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Submission No. 11-41  
June 27, 2011

Mr. David Stawick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Amendments to Cocoa Rule 9.18(b)(iii)  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, ICE Futures U.S., Inc. ("Exchange") submits, by written certification, an amendment to Exchange Cocoa Rule 9.18(b)(iii) which provides a new discount schedule for delivery of Cocoa with a bean count in excess of the standard count.

The current discount for Cocoa deliveries with an excess bean count is a fixed dollar amount which does not vary by market price. As such, the effect of the discount/penalty for delivery with a high bean count diminishes as the futures price increases. The amendment to Rule 9.18(b)(iii) replaces the fixed dollar discount schedule with a schedule of percentage discounts. The percentage discounts will effectively increase and decrease the dollar amount of the penalty in relation to the futures price. The amendment will become effective for the first new delivery month listed, the July 2013 futures contract.

The Exchange's Board of Directors adopted the amendment at its meeting held on June 23, 2011. The amendment will go into effect with the listing of the July 2013 futures contract. One member of the Exchange's Cocoa Committee opposed the amendment as he was not convinced of the need to revise the penalty provisions at this time.

The Exchange certifies that the amendment to Rule 9.18(b)(iii) complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

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If you have any questions or need further information, please contact me at 212-748-4021 or at [jason.fusco@theice.com](mailto:jason.fusco@theice.com).

Sincerely,

Jason V. Fusco  
Assistant General Counsel  
Market Regulation

cc: Division of Market Oversight  
New York Regional Office

EXHIBIT A

(In the text of the amendment below, additions are underscored and deletions are lined out and bracketed.)

**Rule 9.18. Grading Cocoa for Exchange Delivery**

*Effective with respect to all delivery months through and including December 2011.*

(a) All Cocoa to be delivered in Exchange-Segregated Lots must be certified as deliverable with respect to Growth, Description, Condition, Count and Grade in accordance with the provisions of this Rule.

(b) The Growth, Description, Condition, Count, Grade of Cocoa which may be delivered on an Exchange Futures Contract are as follows:

\* \* \*

*(iii) Count*

(1) The standard Count and the maximum Count of each group of Cocoa shall be as follows:

<i>Class</i>	<i>STANDARD COUNT</i>	<i>MAXIMUM COUNT</i>
<i>A</i>	<i>1000 per kg</i>	<i>1200</i>
<i>B</i>	<i>1100</i>	<i>1300</i>
<i>C</i>	<i>1200</i>	<i>1400</i>

Cocoa exceeding the maximum of its class to be deliverable at the next lower class premium and count requirement.

Cocoa exceeding 1400 beans per kilo shall not be deliverable.

(2) The following variations of Count may be delivered at the discounts noted below, with such discounts to be applied as a reduction to the invoice weight:

**~~[Discount for excess Bean Count above standard~~**

		<i>Total Discount</i>
For 1 <sup>st</sup> 25 beans or part thereof	\$ 2.00 per ton	\$ 2.00 per ton
For 2 <sup>nd</sup> 25 beans or part thereof	4.00 per ton	6.00 per ton
For 3 <sup>rd</sup> 25 beans or part thereof	6.00 per ton	12.00 per ton
For 4 <sup>th</sup> 25 beans or part thereof	8.00 per ton	20.00 per ton
For 5 <sup>th</sup> 25 beans or part thereof	10.00 per ton	30.00 per ton
For 6 <sup>th</sup> 25 beans or part thereof	12.00 per ton	42.00 per ton
For 7 <sup>th</sup> 25 beans or part thereof	14.00 per ton	56.00 per ton
For 8 <sup>th</sup> 25 beans or part thereof	16.00 per ton	72.00 per ton]

<u>Bean Count</u>	<u>Discount</u>
<u>Above Standard:</u>	<u>Percentage:</u>

<u>1 to 25 beans</u>	<u>0.5%</u>
<u>26 to 50 beans</u>	<u>1.0%</u>
<u>51 to 75 beans</u>	<u>1.5%</u>
<u>76 to 100 beans</u>	<u>2.0%</u>
<u>101 to 125 beans</u>	<u>2.5%</u>
<u>126 to 150 beans</u>	<u>3.0%</u>
<u>151 to 175 beans</u>	<u>3.5%</u>
<u>176 to 200 beans</u>	<u>4.0%</u>

(Balance of the Rule unchanged.)