



Via Portal Submission

December 16, 2016
MGEX Submission No. 16-25

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

RE: Rule Certification Submission Pursuant to CFTC Regulation 40.6(a); Update to MGEX Rules

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act (“CEAct”) and Commodity Futures Trading Commission (“CFTC”) Regulation 40.6(a), the Minneapolis Grain Exchange, Inc. (“MGEX”) hereby certifies that MGEX Rule 803.00., as set forth in the attached Exhibit A, complies with the CEAct and the CFTC Regulations promulgated thereunder (the “Proposed Amendments”). MGEX further certifies that the submission and pending changes to the MGEX Bylaws and Rules have been posted on the MGEX website at the following link: <http://www.mgex.com/regulation.html>.

I. AMENDMENTS TO MGEX RULES.

MGEX continually evaluates its Rules to ensure compliance with CFTC regulations and industry best practices. MGEX and its Department of Audits & Investigations enforces the MGEX Rules. The Proposed Amendments concern MGEX Rule 803.00. and incorporate MGEX’s guidance on vomitoxin into the contract specifications for Hard Red Spring Wheat. The Proposed Amendments enhance Rule 803.00. by providing more information about the contract specifications on Hard Red Spring Wheat to Market Participants. The additional information does not alter the existing contract specifications and is already disclosed in MGEX Rules.

II. COMPLIANCE WITH CORE PRINCIPLES.

MGEX has reviewed the core principles for designated contract markets (“DCM Core Principles”) and identified that the Proposed Amendments may impact the following DCM Core Principles:

- *DCM Core Principle 2, Compliance with Rules:* The Proposed Amendments will provide greater clarity to the MGEX Rules by providing more information and therefore permit MGEX to more efficiently ensure compliance with the promulgated vomitoxin levels.

- *DCM Core Principle 7, Availability of General Information:* The Proposed Amendments will provide additional information regarding MGEX's Hard Red Spring Wheat contract specifications for market participants.

Pursuant to the authority set forth in MGEX Bylaw 210.01., the MGEX Board of Directors unanimously approved the Proposed Amendments at its meeting held on December 13, 2016. There were no substantive opposing views expressed by the Board of Directors, nor is MGEX aware of any substantive opposing views with respect to this filing.

These amendments are intended to become effective ten (10) days from the date of this submission. If there are any questions regarding this submission, please contact me at (612) 321-7128. Thank you for your attention to this matter.

Best regards,



Peter D. Sparby
Assistant Corporate Counsel

Enclosure

Exhibit A

803.00. CONTRACT AND OTHER DELIVERABLE GRADES.

The contract grades and sub classes of Hard Red Spring Wheat shall be as set forth below and shall be deliverable at the contract price in Minneapolis, St. Paul and Red Wing switching districts:

U.S. No. 2 Northern Spring Wheat thirteen and one-half percent (13 ½%) protein or higher.

PROVIDED, however, that the following grades and sub classes of Hard Red Spring Wheat shall also be deliverable at the contract price or at the differentials with respect to the contract price as designated:

U.S. No. 1 Dark Northern Spring thirteen and one-half percent (13 ½%) protein or higher at contract price.

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U.S. No. 2 Dark Northern Spring thirteen and one-half percent (13 ½%) protein or higher at contract price.

All above grades with thirteen percent (13%) to thirteen and four-tenths percent (13.4%) protein inclusive deliverable at a three cents (3¢) per bushel additional discount under above schedule.

All above grades that have a test weight per bushel of sixty (60) lbs. or more deliverable at a two cents (2¢) per bushel premium.

The maximum allowable moisture for Spring Wheat delivered on Futures Contracts will be thirteen and one-half percent (13 ½%).

The maximum allowable total dockage for Spring Wheat delivered on Futures Contracts shall not exceed one and one-half percent (1 ½%) of the gross quantity which includes dockage.

The above grades of wheat may be delivered "In Store" in a waterfront elevator, located within the Duluth-Superior District (see [Rule 900.00. A.](#)), at a three cents (3¢) per bushel premium. [See Interpretation.](#)

The maximum allowable vomitoxin for Spring Wheat delivered on Futures Contracts shall not exceed 2.0 parts per million; however, 3.0 parts per million may be delivered at a twenty cents (20¢) discount. See Resolution 803 for more information about vomitoxin.