Sean M. Downey
Director and Assistant General Counsel
Legal Department

June 28, 2012

VIA E-MAIL

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

Re: Changes to CBOT Wheat Futures
CBOT Submission # 12-226

A. Proposed Changes

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission" or "CFTC") that it intends to implement the following changes to the CBOT Wheat futures and Mini-Sized Wheat futures contracts beginning with the September 2014 contract expiration:

1. Allow Hard Red Winter, Dark Northern Spring, and Northern Spring wheat to be deliverable in the St. Louis delivery territory;
2. Add language to the CBOT Rulebook outlining the Exchange's custom to adjust how the nearby calendar spread is measured when calculating the Variable Storage Rate (VSR) mechanism during times that pending contract changes could affect that spread;
3. Define and rename the St. Louis – Alton Switching District.

B. Background

As part of an ongoing contract review process, the Exchange conducted a thorough review of the CBOT Wheat futures contract during the first half of 2011. Included in the review were Customer Focus group meetings with a broad cross-section of the industry and an industry-wide survey. The Customer Focus group identified Hard Red Winter (HRW) and spring wheat delivery in St. Louis as a way to assure deliverable supply and simplify contract terms.

When contract changes are pending that affect the nearby calendar spread, the Exchange adjusts that spread in the VSR calculation, and communicates this to the trade through a Special Executive Report (SER). The Exchange believes that this VSR adjustment should also be specified in the CBOT Rulebook.

In 2009 the St. Louis – East St. Louis and Alton Switching District was converted from a rail-based delivery territory to a barge loading delivery territory consistent with new delivery territories on the Ohio and Mississippi Rivers. As a barge loading delivery territory, regular delivery facilities in this region are required to load barges only. However, including "Switching District" in the name suggests this delivery territory is still rail-based. Based on feedback offered by Commission staff, the Exchange intends to change the St. Louis – East St. Louis and Alton Switching District's name to the St. Louis – Alton Territory. Additionally, language is added to the CBOT Rulebook that defines this territory as lying between two Mississippi River mile markers, which is consistent with how the Ohio River and Mississippi River territories are defined in the Rulebook.

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Discussion and Opposing Views

Participants in the Exchange's Customer Focus outreach group voiced strong support for adding HRW and spring wheat deliveries in the St. Louis – Alton delivery territory. Participants acknowledged that HRW or spring wheat delivery in St. Louis would be unusual, but supported this position with two main points:

1. HRW and spring wheat delivery would help insure deliverable supply should the U.S. experience a short Soft Red Winter (SRW) crop; and
2. These additions would simplify the contract because HRW and spring wheat are already deliverable in all other delivery territories.

Survey responses on this topic were divided with opposition mainly coming from Country Elevators. Few survey participants offered any comments on this issue. The most substantial complaint voiced in the survey was that HRW and spring wheat delivery could complicate the contract. The Exchange believes allowing HRW and spring wheat deliveries in St. Louis actually reduces complexity because all other territories are currently allowed to deliver these classes of wheat. The Customer Focus outreach group was clear that the contract would still be a SRW contract, but this allowance would provide deliverable supply should the U.S. ever have issues with SRW production.

HRW and spring wheat are higher in protein compared to SRW and typically trade at a premium to SRW. Thus, under normal economic circumstances, it would be unlikely that HRW or spring wheat would be delivered very often in St. Louis. The USDA-AMS publishes cash price data for both SRW and HRW. One location the USDA has historical HRW and SRW prices is in Kansas City. Kansas City lies closer to HRW production, so Kansas City will typically report lower HRW prices relative to SRW prices compared to St. Louis because SRW prices contain more transportation relative to HRW prices in Kansas City.

Based on USDA Kansas City data, HRW prices have exceeded SRW prices on three occasions since January 2000: For 13 days in June – July 2003; for 52 days in February – May 2005; and for 262 days from April 2010 -- April 2011. Exchange Rules provide no premium for HRW or spring wheat deliveries. However, the aforementioned data indicates that delivery is still within cash market ranges, although delivery of HRW or spring wheat would be infrequent because they would rarely be the cheapest to deliver class of wheat. The Customer Focus outreach group indicated that HRW has made economic delivery sense only last fall in St. Louis over the past ten years. Going into the 2010/11 harvest, the SRW 5-year average production was 400 million bushels. However, the 2010/11 crop was 238 million bushels, only 60 percent of average production supporting the Focus Group's argument that HRW would only make economic sense when SRW supplies are tight.

When changes to contract terms are pending, they can affect calendar spread relationships. For example, when the par delivery grade for wheat changed in September 2008 from 4 ppm vomitoxin to 3 ppm vomitoxin with the existing 4 ppm shipping certificates still deliverable at a 12 cent discount, the July – September spread expanded with the September contract above the July contract by financial full carry plus an additional 12 cents. The market, through this spread, was paying those carrying certificates their full financial costs plus the value that would be lost with the September delivery. If VSR had been calculated on this spread in 2008 without regard to the pending contract upgrade, the result would have shown up as the spread being over 130 percent of financial full carry.[*]

However, holding contract terms constant, VSR would have registered this spread at 100 percent of financial full carry. When calculating VSR during pending contract changes on the deferred

[*] VSR was not in effect in 2008, this example is for illustrative purposes.

contract, the Exchange adjusts the spread in the VSR calculation.* A similar situation occurred with the July – September 2011 spread because, again, the par deliverable vomitoxin level was improving to 2 ppm with the September 2011 expiration. The July – September 2011 spread was adjusted in the VSR calculation and communicated to the trade through a SER. The Exchange believes it would be clearer to market participants to include language in the CBOT Rulebook that the spread as measured in the VSR calculation is adjusted when a contract change is pending rather than to rely solely on an SER.

The St. Louis – East St. Louis and Alton Switching District retains the same name even though it was converted from a rail-to-barge-based delivery territory in 2009. In order to avoid confusion, the reference to a Switching District will be removed and the delivery territory name changed to the St. Louis – Alton Territory.

Like the other barge-loading delivery territories in wheat, the St. Louis – Alton Territory will be defined by river mile markers. The territory is defined to encompass all existing regular delivery facilities and runs from north of Alton, IL (Upper River mile marker 205: see Map 10 at http://www.mvd.usace.army.mil/Gis/navbook/html/corps1.htm) to south of St. Louis, MO (Upper River mile marker 168: see Map 14 at the same link above).

Compliance with CFTC Core Principles

CBOT business staff responsible for these contract modifications and the CBOT legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, CBOT staff identified the following Core Principles as potentially being impacted:

Compliance with Rules

These changes will not affect the Exchange's capacity to detect, investigate, and apply appropriate sanctions to any person in violation of contract rules.

Prevention of Market Disruption

All three changes help prevent market disruptions; allowing hard and spring wheat deliveries in St. Louis brings that territory into consistency with all other territories, and reduces confusion and the potential of disruption. A better description of what makes up the St. Louis delivery territory also reduces confusion. Finally, including language in the CBOT Rulebook on how spreads are handled in the VSR calculation provides market participants with better information and fewer opportunities for mistakes that could lead to market disruptions.

Protection of Market Participants

These changes promote free and open trade by providing market participants with enhanced definitions and information reducing the probability of inadvertent trading errors.

Implementation

The Exchange plans to implement these changes beyond current open interest beginning with the September 2014 contract and including all subsequent contracts.

Attachment 1 illustrates in track-change format how these changes will be incorporated into the CBOT Rulebook during the time period beginning immediately after the CFTC 10- business day review period until the expiration of the July 2014 contract. Attachment 2 illustrates in track-

* This does not change the actual spread, only how the spread is measured for the VSR calculation

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change format, from the Attachment 1 updated CBOT Rulebook, how these changes will be incorporated into the CBOT Rulebook after the expiration of the July 2014 contract.

The Exchange certifies that these contract terms and conditions comply with the Act and regulations thereunder. There were no substantive opposing views to these changes.

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.

If you require any additional information, please contact Fred Seamon at 312-634-1587 or via e-mail at Fred.Seamon@cmegroup.com; or contact me. Please reference our submission # 12-226 in any related correspondence.

Sincerely,

/s/Sean Downey
Director and Assistant General Counsel

Attachments: CBOT Rulebook Changes

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CBOT Rulebook Changes from after the Commission 10-day Review Period until the Expiration of the July 2014 contract:

(additions **<u>bold and underlined</u>** and deletions [~~bracketed with strikethrough~~])

CBOT Rulebook
Chapter 7. Delivery Facilities and Procedures

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 and Denatured Fuel Ethanol), 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 and Denatured Fuel Ethanol), whichever is later.

Regular facilities that wish to have their regular capacity 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.

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[*] **<u>Following the expiration of the July 2014 contract, the name of the St. Louis-East St. Louis and Alton Switching District will be changed to the St. Louis – Alton Territory.</u>**

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.

CBOT Rulebook
Chapter 14. Wheat Futures

14105. LOCATION DIFFERENTIALS

In accordance with the provisions of Rule 14106., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of Wheat futures contracts at a discount of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts* may be delivered in satisfaction of Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

For deliveries in the September 2013 and subsequent contracts:

In accordance with the provisions of Rule 14106., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts* may be delivered in satisfaction of Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

For the September 2014 and all subsequent contract expirations:

In accordance with the provisions of Rule 14106., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade

* **Following the expiration of the July 2014 contract, the name of the St. Louis-East St. Louis and Alton Switching District will be changed to the St. Louis – Alton Territory.**

outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities located within the St. Louis - Alton Territory may be delivered in satisfaction of Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

14106. DELIVERY POINTS

Wheat certificates shall specify shipment from one of the currently regular for delivery facilities located in one of the following territories: Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, on Ohio River, on Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of wheat futures contracts. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching Districts may be delivered in satisfaction of Wheat futures. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis-East St. Louis Alton Switching District to mile marker 715.

For the September 2014 and all subsequent contract expirations:

Wheat certificates shall specify shipment from one of the currently regular for delivery facilities located in one of the following territories: Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, the St. Louis – Alton Territory, on the Ohio River, on the Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of wheat futures contracts. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The St. Louis – Alton Territory shall be on the Mississippi River between Upper River mile markers 205 and 168. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis - Alton Territory to Lower River mile marker 715.

14108. PREMIUM CHARGES

To be valid for delivery on futures contracts, all certificates covering wheat under obligation for shipment must indicate the applicable premium charge. No certificate shall be valid for delivery on futures contracts unless the premium charges on such wheat shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including date of delivery.

The maximum premium charges on Wheat shall be determined prior to the nearby contract delivery period. The Exchange shall measure the nearby spread relative to financial full carry each business day from the 19th calendar day of the delivery month of the contract that expires prior to the nearby contract until the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month. For example, for a September expiration, the Exchange would measure the September – December spread relative to financial full carry each business day from July 19 until the last Friday in August which precedes by at least two business days the last business day in August. Financial full carry will be determined by the following formula:

$$N * [\left(\frac{i}{360}\right) * FP + P]$$

Where:

N = Number of calendar days from the first delivery day in the nearby contract to the first delivery day in the contract that follows the nearby contract

i = 3-Month LIBOR rate + 200 basis points

FP = Settlement price for the nearby futures contract

P = Current daily premium charge

The percentage of the nearby spread to financial full carry is calculated each business day during the calculation period and a running average of each of these daily values is calculated. At the end of the calculation period (the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month), should the running average carry be 80 percent of financial full carry or greater, then the maximum daily premium charge shall increase 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month. Should the running average carry be 50 percent of financial full carry or less, then the maximum daily premium charge shall decrease 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month.

After expiration of the July 2014 contract, the following language will officially be added:

The Exchange may adjust how the observed nearby spread is measured relative to financial full carry should pending contract changes exist that have the potential to affect the normal nearby spread relationship. Any adjustments to how the observed spread is measured will attempt to remove the potential effects caused by the pending contract change. Any adjustments in how the nearby spread is measured will be communicated to market participants through a Special Executive Report or Exchange Advisory Notice prior to the beginning of the measurement period.

Premium charges shall not be reduced below 16.5/100's of one cent per bushel per day.

14109.B. Location

For the delivery of wheat, regular facilities may be located within the Chicago Switching District or within the Burns Harbor, Indiana Switching District (subject to the provisions of Paragraph A above), within the Toledo, Ohio Switching District, within the Northwest Ohio Territory defined as Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood and Wyandot counties; on the Ohio river from mile marker 455 to the Mississippi River; on the Mississippi River downriver from the St. Louis-East St. Louis Alton Switching District to mile marker 715; or with respect to only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat, within the St. Louis-East St. Louis or Alton Switching Districts.

Delivery in Toledo must be made by shipping certificates at regular facilities providing water loading facilities and maintaining water depth equal to normal seaway draft of 27 feet.

However, deliveries of wheat may be made in off-water elevators within the Toledo, Ohio Switching District PROVIDED that the party making delivery makes the grain available upon call within five calendar days to load into water equipment at one water location within the Toledo, Ohio Switching District. The party making delivery must declare within one business day after receiving shipping certificates and loading orders the water location at which wheat will be made available.

Any additional expense incurred to move delivery grain from an off-water elevator into water facilities shall be borne by the party making delivery; PROVIDED that the party taking delivery presents water equipment clean and ready to load within fifteen calendar days from the time the grain has been made available.

Official weights and official grades as loaded into the water equipment shall govern for delivery purposes.

Delivery in the St. Louis-East St. Louis or Alton Switching Districts, on the Ohio River, and on the Mississippi River must be by shipping certificates at regular facilities providing barge loading facilities and maintaining water depth equal to the average draft of the current barge loadings in the St. Louis-East St. Louis and Alton barge loading districts, and equal to the average draft of the current barge loadings along the Ohio River, and along the Mississippi River, respectively.

<u>For the September 2014 and all subsequent contract expirations:</u>

<u>For the delivery of wheat, regular facilities may be located within the Chicago Switching District or within the Burns Harbor, Indiana Switching District (subject to the provisions of Paragraph A above), within the Toledo, Ohio Switching District, within the Northwest Ohio Territory defined as Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood and Wyandot counties; on the Ohio river from mile marker 455 to the Mississippi River; on the Mississippi River downriver from the St. Louis - Alton Territory to mile marker 715; or within the St. Louis - Alton Territory on the Mississippi River between Upper River mile markers 205 and 168.</u>

<u>Delivery in Toledo must be made by shipping certificates at regular facilities providing water loading facilities and maintaining water depth equal to normal seaway draft of 27 feet.</u>

<u>However, deliveries of wheat may be made in off-water elevators within the Toledo, Ohio Switching District PROVIDED that the party making delivery makes the grain available upon call within five calendar days to load into water equipment at one water location within the Toledo, Ohio Switching District. The party making delivery must declare within one business day after receiving shipping certificates and loading orders the water location at which wheat will be made available.</u>

<u>Any additional expense incurred to move delivery grain from an off-water elevator into water facilities shall be borne by the party making delivery; PROVIDED that the party taking delivery presents water equipment clean and ready to load within fifteen calendar days from the time the grain has been made available.</u>

Official weights and official grades as loaded into the water equipment shall govern for delivery purposes.

Delivery in the St. Louis - Alton Territory, on the Ohio River, and on the Mississippi River must be by shipping certificates at regular facilities providing barge loading facilities and maintaining water depth equal to the average draft of the current barge loadings in the St. Louis - Alton barge loading territory, and equal to the average draft of the current barge loadings along the Ohio River, and along the Mississippi River, respectively.

CBOT Rulebook
Chapter 14B. Mini-Sized Wheat Futures

14B05. LOCATION DIFFERENTIALS

In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a discount of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts* may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

For deliveries in the September 2013 and subsequent contracts:

In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts may be delivered in satisfaction of mini-sized Wheat futures contracts at premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

For the September 2014 and all subsequent contract expirations:

In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized

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<u>Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities located within the St. Louis - Alton Territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.</u>

14B06. DELIVERY POINTS

Wheat shipping certificates shall specify shipment from one of the currently regular for delivery facilities located in one of the following territories:

Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, on Ohio River, on Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized wheat futures contracts. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching Districts may be delivered in satisfaction of mini-sized Wheat futures. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis-East St. Louis Alton Switching District to mile marker 715.

<u>For the September 2014 and all subsequent contract expirations:</u>

<u>Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, the St. Louis-Alton Territory, on the Ohio River, on the Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized wheat futures contracts. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The St. Louis – Alton Territory shall be on the Mississippi River between Upper River mile markers 205 and 168. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis - Alton Territory to Lower River mile marker 715.</u>

14B08. PREMIUM CHARGES

To be valid for delivery on futures contracts, all certificates covering mini-sized wheat under obligation for shipment must indicate the applicable premium charge. No certificate shall be valid for delivery on futures contracts unless the premium charges on such wheat shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including date of delivery.

The maximum premium charges on mini-sized Wheat shall be determined prior to the nearby contract delivery period. The Exchange shall measure the nearby spread relative to financial full carry each business day from the 19th calendar day of the delivery month of the contract that expires prior to the nearby contract until the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month. For example, for a September expiration, the Exchange would measure the September – December spread relative to financial full carry each business day from July 19 until the last Friday in August which precedes by at least two business days the last business day in August. Financial full carry will be determined by the following formula:

$$N * [\left(\frac{i}{360}\right) * FP + P]$$

Where:

N = Number of calendar days from the first delivery day in the nearby contract to the first delivery day in the contract that follows the nearby contract

i = 3-Month LIBOR rate + 200 basis points

FP = Settlement price for the nearby futures contract

P = Current daily premium charge

The percentage of the nearby spread to financial full carry is calculated each business day during the calculation period and a running average of each of these daily values is calculated. At the end of the calculation period (the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month), should the running average carry be 80 percent of financial full carry or greater, then the maximum daily premium charge shall increase 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month. Should the running average carry be 50 percent of financial full carry or less, then the maximum daily premium charge shall decrease 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month.

After expiration of the July 2014 contract, the following language will officially be added:

The Exchange may adjust how the observed nearby spread is measured relative to financial full carry should pending contract changes exist that have the potential to affect the normal nearby spread relationship. Any adjustments to how the observed spread is measured will attempt to remove the potential effects caused by the pending contract change. Any adjustments in how the nearby spread is measured will be communicated to market participants through a Special Executive Report or Exchange Advisory Notice prior to the beginning of the measurement period.

Premium charges shall not be reduced below 16.5/100's of one cent per bushel per day.

Attachment 2
CBOT Rulebook Changes from after the Expiration of the July 2014 contract

CBOT Rulebook
Chapter 7. Delivery Facilities and Procedures

DELIVERY FACILITIES AND PROCEDURES
GENERAL

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~~] **Territory**, 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 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.

703.C. Load-Out

A. Load-Out Procedures for Grains

1. Corn, Wheat, Oats and Soybeans;. An operator of a regular facility has the obligation to load grain represented by shipping certificates giving preference to takers of delivery. When an operator of a facility regular for the delivery of grain receives one or more written loading orders for loading of grain against canceled shipping certificates, the operator shall be required to load out grain beginning on the third business day following receipt of such loading orders or one business day after a conveyance of the type identified in the loading orders is constructively placed, whichever occurs later. When loadings against written loading orders cannot be completed on the fourth business day following their receipt, the operator shall continue loading against such loading orders on each business day thereafter. All warehousemen and shippers shall outload grain against canceled delivery instruments consecutively without giving preference based on the type of delivery instrument, kind of grain or mode of transportation. A warehouseman or shipper shall outload all such products in the order in which suitable transportation, clean and ready to load is constructively placed at its facility by the holder of the shipping certificate, pursuant to bona fide loading orders previously received, and at the loading rates provided in 703.C.(B).

2. It shall be the responsibility of the shipping certificate holder to supply suitable transportation. Hopper cars shall be considered suitable transportation if they can be sampled by pelican in a manner approved by the appropriate grain sampling agency. Trucks and non-suitable hopper cars may be loaded only with the express agreement of the warehouseman.
   Constructive placement at a warehouse or shipping station shall be defined as follows:
   (a) Rail cars - as defined in the appropriate Railroad Freight Tariff on file with the Interstate Commerce Commission;
   (b) Barges - Positioned at an appropriate fleeting service serving the designated delivery point as defined by the Barge Freight Trading Rules (Affreightment) of the National Grain and Feed Association;
   (c) Vessels - In possession of the appropriate Federal Grain Inspection Service and/or National Cargo Bureau documents certifying readiness to accept load-out at the designated delivery point.

It shall be the responsibility of the holder of the shipping certificate to request the warehouseman to arrange for all necessary Federal Grain Inspection Service and stevedoring service. The shipping certificate holder may specify the stevedoring service to be called. The warehouseman shall not be held responsible for non-availability of these services.

B. Load-Out Rates and Load-Out Charges for Grain

The maximum premium for FOB conveyance on corn, soybean, wheat and Oat shipping certificates which have been tendered in satisfaction of Board of Trade futures contracts shall be 6 cents per bushel.
All fees for stevedoring services to load corn, wheat, and soybeans into barges are to be paid by the issuer of the shipping certificate. The premium for FOB conveyance is payable at the time of invoice.

In the event a regular facility receives written loading orders for load-out of grain against canceled shipping certificates, the warehouseman or shipper shall be required to load out grain beginning on the third business day following receipt of such loading orders or on the day after a conveyance of the type identified in the loading orders is constructively placed, whichever occurs later.

The rate of load-out for regular facilities in Minneapolis-St. Paul (and Duluth-Superior effective September 2008) shall be at the normal rate of load-out for the facility. The load-out rate for shipping stations in Toledo shall depend on the conveyance and shall not be less than the following, per business day:

	(When certificate holder requests in writing individual weights and grades per car load)	(When certificate holder requests in writing unit average weights and grades)[1]	Vessel
Shippers with Regular Capacity greater then 700 Certificates	50 Hopper Cars[2]	65 Hopper Cars	300,000 Bushels
Shippers with Regular Capacity less than or equal to 700 Certificates	25 Hopper Cars	35 Hopper Cars	300,000 Bushels

The load-out rate for regular facilities in Chicago and Burns Harbor shall depend on the conveyance and type of grain being loaded and shall not be less than the following per business day:

	(When certificate holder requests in writing individual weights and grades per car load)	(When certificate holder requests in writing batch weights and grades)[3]	(When certificate holder requests in writing unit average weights and grades)	Vessel	Barge
Corn, Soybeans	25 Hopper Cars	35 Hopper Cars	N/A	300,000 Bushels	3 Barges
Wheat	25 Hopper Cars	35 Hopper Cars	45 Hopper Cars	300,000 Bushels	3 Barges
Oats	15 Hopper Cars	20 Hopper Cars		180,000 Bushels	2 Barges

[1] Unit average weight and grade shall refer to a buyer's request in writing for average weight and average grade per unit rail shipment.
[2] Minimum load-out rates per hopper car shall refer to 4750 cu. ft. grain cars.
[3] A batch weight and grade shall refer to a buyer's request in writing for 1 weight and 1 grade per 5 rail cars.

The load-out rate for regular Wheat Facilities in the Northwest Ohio territory shall not be less than the following per business day:

	(When certificate holder requests in writing individual weights and grades per car load)	(When certificate holder requests in writing unit average weights and grades)
Wheat	65 Hopper Cars	75 Hopper Cars

The load-out rate for regular Wheat facilities in the St. Louis-[~~East St. Louis and~~] Alton [~~Switching District~~] **Territory** and on the Ohio and Mississippi Rivers shall not be less than one (1) barge per business day.

Barge load-out rates for corn, soybeans, and wheat in facilities in the St. Louis-[~~East St. Louis and~~] Alton [~~Switching District~~] **Territory** and on the Ohio and Mississippi Rivers will be at the shipping station's registered daily rate of loading. When wheat and corn or soybeans, or when oats and corn or soybeans are in the lineup for loading, the higher loading rate will apply for total barge loadings on that day. However, a warehouseman or shipper is not obligated to load barges of one type of grain that exceeds the daily barge loading rate for that type of grain. Corn and soybeans are considered one type of grain for purposes of this rule pertaining to barge loading rates.

Regular facilities shall not be required to meet these minimum load-out rates when transportation has not been actually placed at the warehouse, transportation equipment is not clean and load ready, inspection services are not available, a condition of force majeure exists, inclement weather, including severe ice conditions, prevents loading, or stevedoring services are not available in the case of water conveyance. However, the exceptions to load-out requirements shall not include grains or soybeans which have not made grade. If precluded from loading when equipment is available, the warehouseman or shipper shall notify the owner by 10:00 a.m. the following business day.

In addition, regular facilities in Toledo, Minneapolis-St. Paul (and Duluth-Superior effective September 2008)shall not be required to meet the minimum load-out rate for a conveyance when a "like" conveyance has been constructively placed for load-in prior to the "like" conveyance for load-out. However, when a conveyance for load-out is constructively placed after a "like" conveyance for load-in, the facility will load-in grain from the "like" conveyance at the normal rate of load-in for the facility. This rate of load-in shall depend on the conveyance(s) being unloaded and shall not be less than the following minimums per business day:

	Rail Conveyance or Water Conveyance		
		Vessel or	Barge
Wheat, Corn, Soybeans	35 Hopper Cars	50,000 Bushels	1 Barge
Oats	20 Hopper Cars	50,000 Bushels	1 Barge

Regular facilities shall not be required to meet these minimum load-in rates when a condition of force majeure exists, inspection services are not available, inclement weather prevents unloading, or stevedoring services are not available in the case of water conveyance.

Any increased overtime costs and charges for trimming and FGIS to meet minimum load-out requirements shall be borne by the facility.

Vessel loading shall require three days pre-advice to the regular facility prior to the date of arrival of the vessel. Failure to provide pre-advice may delay loading by the same number of days pre-advice is delayed prior to the date of arrival of the vessel.

Inability of a shipping certifciate holder to provide conveyance at a regular facility in a timely manner will affect load-out of barges accordingly.

For purposes of this rule, vessels and barges are "like" conveyances.

C. Notification to Regular Facilities

The operator of the regular facility shall load-in and load-out grains in the order and manner provided in parts A and B of this Rule 703.C., except that its obligation to load-out grain to a given party shall commence no sooner than three business days after it receives cancelled warehouse receipts or shipping certificates and written loading orders from such party, even if such party may have a conveyance positioned to accept load-out of grain before that time. If the party taking delivery presents transportation equipment of a different type (rail, barge, or vessel) than that specified in the loading orders, he is required to provide the operator of the regular facility with new loading orders, and the operator of the facility shall be obligated to load-out grain to such party no sooner than three business days after it receives the new loading orders. Written loading orders received after 2:00 p.m. (Chicago time) on a given business day shall be deemed to be received on the following business day. Warehouse receipts or shipping certificates cancelled after 4:00 p.m. shall be deemed to be cancelled on the following business day. Written loading orders must be received no later than two business days after warehouse receipts/shipping certificates are cancelled. If the owner decides against loading out grain within two business days after receipts or certificates are cancelled, he may notify the warehouseman/shipper that warehouse receipts or shipping certificates are to be re-issued. In the case of rice, if the warehouseman is notified by 12:00 noon, re-issued receipts shall be deliverable by 4:00 p.m. the following business day. Requests to re-issue receipts or certificates more than two business days after receipts or certificates are cancelled are subject to mutual agreement. All fees for re-issuance are payable by the owner.

The warehouseman/shipper shall transmit to the Registrar by 11:00 a.m. the name, location of regular facility, and number of delivery vessels/barges/rail cars constructively placed that day. The Registrar shall maintain a current record of the number of delivery vessels/barges/rail cars constructively placed and shall be responsible for posting this record on the Exchange website.

D. Premium Charges

Premium charges for corn, wheat, oats and soybeans to be shipped pursuant to loading orders shall cease on the business day loading is complete.

E. Records

All warehousemen and shippers shall keep adequate permanent records showing compliance with the requirements of this rule. Such records shall at all times be open for inspection by the Exchange.

F. Certification of Corn, Soybeans and Wheat

Upon written request by a taker of delivery at the time loading orders are submitted for the delivery of corn, soybeans or wheat against canceled shipping certificates, the regular facility shall certify in writing to the taker of delivery on the day that the transportation conveyance is loaded that the grain is of U.S. origin only.

G. Barge Load-Out Procedures for Corn, Soybeans, and Wheat at facilities in the St. Louis-[~~East St. Louis and~~] Alton [~~Switching District~~] **Territory** and on the Ohio and Mississippi Rivers.

When corn, soybeans, or wheat at facilities in the St. Louis-[~~East St. Louis and~~] Alton [~~Switching District~~] **Territory** and on the Ohio and Mississippi Rivers represented by shipping certificates are ordered out for shipment by water conveyance, the regular shipper has the obligation to load-out grain at his registered daily rate of loading. The shipper's obligation to a party shall begin no sooner than three business days after it receives canceled certificates and written loading orders from the party or one business day after the constructive placement of the water conveyance, whichever is later.

(1) All loading orders and shipping instructions received by 2:00 p.m. on a given business day shall be considered dated that day. Orders received after 2:00 p.m. on a business day shall be considered dated the following business day. “To be nominated” (TBN) barge identities are acceptable in loading orders. Load-out shall be in the order in which barge equipment clean and ready to load is constructively placed at the appropriate fleeting service serving the designated delivery point. Load-out of transportation constructively placed on the same day shall be in the order in which loading orders and shipping instructions were received. Notification to the shipper of loading orders and shipping instructions must be in writing.

(2 When loading orders and shipping instructions are received by 2:00 p.m. on any given business day, the shipper will advise the owner by 10:00 a.m. the following business day of the scheduled loading dates. Scheduled loading dates are estimated based on constructively placed equipment and current loading orders. These dates are subject to change if conditions covered in Rule 703.C.(G)(5) preclude the shipper from meeting its minimum daily barge load-out rate or if barges for subsequent loading orders are constructively placed. Notification will be by telephone, e-mail, or fax to the owner. The shipper is required to provide scheduled loading dates at owner's request.

(3) Official grades as loaded into the water conveyance shall govern for delivery purposes.

(4) Official weights as loaded into the barge shall govern for delivery purposes when available. When official weights are available at the shipping station, the shipping certificates are considered a minimum/maximum quantity with overfills/underfills settled by mutual agreement. When official weights as loaded into the barge are not available, it is the responsibility of the taker to obtain official weights at the destination. Any other governing weights and methods of obtaining weights and any such other information on the weighing process must be mutually accepted by the maker and taker of delivery before the barge is loaded. When the official weight becomes known for a barge, overfills and underfills will be settled at the market value, expressed as a basis, for grain FOB barge at the barge loading station on the day that the grain is loaded. Before the barge is loaded, the taker and maker of delivery will 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 unloading or the day of loading if origin weights are used. If the day of unloading is the last trading day in the nearby futures month, the next following futures month will be used for settlement. If the day of unloading 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 set 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.

(5) The shipper shall not be required to meet its minimum daily barge load-out rate when transportation has not been actually placed at the shipping station, transportation equipment is not clean and load ready, inspection services are not available, or inclement weather, including severe ice conditions, prevents loading. However, the exceptions to load-out requirements shall not include corn, soybeans, or wheat that have not made grade. If precluded from loading when equipment is available, the shipper shall notify the owner by 10:00 a.m. the following business day. Notification shall be by telephone, e-mail or fax to the owner.

(6) For Illinois Waterway barge loading at Burns Harbor, the following shall apply with respect to the protection of the Chicago barge rate and inclement weather:

When grain represented by shipping certificates is ordered out for shipment by a barge, it will be the obligation of the party making delivery to protect the barge freight rate from the Chicago Switching District (i.e. the party making delivery and located in the Burns Harbor Switching District will pay the party taking delivery an amount equal to all expenses for the movement of the barge from the Chicago Switching District, to the Burns Harbor Switching District and the return movement back to the Chicago Switching District).

If inclement weather conditions make the regular facility located in the Burns Harbor Switching District unavailable for barge loadings for a period of five or more calendar days, the party making delivery will make grain available on the day following this five calendar day period to load into a barge at one mutually agreeable water facility located in the Chicago Switching District; PROVIDED that the party making delivery is notified on the first day of that five-day period of inclement weather that the barge is available for movement but cannot be moved from the Chicago Switching District to the Burns Harbor Switching District, and is requested on the last day of this five calendar day period in which the barge cannot be moved.

When grain represented by shipping certificates is ordered out for shipment by vessel, and the party taking delivery is a recipient of a split delivery of grain between a regular facility located in Burns Harbor and a regular facility in Chicago, and the grain in the Chicago facility will be loaded onto this vessel; it will be the obligation of the party making delivery at the request of the party taking delivery to protect the holder of the shipping certificates against any additional charges resulting from loading at one berth in the Burns Harbor Switching District and at one berth in the Chicago Switching District as compared to a single berth loading at one location. The party making delivery, at his option, will either make the grain available at one water facility operated by the party making delivery and located in the Chicago Switching District for loading onto the vessel, make grain available at the facility in Burns Harbor upon the surrender of shipping certificates issued by other regular elevators or shipping stations located in the Chicago Switching District at the time vessel loading orders are issued, or compensate the party taking delivery in an amount equal to all applicable expenses, including demurrage charges, if any, for the movement of the vessel between a berth in the other switching district. On the day that the grain is ordered out for shipment by vessel, the party making delivery will declare the regular facility in which the grain will be available for loading.

(7) Any expense for making the grain available for loading on the Illinois Waterway, Ohio River, or Mississippi River will be borne by the party making delivery, provided that the taker of delivery constructively places barge equipment clean and ready to load within five (5) business days following the scheduled loading date of the barge on the Illinois Waterway, Ohio River, or Mississippi River. If the taker's barges are not constructively placed within five (5) business days following the scheduled loading date of the barge on the Illinois Waterway, Ohio River, or Mississippi River, the taker shall pay the shipper an amount not to exceed 30/100 of one cent per bushel per day multiplied by the number of calendar days from the fifth business day following the scheduled loading date to the date that the barge is constructively placed, including both dates, but excluding business days the shipper meets his minimum daily barge load-out rate. Requests to cancel loading instructions and re-issue shipping certificates more than two business days after shipping certificates are cancelled are subject to mutual agreement. All fees for re-issuance are payable by the owner.

(8) The shipper shall load water conveyance at the shipping station designated in the shipping certificate. If it becomes impossible to load at the designated shipping station for three (3) consecutive business days because of an Act of God, fire, flood, wind, explosion, war, embargo, civil commotion, sabotage, law, act of government, labor difficulties or other condition of force majeure, the shipper will arrange for water conveyance to be loaded at another regular shipping station 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 station. If the aforementioned condition of impossibility prevails at a majority of regular shipping stations, then shipment may be delayed for the number of days that such impossibility prevails at a majority of regular shipping stations. If conditions covered in this rule make it impossible to load at the designated shipping station, the shipper shall

notify the Registrar’s Office in writing of such condition within 24 hours of when the condition of impossibility began.

(9) In the event that it has been announced by the U.S. Coast Guard, after consulting with the Army Corps of Engineers and the River Industry Action Committee, that river traffic will be obstructed for a period of fifteen days or longer as a result of one of the conditions of impossibility listed in (8) above and in the event that the obstruction will affect a majority of regular shipping stations, then the following barge load-out procedures for corn, soybeans, and wheat at facilities in the St. Louis-[~~East St. Louis and~~] Alton [~~Switching District~~] **Territory** and on the Ohio and Mississippi Rivers shall apply to shipping stations upriver from the obstruction:

(a)The maker and taker of delivery may negotiate mutually agreeable terms of performance.

(b)If the maker and/or the taker elect not to negotiate mutually agreeable terms of performance, then the maker is obligated to provide the same quantity and like quality of grain pursuant to the terms of the shipping certificate(s) with the following exceptions and additional requirements:

(i) For corn and soybeans, the maker must provide loaded barge(s) to the taker on the Illinois River between the lowest closed lock and St. Louis, inclusive, or on the Mid-Mississippi River between Lock 11 at Dubuque, Iowa and St. Louis, inclusive. For wheat at Ohio River facilities, the maker must provide loaded barge(s) to the taker on the Ohio River between the lowest closed lock and the Mississippi River, inclusive, or on the Mid-Mississippi River between St. Louis and the Ohio River, inclusive. For wheat in the St. Louis-[~~East St. Louis and~~] Alton [~~Switching District~~] **Territory** and at Mississippi River facilities, the maker must provide loaded barge(s) to the taker on the Mississippi River below the point of obstruction.

(ii) The loaded barge(s) provided to the taker must have a value equivalent to C.I.F. NOLA, with the maker of delivery responsible for the equivalent cost, insurance and freight.

(iii) The taker of delivery shall pay the maker 18 cents per bushel for Chicago and Burns Harbor Switching District shipping certificates, 16 cents per bushel for Lockport-Seneca District shipping certificates, 15½ cents per bushel for Ottawa-Chillicothe District shipping certificates, 15 cents per bushel for Peoria-Pekin District shipping certificates, for soybeans only, 14½ cents per bushel for Havana-Grafton District shipping certificates, for wheat only, 18 cents per bushel for Ohio River shipping certificates, and 14 cents per bushel for St. Louis-[~~East St. Louis and~~] Alton [~~Switching District~~] **Territory** and Mississippi River shipping certificates as a reimbursement for the cost of barge freight.

(c) In the event that the obstruction or condition of impossibility listed in (8) above will affect a majority of regular shipping stations, but no announcement of the anticipated period of obstruction is made, then shipment may be delayed for the number of days that such impossibility prevails.

(10) In the event less than eleven shipping certificates of a like grade/quality are outstanding at a shipping station the owner of all such outstanding shipping certificates may cancel the shipping certificates and obligate the shipper to provide a market value at which the shipper will either buy back all the canceled shipping certificates or sell the balance of corn or soybeans of a like grade/quality to complete a barge loading of at least 55,000

bushels, the choice being at the discretion of the taker of delivery.

ELEVATORS IN THE ST. LOUIS – ALTON TERRITORY [~~AND EAST ST. LOUIS SWITCHING DISTRICTS~~] (WHEAT)

CCL CODE	WAREHOUSE	LOCATION	CAPACITY IN BUSHELS	DAILY LOADING RATE (BU/DAY)	MAX CERTS.
1408	ADM Grain Company	Sauget, IL	2,269,000	55,000	220
1747	Archer-Daniels-Midland Co.	St. Louis Elevator St. Louis, MO	1,573,000		314
1764	Cargill Inc.	Elevator East St. Louis, IL	2,481,000		440
1145	ConAgra Foods, Inc.	Alton, IL	3,385,000		677
1711	Consolidated Grain and Barge	Cahokia, IL	THROUGH PUT	55,000	220

Note: All elevators listed are Federally licensed.

CBOT Rulebook
Chapter 14. Wheat Futures

14105. LOCATION DIFFERENTIALS

[~~In accordance with the provisions of Rule 14106., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of Wheat futures contracts at a discount of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts[*] may be delivered in satisfaction of Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.~~

~~**For deliveries in the September 2013 and subsequent contracts:**~~

~~In accordance with the provisions of Rule 14106., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the~~

[*] ~~Following the expiration of the July 2014 contract, the name of the St. Louis-East St. Louis and Alton Switching District will be changed to the St. Louis – Alton Territory.~~

~~Mississippi River may be delivered in satisfaction of Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts* may be delivered in satisfaction of Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.~~

~~For the September 2014 and all subsequent contract expirations:~~]

In accordance with the provisions of Rule 14106., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities located within the St. Louis - Alton Territory may be delivered in satisfaction of Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

14106. DELIVERY POINTS

[~~Wheat certificates shall specify shipment from one of the currently regular for delivery facilities located in one of the following territories: Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, on Ohio River, on Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of wheat futures contracts. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching Districts may be delivered in satisfaction of Wheat futures. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis-East St. Louis Alton Switching District to mile marker 715.~~

~~For the September 2014 and all subsequent contract expirations:~~]

Wheat certificates shall specify shipment from one of the currently regular for delivery facilities located in one of the following territories: Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, the St. Louis – Alton Territory, on the Ohio River, on the Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of wheat futures contracts. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The St. Louis – Alton Territory shall be on the Mississippi River between Upper River mile markers 205 and 168. The

Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis - Alton Territory to Lower River mile marker 715.

14108. PREMIUM CHARGES

To be valid for delivery on futures contracts, all certificates covering wheat under obligation for shipment must indicate the applicable premium charge. No certificate shall be valid for delivery on futures contracts unless the premium charges on such wheat shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including date of delivery.

The maximum premium charges on Wheat shall be determined prior to the nearby contract delivery period. The Exchange shall measure the nearby spread relative to financial full carry each business day from the 19th calendar day of the delivery month of the contract that expires prior to the nearby contract until the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month. For example, for a September expiration, the Exchange would measure the September – December spread relative to financial full carry each business day from July 19 until the last Friday in August which precedes by at least two business days the last business day in August. Financial full carry will be determined by the following formula:

$$N * [\left(\frac{i}{360}\right) * FP + P]$$

Where:

N = Number of calendar days from the first delivery day in the nearby contract to the first delivery day in the contract that follows the nearby contract

i = 3-Month LIBOR rate + 200 basis points

FP = Settlement price for the nearby futures contract

P = Current daily premium charge

The percentage of the nearby spread to financial full carry is calculated each business day during the calculation period and a running average of each of these daily values is calculated. At the end of the calculation period (the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month), should the running average carry be 80 percent of financial full carry or greater, then the maximum daily premium charge shall increase 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month. Should the running average carry be 50 percent of financial full carry or less, then the maximum daily premium charge shall decrease 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month.

[~~After expiration of the July 2014 contract, the following language will officially be added:~~]

The Exchange may adjust how the observed nearby spread is measured relative to financial full carry should pending contract changes exist that have the potential to affect the normal nearby spread relationship. Any adjustments to how the observed spread is measured will attempt to remove the potential effects caused by the pending contract change. Any adjustments in how the nearby spread is measured will be communicated to market participants through a Special Executive Report or Exchange Advisory Notice prior to the beginning of the measurement period.

Premium charges shall not be reduced below 16.5/100's of one cent per bushel per day.

14109. REGULARITY OF FACILITIES AND ISSUERS OF SHIPPING CERTIFICATES

14109.A. Regularity Requirements

In addition to the conditions set forth in Rule 703. A., Conditions for Approval, the following shall constitute requirements and conditions for regularity:

1. The operator of a shipping station issuing wheat shipping certificates shall limit the number of shipping certificates issued to an amount not to exceed:
    a. 20 times his registered total daily rate of loading barges on the Mississippi River, Ohio River and St. Louis-[~~East St. Louis-~~]Alton territories and;
    b. not more than his registered storage capacity in the Chicago, Illinois; Burns Harbor, Indiana; Toledo, Ohio; and Northwest Ohio switching districts and;
    c. a value greater than 50 percent of the operator's net worth.

2. The shipper issuing wheat shipping certificates shall register his total daily rate of loading for barges at his maximum 8 hour load out capacity in an amount not less than:
    a. One barge per day at each shipping station within the Mississippi River, Ohio River and St. Louis-[~~East St. Louis-~~]Alton territories; and
    b. three barges per day at each shipping station in the Chicago, Illinois and Burns Harbor, Indiana Switching Districts.

3. Shippers located in the Chicago, Illinois; Burns Harbor, Indiana; Northwest Ohio; and the Toledo, Ohio Switching Districts shall be connected by railroad tracks with one or more railway lines.

14109.B. Location

[~~For the delivery of wheat, regular facilities may be located within the Chicago Switching District or within the Burns Harbor, Indiana Switching District (subject to the provisions of Paragraph A above), within the Toledo, Ohio Switching District, within the Northwest Ohio Territory defined as Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood and Wyandot counties; on the Ohio river from mile marker 455 to the Mississippi River; on the Mississippi River downriver from the St. Louis-East St. Louis Alton Switching District to mile marker 715; or with respect to only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat, within the St. Louis-East St. Louis or Alton Switching Districts.~~

~~Delivery in Toledo must be made by shipping certificates at regular facilities providing water loading facilities and maintaining water depth equal to normal seaway draft of 27 feet.~~

~~However, deliveries of wheat may be made in off-water elevators within the Toledo, Ohio Switching District PROVIDED that the party making delivery makes the grain available upon call within five calendar days to load into water equipment at one water location within the Toledo, Ohio Switching District. The party making delivery must declare within one business day after receiving shipping certificates and loading orders the water location at which wheat will be made available.~~

~~Any additional expense incurred to move delivery grain from an off-water elevator into water facilities shall be borne by the party making delivery; PROVIDED that the party taking delivery presents water equipment clean and ready to load within fifteen calendar days from the time the grain has been made available.~~

~~Official weights and official grades as loaded into the water equipment shall govern for delivery purposes.~~

~~Delivery in the St. Louis-East St. Louis or Alton Switching Districts, on the Ohio River, and on the Mississippi River must be by shipping certificates at regular facilities providing barge loading facilities and maintaining water depth equal to the average draft of the current barge loadings in the St. Louis-East St. Louis and Alton barge loading districts, and equal to the average draft of the current barge loadings along the Ohio River, and along the Mississippi River, respectively.~~

~~For the September 2014 and all subsequent contract expirations:~~]

For the delivery of wheat, regular facilities may be located within the Chicago Switching District or within the Burns Harbor, Indiana Switching District (subject to the provisions of Paragraph A above), within the Toledo, Ohio Switching District, within the Northwest Ohio Territory defined as Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood and Wyandot counties; on the Ohio river from mile marker 455 to the Mississippi River; on the Mississippi River downriver from the St. Louis - Alton Territory to mile marker 715; or within the St. Louis - Alton Territory on the Mississippi River between Upper River mile markers 205 and 168.

Delivery in Toledo must be made by shipping certificates at regular facilities providing water loading facilities and maintaining water depth equal to normal seaway draft of 27 feet.

However, deliveries of wheat may be made in off-water elevators within the Toledo, Ohio Switching District PROVIDED that the party making delivery makes the grain available upon call within five calendar days to load into water equipment at one water location within the Toledo, Ohio Switching District. The party making delivery must declare within one business day after receiving shipping certificates and loading orders the water location at which wheat will be made available.

Any additional expense incurred to move delivery grain from an off-water elevator into water facilities shall be borne by the party making delivery; PROVIDED that the party taking delivery presents water equipment clean and ready to load within fifteen calendar days from the time the grain has been made available.

Official weights and official grades as loaded into the water equipment shall govern for delivery purposes.

Delivery in the St. Louis - Alton Territory, on the Ohio River, and on the Mississippi River must be by shipping certificates at regular facilities providing barge loading facilities and maintaining water depth equal to the average draft of the current barge loadings in the St. Louis - Alton barge loading territory, and equal to the average draft of the current barge loadings along the Ohio River, and along the Mississippi River, respectively.

14110. BILLING

14110.A. Chicago, Toledo, Northwest Ohio, Ohio River, Mississippi River and St. Louis-Alton Delivery

Wheat (Chicago, Toledo, Northwest Ohio, Ohio River, Mississippi River, and St. Louis**-Alton** delivery):

The operator of the regular facility is not required to furnish transit billing on wheat represented by shipping certificate deliveries in Chicago, Illinois, Toledo, Ohio, [~~St. Louis, Missouri, East St. Louis, Illinois, Alton, Illinois,~~] or in locations of regular facilities in the Northwest Ohio Territory, **in the St. Louis – Alton Territory,** along the Ohio River, or along the Mississippi River. Delivery shall be flat.

14B05. LOCATION DIFFERENTIALS

[~~In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a discount of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts* may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.~~

~~**For deliveries in the September 2013 and subsequent contracts:**~~

~~In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of minisized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts may be delivered in satisfaction of mini-sized Wheat futures contracts at premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.~~

~~For the September 2014 and all subsequent contract expirations:~~]

In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities located within the St. Louis - Alton Territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

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* ~~Following the expiration of the July 2014 contract, the name of the St. Louis-East St. Louis and Alton Switching District will be changed to the St. Louis – Alton Territory.~~

14B06. DELIVERY POINTS

Wheat shipping certificates shall specify shipment from one of the currently regular for delivery facilities located in one of the following territories:

[~~Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, on Ohio River, on Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized wheat futures contracts. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching Districts may be delivered in satisfaction of mini-sized Wheat futures. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis-East St. Louis Alton Switching District to mile marker 715.~~

~~For the September 2014 and all subsequent contract expirations:~~]

Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, the St. Louis-Alton Territory, on the Ohio River, on the Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized wheat futures contracts. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The St. Louis – Alton Territory shall be on the Mississippi River between Upper River mile markers 205 and 168. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis - Alton Territory to Lower River mile marker 715.

14B08. PREMIUM CHARGES

To be valid for delivery on futures contracts, all certificates covering mini-sized wheat under obligation for shipment must indicate the applicable premium charge. No certificate shall be valid for delivery on futures contracts unless the premium charges on such wheat shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including date of delivery.

The maximum premium charges on mini-sized Wheat shall be determined prior to the nearby contract delivery period. The Exchange shall measure the nearby spread relative to financial full carry each business day from the 19th calendar day of the delivery month of the contract that expires prior to the nearby contract until the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month. For example, for a September expiration, the Exchange would measure the September – December spread relative to financial full carry each business day from July 19 until the last Friday in August which precedes by at least two business days the last business day in August. Financial full carry will be determined by the following formula:

$$N * [\left(\frac{i}{360}\right) * FP + P]$$

Where:

N = Number of calendar days from the first delivery day in the nearby contract to the first delivery day in the contract that follows the nearby contract

i = 3-Month LIBOR rate + 200 basis points

FP = Settlement price for the nearby futures contract

P = Current daily premium charge

The percentage of the nearby spread to financial full carry is calculated each business day during the calculation period and a running average of each of these daily values is calculated. At the end of the calculation period (the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month), should the running average carry be 80 percent of financial full carry or greater, then the maximum daily premium charge shall increase 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month. Should the running average carry be 50 percent of financial full carry or less, then the maximum daily premium charge shall decrease 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month.

[~~After expiration of the July 2014 contract, the following language will officially be added:~~]

The Exchange may adjust how the observed nearby spread is measured relative to financial full carry should pending contract changes exist that have the potential to affect the normal nearby spread relationship. Any adjustments to how the observed spread is measured will attempt to remove the potential effects caused by the pending contract change. Any adjustments in how the nearby spread is measured will be communicated to market participants through a Special Executive Report or Exchange Advisory Notice prior to the beginning of the measurement period.

Premium charges shall not be reduced below 16.5/100's of one cent per bushel per day.