

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-238

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 07/07/2017 Filing Description: Initial Listing of Wheat FOB (Platts) Futures Contract

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:**

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

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

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

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

**Rule Numbers:**



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

July 7, 2017

**VIA ELECTRONIC PORETAL**

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

**Re: CFTC Regulation 40.2(a) Certification. Notification Regarding the Initial Listing of the Australian Wheat FOB (Platts) Futures Contract. CBOT Submission No. 17-238**

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the initial listing of the Australian Wheat FOB (Platts) Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform, and for submission for clearing via CME ClearPort, effective on Sunday, July 23, 2017 for trade date Monday, July 24, 2017 as noted below.

<b>Contract Title</b>	Australian Wheat FOB (Platts) Futures
<b>Commodity Code</b>	AUW
<b>Rulebook Chapter</b>	32
<b>Settlement Method</b>	Financially settled
<b>Contract Size</b>	50 metric tons
<b>Listing Schedule</b>	Monthly contracts listed for 12 consecutive months
<b>First Listed Month</b>	July 2017
<b>Minimum Price Fluctuation</b>	\$0.25 per metric ton
<b>Value per Tick</b>	\$12.50
<b>Block Trade Minimum Threshold</b>	5 contracts
<b>Termination of Trading</b>	Trading terminates on the last business day of the contract month.
<b>CME Globex Matching Algorithm</b>	First in First Out (FIFO)

**Trading and Clearing Hours:**

<b>CME Globex and CME ClearPort</b>	Sunday – Friday 6:00 p.m. – 5:00 p.m. (5:00 p.m. – 4:00 p.m. Chicago Time/CT) with a 60-minute break each day beginning at 5:00 p.m. (4:00 p.m. CT)
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Fees:

Level	Account Owner	Execution Type	Venue/Transaction Type	Exchange Fee
<b>Individual Member</b>				
1	Individual Members	Member Account Owner	CME Globex	\$1.00
			EFP	\$1.00
			EFR	\$1.00
			Block/Block Spread	\$1.00
	Individual Delegates	Delegate Trading Own Account	CME Globex	\$1.00
			EFP	\$1.00
			EFR	\$1.00
			Block/Block Spread	\$1.00
<b>Equity Members (Individual Equity members, Clearing Firms and Equity Firms)</b>				
2	Equity Members <sup>1</sup>	Member or Delegate	CME Globex	\$1.00
			EFP	\$1.00
			EFR	\$1.00
		Non Member	Block/Block Spread	\$1.00
			CME Globex	\$1.00
			EFP	\$1.00
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non Member	EFR	\$1.00
			Block/Block Spread	\$1.00
			CME Globex	\$1.00
			EFP	\$1.00
			EFR	\$1.00
			Block/Block Spread	\$1.00

1 Clearing Closely Held Corporate Members & Sole Proprietors, Rule 106.J. Equity Closely Held Corporate Members & Rule 106.I. Affiliate Equity Member Firms, Individual Equity Members (other member/delegate executing), Clearing FCMs, Rule 106.J. Equity FCMs, Clearing Corporate Members, Rule 106.J. Equity Corporate Members & Rule 106.I. Affiliate Equity Member Firm (Affiliate of Clearing FCM, Clearing Corporate Member or Rule 106.J Equity FCM or Equity Corporate Member), Rule 106.I. Affiliate Membership Umbrella - Qualified Affiliate - Unlimited Number of Affiliates.

(Execution Not a Factor in Membership Types Below)

Level	Account Owner	Execution Type	Venue/Transaction Type	Exchange Fee
<b>Trading Members (Individual Non-Equity Members and Non-Equity Member Firms)</b>				
3	Individual Non-Equity Members (other member/delegate executing); Rule 106.H. Corporate Trading Firms; Rule 106.H. Trading FCMs; & Rule 106.I. Affiliate Trading Member Firms	Member, Delegate or Non Member	CME Globex	\$1.00
			EFP	\$1.00
			EFR	\$1.00
			Block/Block Spread	\$1.00
	Individual Delegates (Other Member or	Member, Delegate or Non Member	CME Globex	\$1.00
			EFP	\$1.00
EFR			\$1.00	

	Delegate executing the trade) & Rule 106.I. Affiliate Trading Member Firms		Block/Block Spread	\$1.00
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non Member	CME Globex	\$1.00
			EFP	\$1.00
			EFR	\$1.00
			Block/Block Spread	\$1.00

Level	Account Owner	Execution Type	Venue/Transaction Type	Exchange Fee
<b>Electronic Corporate Member Firm</b>				
4	Rule 106.R Electronic Corporate Member Firms (For open outcry and EFP/EFR/Block - Non-Member rates apply)	Member, Delegate or Non Member	CME Globex	\$1.25
<b>Non Members</b>				
5	International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants (Open Outcry - Interest Rate products only)	Member, Delegate or Non Member	CME Globex	\$1.25
	Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP), Latin American Proprietary Trading Incentive Program (LAPTIP) Participants (For open outcry and EFP/EFP/ Block - Non-Member rates apply)	Member, Delegate or Non Member	CME Globex	\$1.25
	Latin American Commercial Incentive Program (LACIP) Participants (For other than Ag CME Globex – Non-Member rates apply)	Member, Delegate or Non Member	CME Globex	\$1.25
	Non Member	N/A	CME Globex	\$1.25
			EFP	\$1.25
EFR			\$1.25	
Block/Block Spread			\$1.25	

Other Processing Fees	Fee
Exchange Fees for Non Trades (Member/Delegate/Non-Member)	\$1.00
Facilitation Fee	\$0.40
Brokerage Fees – with discretion 106F within/106D or 106F outside	\$0.00/\$0.15
Brokerage Fees – without discretion Member or 106F within/106D, 106F outside or CMACE Permit Holder	\$0.04/\$0.17
Position Adjustment/Position Transfer	\$0.10

The Exchange is also notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the Contract into the Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the CBOT Rulebook in relation to the listing of the Contract. These terms and conditions establish the all month/any one-month accountability levels, the expiration month position limit, the reportable level, and the aggregation allocation for the new contract. Please see Appendix B, attached under separate cover.

CBOT is self-certifying block trading on the Contract with a minimum block threshold of five (5) contracts. This block level represents 250 metric tons of wheat, which is a common minimum trading increment in the cash market.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”) and staff identified that the Contract may have some bearing on the following Core Principles:

Compliance with Rules: Trading in the Contract will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading will also be subject to the full range of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group’s designated contract markets, activity in this product will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Contract Not Readily Subject to Manipulation: The Contract is based on a cash price series that is reflective of the underlying cash market and is commonly relied on and used as a reference price by cash market brokers and commercial market participants.

Prevention of Market Disruption: Trading in the Contract will be subject to Rulebook Chapter 4, which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group’s designated contract markets, activity in the Contract will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department.

Position Limitations or Accountability: The speculative position limits for the Contract as demonstrated in this submission are consistent with the Commission’s guidance.

Emergency Authority: As with all CME Group futures and options products, the Exchange shall have full authority to act appropriately and as necessary in emergency situations.

Availability of General Information: The Exchange will publish information on the Contract’s specifications on its website, together with daily trading volume, open interest and price information. In addition, the Exchange will advise the marketplace of the launch of the Contract by releasing a Special Executive Report (“SER”). The SER will also be posted on CME Group’s website.

Daily Publication of Trading Information: The Exchange will publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contract.

Execution of Transactions: The Contract will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex electronic trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.

Trade Information: All requisite trade information for the Contract will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.

Financial Integrity of Contracts: The Contract will be cleared by the CME Clearing House, a derivatives clearing organization registered with the Commodity Futures Trading Commission and subject to all CFTC regulations related thereto.

Protection of Market Participants: Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all the Exchange's competitive trading venues.

Disciplinary Procedures: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in the product are identified.

Dispute Resolution: Disputes with respect to trading in the Contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that listing the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the listing of the Contract.

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>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: CBOT Rulebook Chapter  
Appendix B: Position Limit, Position Accountability, and Reportable Level Table in  
Chapter 5 of the CBOT Rulebook (attached under separate cover)  
Appendix C: CBOT Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”)  
Appendix D: Cash Market Overview and Analysis of Deliverable Supply

## **Appendix A**

### **Chapter 32**

#### **Australian Wheat FOB (Platts) Futures**

##### **32100. SCOPE OF CHAPTER**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

##### **32101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the average price calculated for all available price assessments published for "APW Wheat FOB Australia" by Platts during the contract month rounded to the nearest \$0.25.

##### **32102. TRADING SPECIFICATIONS**

The number of months open for trading at a given time shall be determined by the Exchange.

###### **32102.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

###### **32102.B. Trading Unit**

The contract quantity shall be fifty (50) metric tons.

###### **32102.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per metric. The minimum price fluctuation shall be \$0.25 per metric ton.

###### **32102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

###### **32102.E. Termination of Trading**

Trading terminates on the last business day of the contract month.

##### **32103. FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. The final settlement price will be the Floating Price calculated for each contract month.

##### **32104. DISCLAIMER**

NEITHER CME GROUP INC., CHICAGO BOARD OF TRADE (CBOT), NOR ANY OF THEIR AFFILIATES NOR S&P GLOBAL PLATTS, A DIVISION OF THE S&P GLOBAL, INC. ("PLATTS") GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE INDEX NOR ANY OF THE DATA INCLUDED THEREIN.

CBOT AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING BASED

ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACTS, OR, FOR ANY OTHER USE. CBOT AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CBOT OR PLATTS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CBOT, ITS AFFILIATES OR PLATTS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.



**APPENDIX B**

**Position Limit, Position Accountability, and Reportable Level Table in Chapter 5**

**of the CBOT Rulebook**

(Attached under separate cover.)

**APPENDIX C**

**CBOT Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”)**

(Additions are underscored.)

Instrument Name	Globex Symbol	Globex Non-Reviewable Range (NRR)	NRR: Globex Format	NRR: Ticks
<u>Australian Wheat FOB (Platts) Futures</u>	<u>AUW</u>	<u>\$3.50 per metric ton</u>	<u>350</u>	<u>14</u>

## **APPENDIX D** **Cash Market Overview and Analysis of Deliverable Supply**

### **Introduction**

Exchange staff conducted a review of the underlying cash markets and deliverable supply of wheat in Australia to determine the position limits for the Australia Wheat FOB (Platts) Futures contract.

### **Data Source**

The Exchange based its analysis of deliverable supply of Australian wheat on data provided by the Australian Bureau of Agricultural and Resource Economics and Sciences, United Nations Commodity Trade Statistics Database, and The U.S. Department of Agriculture.

#### **ABARES**

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES<sup>1</sup>) is the research arm of the Australian Government Department of Agriculture and Water Resources. The goal of ABARES is “to provide professionally independent and world-class multi-disciplinary research, analysis and advice to inform decision-makers in this department, other government agencies and the private sector on significant issues affecting Australia’s agriculture, fisheries and forestry industries.” ABARES delivers independent economic and scientific research and analysis to a range of stakeholders, including federal and state government departments and agencies, portfolio-related companies and agencies, research and development corporations, and industry groups.

#### **UN Comtrade**

The United Nations Commodity Trade Statistics Database (UN Comtrade<sup>2</sup>) is a repository of official trade statistics reported by statistical authorities of close to 200 countries or areas. The UN Comtrade Database provides free access to detailed global trade data. It contains annual trade statistics starting from 1962 and monthly trade statistics since 2010.

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<sup>1</sup> <http://www.agriculture.gov.au/abares>

<sup>2</sup> <https://comtrade.un.org/>

## USDA

The U.S. Department of Agriculture (USDA<sup>3</sup>) is the federal executive department that administers programs related to food, agriculture, natural resources, rural development, nutrition, and related issues based on public policy, the best available science, and effective management.

## Platts

The final settlement prices for Australian Wheat FOB (Platts) Futures is based on the price assessment of the respective underlying physical market as assessed and published by Platts, a division of S&P Global ("Platts"). Platts is a leading global provider of energy, petrochemicals, metals and agriculture information, and a premier source of benchmark price assessments for those commodity markets. Since 1909, Platts has provided information and insights that help customers make sound trading and business decisions and enable the markets to perform with greater transparency and efficiency. Platts' assessment methodologies for the APW Wheat FOB Australia<sup>4</sup> is available on Platts' website.

The Exchange is a party to license agreements with Platts to utilize their pricing data.

### **Cash Market Overview**

#### **Australian Wheat Market**

Wheat, used for making of breads, noodles and pastries, is the largest crop cultivated in Australia followed by barley and canola. Traditionally, wheat accounts for about 60% of Australia's grain productions.

Wheat sowing in Australia normally starts in autumn or early winter, and harvesting usually occurs in spring and summer. For the most recent three years, Australia on average produced about 24 million tons of wheat per year and accounts for about 3% of total world production. This is relatively small when compared to other major wheat producing countries. For example, China normally produced some 120 million tons

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<sup>3</sup> <https://www.usda.gov/>

<sup>4</sup> <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/grains-methodology.pdf>

annually, and Russia, 50 to 60 million tons. However, low domestic consumption enables Australia to export significant volume of wheat. The country exports about 14 million to 18 million metric tons of wheat per year, accounting for about 10% to 15% of global exports. The main destinations of Australian wheat are countries in Middle East and Asia regions, including Indonesia, Korea, Japan, China and Vietnam.

There are several different grades of wheat grown in Australia, categorized mainly based on their protein content. Some popular and widely produced wheat grades include Australian prime hard of 13% protein level, Australian hard (AH) of 11.5% protein content, Australian premium white (APW) of 10.5% protein content, and Australian standard white (ASW) which normally has a protein level of 9% to 10%. Among these grades AH, APW and ASW together account for roughly 80% of Australia wheat production.

ABARES publishes production data for Australia wheat production on an October-September marketing-year basis. The data are available through crop year 2015-2016 (see Table 1). The average annual production for the most recent three years was 24,404 thousand metric tons.

Table 1. Selected Australia Wheat Production Data<sup>5</sup>

Units: Thousand Metric Tons

Source: ABARES

<b>Wheat</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>3 Year Average</b>
Production	25,303	23,743	24,168	<b>24,404</b>

The Exchange also evaluates seasonality by looking at the monthly exports of Australian wheat. Table 2 below contains the exports data of Australian wheat and meslin, which is mixture of wheat and rye, published by UN Comtrade for the most recent three years available (2014-2016). Furthermore, to better estimate Australia export volume that is split between wheat and meslin, the Exchange reviewed the

<sup>5</sup>

[http://data.daff.gov.au/data/warehouse/aucrpd9abcc003/aucrpd9aba\\_20170214\\_Sn9Dg/AustCropRrt20170214\\_v1.0.0.pdf](http://data.daff.gov.au/data/warehouse/aucrpd9abcc003/aucrpd9aba_20170214_Sn9Dg/AustCropRrt20170214_v1.0.0.pdf) Table 16

Australia rye production and imports as an indication of meslin supply. Table 3 contains annual Australia rye production and imports published by USDA for the three crop years from 2013/2014 to 2015/2016. The USDA data shows that Australia produced an average of 21 thousand metric tons of rye per year while there were no imports for the period. The supply of rye in Australia is hence roughly 0.1% of wheat production of 24,404 thousand metric tons. The Exchange decided to conservatively apply a 0.5% haircut to the total Australia wheat and meslin exports to estimate the exports of wheat only.

Per the UNComtrade data, there is a tendency toward fewer wheat exports in the month of November. On average the wheat and meslin exports in November was 839,104 metric tons. With 0.5% haircut applied, this equates to 834,908 metric tons of estimated wheat exports. This past November wheat exports accounted for 4.9% of the annual exports for the three-year period ending 2016.

Table 2. Selected Australia Wheat and Meslin Exports Data<sup>6</sup>

Units: USD and Kilograms

Source: UN Comtrade

<b>Period</b>	<b>Exports Value (USD)</b>	<b>Exports Netweight (Kg)</b>	<b>Estimated Wheat Exports (Kg)</b>	<b>% of Annual Exports</b>
201401	\$603,717,319	2,034,840,540	2,024,666,337	11.1%
201402	\$596,251,078	1,995,950,060	1,985,970,310	10.9%
201403	\$717,354,192	2,423,496,760	2,411,379,276	13.3%
201404	\$484,355,658	1,638,441,530	1,630,249,322	9.0%
201405	\$619,404,363	2,075,427,160	2,065,050,024	11.3%
201406	\$400,044,963	1,326,817,460	1,320,183,373	7.3%
201407	\$455,599,913	1,505,008,200	1,497,483,159	8.2%
201408	\$356,546,644	1,229,337,990	1,223,191,300	6.7%
201409	\$312,176,482	1,073,788,700	1,068,419,757	5.9%
201410	\$227,255,355	839,785,280	835,586,354	4.6%
201411	\$244,985,373	899,713,590	895,215,022	4.9%

<sup>6</sup> <https://comtrade.un.org/data/>

201412	\$353,763,037	1,244,207,770	1,237,986,731	6.8%
201501	\$318,248,900	1,139,576,560	1,133,878,677	6.6%
201502	\$540,142,759	1,902,190,820	1,892,679,866	11.1%
201503	\$457,490,269	1,686,569,670	1,678,136,822	9.8%
201504	\$499,136,761	1,876,676,200	1,867,292,819	10.9%
201505	\$496,612,292	1,919,273,390	1,909,677,023	11.2%
201506	\$328,238,038	1,319,636,320	1,313,038,138	7.7%
201507	\$365,098,924	1,471,336,780	1,463,980,096	8.6%
201508	\$300,170,648	1,191,599,500	1,185,641,503	6.9%
201509	\$287,869,943	1,168,575,640	1,162,732,762	6.8%
201510	\$269,282,982	1,077,252,590	1,071,866,327	6.3%
201511	\$170,544,342	722,064,510	718,454,187	4.2%
201512	\$394,746,823	1,679,506,600	1,671,109,067	9.8%
201601	\$360,520,586	1,515,215,940	1,507,639,860	9.4%
201602	\$321,593,124	1,387,931,140*	1,380,991,484	8.6%
201603	\$336,254,685	1,491,282,610	1,483,826,197	9.2%
201604	\$341,199,793	1,506,504,800	1,498,972,276	9.3%
201605	\$331,442,582	1,493,064,790	1,485,599,466	9.2%
201606	\$244,275,869	1,070,834,060	1,065,479,890	6.6%
201607	\$319,691,825	1,446,857,050	1,439,622,765	9.0%
201608	\$319,569,147	1,440,122,360	1,432,921,748	8.9%
201609	\$280,658,709	1,287,289,150	1,280,852,704	8.0%
201610	\$221,060,795	978,068,730	973,178,386	6.1%
201611	\$196,276,140	895,533,140	891,055,474	5.5%
201612	\$337,635,055	1,642,629,750	1,634,416,601	10.2%
<b>January Average</b>	<b>\$427,495,602</b>	<b>1,563,211,013</b>	<b>1,555,394,958</b>	<b>9.1%</b>
<b>February Average</b>	<b>\$485,995,654</b>	<b>1,762,024,007</b>	<b>1,753,213,887</b>	<b>10.2%</b>
<b>March Average</b>	<b>\$503,699,715</b>	<b>1,867,116,347</b>	<b>1,857,780,765</b>	<b>10.9%</b>
<b>April Average</b>	<b>\$441,564,071</b>	<b>1,673,874,177</b>	<b>1,665,504,806</b>	<b>9.7%</b>
<b>May Average</b>	<b>\$482,486,412</b>	<b>1,829,255,113</b>	<b>1,820,108,837</b>	<b>10.6%</b>

<b>June Average</b>	<b>\$324,186,290</b>	<b>1,239,095,947</b>	<b>1,232,900,467</b>	<b>7.2%</b>
<b>July Average</b>	<b>\$380,130,221</b>	<b>1,474,400,677</b>	<b>1,467,028,674</b>	<b>8.6%</b>
<b>August Average</b>	<b>\$325,428,813</b>	<b>1,287,019,950</b>	<b>1,280,584,850</b>	<b>7.5%</b>
<b>September Average</b>	<b>\$293,568,378</b>	<b>1,176,551,163</b>	<b>1,170,668,407</b>	<b>6.8%</b>
<b>October Average</b>	<b>\$239,199,711</b>	<b>965,035,533</b>	<b>960,210,355</b>	<b>5.6%</b>
<b>November Average</b>	<b>\$203,935,285</b>	<b>839,103,747</b>	<b>834,908,228</b>	<b>4.9%</b>
<b>December Average</b>	<b>\$362,048,305</b>	<b>1,522,114,707</b>	<b>1,514,504,133</b>	<b>8.9%</b>

\* Derived value – Exports netweight is not available for February 2016. The value is derived from dividing the exports value of February 2016 by average unit price (USD/KG) of January 2016 and March 2016.

Table 3. Selected Australia Rye Production and Imports Data<sup>7</sup>

Units: Thousand Metric Tons

Source: USDA

<b>Rye</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>3 Year Average</b>
Production	20	20	22	<b>21</b>
Imports	0	0	0	<b>0</b>

<sup>7</sup> <https://apps.fas.usda.gov/psdonline/app/index.html#/app/advQuery>



## **Analysis of Deliverable Supply**

The Commission defines deliverable supply as the quantity of the commodity meeting a derivative contract's delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce.<sup>8</sup>

The Exchange surveyed a total of six corporates and global trading firms active in the Australian Wheat FOB market to better understand the market structure and trade practice. Based on the survey feedback and discussions with Platts, the Exchange determined not to adjust the deliverable supply estimates based on the spot availability. The Australian wheat FOB market mostly trades on spot and short term basis whilst long term contracts rarely occur. In addition, typical term agreement in the cash market allows flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply. Furthermore, as ABARES does not distinguish among different wheat grades, the Exchange also formed estimate of APW wheat production via the survey. Based on the confirmations of the relative sizes of different grades by the active participants surveyed, the share of APW is around 50% of total Australia wheat production.

In its analysis of deliverable supply, the Exchange has determined deliverable supply as APW wheat production of Australia. Platts assessment measures the typical Australia export quality normalized to APW grade. Although other wheat grades are normalized to APW to be included in the assessment, the Exchange calculated deliverable supply conservatively by including APW wheat grade only. The Exchange may, at a later date, decide to estimate the production of other grades and include them in future deliverable supply estimates.

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<sup>8</sup> 17 CFR 1,150-51 (2011), <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2011-28809a.pdf>

Based on the ABARES data, the deliverable supply of wheat in Australia is approximately 24.4 million metric tons per year. Using the approximate figure of 50% as the proportion of the Australian wheat production that is of APW grade, the estimated deliverable supply is approximately 12.2 million metric tons per year. The Exchange also decided to reflect the seasonality of Australian wheat exports in determination of the monthly deliverable supply. As mentioned above, the trough of Australian wheat exports volume typically happens in November and the exports volume in the month accounted for 4.9% of annual exports for the last three years. The Exchange hence decided to calculate the monthly deliverable supply conservatively based on the November exports weight. This equates to 597,800 tons per month (annual deliverable supply of 12.2 million metric tons multiplied by 4.9%), or 11,956 contract equivalents (contract size 50 mt).

A spot month limit of 2,000 contracts, which represent 16.7% of the monthly deliverable supply, is proposed for the Australian Wheat FOB (Platts) Futures contract.