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OFFICE OF THE SECRETARIAT

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April 29, 2010

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

**Re: CME Chapters 60 and 60A; Chapter 5 Table
Section 5c(c)(1), Regulation 40.2 Submission
Exchange Certification for CME Cheese contracts.
CME Submission No. 10-117**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission regarding the CME Cheese Futures and Options launch date, trading hours, and provides rule language for CME Cheese Futures and Options contracts.

CME Cheese Futures and Options will begin trading on Sunday, June 20, 2010.

- Months listed for trading –July 2010, August 2010, September 2010, October 2010, November 2010, December 2010, January 2011, February 2011, March 2011, April 2011, May 2011, June 2011, July 2011, August 2011, September 2011, October 2011, November 2011, December 2011, January 2012, February 2012. March 2012, April 2012, May 2012 and June 2012

Electronic Trading Hours: Sunday – Thursday 5:00 p.m. to 4:00 p.m., reopen at 5:00 p.m. Thursday, close at 1:55 p.m. Friday. On Last Trading Day only, close at 12:10 p.m.

The text of the contract rules for CME Cheese futures and options is presented on the following pages.

CME certifies that these changes comply with the Commodity Exchange Act and regulations thereunder.

If you require any additional information regarding this action, please do not hesitate to contact Mr. Charles Piszczor at 312-930-4536 or via e-mail at charles.piszczor@cmegroup.com or contact me at 312-648-5422. We would be appreciative if you could reference our CME Submission No. 10-117 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Regulatory Counsel

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**CHAPTER 60
CHEESE FUTURES**

6000. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in cheddar cheese. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

6001. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at 20,000 times the USDA monthly weighted average price per pound in the U.S. for cheese.

6002. FUTURES CALL

6002.A. Trading Months and Hours

Futures contracts shall be scheduled for trading during such hours and for final settlement in such months as may be determined by the Board of Directors.

6002.B. Trading Unit

The unit of trading shall be 20,000 pounds.

6002.C. Price Increments

Minimum price fluctuations shall be in multiples of \$.0010 per pound.

6002.D. Daily Price Limits

There shall be no trading at a price more than \$0.075 per pound above or below the previous day's settlement price, except that there shall be no daily price limits in the spot month.

If the contract nearest to expiration that is subject to a daily price limit settles on the limit bid or the limit offer, then the daily price limit shall be raised to \$0.15 per pound for all contracts subject to a daily price limit.

If, after the daily price limits have been increased to \$0.15 per pound, the contract nearest to expiration that is subject to a daily price limit settles on the limit bid or the limit offer, then the daily price limit shall be raised to \$0.30 per pound for all contracts subject to a daily price limit.

If the contract nearest to expiration that is subject to a daily price limit of \$0.30 does not settle at a limit bid or limit offer, without regard to market direction, the price limits shall revert to \$0.15 per pound the next business day.

If the contract nearest to expiration that is subject to a daily price limit of \$0.15 does not settle at a limit bid or limit offer, without regard to market direction, the price limits shall revert to \$0.075 per pound the next business day.

6002.E. Position Limits

No person shall own or control more than:

1. 1000 contracts long or short in any contract month;
2. 500 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.

For positions involving options on the underlying futures, this rule is superseded by the option speculative position limit rule.

6002.F. Accumulation of Positions

For purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons having a proprietary or beneficial interest, shall be cumulated.

6002.G. Exemptions

The foregoing position limits shall not apply to bona fide hedging positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and shall not apply to other positions exempted pursuant to Rule 559.

6002.H. Termination of Futures Trading

Trading shall terminate on the business day immediately preceding the release date for the USDA monthly weighted average price in the U.S. for cheese.

6002.I. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that if any federal governmental agency issues an order, ruling, directive, or law that conflicts with the requirements of these rules, such order, ruling, directive, or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

6003. FINAL SETTLEMENT

There shall be no delivery of cheese in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the USDA monthly weighted average price in the U.S. for cheese. The reported USDA monthly weighted average price for cheese uses both 40 pound cheddar block and 500 pound barrel prices.

6004.-07. [RESERVED]

6008. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 60)

**Chapter 60A
Options on Cheese Futures**

60A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on the Cheese futures contract. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

60A01. OPTION CHARACTERISTICS

60A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

60A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Cheese futures contract as specified in Chapter 60.

60A01.C. Minimum Fluctuations

The price of an option shall be quoted in cents per pound. Minimum price fluctuations shall be in multiples of \$.0010 per pound (also known as one tick). A trade may also occur at a price of \$.0005 per pound (\$.10, also known as one-half tick), whether or not it results in the liquidation of positions for both parties to the trade.

60A01.D. [Reserved]

60A01.E. Exercise Prices

The exercise prices shall be stated in terms of cents per pound. For all contract months, exercise prices shall be at intervals of \$.025 cents; e.g., \$.025 cents, \$.050 cents, etc. In addition, for the nearest contract month, exercise prices shall be at intervals of 1 cent., as described below.

At the commencement of option trading in a contract month, the Exchange shall list put and call options in a range of \$.10 above and below the previous day's settlement price of the underlying futures contract.

When a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through an exercise price, the Exchange shall list on the next trading day put and call option contracts at the next higher (or next lower) exercise price within a \$.10 range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred.

When a contract month becomes the nearest contract month, the Exchange shall add exercise prices at 1 cent intervals at a range of \$.10 above and below the previous day's settlement price of the underlying futures contract. If the previous day's futures contract settlement price equals an eligible exercise price, then that exercise price shall also be listed, if not yet listed. Thereafter, when a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through, an odd-numbered exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or next lower) exercise price within a \$.10 range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred.

New options may be listed for trading up to and including the termination of trading. The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

60A01.F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds:

1. 1000 futures equivalent contracts net on the same side of the market in any contract month.
2. 500 futures equivalent contracts net on the same side of the market in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the

same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

60A01.G. Accumulation of Positions

The positions of all accounts owned or controlled by a person or persons acting in concert or in which such person or persons have a proprietary or beneficial interest, shall be cumulated. The Board may impose position limits for any such accounts as it deems appropriate.

60A01.H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 559 and shall not apply to other option positions exempted pursuant to Rule 559.

60A01.I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

60A01.J. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such government orders.

60A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7 the following shall apply to the exercise of Cheese options.

60A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an Exercise Notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instruction delivered to the Clearing House by 7:00 p.m. on the business day following the expiration by the clearing member representing the option buyer, be exercised automatically.

60A02.B. Assignment

Exercise Notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an Exercise Notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an Exercise Notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised.

The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call was exercised and a short position if a put was exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the Exercise Notice.

60A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701 – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 60A)

CONTRACT NAME	Options	SCALE-DOWN SPOT MONTH (1)	SCALE-DOWN SPOT MONTH (2)	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORTABLE FUT LEVEL	REPORTABLE OPT LEVEL
CME Commodities									
Butter	Y	50		150	*900	*1,000		25	25
Cash-Settled Butter	Y			100	*500			25	25
Class III Milk	Y				*1,500			25	25
Class IV Milk	Y			250	*1,000			25	25
Deliverable Nonfat Dry Milk	Y			500	*1,000			25	25
Dry Whey	Y			200	*1,000			25	25
Feeder Cattle	Y			300	*1,600			25	25
Frozen Pork Bellies	Y	*(A) 75 or 50 or 25	*(B) 25 or 10	100	*800	*1,000		5	5
S&P GSCI	Y					*10,000		25	25
S&P GSCI ER Index						**10,000		25	
S&P GSCI ER Index Forwards							10,000	1	
S&P GSCI ER Index swaps							**10,000	1	
S&P GSCI ER Index 2 Month Forward Swaps							10,000	1	
S&P GSCI ER Index 3 Month Forward Swaps							10,000	1	
S&P GSCI Gold Excess Return Swaps							10,000	1	
S&P GSCI Crude Oil Excess Return Swaps							10,000	1	
Lean Hogs	Y			950	*4,100			25	25
Live Cattle	Y	300		450	*5,400			25	25
Random Length Lumber	Y			435	*1,000			25	25
Nonfat Dry Milk	Y			100	*1,000			25	25
Northern Bleached Softwood KP	Y				*1,000			25	25
Bleached Hardwood Kraft Pulp	Y				*1,000			25	25
Cheese	Y			*500	*1,000			25	25

*(A) The scale-Down levels in the spot month depends on "Deliverable Supply" shall mean the number of registered deliverable pork bellies reported to the CME Clearing House Department's weekly report immediately *preceding* the first Friday of each expiring contract.

*(B) The scale-Down levels in the spot month depends on "Deliverable Supply" shall mean the number of registered deliverable pork bellies reported to the CME Clearing House Department's weekly report immediately *following* the first Friday of each expiring contract.

*Net futures equivalents (NFE) long or short.