices in the calculation of the daily settlement price. The daily settlement prices in CME Live Cattle futures, CME Feeder Cattle futures, and CME Lean Hog futures will be determined pursuant to the following methodology:

- A VWAP of the outright trades executed in the pit for each contract month from 12:59:30 – 13:00:00 Central Time ("CT") will be calculated.
- A VWAP of the outright trades executed on CME Globex for each contract month from 12:59:30 – 13:00:00 CT will be calculated.
- The two VWAPs will be combined to produce a single VWAP settlement price for each contract month, which will then be rounded to the nearest tradable tick.
- In the absence of any trade activity in a given contract month, the bid that is higher than the last sale or prior day's settlement price or the offer that is lower than the last sale or prior day's settlement price in either trading venue from 12:59:30 – 13:00:00 CT will determine the daily settlement price for that contract month.
- In the absence of any trade activity or bid/ask in a given contract month during the current trading day, the daily settlement price will be determined by applying the net change from the preceding contract month to the given contract month's prior daily settlement price.
- Notwithstanding the foregoing, in the event the aforementioned calculations cannot be made or if CME Group Staff determines that anomalous activity yields a result that is not representative of the fair value of the contract, CME Group Staff may determine an alternative settlement price based upon other available market information.

As a result of modifying the manner in which daily settlement prices are determined, CME will notify the marketplace through the dissemination of a Special Executive Report (“SER”) S-7213 on October 27, 2014.

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”). During the review, we have identified that the modification to the determination of daily settlement prices in these particular products may have some bearing on the following Core Principles:

Contracts Not Readily Subject to Manipulation: The Exchange employs a variety of settlement methodologies across its product portfolio and has not observed that the execution venue from which the settlement price is derived impacts whether a contract is readily susceptible to manipulation. The changes to the settlement methodology for the specific CME agricultural futures will incorporate activity from both the open outcry and electronic trading venues into the settlement price calculations for each of the futures contracts, thereby increasing the number and volume of transactions, as well as the number of participants, informing the settlement price determination.

Prevention of Market Disruption: The Exchange Global Command Center, certain CME Group staff, and the Market Regulation Department each have the capacity to identify abnormal price movements during the settlement period and to take remedial actions as appropriate relative to their respective functions. Incorporating activity from both venues into the settlement price determination will not diminish the Exchange’s ability in this regard.

Availability of General Information: The change to the determination of daily settlement prices constitutes a change to the terms and conditions of the identified contracts. The Exchange will release a SER to provide the marketplace with a detailed description of the changes to the settlement procedures and the effective date of the new settlement methodology. The SER will also be posted on the CME Group website. In addition, the revised daily settlement procedures document will be publicly posted on the CME Group website as of the effective date.

Daily Publication of Trading Information: CME will continue to publish daily settlement prices in CME agricultural futures products without interruption.

CME certifies that the modification to determining the daily settlement prices of CME Live Cattle futures, CME Feeder Cattle futures, and CME Lean Hog futures complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you have any questions regarding this submission, please contact me at (212) 299-2200 or via e-mail at Christopher.Bowen@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – Addition to Settlement Procedures Document

Exhibit A

Daily Settlement Procedures

CME Livestock Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

Daily settlement of Feeder Cattle (GF), Lean Hogs (HE), and Live Cattle (LE) futures contracts are determined by CME Group staff according to the following methodology:

Tier 1: For each contract month, if a trade(s) occurs on CME Globex or in the pit during the settlement window, then the contract settles to the volume-weighted average price (VWAP) of the trade(s) between 12:59:30 and 13:00:00 Central Time (CT).

Tier 2: If no trades occur on Globex or in the pit between 12:59:30 and 13:00:00 CT, then the last trade (or prior settle in the absence of a last trade price) is used to determine whether to settle to the current bid or the current ask in either trading venue during this period.

If the current bid is higher than the last trade/prior settlement price, then the contract month settles to the bid. If the current ask is lower than the last trade/prior settle, then the contract month settles to the ask. The contract month settles to the last trade/prior settle if it is equal to or between the current bid and the current ask.

Tier 3: In the absence of any trade activity or bid/ask in a given contract month during the current trading day, the daily settlement price will be determined by applying the net change from the preceding contract month to the given contract month's prior daily settlement price.

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations described in this advisory cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.