

September 7, 2012

VIA E-MAIL

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

**RE: Regulation § 40.6(a) Self-Certification: Trading Hours for
CBOT Grain and Oilseed Products
CBOT Submission 12-279**

Dear Mr. Stawick:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") pursuant to Commodity Futures Trading Commission ("Commission") Regulation 40.6(a) hereby self-certifies the extension of open floor trading hours for CBOT Grain and Oilseed futures and options on United States Department of Agriculture ("USDA") **Grain Stocks** crop report days.

On May 24, 2012, the Exchange self-certified the early open of floor trading hours for CBOT Corn, Soybeans, Wheat, Soybean Meal, Soybean Oil, Oats, and Rough Rice futures and options at 7:20 a.m. CT on the mornings of USDA WASDE, Crop Production, Prospective Plantings, and Acreage Crop Reports. The Exchange plans to extend this early open of floor trading hours in these products to also include the mornings of quarterly USDA Grain Stocks reports.

The USDA Grain Stocks report is a major report issued four times per year by the USDA. The Exchange believes it is important to have all avenues of trade open during the release of major USDA reports. Currently, the Grain Stocks report issued on the last business day in September is not included in the 7:20 a.m. CT early open on the trading floor. This report can have significant impacts on the market. For example, in 2011 the average daily price change for all open Corn, Soybean, and Wheat contracts was 8.32, 11.42, and 11.48 cents per bushel respectively. However, the average price movement on September 30, 2011 when the September Grain Stocks report was released was 22.16 cents per bushel in Corn; 46.35 cents per bushel in Soybeans, and 30.56 cents per bushel in Wheat. Given the impact the Grain Stocks report can have on agricultural prices, the Exchange believes it is important that the liquidity provided by the trading floor also be available on the mornings of this report.

Opening the trading floor early for the Grain Stocks report results in only one additional early open day per year compared to the current schedule. Of the four annual Grain Stocks reports, the one in January is released with WASDE and Crop Production; the one in March is released with Prospective Plantings; the one in June is released with the Acreage report. Thus, the only day that will be affected with respect to early morning floor trading hours is the last business day in September when the final Grain Stocks report for the calendar year is released.

Thus, the following dates in 2012 have had or will have early floor opening at 7:20 a.m. CT:

- June 12 (WASDE, Crop Production)
- June 29 (Acreage & Grain Stocks)
- July 11 (WASDE, Crop Production)
- August 10 (WASDE)
- September 12 (WASDE, Crop Production)
- **September 28 (Grain Stocks)**
- October 11 (WASDE, Crop Production)
- November 9 (WASDE, Crop Production)
- December 11 (WASDE, Crop Production)

CBOT business staff responsible for extending floor trading hours during USDA Crop Reports and the CBOT legal department collectively reviewed the designated contract market core principles ("Core Principles"). During the review, CBOT staff identified the following Core Principles as potentially being impacted:

Monitoring of Trading - Extended open-auction trading hours will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the Commodity Exchange Act ("CEA").

Compliance with Rules – Chapter 4 of the Exchange Rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. These rules continue to apply during the additional trading hours.

Execution of Transactions – Additional floor trading hours do not impact the Exchange's order execution, which will continue in the same manner as standard morning hours.

Protection of Market Participants – The Exchange's market regulation staff will continue to monitor all market participants that trade during the extended hours to prevent manipulative trading and market abuse.

Recordkeeping – Trading that occurs during the additional hours will continue to be subject to the Exchange's record retention policies which comply with the CEA.

The Exchange has discussed these proposed changes with its members and other market participants and considered the substantive opposing views expressed during those conversations. A list of the substantive opposing views that were considered by the Exchange when making the hours change are set out below:

- Many Industry participants continue to express concern about the potential disparate impact on market participants if USDA reports continue to be released while the market is open. Many of these participants, however, believe if electronic markets will be open during reports, then the floor should be open as well and that the Grain Stocks report should be considered a major USDA report and should trigger the same trading hour response from the Exchange as the other major USDA reports. This support is particularly acute among customers that trade options. Typically 70 to 80 percent of grain and oilseed options currently trade on the floor, and many option traders are concerned about option liquidity during the Grain Stocks report if the floor is not open during the reports.

- Market participants have expressed concerns that trade during USDA reports will add to market volatility. However, If other markets are open during USDA reports, having all venues and all liquidity available during the reports will allow the market to absorb market events more effectively.

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 regarding this action, please contact me at (312) 930-8167 and reference CBOT Submission 12-279 in any related correspondence.

Sincerely,

/s/ Sean Downey
Director and Associate General Counsel