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OFFICE OF THE SECRETARIAT

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March 26, 2010

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

RE: **Exchange Certification for Distillers' Dried Grain Futures.
CBOT Submission # 10-079**

Dear Mr. Stawick:

The Chicago Board of Trade, Inc. ("CBOT") hereby submits to the Commission rule language changes for CBOT Distillers' Dried Grain (DDG) futures certified with the Commission on February 16, 2010 (CBOT Submission #10-046) plus changes to include DDG futures into related chapters.

Changes include:

1. Since the DDG futures contract is a delivered contract, significant switching charges can occur when a buyer demanding load-out is on a different rail line than the regular firm that issued the certificate. This issue can be addressed by allowing regular firms to source physical DDGs on load-out from any facility provided the buyer is not adversely affected with regard to timing or quality. This provides the regular firm flexibility to more economically make physical delivery while not affecting the buyer and in most cases improving the buyer's position through faster physical delivery.
2. Change the western rail junction from Kansas City to Council Bluffs. Most market participants are indifferent between using Kansas City or Council Bluffs. However, most market participants that do voice an opinion on this issue clearly favor Council Bluffs. Changing the western junction to Council Bluffs increases the utility of the contract for some users without negatively impacting other users.
3. Change terminology to refer to the official sample as the representative sample. In grain trade, official sample implies the sample was taken by FGIS, which is not the norm in DDG cash trade. Also, many buyers of DDGs do not have sophisticated sampling apparatus, so additional sampling mechanisms are added to the rules if destination sampling is required.
4. Railroads do not typically lease cars for hauling DDGs and do not enter into demurrage agreements with shippers because their owned cars are not a risk. Thus, the demurrage

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- language is made more general to refer to railroad's general tariff demurrage rates on grain hopper cars.
5. In DDG cash trade, first certified weights are used instead of official shipped weights, so this language is updated.
 6. Although truck load-out is expected to be rare, several market participants recommended the truck load-out procedures be expanded in order to protect both buyers and sellers.
 7. The Position Limit Table in Chapter 5 and Rule 712 in Chapter 7 of the CBOT Rulebook are updated to include DDG futures.

Additionally, DDG futures will be closely related to Ethanol futures because they share the same sell side. Block trading has played an important role in the strong growth in the Ethanol futures contract over the past few months. Ethanol futures trade has ADV of over 635 contracts so far in 2010 versus around 290 in 2009. Implementing the same block trading functionality in DDG futures as Ethanol futures, with minimum threshold of 10 contracts, will significantly improve the chances of product success.

Launch is still scheduled for April 26, 2010 with the July 2010 contract being the first expiration.

The Exchange certifies that these contract terms and conditions comply with the Commodity Exchange Act and regulations thereunder.

If you require any additional information, please contact David Lehman at 312-930-1875 or via e-mail at David.Lehman@cmegroup.com; Fred Seamon at 312-634-1587 or via e-mail at Fred.Seamon@cmegroup.com; or contact me. Please reference our CBOT Submission #10-079 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Regulatory Counsel

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Text of Contract Rule Changes

Chapter 41 Distillers' Dried Grain Futures

41103. WEIGHING

Weighing shall be done in accordance with the current custom of the trade. The **first certified** ~~[official-shipped]~~ weight so obtained shall be final provided, however, that railroad weights shall be acceptable and shall be final if the shipping certificate holder and the regular facility so agree in writing.

41105. SAMPLING

The ~~[official]~~ **representative** sample will be taken at origin by Automatic Mechanical Sampler (A.O.C.S. Official Method BA 1-38, Rev. 1966) or Pneumatic Probe Sampler (A.O.C.S. Official Method BA 1-38, Rev. 1966) or twelve foot Brass Hand Probe. Shipper shall, on the next business day after loading, mail a portion of the ~~[official]~~ **representative** sample in an airtight container properly identified to the owner at an address specified by the owner when he submits loading orders.

Any shipment testing 12% moisture or less based on the regular facility's ~~[official]~~ **representative** sample at origin shall not be subject to rejection. Non-rejected shipments or when the owner's analysis of the ~~[official]~~ **representative** sample exceeds 12% moisture, excess moisture claims between the parties may be settled with the shipment discounted 0.1% of the invoice price for each 0.1% moisture in excess of 11.5% from 11.5% to 12.5% and 0.25% of the invoice price for each 0.1% moisture in excess of 12.5%.

Any shipment testing 12.3% fiber or less based on the regular facility's ~~[official]~~ **representative** sample at origin shall not be subject to rejection. Non-rejected shipments or when the owner's analysis of the ~~[official]~~ **representative** sample exceeds 12.3% fiber, excess fiber claims between the parties may be settled with the shipment discounted 0.1% of the invoice price for each 0.1% fiber in excess of 12.0%.

Any shipment testing 7.8% fat or more on the regular facility's ~~[official]~~ **representative** sample at origin shall not be subject to rejection. Non-rejected shipments or when the owner's analysis of the ~~[official]~~ **representative** sample falls below 7.8% fat, deficient fat claims between the parties may be settled with the shipment discounted 0.1% of the invoice price for each 0.1% fat is below 8%.

Any shipment testing 25.5% protein or more on the regular facility's ~~[official]~~ **representative** sample at origin shall not be subject to rejection. Non-rejected shipments or when the owner's analysis of the ~~[official]~~ **representative** sample falls below 25.5% protein, deficient protein claims between the parties may be settled with the shipment discounted 0.1% of the invoice price for each 0.1% protein is below 26%.

If the owner's analysis of the ~~[official]~~ **representative** sample indicates a quality deficiency, the owner shall submit his analysis and claim in writing to the shipper within ~~[30]~~ **10** days after arrival of the car. The shipper shall, within five (5) business days, after

receipt of the owner's analysis and claim, report his analysis of the [official] **representative** sample to the owner. In the event that the owner and the shipper do not reach agreement on analysis and/or settlement, the third portion of the [official] **representative** sample shall be sent to an Official Chemist and his analysis will be binding upon both parties for final settlement. The expense of the analysis will be borne by the party in error.

If the owner and the shipper cannot agree that the [official] **representative** sample is representative of the shipment, a representative sample shall be obtained at destination by a disinterested qualified person mutually agreed upon by the owner and shipper. Such destination sample must be obtained within 24 hours of arrival and prior to unloading. "Constructive placement" shall be considered arrival at destination. The official procedure for sampling at destination shall be **Automatic Mechanical Sampler (A.O.C.S. Official Method BA 1-38, Rev. 1966)**, [the] **or Pneumatic Probe Sampler (A.O.C.S. Method BA 1-38, Rev. 1966)**, **or, if neither Automatic Mechanical Sampling nor Pneumatic Probe Sampling is available, a twelve foot Brass Hand Probe** and the sample shall be submitted to an Official Chemist. The results of the analysis of the destination sample shall be binding on both parties for final settlement. The expense of such sampling and analysis shall be borne by the owner if the owner insists on destination sampling and analysis unless the shipper has failed to take a [official] **representative** sample at origin, in which event, the expense of taking and analyzing the destination sample shall be borne by the shipper.

41109. REGULARITY OF WAREHOUSES AND ISSUERS OF SHIPPING CERTIFICATES

41109.A. Regularity Requirements

In addition to the conditions set forth in Rule 703.A., Conditions for Approval, the following shall constitute the minimum requirements and conditions of regularity for Distillers' Dried Grain shipping plants:

1. Such shipping plant shall be connected by railroad tracks with one or more railway lines.
2. Such shipping plant shall be provided with standard equipment and appliances for the convenient and expeditious shipping of distillers' grains in bulk in the conveyances for which the plant is registered with the Exchange according to Rule 41109.B.
3. The plant must not have been continuously out of operation for the two consecutive years prior to application for regularity or renewal thereof.

41109.B. Loading and Shipment of Distillers' Grains Against Distillers' Dried Grain Shipping Certificates

- (a) The operator of a shipping plant issuing Distillers' Dried Grain Shipping Certificates shall limit the number of Shipping Certificates issued to an amount not in excess of 15 times its registered total daily rate of loading plus

the amount of distillers' grains in store (not limited to distillers' grains meeting minimum contract standards). All such distillers' grains in store must be stored in facilities for which the capacity has been registered and which have been inspected by the Registrar. The shipper shall register his total daily rate of loading covered hopper cars at not less than 40% nor more than 100% of his maximum 24 hour Distillers' Grain production capacity. Each plant must be regular for a minimum total daily rate of loading of 200 tons per day.

- (b) Each regular plant shall be required to complete load-out of distillers' grains against cancelled Shipping Certificates within fifteen calendar days following the date of cancellation. The date of completed load-out shall be the bill of lading date.
- (c) The shipper shall assess a premium charge of 8 cents per ton per calendar day for each day a Distillers' Dried Grain Shipping Certificate is outstanding starting the day after the date of registration by the Registrar. When rail loading orders specify shipment within fifteen calendar days, the premium charge shall continue through the business day following the receipt of loading orders. Otherwise, the premium charge shall continue through the day of rail loading. "Business days" are those on which the Exchange is open for trading Distillers' Dried Grain.
- (d) The shipper shall maintain, in the immediate vicinity of the Exchange, either an office, or a duly authorized representative or agent approved by the Exchange, where owners of Shipping Certificates may pay premium charges and file loading orders and shipping instructions.
- (e) Rail Loading Procedures
 1. The buyer requesting rail load-out will furnish written rail loading orders and shipping instructions to the shipper by the close of business on the first business day following the date of cancellation of the Shipping Certificates. The shipper is responsible for providing railcars, loading distillers' grains into the railcars, and transporting the distillers' grains to the location specified by the buyer within the contiguous United States. Each regular facility will be associated with a particular rail junction with regular facilities east of the Mississippi associated with Chicago and regular facilities west of the Mississippi associated with ~~[Kansas City]~~ **Council Bluffs**. The buyer shall pay the shipper the public tariff rate plus any fuel surcharges for distillers' dried grains from the regular facility's associated rail junction to the buyer's destination.
 2. **A regular shipper may provide product meeting specifications from another facility provided the buyer is not adversely affected with regard to timing or quality. All rules specified herein apply to all load-outs including load-outs from alternative origins. The regular shipper is responsible for load-outs and delivery consistent with these rules even when the origin is different from the regular facility.**
 3. The shipper is responsible for all transportation costs up to 48 hours after the constructive placement of railcars at the buyer's destination. The buyer is responsible for any unloading charges and for any demurrage

charges 48 hours after constructive placement. All demurrage charges must be substantiated with a citation of car numbers loaded against cancelled Shipping Certificates with tariff demurrage rates to apply. [~~either by proper notations on the shipper's average demurrage agreement with the carrier or actual demurrage bills rendered against cars shipped.~~]

4. Loadings will be in bulk, and shipments will be subject to the existing freight tariff Rules and Regulations of the railroads on file with the Interstate Commerce Commission at the time of loading. The shipper is responsible for loading suitable owned or leased railcars.
5. All loading orders and shipping instructions received prior to 2:00 p.m. on a given business day shall be considered dated that day and shall be entitled to equal treatment. Orders received after 2:00 p.m. on a business day shall be considered dated the following business day.
6. When rail loading orders and shipping instructions are received by 2:00 p.m. of any given business day, the shipper will advise the owner by 10:00 a.m. the following business day of loading dates and tonnage due. Notification will be by telephone, fax or email.
7. The shipper shall load cars at the shipping plant designated in the Shipping Certificate. If it becomes impossible to load at the designated shipping plant because of an Act of God, fire, flood, wind, explosion, war, embargo, civil commotion, sabotage, law, act of government, labor difficulties or unavoidable mechanical breakdown or other force majeure, the shipper will arrange for covered hopper cars to be loaded at another regular shipping plant in conformance with the Shipping Certificate. If the aforementioned condition of impossibility prevails at a majority of regular shipping plants, then shipment may be delayed for the number of days that such impossibility prevails at a majority of regular shipping plants.
8. Rail loading orders involving one or more Shipping Certificates shall be considered as one lot. The minimum amount shipped against each loading order shall be the number of Shipping Certificates specified therein times 100 tons. A tolerance of 6 tons under or over the total may be shipped to be settled at the market value, expressed as a basis, for distillers' dried grains FOB at the facility at the time of loading of the last car of the order. Before rail cars are loaded, the taker and maker of delivery shall agree on a basis over or under the nearby futures at which overfills and underfills will be settled. On the day that the weight tolerance becomes known to both parties, the flat price settlement will be established by applying the basis to the nearby futures month settlement price on the day of loading. If the day of loading is the last trading day in the nearby futures month, the next following futures month will be used for settlement. If the day of loading is not a business day, the next following business day will be used to establish the flat price. In order to convert the agreed upon basis on the day that the grain was loaded to a basis relative to the current nearby futures month, the futures spread on

the day of loading will be used, provided that, the nearby futures did not close outside of the price limits for all other futures months. In this case, the spread on the first following business day that the nearby futures closed within the price limits applicable for all other futures months would be used.

(h) Change of Election for Mode of Load-Out

The buyer may elect to load-out by truck. Truck load-out shall be entitled to equal treatment. A premium of \$7.50/ton shall be applied to all shipments of distillers' dried grains loaded-out by truck and shall be payable on the day truck loading orders are issued. ~~[The buyer electing truck load-out shall provide the truck conveyance and constructively place that conveyance at the regular facility that issued the shipping certificate(s) within three business days following issuance of truck loading orders. Shippers shall begin loading within two business days following constructive placement of truck conveyance and load at a minimum of 50 percent of the facility's daily rate of loading until loading is complete.]~~ Buyer is not required to pay any tariff rates to seller under truck load-out.

Truck Loading Procedures

1. **The owner requesting truck load-out shall furnish written loading orders and shipping instructions to the shipper by the close of business on the first business day following the date of cancellation of Shipping Certificates. The owner shall supply the trucks. Open-top trucks with a minimum capacity of 20 tons must be provided. No vans or trucks with porthole loading shall be acceptable. Owner and shipper shall cooperate to ensure timely placement and loading of truck equipment.**
2. **All truck loading orders and shipping instructions received prior to 2:00 p.m on any given business day shall be considered dated that day and shall be entitled to equal treatment. Orders received after 2:00 p.m. on a business day shall be considered dated the following business day.**
3. **When truck loading orders and shipping instructions are received by 2:00 p.m. on any given business day, the shipper will advise the owner of loading dates and tonnage due by 10:00 a.m. the next business day. Notification will be by telephone, fax or email.**
4. **The shipper shall begin loading against truck loading orders and shipping instructions on the fourth business day after their receipt. The shipper shall load at a minimum of 50 percent of the facility's daily rate of loading until loading is complete.**

5. Truck loading shall occur during normal truck loading hours, as declared in the plant's application for regularity, and on normal business days. "Normal business days" shall be those on which the Exchange is open for trading of Distillers' Dried Grain futures.
 6. The owner shall present his trucks for loading at the shipping plant designated in the Shipping Certificate by 12:00 noon on the scheduled loading day. If trucks arrive by 12:00 noon, the shipper shall load the same day or be subject to the penalties and procedures specified in subparagraphs (9) and (10) of this paragraph (Truck Loading Procedures). If trucks arrive after 12:00 noon, the shipper shall be under no obligation to load and the owner shall be subject to the penalties and procedures specified in subparagraphs (7) and (8) of this paragraph.
 7. If the owner fails to present his trucks on time on the scheduled loading day, he shall be subject to a grace period until 12:00 noon the next business day and shall not be liable for a penalty up to that time. If the owner fails to present his trucks by 12:00 noon of the business day following the scheduled loading day, he shall be liable for a penalty of \$4/ton/day for all DDGs not loaded out as scheduled.
 8. If, for any reason, the owner is unable to present his trucks for three consecutive normal business days, beginning with the originally scheduled loading day, the shipper may at his election:
 - i. Load the DDGs into rail cars for the owner and inform him of rail car numbers, or
 - ii. Reissue a Shipping Certificate to the owner. If a Shipping Certificate is reissued, the premium charge specified in Rule 41108 shall be assessed retroactively, beginning the day after the business day following the receipt of loading orders.
- In these cases the owner is liable for the penalty specified in subparagraph (7) of this paragraph, if any, for two business days. The truck loading premium specified in paragraph (h) of this Rule shall be credited against any penalties due or refunded in full if there are no penalties due. If shipper elects either of these options he must promptly notify the owner.
9. If the shipper fails to load the owner's trucks by 12:00 midnight on the scheduled loading day he shall be subject to a grace period until the next business day and shall not be subject to a penalty up to that time. If the shipper fails to load the owner's

truck by 12:00 midnight of the business day following the scheduled loading day, he shall be liable for a penalty of \$4/ton/day for all DDGs not loaded out as scheduled.

10. If, for any reason, the shipper is unable to load the owner's trucks for three consecutive normal business days, beginning with the originally scheduled loading day, the shipper shall, with the owner's consent, make the DDGs available for truck load-out on the third day at another regular plant, in conformance with the Shipping Certificate, and will compensate the owner for any transportation loss resulting from the change in the location of the shipping plant.
11. A tolerance of five tons over the total truck shipment may be loaded and settled at the market price at the time the last truck is loaded.

703. REGULAR WAREHOUSES AND SHIPPING STATIONS

703.A. Conditions for Approval

Warehouses or shipping stations (hereafter "facilities") may be declared regular for delivery with the approval of the Exchange. Persons operating facilities who desire to have such facilities made regular for delivery under the rules shall make application for an initial Declaration of Regularity on a form prescribed by the Exchange prior to May 1 of an even-numbered year (an odd-numbered year for Ethanol), for a two-year term beginning July 1 of that year, and at any time during a current term for the balance of that term.

Applications for a renewal of regularity shall be made prior to May 1 of even-numbered years (odd-numbered years for Ethanol) for the respective years beginning July 1 of those years, and shall be on the same form.

Facilities that desire to increase their regular capacity during a current term shall make application for the desired amount of total regular capacity on the same form.

Initial regularity and increases in regularity shall be effective either thirty days after the Exchange posts a notice that a bona fide application has been received or the day after the application is approved by the Exchange, whichever is later.

Facilities regular for delivery of Corn, Soybeans, Soybean Oil, Soybean Meal, Denatured Fuel Ethanol, Distillers' Dried Grains or Wheat facilities in the St. Louis-East St. Louis and Alton Switching District, on the Ohio River, or on the Mississippi River that desire to have their daily rate of loading decreased shall file with the Exchange a written request for such decrease at which time a notice will be posted by the Exchange. The decrease in the daily rate of loading for the facility will become effective thirty days after a notice has been posted by the Exchange or the day after the number of outstanding certificates or receipts at the facility is equal to or less than 20 times the requested rate of loading (15 times the requested rate of loading

for Soybean Meal, Distillers' Dried Grains and Denatured Fuel Ethanol), whichever is later.

Regular facilities that wish to have their regular capacity space decreased shall file with the Exchange a written request for such decrease and such decrease shall become effective once a notice has been posted by the Exchange.

The Exchange may establish such requirements and conditions for approval of regularity as it deems necessary. The application for regularity prescribed by the Exchange shall set forth conditions of regularity as well as other agreements with which the operator of the regular facility shall comply. In addition to any conditions and agreements contained in such application or in the relevant product chapter, the following shall constitute conditions for regularity and requirements with which the operator of a regular facility shall comply:

(1) The facility making application shall be inspected by the Exchange, the United States Department of Agriculture, or other government agency, as applicable. Where application is made to list as regular a facility which is not regular at the time of such application, the applicant may be required to remove all product from the facility and permit the facility to be inspected and the product graded, after which such product may be returned to the facility.

(2) The operator of such facility shall be in good financial standing and credit, and shall meet the minimum financial requirements and financial reporting requirements set forth in Rule 708. No facility shall be declared regular until the person operating the facility files a bond and/or designated letter of credit with sufficient sureties, or deposits with the Exchange, treasury securities, or other collateral deemed acceptable to the Exchange, in such sum and subject to such conditions as the Exchange may require. Any such sums shall be reduced by SEC haircuts, as specified in SEC Rule 15c3-1(c)(2)(vi), (vii) and (viii). If the facility deposits treasury securities or any other collateral with the Exchange, it must execute a security agreement on a form prescribed by the Exchange.

(3) The facility shall be provided with modern improvements and appliances for the convenient and expeditious receiving, handling and shipping of product in bulk.

(4) The operator of the facility shall comply with the system of registration of warehouse receipts or shipping certificates as established by the Exchange.

(5) The operator of the facility shall furnish accurate information to the Exchange regarding all product received and delivered by the facility on a daily basis and/or that product remaining in store at the close of each week, as required by the Exchange.

(6) The operator of the facility shall promptly advise the Registrar of any damage to product held in store by it, whenever such damage shall occur to an extent that will render the product undeliverable.

(7) The operator of the facility shall permit the Exchange, at any time, to examine the books and records of the facility, for the purpose of ascertaining the stocks of all kinds of product which may be on hand. The Exchange shall have the authority to determine the quantity of product in the facility and to compare the books and records of the facility with the records of the Exchange.

(8) The operator of the facility shall make such reports, keep such records and permit such facility visitation as the Exchange, the Commodity Futures Trading Commission or any other applicable government agency may require.

(9) The operator of the facility shall give assurance that all product tendered in satisfaction of futures contracts shall be weighed, as applicable, under the supervision of a party approved by the Exchange.

(10) The operator of the facility shall not engage in unethical or inequitable practices, and shall comply with all applicable federal or state statutes, rules or regulations.

(11) Persons operating regular facilities shall be subject to the Exchange's Rules, the disciplinary procedures set forth in Chapter 4, and the arbitration procedures set forth in Chapter 6, and shall abide by and comply with the terms of any disciplinary decision imposed or any arbitration award issued against it pursuant to the Exchange's Rules.

(12) Persons operating regular facilities shall consent to the disciplinary jurisdiction of the Exchange for five years after such regularity lapses, for conduct which occurred while the facility was regular.

The Exchange, in its sole discretion, may determine not to approve facilities for regularity, or for increases in regular capacity of existing regular facilities, regardless of whether such facilities meet the preceding requirements and conditions. Some factors that the Exchange may, but is not required to, consider in exercising its discretion include, among others, whether receipts or shipping certificates issued by such facilities, if tendered in satisfaction of futures contracts, might be expected to adversely affect the price discovery function of futures contracts or impair the efficacy of futures trading in the relevant market, or whether the currently approved regular capacity provides for an adequate deliverable supply.

712. DELIVERY AND REGISTRATION

712.A. Delivery of Commodities

Deliveries of rice and soybean oil shall be made by the delivery of registered warehouse receipts issued by warehousemen against stocks in warehouses which have been declared regular by the Exchange. The Exchange, by rule, may prescribe the conditions upon which warehouses and warehousemen may become regular except that in the case of federally licensed warehouses and warehousemen, the Exchange may impose only such reasonable requirements as to location, accessibility and suitability as may be imposed on other regular warehouses and warehousemen. The Exchange, by rule, may prescribe conditions not inconsistent with the provisions of this Chapter upon which warehouse receipts issued by regular warehouses shall be deliverable.

Deliveries of corn, oats, wheat, soybeans, soybean meal, **distillers' dried grains** and ethanol shall be made by delivery of registered shipping certificates issued by shippers designated by the Exchange as regular to issue shipping certificates for such commodities. Shipping certificates for such commodities and warehouse

receipts for soybean oil shall be delivered using the electronic fields which the Exchange and the Clearing House require to be completed. In order to effect a valid delivery each such shipping certificate or warehouse receipt must be endorsed by the holder making the delivery, and transfer as specified above constitutes endorsement. Such endorsement shall constitute a warranty of the genuineness of the certificate or receipt and of good title thereto, but shall not constitute a guaranty, by an endorser, of performance by the issuer of the certificate or receipt. Such endorsement shall also constitute a representation that all premium, storage, or carrying charges have been paid on the commodity covered by the certificate or receipt, in accordance with the rules of the relevant product chapter.

Position Limit, Position Accountability and Reportable Level Table

CONTRACT NAME	Opts	SCALE-DOWN SPOT MONTH	SPOT ¹ MONTH	SINGLE ² MONTH	ALL ³ MONTHS COMBINED	POSITION ACCOUNTABILITY Futures/Options ⁴	REPORTABLE FUTURES LEVEL	REPORTAB OPTIONS LE
FINANCIALS								
Long-Term U.S. Treasury Bonds		(see #13)				10,000	1,500	
U.S. Treasury Bonds	Y	(see #13)				10,000/25,000	1,500	1,500
U.S. Treasury Notes (2 yr.)	Y	(see #13)				7,500 / 20,000	1,000	1,000
U.S. Treasury Notes (3 yr.)		(see #13)				7,500 / N/A	750	
U.S. Treasury Notes (5 yr.)	Y	(see #13)				7,500 / 20,000	2,000	2,000
U.S. Treasury Notes (6 ½ - 10 yr.)	Y	(see #13)				7,500 / 20,000	2,000	2,000
30 Day Fed Fund	Y					3,000 / N/A	600	600
30-Year Interest Rate Swap	Y					5,000 / 15,000	500	25
10-Year Interest Rate Swap	Y					5,000 / 15,000	500	500
7-Year Interest Rate Swap	Y					5,000 / 15,000	25	25
5-Year Interest Rate Swap	Y					5,000 / 15,000	500	500
Mini-sized Eurodollars			10,000	10,000	10,000		400	
AGRICULTURAL								
Corn & mini-sized Corn	Y		600 (aggregate see #10)	13,500 (aggregate, see #1,10)	22,000 (aggregate, see #1,3,10)		250 (individual, see #11)	250
Corn Calendar Swap				13,500 (see #1)	22,000 (see #1)		25	N/A
Northeastern Iowa Corn Basis Swap				13,500	22,000		25	N/A
Northwestern Iowa Corn Basis Swap				13,500	22,000		25	N/A

¹ Net long or short effective at the close of trading two business days prior to the first trading day of the delivery month.

² Futures-equivalent position limit net long or net short in any one month other than the spot month. Net equivalent futures long or short in all months and strike prices combined.

³ Futures-equivalent position limit net long or net short in all months and strike prices combined. Long futures contracts, long call options, and short put options are considered to be on the long side of the market, while short futures contracts, long put options, and short call options are considered to be on the short side of the market.

⁴ As described in Rule 560. Futures levels refer to futures equivalent contracts. Options levels refer to option contracts for all months and all strike prices combined in each option category (long call, long put, short call and short put).

CONTRACT NAME	Opts	SCALE-DOWN SPOT MONTH	SPOT ¹ MONTH	SINGLE ² MONTH	ALL ³ MONTHS COMBINED	POSITION ACCOUNTABILITY Futures/Options ⁴	REPORTABLE FUTURES LEVEL	REPORTABLE OPTIONS LEVEL
Southern Iowa Corn Basis Swap				13,500	22,000		25	N/A
Eastern Nebraska Corn Basis Swap				13,500	22,000		25	N/A
Eastern South Dakota Corn Basis Swap				13,500	22,000		25	N/A
Southern Minnesota Corn Basis Swap				13,500	22,000		25	N/A
Soybeans & mini-sized Soybeans	Y		600 (aggregate see #10)	6,500 (aggregate see #1,10)	10,000 (aggregate, see #1,4,10)		150 (individual, see #11)	150
Soybean Calendar Swap				6,500 (see #1)	10,000 (see #1)		25	N/A
Wheat & mini-sized Wheat	Y	(see #8)	600 (aggregate see #10)	5,000 (aggregate, see #1,10)	6,500 (aggregate, see #1,7,10)		150 (individual, see #11)	150
Wheat Calendar Swap				5,000 (see #1)	6,500 (see #1)		25	N/A
Oats	Y		600	1,400 (see #1)	2,000 (see #1,6)		60	60
Rough Rice	Y	200 / 250 (see #5)	600	1,800	1,800		50	50
Soybean Oil	Y		540	5,000 (see #1,7)	6,500 (see #1,7)		200	200
Soybean Meal	Y		720	5,000 (see #1,7)	6,500 (see #1,7)		200	200
Soybean Crush Options	Y			1,000	1,000			100
Distillers' Dried Grains			200	1,000	1,000		25	N/A
Ethanol (see #14)	Y		200	1,000	1,000	N/A / 25 (see #15)	25	25 (see #15)
NY Harbor Denatured Fuel Ethanol Basis Swap		N/A	N/A	N/A	N/A	25	25	N/A
Gulf Coast Denatured Fuel Ethanol Basis Swap		N/A	N/A	N/A	N/A	25	25	N/A
Los Angeles Denatured Fuel Ethanol Basis Swap		N/A	N/A	N/A	N/A	25	25	N/A
Ethanol Forward Month Swap		N/A	N/A	N/A	N/A	25/25	25	25
DOW COMPLEX								
DJIA SM Index (\$25)					50,000 (see #9)		200	
DJIA SM Index (\$10)	Y				50,000 (see #9)		200	200
DJIA SM Index (\$5)	Y				50,000 (see #9)		200	200
DJ - UBS Commodity Index							200	
DJ - UBS Commodity Index Swap						10,000	1	
DJ US Real Estate Index					5,000		200	

- #1 Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, do not exceed the all months combined limit. In addition, a person may own or control additional options in excess of the futures-equivalent limits provided that those option contracts in excess of the futures-equivalent limits are part of an eligible option/futures spread.
- #2 Reserved
- #3 No more than 13,500 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #4 No more than 6,500 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #5 In the last five trading days of the expiring futures month, the speculative position limit for the July futures month will be 200 contracts and for the September futures month the limit will be 250 contracts.
- #6 No more than 1,400 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #7 No more than 5,000 futures-equivalent contracts net on the same side of the market are allowed in a single month in all strike prices combined. Additional options contracts may be held as part of option/option or option/futures spreads between months within the same crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit. The futures-equivalents for both the options and futures contracts are aggregated to determine compliance with these net same side single month position limits.
- #8 In the last five trading days of the expiring futures month in May, the speculative position limit will be 600 contracts if deliverable supplies are at or above 2,400 contracts, 500 contracts if deliverable supplies are between 2,000 and 2,399 contracts, 400 contracts if deliverable supplies are between 1,600 and 1,999 contracts, 300 contracts if deliverable supplies are between 1,200 and 1,599 contracts, and 220 contracts if deliverable supplies are below 1,200 contracts. Deliverable supplies will be determined from the CBOT's Stocks of Grain report on the Friday preceding the first notice day for the May contract month. For the purposes of this Appendix, one mini-sized Wheat contract shall be deemed to be equivalent to one-fifth of a corresponding Wheat contract.
- #9 The aggregate position limit in DJIA Index (\$25 multiplier) futures, mini-sized Dow (\$5 multiplier) futures and options, and DJIA Index futures and options is 50,000 DJIA Index futures contracts, net long or net short in all contract months combined. For the purposes of this appendix:
- One DJIA Index futures contract shall be deemed to be equivalent to two mini-sized Dow (\$5 multiplier) contracts.
 - One DJIA Index (\$25 multiplier) futures contract shall be deemed to be equivalent to five mini-sized Dow (\$5 multiplier) contracts.

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- Two DJIA Index (\$25 multiplier) futures contracts shall be deemed to be equivalent to five DJIA Index futures contracts.
- #10 The net long or net short positions in Corn, Soybeans, or Wheat contracts may not exceed their respective position limits. The net long or net short positions in mini-sized Corn, mini-sized Soybeans, or mini-sized Wheat contracts may not exceed their respective position limits. The aggregate net long or net short positions in Corn and mini-sized Corn, Soybeans and mini-sized Soybeans, or Wheat and mini-sized Wheat contracts may not exceed their respective position limits. For the purposes of this Appendix, one mini-sized Corn, one mini-sized Soybean, or one mini-sized Wheat contract shall be deemed to be equivalent to one-fifth of a corresponding Corn, Soybeans, or Wheat contract.
- #11 The reporting level for the primary contract is separate from the reporting level for the mini-sized contract. Positions in any one month at or above the contract level indicated trigger reportable status. For a person in reportable status, all positions in any month of that contract must be reported. For the purposes of this Appendix, positions are on a contract basis.
- #12 Reserved.
- #13 In the last ten trading days of the expiring futures month, the following position limits in the expiring contract will apply: Long-Term U.S. Treasury Bonds – 20,000 contracts; U.S. Treasury Bonds – 25,000 contracts; U.S. Treasury Notes (6½ - 10 Year) – 60,000 contracts; U.S. Treasury Notes (5 Year) – 45,000 contracts; U.S. Treasury Notes (3 year) – 20,000 contracts; U.S. Treasury Notes (2 Year) – 25,000 contracts. No hedge exemptions will be permitted with respect to these limits.
- #14 Net Futures Equivalent Position limit applies to Ethanol futures and Ethanol Standard Options only.
- #15 Position Accountability applies to Cash-Settled Ethanol Options only. Reportable Option Levels applies to both Standard Ethanol Options and Cash-Settled Ethanol Options.

CHAPTER 7 LETTER OF CREDIT AND BOND STANDARDS

1. LETTER OF CREDIT STANDARDS FOR CORN, OATS, WHEAT, SOYBEANS, DISTILLERS' DRIED GRAINS AND ETHANOL

CBOT Rule 703 and other CBOT rules require, as a condition for regularity, that issuers of shipping certificates for certain commodities must file a bond and/or designated letter of credit with sufficient sureties in such sum and subject to such conditions as the Exchange may require. The Exchange has determined that the following requirements shall apply to such letters of credit.

- a. The regular firm is required to secure a letter of credit, naming the Board of Trade of the City of Chicago, Inc. as its beneficiary, for 100% of the current market value of the shipping certificates issued. The address of the primary office for the presentation of demand must be located in the United States.
- b. The regular firm is required to monitor the value of the outstanding certificates issued using the futures spot month settlement price. Whenever the amount of the letter of credit falls below 80% of the current market value for certificates issued, the regular firm must increase the amount of the letter of credit, or obtain a new letter of credit, for an amount equal to 100% of the current market value of outstanding

certificates, by 5:00 p.m. (Chicago Time) on the first business day following the relevant futures settlement.

- c. Prior to additional shipping certificates being issued, the regular firm must increase the amount of the letter of credit, or secure a new letter of credit, for 100% of the current market value of all shipping certificates which are outstanding as well as all shipping certificates which will be issued.
- d. The Exchange will accept letters of credit only from banks with a Moody's Investor Service counter party credit rating of A or above or a Standard and Poor's short-term counter party rating not lower than A-2.
- e. The letter of credit must be irrevocable, it must provide for payment within the time specified by the Exchange, and it must be able to be drawn upon unconditionally.
- f. The letter of credit must be in the form approved by the Exchange.
- g. The expiration date of a letter of credit may not occur during any relevant futures delivery cycle.

2. LETTER OF CREDIT STANDARDS FOR ALL OTHER AGRICULTURAL PRODUCTS

CBOT Rule 703 and other CBOT rules require, as a condition for regularity, that warehousemen for agricultural commodities other than corn, wheat, soybeans, oats, distillers' dried grains and ethanol must file a bond and/or designated letter of credit with sufficient sureties in such sum and subject to such conditions as the Exchange may require. The Exchange has determined that the following requirements shall apply to such letters of credit.

- a. The regular firm is required to secure a letter of credit, naming the Board of Trade of the City of Chicago, Inc. as its beneficiary, for such sum and subject to such conditions as the Exchange may require. The address of the primary office for the presentation of demand must be located in the United States.
- b. The Exchange will accept letters of credit only from banks with a Moody's Investors Service counterparty credit rating of A or above or a Standard and Poor's short-term counterparty rating not lower than A-2.
- c. The letter of credit must be irrevocable, must provide for payment within the time specified by the Exchange, and must be able to be drawn upon unconditionally.
- d. The letter of credit must be in the form approved by the Exchange.
- e. The expiration date of a letter of credit may not occur during any relevant futures delivery cycle.

3. BOND STANDARDS FOR ALL OTHER AGRICULTURAL PRODUCTS

CBOT Rule 703 and other CBOT rules require, as a condition for regularity, that warehousemen for agricultural commodities other than corn, wheat, soybeans, and ethanol must file a bond and/or designated letter of credit with sufficient sureties in such sum and subject to such conditions as the Exchange may require. The

Exchange has determined that the following requirements shall apply to such bonds.*

- a. The warehouseman is required to secure a bond naming the Board of Trade of the City of Chicago, Inc. as its beneficiary for such sum and subject to such conditions as the Exchange may require.
- b. The bond must be in the form approved by the Exchange.
- c. The Exchange will accept bonds only from insurance companies that have been rated by one of the following rating agencies: AM Best, Standard & Poor's, or Moody's Investor Service. The following are the minimum credit ratings that are acceptable.
 1. AM Best: B++
 2. Standard & Poor's: A-
 3. Moody's Investor Service: A3

* The Exchange will continue to accept USDA bonds in order for warehousemen to meet bonding requirements for Oats, and Rice. If the amount specified on the USDA bond does not meet the Exchange's requirements, an additional bond must be issued for the amount that is not covered under the USDA bond. The additional bond must meet the requirements specified in a. through c.